Civil Wars
Publication details, including instructions for authors and subscription information:
http://www.informaworld.com/smpp/title=content=t713634578

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To cite this Article Duffield, Mark(1998) 'Post-modern conflict: Warlords, post-adjustment states and private protection', Civil Wars, 1: 1, 65 — 102
To link to this Article DOI: 10.1080/13698249808402367
URL: http://dx.doi.org/10.1080/13698249808402367

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Post-modern Conflict: Warlords, Post-adjustment States and Private Protection

MARK DUFFIELD

This paper provides a critical alternative to two key aspects of conventional wisdom in international policy. First, the prevailing notion of internal or intra-state war as bounded by traditional views of the nation-state. Second, the development model of conflict which regards so-called internal war as originating from poverty, scarcity or weak institutions. In distinction, the idea of post-modern conflict addresses the emergence of political projects in the South, including qualified state forms, which no longer need to establish territorial, bureaucratic or consent-based political authority. Moreover, rather than scarcity or breakdown, despite the high social costs involved, protracted instability can be associated with innovative and expanding forms of political economy. Using material from Africa and the European East, the paper examines some of the relations and structures involved. Warlords, for example, have forged new and viable links with international organisations and global markets. At the same time, many post-adjustment rulers, in terms of state debureaucratisation and the embrace of the free market have adopted warlord-type strategies. The changing architecture of the nation-state has also weakened the rule of law and blurred traditional responsibilities. This has created a demand for private protection at all levels within the emerging system.

CHANGING PERCEPTIONS

The prior assumptions and expectations that we hold about a particular issue or subject are very important. To a large extent they influence our views and shape what we do. This can happen even when experience may suggest something different. Throughout this paper, the need to review our assumptions and consider alternative viewpoints is a recurrent theme. It is not so much that we lack evidence, this will always be the case, it is the way
that existing ideas and texts are thought about and ordered which counts. Internal or intra-state conflict is one such issue were assumptions play a significant role. As Keen (Spring 1996) has pointed out, for most people war is essentially confusing and pointless. It is rather like:

an outsider arriving at a sporting event whose first question is: 'Who's it between?' Such analysts may be quickly reassured with a set of competing initials (for example, UNITA versus the MPLA) or a set of competing ethnic groups (the Serbs versus the Muslims). It is not always clear, however, that the roots of conflict have been illuminated in such dialogue (Keen, Spring 1996 p. 23).

Seeing war as pointless tends, from the outset, to influence ones likely views and responses. The approach that Keen has developed is based upon a different set of assumptions. It challenges us to think of conflict as having a reason and serving a purpose. War is not an irrational or abnormal event somehow separate from the workings of everyday life. It is a reflection of these processes.

Part of the problem is that we tend to regard conflict as, simply, a breakdown in a particular system, rather than as the emergence of another, alternative system of profit and power (Keen, Jan 1996: p.14).

This orientation is echoed in the work of Reno (1995) on West Africa. Concerning the economic and political strategies pursued by the Liberian warlord Charles Taylor during the first part of the 1990s, we are asked not to prejudge these in a dismissive light; that is, as local predation characteristic of weak or failed states. If one temporarily sets aside the brutal and coercive methods involved, they can be presented to the contrary, as new and innovative ways of projecting political power. While this may be an alarming supposition, given Charles Taylor’s recent victory in Liberia’s elections, his methods can nevertheless be judged as successful. Regarding Taylor’s earlier activities, Reno asks:

Does this transformed patrimonialism represent a new kind of state, an alternative institutionalisation of sovereign authority capable of defending itself and doing things without significant bureaucracies? (Reno, 1995: p.109).

The need to redefine our expectations of conflict has to be set against the character of modern warfare. As is often remarked, most conflicts and protracted political crises today are occurring within rather than between states (Gantzbel, 1997). Moreover, compared to inter-state conflicts, these so-called internal wars are often characterised by their longevity and
protracted nature. As more countries have been affected by this type of instability, responding to internal wars and their consequences has come to occupy a prominent position within international aid policy (DAC, 1997; World Bank, 1997). Indeed, internal wars have become a major policy challenge as societies have become derailed and limited development funding put under further strain: ‘helping strengthen the capacity of a society to manage conflict without violence must be seen as a foundation for sustainable development’ (DAC, May: 1997 p.1).

The idea of internal conflict not only implies a changing location of political violence in relation to the nation-state; its relative informality suggests that the organisational forms and borders of conflict are also shifting. As militia groups replace regular armies, and internal wars transmute into protracted crises, the boundaries between such things as war, crime and peace appear increasingly vague and blurred (Keen, Spring 1996). In a looking-glass world, opposites become interchangeable, and what should be distinct stages appear as different manifestations of the same thing.

Contrary to conventional wisdom, if we wish to examine conflict we must begin by analysing what is normal. Or at least, those long-term and embedded social processes that define the conditions of everyday life. The purpose and reasons for conflict are located in these processes. From this perspective, political violence is not different, apart or irrational in relation to the way we live: it is an expression of its inner logic.

GLOBALISATION AND THE NATION-STATE

A key factor within the present transformation that shapes the way people live in both the North and the South1 is the changing nature of the nation-state. The modern nation-state emerged in the transition from feudalism to capitalism. After centuries of growth, change and periodic setback, it is regarded as reaching its apogee, at least in the West, during the so-called ‘golden age’ of world capitalism from the end of the Second World War until the early 1970s (Hopkins and Wallerstein, 1996)2. While exceptions and differences in depth existed, the tone of this period was one of nation-state competence and effectiveness. It was a time of comprehensive welfare provision, macro-economic management, government regulation and unprecedented social engineering to combat the public ills of want, ill health and ignorance: the triumph of modernity. Moreover, this development was not confined to the market economies. While their legitimacy was weak, the socialist party-states of the Second World reached the peak of their economic performance (Arrighi, 1991). As for the Third World, the state-
led model of development, ideologically at least, also reigned supreme. Even the national liberation struggles of the period did not seek to abolish the nation-state. Their task was to drive out its bourgeois usurpers and proclaim a 'peoples' state. Looking back to the 1960s with undisguised nostalgia, Derlugian observes:

... the state everywhere expanded, expansive, and in its full glory. The long-term process of state formation and state expansion appeared to culminate in an unprecedented triumph. The whole globe was covered in sovereign states, and these appeared to be working in a quite satisfactory manner. For the first time there where almost no merely 'nominal governments' that could rule outside the capital cities only thanks to the support of local non-state and parasatal authorities (warlords, strongmen, sheikhs, tribal chiefs) (Derlugian, 1996: p.159).

In retrospect, this success appears to have been partial and short-lived; a couple of decades at the end of a long and halting formative period. From the early 1970s, the competence of the nation-state began to erode. Less than ten years later it would be widely accepted as having reached the limits of its abilities to manage social and economic change (Derlugian: p.170). While definitions remain contested, the concept of globalisation has been widely used to explain this change. In its more literal interpretation, economic deregulation and the growing influence of markets has reduced the power and legitimacy of nation-states. An increasingly homogenous global economy is exerting a strong levelling effect on culture and society (Waters, 1995). Critics of this literal view have argued that the global economy today is no more open than it was a century ago (Hirst and Thompson, 1996). Countervailing trends have also emerged in relation to the pressures of homogenisation. In this view, globalisation is building on earlier interconnections to create powerful processes of inclusion and exclusion which are shaping new social and spatial boundaries. Rather than homogenisation, the more interesting and important aspects of globalisation are associated with complex and emerging forms of regionalisation, localisation and social discontinuity.

In both the North and the South, globalisation is changing the architecture of the nation-state and is reworking the nature of political authority. In this respect, a number of broad North-South similarities can be described. The previous comparative advantage of the nation-state lay in its general public and economic competence including its ability to effectively maintain the provision of public goods and uphold international commitments. Of special importance was economic planning and social
redistributive measures. State competence has been redefined as new pressures; actors and intermediaries have arisen at supranational, international and subnational levels (Morss, 1991). Although sovereignty remains extremely important, it has been changed and qualified in a number of significant ways. Regarding supranational intermediaries, not only the significance of deregulated markets and international commercial networks, but the influence of inter-governmental organisations (IGOs), regional bodies and international non-governmental organisations (NGOs), has increased. At the subnational level, processes of privatisation and localisation have weakened state monopolies. At the same time, the voluntary sector has become an increasingly important welfare provider. Single issue and identity politics have also grown at the expense of formal parties.

The inclusion of new supranational, international and subnational actors within decision making processes has significantly altered the nature of political authority (Demirovic, 1996). Complex cross-cutting linkages between state and non-state actors now characterise the present system. Political authority has become increasingly multileveled and, compared to the nation-state ideal, asymmetrical. The growing importance of networks and cross-cutting linkages is central to the transition from government to governance. It denotes a situation in which political decision making has become more polyarchical. That is, ‘Hierarchical patterns of negotiation and decision-making are replaced by co-operative network like types of negotiation and bargaining’ (Demirovic: p.4).

Owing to the reduced accountability within such a system, it has prompted the emergence of a ‘governance gap’ between rulers and ruled (Cerny, 1997: p.3). Although most graphically expressed in the South, this gap helps explain why the general standing of politicians and state legitimacy is at its present low ebb.

THE NEW MEDIEVALISM

In seeking a new way to look at the world we live in, one of the most challenging alternative viewpoints is that of neomedievalism (Cerny, 1997; Deibert, 1997; Verdery, 1996). The idea of neomedievalism is, of course, a metaphor. In no sense is the world going backwards. At the same time, the feudal period existed in a localised rather than a globalised environment. It is a way of thinking about the present situation. A tool that provides a number of insights that the implicit evolutionism and triumphalism of conventional wisdom cannot.

Rather than concentrating sovereignty, feudal political authority was
shaped by its ‘parcelling out’ (Verdery, 1996: p.208). That is, the creation of zones of authority with overlapping boundaries and, at the same time, no universal centre of competence. From this perspective, Cerny (1997) has described the present system of global governance linking North and South. There are two main considerations. First, nation-states have been transformed into enforcement agencies for decisions made at other levels within the globalised system. Second, due to the governance gap in polyarchical decision making networks, the system as a whole finds it increasingly difficult to create effective and multifunctional co-ordination mechanisms. As government has been replaced by governance, the ability to reach collective decisions or agreements has diminished. In other words, the ‘entropy’ within the system has increased. Establishing global agreement on key social, economic and environmental issues, for example, is illusive and time consuming.

This structural entropy has been reinforced by the post-Cold War absence of a direct or sustained external threat. Apart from fears of weapons proliferation and the problem of so-called rogue states, northern governance structures lack an immediate, credible and system threatening outside enemy. Reflecting the implicit triumphalism of the liberal-democratic project, most problems now appear as internal ones. That is, as issues economic doctrine, political arrangement or psychological makeup (Duffield, 1998). The qualification of nation-state autonomy by non-state actors suggests an international system that, following Cerny (1997), is once again characterised by:

- competing institutions and overlapping jurisdictions of both state, non-governmental and private interest groups,
- more fluid territorial boundaries both within and across states,
- the increasing inequality and isolation of various underclass and marginalised groups,
- the growing importance of identity politics, ethnicity and multiple and fragmented loyalties,
- contested property rights, legal statutes and conventions,
- the spread of geographical and social ‘no go areas’ where the rule of law does no longer extends,
- a growing disarticulation between the economically dynamic and technologically innovative northern regional systems and the southern areas outside.

The disparate and differentiated elements of this system combine together in a long-term ‘durable disorder’. That is, with governments neither being able to solve ‘root causes’ nor, at the same time, allow total system collapse.
So far, the discussion has focused on the general similarities regarding the process of nation-state transformation in both the North and the South. However, while there are some exceptions, the North is not generally characterised by the types of internal war and protracted instability that we see in many areas of the South. Apart from increasing economic polarisation and social exclusion in the North, an important trend there has been the emergence of transnational regional systems and co-operative economic networks. In the South, in contrast, political assertiveness, separatism and regional fragmentation are more apparent. In order to understand this difference, we need to establish the divergent opportunities which globalisation has created for northern and southern rulers.

REGIONAL INCLUSION AND EXCLUSION

At an international level, rather than producing an unqualified and homogenous world economy, globalisation has encouraged a process of differentiation and regionalisation. Transnational regions have emerged where states are linked by cross-cutting economic agreements and instruments, together with multilevel linkages between supranational, international and subnational institutions. Contemporary regionalisation can be seen as one attempt by northern rulers to compensate for the declining competence of nation-states. The three main regional systems, the so-called triad, are centred on the North American Free Trade Area (NAFTA), the European Union (EU) and the more ad hoc regional arrangements among the economies of East Asia. The multilevel and cross-cutting arrangements within these regional systems are markedly different. The EU, for example, is the oldest of these blocs. Perhaps reflecting this status, it is the only one that has attempted to establish a regional quasi-state based on horizontal integration. That is, to date at least, admitting members and deepening integration on the principle of comparable economic performance.

The newer blocs have followed a different approach. This can be seen, for example, in relation to the East Asia’s more informal regional arrangements. Rather than horizontal integration, these attempt to exploit skill and resource differentials (the development gap) between areas and economies. Pragmatic and localised agreements between nation-states aim at bringing different actors and resources together on the basis of vertical integration (Duffield, 1990). Usually in the form of geographically circumscribed Sub-Regional Economic Zones (SREZs), the financial and management skills of one country, for example, can by used to exploit the natural resources and labour power of another (Parsonage, 1992). One could argue that the EU is attempting to organise the parameters of market
competition. In East Asia, however, transnational regional arrangements aim at changing market structures (Morales and Quandt, 1992). Together they represent the emergence of competing regionalised models of capitalism which are shaping the global economy.

While the linkages and arrangements within northern regional systems differ, there are a number of general similarities. All are facing the qualification of nation-state competence through deregulation, increasing market competition and growing business risk. Consequently, there has been a tendency for the interests of states and companies to merge. States themselves have become competitive states helping business establish global comparative advantage through new or neo-liberal systems of regional integration (Mittelman, 1997). The development of flexible or 'just-in-time' manufacturing techniques have also encouraged such systems. These alliances help reduce risk and spread research and development costs. As a result, the activities of transnational companies (TNCs) have tended to become more geographically focused and associated with regional productive systems and local product differentiation (Morales and Quandt, 1992). Most northern companies now reach the global market through regional alliances and joint ventures.

Since the 1970s, the conventional global economy (that is, regulated by law, quantifiable and open to audit) has tended to concentrate within and between the main transnational regional systems (UNCTC, 1991). A good example of this trend concerns EU economic activity. The Lomé Conventions were established in the mid 1970s in order to create preferential economic arrangements between the EU and its developing African, Caribbean and Pacific (ACP) partners. Despite improved access, however, the ACP share of EU imports fell from 6.7 per cent in 1976 to just 2.8 per cent in 1994 (Brown, 1997). EU exports follow a similar pattern. At the same time, however, EU trade with Asia has trebled.

The regional concentration of the conventional economy is also suggested in the figures on global income distribution. During the past thirty years, the ratio of income held by the richest fifth of the world’s population compared to the poorest has doubled from 30:1 to 61:1 (UNDP, 1996) a trend which is still accelerating. The areas where measurable economic activity has decreased (in terms of conventional median indicators) are those that lie outside the main transnational regions: Africa, Latin America, the Caribbean, the Middle East, Eastern Europe and the former Soviet Union. According to UN figures, more than a quarter of the world’s population now have incomes that are lower today than ten or even twenty years ago. Although such figures are alarming, they should not be interpreted as implying that the South is somehow economy-less. They are
indicative of the extent to which economic activity has been informalised (Tabak, 1996) and, as such, is beyond conventional accounting.

The concentration and informalisation of the global economy has serious implications for how southern rulers and political aspirants have faced globalisation and the changing architecture of the nation-state. The concentration of conventional economic activity within northern regional systems has intensified the problems of state transformation in the South. Compared to northern rulers, southern political actors lack the ability to use their position within regional productive systems to retain and expand conventional economic activity. It is in this respect that we need to change our assumptions and expectations regarding so-called internal war and protracted political crisis. Lacking the benefits of northern rulers, many southern rulers are having to contend with a contracting conventional economy at the same time as declining development assistance. While problems of globalisation and eroding state competence may be shared, southern rulers have had to devise adaptive and innovative strategies for survival. They have forged new alliances with international actors, including commercial ties to develop the informalised economy (both semi-legal grey and illegal parallel activities). While largely unrecorded, this expanding political economy has also been used to create new internal clientage networks. Such differences of opportunity underpin the contrast between northern and southern regional dynamics. In the former, processes of integration are taking place. In the latter, separatist and politically assertive formations are evolving. Writing in relation to the Balkans, Bojicic et al (1995 p.10) observe that:

... despite being geographically the south-eastern flank of Europe, [the Balkans region] manifests a profound marginalisation and fragmentation, which has gone on in parallel with the process of integration in the European core.

In relation to southern separatist tendencies, the governance gap inherent within the changing architecture of the nation-state achieves a new importance. Grey or parallel activities often involve the control, coercion or expropriation of populations and their assets (Duffield, 1994). Such ruler strategies not only challenge the conventional association between government and the public interest, they often exact a high social cost. A situation expressed in the image of so-called complex political emergencies. While similar processes of inclusion and exclusion are taking place in the North, in the South these trends often find a more violent and explosive expression.
GLOBALISATION AND THE DEMISE OF ALTERNATIVE MODERNIST PROJECTS

It was the end of the 'golden age' of Western capitalism in the early 1970s, that set in train the re-establishment of Western influence in both Africa, Eastern Europe and the former Soviet Union. In the case of the former as a return after a temporary slackening between the 1950s and 1970s. Regarding the European East, as a rekindling of relations following a period of socialist autarchy. The engine of this change was the attraction of Western credit followed by the taskmaster of debt. By the 1970s, the attempts by both African development-states and socialist party-states to chart independent paths of modernisation were coming under increasing strain. They were being outpaced by the tremendous economic advances in the West during the long post-war boom. Although the OPEC induced energy crisis in the early 1970s served to slow down the overall rate of global economic expansion, it also left Western banks sitting on a growing mountain of petro-dollars which they were happy to lend.

In many parts of Africa, borrowing money became one way of attempting to address the eroding competence of the state. A common response to the declining terms of trade for primary produce was to mechanise and intensify agricultural production (Duffield, 1991). Economies that had been largely geared to internal consumption became increasingly externally orientated. At the same time, property rights, especially in relation to land, came under increasing strain. Regarding the socialist party-states of the European East, by the 1970s, they were experiencing the weaknesses and rigidities of 'actually existing socialism' (Bahro, 1978). While the need for reform was well-known, taking Western loans became a widespread means of attempting to delay or put off this process (Verdery, 1996). As loans turned to debts during the 1980s, few of the original problems for which the debts had been incurred had been solved; indeed, they had deepened. The ensuing crisis in both the African and European East resulted in the loss of economic sovereignty through the growing ability of the West to insist on structural adjustment; that is, market deregulation and state debureaucratisation (Walton and Seddon, 1994). By the end of the 1980s, this pressure had been formalised as political conditionality or the tendency to tie development aid to liberal-democratic reform (ODI, 1992).

It is a cruel irony that the OPEC-induced energy crisis of the early 1970s, helped generate the loans which eventually led to economic and political conditionality. The energy crisis was, itself, the beginning and the end of Third Worldism. That is, a political project which saw
underdevelopment in the South as a function of development in the North (Frank, 1967). To redress this situation, the response was to demand a reform of international trade relations. The ultimately unsuccessful mid-1970s demands for a New International Economic Order (NEIO) reflected this approach (Adams, 1993). The breakaway of East Asia, and its taking on the West at its own capitalist game, saw an increasing inward orientation among the remaining Third World countries under the pressures of structural adjustment. Debt financing replaced attempts to reform the international trading system.

While unsuccessful, the attempt to establish a new international trade order did, however, have an impact in the North. It helped unleash a defensive wave of technological innovation which would increase further the distance between it and the South. A synthetics revolution in manufacturing, for example, together with declining build quality, has significantly reduced the dependence of northern industries on southern raw materials (Kaounides, 1990). Increasingly, Africa has been reintegrated into the world economy in terms of being a specialist supplier of a few high-value minerals or niche tropical products. Regarding the European East, with economies having some similarities with the so-called Fordist period of mass manufacturing which the North was leaving behind, the postponement of reform only served to heighten the problems of actually existing socialism. In the face of the West’s technological revolution and ‘just-in-time’ production methods, the planned economies were increasingly anachronistic. Soon, Africa would be producing raw materials that few countries needed, while the European East was manufacturing commodities that no one desired.

By the early 1980s, Third Worldism was already a spent force. Within less than a decade, the same was true of the socialist party-state. It is important to note that the political demise of both of these alternative modernist projects; that is, having the state as their main agent was a necessary precondition for increased globalisation. Following the uncertainties of the early post-Cold War years, since the mid 1990s, global markets have been expanding with a ready confidence. Even in areas which appear unstable and fractious. For the new rulers in the South, the demise of state-led modernity has demanded fresh and innovative responses. The expansion of deregulated global markets has provided an important strand in that adaptation.

**ADAPTIVE PATRIMONIALISM**

The term ‘post-modern conflict’ serves as the main title for this paper. It is
preferred to the more common ‘internal’ or ‘intra-state’ war. The difference is important and goes to heart of the critique of conventional wisdom. Ideas of intra-state war are usually associated with traditional views of the nation-state. That is, a territorial form of bureaucratic and juridical political authority where rulers govern by some form of consent. Internal war suggests conflict within the limits of this structure. That is, of forces either attempting to defend or usurp state power. Post-modern conflict, however, addresses the emergence within the past couple of decades of political projects in the South, including qualified state systems, which no longer seek or even need to establish territorial, bureaucratic or consent based political authority in the traditional sense. It reflects the re-emergence of globalised political economies no longer reliant on an inclusive nation-state competence.

*Abandoning Evolutionism*

In relation to the South, conventional wisdom implicitly adopts an evolutionist or teleological approach. While Africa is regarded as facing a development challenge, the European East has to tackle the problem of transition. Policy makers usually regard development and transition as distinct stages or conditions. Globalisation pressures, structural adjustment and aid conditionality, however, have tended to merge these agendas. In the last analysis, the South in general is regarded as progressing, albeit often haltingly, toward liberal-democracy. Encouraging market reform, privatisation and the creation of representative institutions are regarded as essential parts in this transformation. However, such evolutionist assumptions that is, regarding progress as a series of intermediate stages leading to a higher form have a number of limitations. It tends to ignore or minimise the separatist and exclusionist processes that globalisation has encouraged. Election irregularities in the European East, for example, become signs of the immaturity of the democracies concerned (Guerra, 1996). Something which will disappear as the habits of socialism die out. Instead of analysing actual relations, policy makers interpose an abstract teleological image of what these societies ought to become, or what they should be like now. Essentially, what is minimised or ignored is the possibility that we are witnessing the emergence of new and singular political dynamics in the South.

There is a need to question conventional evolutionist assumptions and expectations. In addressing this point, Verderry (1996) has suggested a different supposition in relation to the European East. One which consciously mocks the idea of evolutionary progression. Reflecting the neomedieval metaphor, instead of thinking of a transition to liberal-
democracy, she postulates a 'transition to feudalism' (Verdery: pp.204-228). A similar imagery informs the work of Schierup (1992; 1997) on the break-up of Yugoslavia. Here, we are asked to consider the crisis as a form of 're-traditionalisation' of contemporary social and political relations. Concerning Africa, Reno (1995) and Ellis (1995) have argued that warlord structures, both in their relation to foreign companies and dependent civilians, have established patterns of political authority reminiscent of the pre-colonial chieftancy system. These authors evoke such post-modern back to the future images as a counter to the evolutionary and triumphalist limitations of conventional wisdom. Indeed, rather than liberal-democracy, these alternatives view contemporary political projects in terms of the emergence of multiple and overlapping sovereignties in the context of weak central authority. At the same time, they suggest the possibility that southern rulers may be adapting the new globalised system to suit their own capabilities and long-term interests. Innovations which imply that the spread of liberal-democracy cannot be taken for granted.

From Nation-States to Multiple Sovereignties

Both the post-colonial African development-state and the socialist party-state based their political authority on different forms of patronage and clientage. In Africa:

Incorporation of existing authorities, manipulation of informal networks and intermediaries have held together African regimes in settings of weak legitimacy and economic scarcity since the start to the colonial era (Reno, April 1995: p.7).

Colonial rule frequently made use of local strongmen. Such people could exercise power through access to state resources and patronage. The British system of native administration (indirect rule through local chieftancy systems) is an example. While not abolishing this system, at least immediately, independence and the expansion of the bureaucracies of the developmental-state, introduced new tensions. That is, between state bureaucracies as the forces of modernity and local strongmen as the arbiters of tradition. Apart from providing patronage and gain, state bureaucracies could also become bases of political opposition. Rulers were often forced to choose between satisfying popular social demands, and hence building political legitimacy, or managing political threats from within state bureaucracies and from strongman opposition. Cold war rivalry, together with borrowing, created aid resources which rulers could use to service client networks. At the same time, however, the temptation was to gut bureaucracies as a means of both limiting internal opposition and diverting
funds into other uses (Reno, 1996: p. 4). Regarding debureaucratisation, social and welfare spending and hence popular legitimacy, has often been the first thing that so-called weak-state rulers have dispensed with.

Concerning the socialist party-states, contrary to the popular conception of totalitarianism, such states can now be seen as comparatively weak. Like Africa, they also suffered from continual crises of legitimacy. The nature of socialist production contained a number inherent tensions and contradictions. Regarding capitalism’s inner logic to maximise profit and promote consumerism, central planning encouraged different and contrasting trends. That is, the hoarding of materials by the managers of enterprises in order to increase their bargaining power with other state functionaries. In consequence, most people endured erratic supplies and endemic shortages. Relations of clientage between managers and consumers, together with hoarding to increasing bargaining power were factors that continually undercut central party control and legitimacy (Verdery, 1996: pp. 22–3).

At the same time, similar weaknesses affected vertical power relations. Socialist production with its pervasive shortages bred an oppositional consciousness among workers. The typical response of the party was twofold. First, the development of an extensive machinery of surveillance. Second, and more positively, an attempt through social spending and redistribution to actualise the paternalistic socialist state. Whereas capitalism aims to sell goods, the socialist party-state attempted to secure legitimacy by giving goods and services away. Structural shortages, however, continually undermined this legitimacy. Moreover, they prompted the emergence of the so-called second economy. Since the planned economy could not guarantee supply, people developed a range of informal activities to obtain the goods they needed. This could include workmen moonlighting with materials obtained from their factory, shopworkers keeping scarce goods for special customers, or collective-farmers cultivating ‘private plots’. However, the second economy was not a substitute for the planned economy (Verdery: p. 27). Rather, it was parasitic upon it.

Regarding the neomedieval metaphor, Verdery (p. 208) notes that the Soviet work organisation had an affinity with feudalism. Unlike Western capitalism where the firm is essentially an economic institution, the Soviet enterprise was a primary unit of society providing access to goods, services and patronage: a base of political power in its own right. As the competence of the socialist-party state began to erode from the 1970s, the directions of the transformation that occurred were shaped by the existing contradictions and tensions within the system. In particular, as the centre weakened, there was a growing autonomy of regions, together with their enterprises and
related client networks.

A similar image had been drawn by Ellis (1995) for the changing nature of political authority in Liberia during the early 1990s. Especially, the emergence of autonomous warlord systems.

This has produced a mosaic of militia zones of control, where civilians have some degree of protection but must pay tribute in kind to the local warlord, constantly shifting frontier zones in which civilians are liable to raiding from all sides. The aim is control of people and acquisition of booty more than to control territory in the conventional military manner (Ellis, 1995: p.185).

Similar views have been expressed for Sierra Leon (Reno, April 1995: p.30) and for South Sudan during the latter part of the 1980s (Duffield, 1994).

**Separatism and Re-traditionalisation**

By 1990, the regions in the Soviet Union were already exerting a visible autonomy from the central government (Humphrey, 1991). A situation had developed in which it was increasingly uncertain where government and the law resided. Productive enterprises and firms where being run in an increasingly personalised way as separate suzerainties. Managers and local political bosses were attempting to use their control of resources as leverage to protect their workers and clients. In many ways, eroding nation-state competence was leading to a greater dependence on locality and the erection of local barriers to exclude outsiders and migrants.

The collapse of the party-state reinforced the tendencies to personalism and patronage inherent in such arrangements, making many people dependent on their locality, their workplace, or their boss for access to food, housing and loans (Verdery, 1996: p.206).

Sheirup’s (1992; 1997) analysis of the break-up of Yugoslavia reflects and amplifies this approach. The effects of Yugoslavia’s ‘self management’ reform, rather than modernising the socialist system, led to a growing autonomy of the republics and a weakening of the Federation. By the 1980s, the republics where already beginning to look and act like small nation-states. Local party bosses and managers attempted to maintain legitimacy by continuing to provide employment and social services despite worsening economic conditions. In competition with the others, each republic, often at the level of the individual enterprise, tried to forge links with international companies. Technology transfer was unco-ordinated and irrational. The deepening crisis tended to reinforce local relations and kinship ties. In a reversal of the international trend toward urbanisation, this included a
strengthening of urban-rural links. Maintaining family land or helping relatives on their farms was an increasingly important dietary supplement. A trend which would develop further during the war (Duffield, 1994 March). Republic structures were:

... to blend organically with the most authoritarian features of the social and political relations of real socialism. The local party elites and the increasingly ‘national’ working classes of the single republics autonomous provinces were to be bound together by innumerable ties of an increasingly traditionalistic character. These were displayed in idioms such as kinship, friendship, locality and ethnicity, taking the form of a complex network of reciprocal favours, pervading the entire society (Schierup, 1997: pp.55–6).

Based on the bureaucracies which self-management had created at the republic and province level, ethnic particularism developed politically into distinct nationalist ideologies. Movements which supported the emergence of separatist economic tendencies. Republics attempted to protect their interests and those of their clients, including forming linkages with foreign companies, by blocking and undermining similar attempts by others. As a prelude to war, closed sub-economies emerged and the level of intra-republic investment dwindled. The term ‘ethnic cleansing’ entered the public domain following the brutal activities of Serbian paramilitary units in Croatia and Bosnia Herzegovina in 1991–92. This process, however, has a longer history in the region and was used by all parties prior to the outbreak of open war (Schierup, 1993). From 1990, for example, following the first multiparty elections in Croatia, Serbs were purged from the government bureaucracies. A similar process of administrative cleansing took place in Bosnia Herzegovina following the election of ethnically oriented parties in 1991.

While the Balkan war may have coined the term ethnic cleansing, it is clear that the process of social inclusion and exclusion involved has a much wider application. It is typical of the reworking of political authority in a period of declining nation-state competence and globalisation. It is these processes and not the alleged reappearance of age-old and suppressed ethnic hatreds (Kaplan, 1994; Kennedy, 1993), which are important. Africa and the European East provide many examples. Regarding the latter, the effects of the demise of central authority have been greatest where pre-existing federal systems collapsed as republics declared their autonomy. That is, in Yugoslavia and parts of the Soviet Union. While less violent, similar processes have been taking place in other areas including Hungary and the Czech Republic.
Regarding the European East, the instability and wars that have accompanied the reworking of political authority are not irrational events somehow unconnected with long-term and socially embedded political processes. Rather, the wars of the 1990s appear, if anything, as a quickening or intensification of these processes. In most cases, the resulting conflicts can be regarded as successful in that they have established the separatist ethno-nationalist states that their perpetrators sought. In the case of the Balkans this is despite unprecedented Western involvement. Croatia, Serbia, Bosnia Herzegovina (divided into three ethnic enclaves) and Macedonia have established ethnocentric political systems. In the Transcaucasus region, Armenia, Azerbaijan and Georgia (practically divided into three or four enclaves) are similar. Albania, Moldova and Slovakia could also develop in this manner (Ivenkovic, 1997). While not established by overt violence, the secession of the Baltic states of Latvia, Estonia and Lithuania has also added to the growing list of ethno-nationalist states. That is, states which implicitly or explicitly define citizenship in ethnic terms and, moreover, use both de facto and de jure measures to oppress and exclude minorities. For such states, maintaining internal social boundaries is important for realising the sectarian political legitimacy on which they depend.

*Warlord Strategies*

Sufficient has already been said regarding neomedievalism to extend this metaphor to the question of so-called warlords. This term first came into popular usage as a way of describing China during the 1920s. That is, the appearance of local strongmen able to control an area and exploit its resources while, at the same time, keeping a weak central authority at bay. By the early 1980s, this concept had reappeared in Africa to describe, for example, the situation in Chad (May, 1985). A factor which one should emphasise about modern warlords, however, are the linkages that they forge with the international economy. Today’s successful warlords think globally but act locally.

A difficulty in studying warlord structures is that they are extra-legal. This problem, however, extends to the whole question of second or parallel economies. Like the second economy of the socialist party-state, African parallel and grey economies have developed in response to the rigidities and malformations affecting the productive system: colonial borders, punitive tariffs and the price distortions of structural adjustment (Meagher, 1990). While under researched they are extensive, forming part of transregional and even transcontinental grey trading networks. Nor should it be assumed that parallel activity is less important than legitimate trade. The UN currently estimates, for example, that not only has the world’s drug trade
grown dramatically over the last decade, but with an estimated annual turnover of $400 billion it is now equivalent to 8 per cent of world trade (Taylor, 1997). In other words, it is now bigger than international trade in motor vehicles, steel or iron.

The magnitude of this parallel economy is further indicated if one examines the significance for an individual drug producing country. During the late 1980s, for example, coca cultivators in Bolivia were estimated to have earned some $316 million from their crops. This was more than the value of all the rest of Bolivia’s agricultural production (George, 1992: pp.41–2). At this time, Bolivia was also producing about 1 million kilos of cocaine paste. Leaf cultivation and paste production were the main source of foreign currency, exceeding the performance of all legal exports. Estimates for the total amount monetised range from $0.5 – $1.5 billion per year or, at the higher range, about one-third of Bolivia’s official GNP.

In themselves, such magnitudes are not that remarkable. They could be matched by other cocaine producers as well as parallel economies in Africa and the European East. Albanian, for example, is estimated to realise one-fifth of its national income through smuggling (Borger, 1997). In relation to Bolivia, what is notable is that when reviewing the Bolivian economy, the IMF has made no mention of the drug industry despite its size and importance (George, 1992: p.46). It is a case of out-of-sight, out-of-mind. Because it is illegal it cannot be measured or controlled; therefore, for official purposes it does not exist. UNDP’s annual figures on global income have already been mentioned. While reflecting the concentration of the conventional economy in the North, the inability to record parallel and grey economic activity suggests that there is a gapping hole in such data regarding the South. This omission can give the impression that the South is becoming economy-less. This in turn, supports the pervasive developmental view of internal conflicts. That is, they are symptomatic of predatory resource wars having their origins in impoverishment, ignorance and weak institutions (Anderson, 1996). Phenomena which will disappear as development and conflict resolution measures tackle the causes and symptoms of scarcity.

Reno (April 1995) has argued that warlord strategies should be seen in a more singular and historic light. Indeed, as representing viable and innovative non-state forms of political authority. Global marginalisation has given local actors the chance to rework the nature of political authority. The choices available for waging political struggle include the pursuit of both parallel activities and the control of formal state institutions. At the same time, globalisation means that new non-state allies are also available. Political authority in such circumstances encourages experimentation and
innovation: a form of perpetual crisis management.

‘Warlordism’ and incumbent ruler’s intentional destruction of institutions are examples of debureaucratisation and shifts in political forms, rather than ‘state of decay’ in the sense of abjuring any institutionalisation of political authority (Reno, April 1995: p.9).

Despite insecurity it is also the case that political actors in crisis regions are still able to form a variety of external relations. Charles Taylor’s National Patriotic Front of Liberia (NPFL) is an example of this type of alternative (Reno, April 1995: pp.11-18; Reno, 1995). From a small scale invasion force in 1989, the NPFL reached its zenith in 1992-93. By this time, Taylor exercised control over much of Liberia and part of Sierra Leone. A fluid area the NPFL called ‘Greater Liberia’ or ‘Taylorland’. While dispensing with juridical state structures, Greater Liberia had its own currency, banking system and television station. Complementing local coercion, in order to cement his control, Taylor established a vigorous external trade in timber, agricultural produce and diamonds. This trade was conducted through a number of foreign firms and commercial networks. In terms of militia support, Taylor relied on the marginalised youth. That is, those elements particularly alienated from the decaying patrimonial network of the developmental-state. (Reno, April 1995: p.28).

Foreign firms where essential in consolidating Taylor’s social position. Firestone, Tyre and Rubber Co, Swidler and Berlin, Washington DC (a PR company) and French commercial interests where involved. During the early 1990s, Taylor was France’s third largest supplier of tropical hardwoods. In this respect, NPFL activity is a good example of the blurring of legitimate and extra-legal parallel activity in the present period. It is indicative of a grey zone of international commercial activity which has become increasingly important as global markets have expanded into unstable areas (Pech and Beresford, 1997). Taylor also formed alliances with other global networks following similar survival strategies. For example, a privatised Ukrainian weapons manufacturer, COLA, provided small arms. Regarding internal commercial relations, several prominent Monrovian families headed companies in Taylor’s area. These included, Logging International Timber Inc. and Bong Bank. He also incorporated Lebanese companies active on the coast. With their cross-border links into the Cote d’Ivoire, they opened up another route for arms supplies.

Taylor was a pioneer in the use of foreign companies as a source of hard currency and, importantly, to physically control territory and deny resources to opponents. Compared to the patrimonial dependence on state institutions for resources, the growing reliance on foreign firms and intermediaries is a
new development. Regarding the role of commercial companies,

... to attract some foreign collaborators, rulers may convince prospective partners that they can profit from non-enforcement of regulations and benefit from the private use of state power (Reno, 1995: p.112).

Within the expanding grey zone of international commercial activity, through negotiation and private deals with rulers, companies are able to secure a degree of privilege and protection. If there is one thing that has characterised the expansion of global markets in unstable regions, however, it is the increasing use and sophistication of private corporate protection (Shearer, 1997). The control of assets being more readily assured. Not constituting a state, Taylor was also free from creditor demands. In some respects, he was better placed than many juridical states. While similar parallel and grey activity is expanding in many areas of the South, little if any appears in official development statistics.

The Viability of Parallel Economies

An important characteristic of parallel economies is that they are dynamic. As fresh opportunities arise and circumstances alter they mutate over time. They are also extremely heterogeneous, reflecting different local circumstances and linking a variety of actors and intermediaries. Within Africa, for example, one can make a distinction between parallel actors that are able to control and exploit valuable commodities, such as, hardwoods and diamonds, and those that cannot. This establishes a rough distinction between West and Southern Africa as opposed to the Horn. Regarding the latter, this has meant that diaspora remittances and humanitarian assistance has played a relatively more important role. Remittances and external political networks, for example, were a vital aspect of the Eritrean Peoples Liberation Front’s (EPLF) political economy (Duffield and Prendergast, 1994). They have also played a major role in northern Sudan’s parallel economy (Brown, 1992). Regarding humanitarian aid, it is significant that whereas most of the rebel movements in the Horn have formed humanitarian wings in order to interface with the aid community, in West and Southern Africa this is less noticeable. In this respect, Garang’s Sudan Peoples Liberation Army (SPLA) is among those movements that are the most dependent on foreign aid. This gives it a number of differences when compared, for example, to Savimbi’s UNITA or Taylor’s NPFL. Not least, as a means of accessing foreign aid, it has developed a client civil administration versed in the aid speak of empowerment, capacity building and civil society.
Even for aid dependent organisation's like the SPLA, however, the nature of that reliance has changed with the shifting internal and external relations. During the 1980s, the core of the SPLA drew on relief assistance being distributed by the UNHCR to border refugee camps within Ethiopia (African Rights, 1997). Within South Sudan, however, the SPLA developed through a combination of playing on ethnic tensions and instigating a process of asset stripping from opposing or vulnerable ethnic groups (Duffield, 1994). With the fall of the Ethiopian Dergue in 1992, and the expulsion of the SPLA from its base camps, this situation changed. Now having to consolidate itself within South Sudan, asset stripping, with the exception of ethnic schisms within the SPLA itself, has given way to promoting parallel trade and the covert taxing of aid distributed through the UN’s Operation Lifeline Sudan.

Similar changes over time can be detected in southern Africa. During the 1980s, both RENAMO in Mozambique and UNITA in Angola developed similar economies. Using displaced and captive labour, they developed base areas dedicated to agricultural production. The zones outside of these areas were reserved for either forced taxation or systematic infrastructural destruction as a means of government asset denial (Duffield, March 1994: p.29). Regarding UNITA, its home area was in southern Angola adjoining the Namibian border. This facilitated the cross-border assistance it then received from South Africa. In 1989, as a result of the changing external political environment, this cross-border assistance ceased. Consequently, the centre of gravity of UNITA’s political economy moved to the north and Angola’s diamond fields (Vines, 1993).

During the uneasy lull following the peace accords of 1994, UNITA, in many areas competing with army officers, consolidated its position in the diamond fields. At the same time, UNITA developed links with Zaire’s patriarch, Mobutu, establishing bases in the South of this country. In this way, UNITA became part of Mobutu’s diamond network, linking Lebanese, Angolan and South African commercial networks (Reno, April 1995: p.26) In the mid 1990s, Angolan government revenue from diamonds was $36 million per year. At the same time, however, it was estimated that $350 million, nearly ten times that amount, was leaking out through the Angola part of the network alone (van Niekerk, 1995).

UNITA’s reluctance to relinquish control in the diamond fields continually undermined the UN’s demobilisation efforts (Nicoll, 1997). Proposals were even made to divide the diamond fields between the government and UNITA, allowing the latter to mine them legally. This situation, however, changed with the recent fall of Mobutu to Laurent Kabila’s Alliance of Democratic Forces for the Liberation of Congo
(AFDL). Helped by Angolan, Ugandan and Rwandan forces, this change has provided a fresh challenge to UNITA. It has also seen a realignment among the actors exploiting the mineral wealth of the region. In what is now the Democratic Republic of Congo, even before Mobutu had fallen, foreign mineral companies were busy brokering deals with Kabila and severing their relations with the dying regime (McGreal, 1997).

Such dynamism is typical of parallel and grey networks elsewhere. Their long-term viability is suggested in another area of Africa, that is, Somalia, a country reflecting the compatibility of parallel activity, warlordism and foreign commercial interests. Like Albania (Lennon, 1997), the Somaliian economy can be seen as a burlesque of free market deregulation. Since June 1995 Mogadishu has been partitioned between three warlords. The southern area is divided between two of these and is currently the main zone of instability. The central districts have been devastated by fighting and there is no running water or electricity. However, the currency is stable and the economy is widely regarded as expanding (Bradbury, 1997: pp.20–2). There are three telecommunication companies operating mobile telephone networks. Since fighting has destroyed the physical infrastructure, satellite technology is in demand. Prices for calls are said to be better than before the war (Bellos, 1997). A Malaysian company has recently established a bank and there are now regular commercial flights to Djibouti. An American and an Italian company are also producing and exporting bananas. At the same time, Lebanese and Bosnian companies are importing arms.

Many Somali businessmen are supported by remittances from abroad. Although there are no state institutions, the commercial community is said to be optimistic concerning the business situation. As one post-modern trader explained: ‘There are no regulations. The competition is very healthy for the businesses and for the customers ‘(Bellos, 1997: p.20).

It is tempting to look at this healthy, albeit largely parallel and grey economic activity, from a developmental perspective. That is, as a sign that Somalia is on the road to recovery and that economic growth will eventually lead to peace and reconciliation. No doubt, many policy makers have already reached this comforting conclusion. However, it is worth considering a prophetic article written in 1981 (Miller) which, even then, pointed to the extensive nature of the parallel economy in Somalia and its potential for instability (see also Jamal, 1988). Current economic activity could be another case of ‘back to the future’.

According to conventional wisdom, Africa has more than its fair share of the world’s poorest countries. Many areas of the European East are also joining this hapless club. While this is true at one level, if taken as a conceptual starting point, it can be misleading. By examining parallel
activity, one gets a different if not alarming impression. Regions in which
the average lot is increasing poverty, also appear to be awash with money
and opportunities for those able to command organised violence. Although
lacking state legitimacy, it is estimated, for example, that during the early
1990s, Charles Taylor's activities in Liberia netted him an income of around
$400 to $450 million per year (Reno, 1996: p.10). Between 1992 and 1996,
Savimbi's Angolan diamond and other operations earned a similar yearly
return or about $1.5 billion in total (Economist, 1996). Although weapons
have to be purchased, this is still a reasonable income. Where estimates
have been made of the amount of wealth in private hands, as in the case of
capital flight from northern Sudan, the inference has been drawn that it is
often more than enough to pay the foreign debts of the countries concerned
(Brown, 1992).

Contrary to conventional wisdom, the main issue in the South is not that
of poverty per se. It is the wide governance gap which allows elite survival
strategies to be pursued regardless of the social cost. At the same time, this
gap ensures that little if any of the wealth amassed is shared with the general
population. Indeed, much of it is made at its expense.

Privatisation and Illiberalism
The above discussion of warlordism and parallel economies in unstable
areas has focused on instances of effective political authority existing
outside formal state bureaucracies. It would be a mistake, however, to
regard the strategies involved as confined to non-state entities. As Reno
(April 1995) has pointed out, the viability and long-term usefulness of such
actions is reflected in the fact that many state actors in the South are
resorting to similar strategies. That is, they are axing state bureaucracies and
curbing civil liberties as a means of managing internal opposition; together
with encouraging grey or even parallel activities while forging new
alliances with international intermediaries. The types of parallel networks
discussed above are just as likely to be supported by qualified state forms as
they are by warlords.

Although the architecture of the post-patrimonial state may differ from
its earlier condition, it nevertheless represents an attempt to re-establish a
degree of stability between state and non-state actors. The pressures toward
political separatism and regional fragmentation discussed above can also be
regarded as producing countervailing forces. That is, demands for the
reconstitution of some form of central authority. In the case of East Europe,
Verdery (1996) has described this as a simultaneous process of
'destatization' and 'restatization'. From the decomposition of
developmental and socialist-party states has emerged a range of what can be
provisionally termed *post-adjustment* states in the South. In many cases, the acceptance of neo-liberal prescriptions by the new rulers has been part of an often violent process of elite succession in which conflict and economic adjustment have been associated. Many of the ethnocracies of the European East, together with Africa’s one-party regimes, are examples of post-adjustment state entities. This transformation has been underpinned by both internal and external pressures, including that exercised by donor governments and lending institutions, for a legal and responsible political authority. It is in relation to the emergence of post-adjustment states in the South that the issue of privatisation can be introduced.

Like democracy, *privatisation* is a powerful symbolic operator for Western governments and lender agencies. In relation to Africa, it represents the willingness of rulers to turn their backs on patrimonialism and state corruption, and embrace the prospect of development. For the European East, it signals the end of the socialist nightmare and the first step in the transition to liberal-democracy. Since privatisation is part of the framework of conditionality governing aid and international acceptance, it is a symbolic language that many southern rulers have also learnt to speak. At the same time, however, privatisation does not contradict the neo-medieval model of political authority discussed above. That is, the emergence of multiple, overlapping and autonomous areas of sovereignty side by side with a weak central competence. In many respects, this reflects the neo-liberal ideal of deregulated markets supported by a facilitator state. Neither does privatisation represent a problem for southern rulers wishing to marginalise or ditch increasingly expensive clientage networks based in the bureaucracies of the patrimonial state. In fact, within the post-adjustment state it is an essential political tool. In this respect, there is a gulf between the symbolic meaning of privatisation in the North and its actual practice in the South.

Within the South, following the ending of the Cold War, new forms of regime classification are being imposed by the North. Rather than political ideology, achieving positive recognition within the new system is now largely based on a state’s willingness to adopt neo-liberal economic policy and co-operate with lender demands. However, while this may provide a fresh, if superficial, way of distinguishing the good from the bad, privatisation has also been widely applied across the spectrum of southern political projects; even by many so-called rogue states. For example, because of its human rights record the fundamentalist National Islamic Front (NIF) regime in Sudan is regarded as a political pariah by most northern governments. However, in order to consolidate its position it has made extensive use of privatisation as a means of purging and marginalising
its opponents. This has included the common tactic of selling state assets at derisory prices to allies. ‘The NIF have privatised and rationalised with a dedication that out Thatchers Margaret Thatcher, but with few of the constraints she faced’ (Hirst, 1997).

In attempting to analyse the new forms of politically authority arising from the transformation from patrimonialism, Verdery (1996: p.209) has suggested that we need an ethnography of the state. That is, the state not seen as a thing – a collection of institutions – but as a set of social processes and relations. Globalisation and the redefinition of nation-state competence in relation to new supra and subnational actors, demands this type of approach.

Within the North’s conceptual universe, the idea of democracy is linked to that of privatisation. More than half of the world’s nearly 200 states are classed as democracies. Many have emerged since 1989 following the wave of democratisation which swept Africa and the European East. In some quarters, however, there is a growing unease regarding what happens after the elections. Newly elected governments have often used their powers to close representative institutions, restrict freedom of movement and curb the free media. The spectre of what Zakaria (1997) has called ‘illiberal democracy’ has emerged in the South.

Far from being in a transitional stage, it looks as if many countries are settling into a form of government which mixes a substantial degree of democracy with a substantial degree of illiberalism. Just as nations across the world have become comfortable with many variations of capitalism, they could well adopt varied forms of democracy (Zakaria: pp.20–1).

Conventional wisdom often equates representative elections, that is, democracy, with liberal-democracy. Until the twentieth century, however, Western European countries were liberal-autocracies. It was not until the late 1940s that most became full democracies with the adoption of universal adult suffrage. However, a century earlier the majority had accepted important aspects of what has been called ‘constitutional liberalism’ (Zakaria: p.20): the rule of law, rights to own property, freedom of speech and assembly, the separation of powers, and so on; those constitutional checks and balances that protect the individual from the arbitrary or discriminatory exercise of power by rulers. The Western tradition of constitutional liberalism has thus little to do with elections. Rather, it is more concerned with tempering government authority. Moreover:

Constitutional liberalism has led to democracy, but the reverse does
not seem to be the case. In contrast to the western and east Asian paths, the past 20 years in Latin America, Africa and parts of Asia have seen dictatorships with little tradition of constitutional liberalism giving way to democracy (Zakaria 1997: p.20).

Post-adjustment rulers have often used their acceptance of the free-market as a trade-off to secure northern resignation in the face of authoritarianism following actual or promised democratic or semi-representative elections. The introduction of economic liberalism has not translated into the development of the checks and balances of constitutional liberalism. Indeed, as Somalia and Taylorand worryingly indicate, markets are capable of flourishing without states at all. The new generation of southern rulers have argued for strong central powers or restricted representation in terms of the greater good (Goldberg, 1997). That is, the need to break down vested interests, overcome feudalism and backwardness, resist tribalism or bring order to a chaotic situation. Since this rhetoric usually has a free-market spin, donors and the lending institutions have shown themselves sympathetic to these arguments (World Bank and Carter Centre, 1997 July: p.7). While having a fashionable Realpolitik feel, the lack of analysis of actual relations and, especially, the ideological closure to the possibility that new and illiberal forms of political project are emerging, simply compounds the problem of instability and policy setback.

THE PRIVatisation OF PROTECTION

While there are some broad similarities in terms of the manner in which post-adjustment political authority has been evolving in Africa and the European East, the predominant pattern of privatisation, and by extension, the types of post-adjustment state being reconstructed, have some important differences. In the European East, for example, since the mid-1980s two main privatisation strategies have been evolving. That is, the expansion of the second economy and, especially, the acquisition of enterprises by former managers (Verdery, 1996: p.209). Over the same period, in Africa the involvement of foreign companies, especially in relation to extractive or service concessions, appears more pronounced. These differences, however, in the light of a similar governance gap have created the same demand. That is, for private protection.

The Russian Mafia

Historically, the nation-state’s monopoly of violence was one of its crowning achievements and a central plank of its modernist aims
(Derlugian, 1996). As the competence of the nation-state has eroded with the emergence of new centres of sovereignty, earlier legal frameworks together with the consensus on who holds legitimate authority has blurred. In many areas of the South, the changing nature of the state has undermined existing common law, property rights and legal codes. At the same time, many post-adjustment states have not adapted their legal frameworks to redress this situation (Verdery, 1996). In some countries, for example, where customary and subsistence rights to land are important, it could be argued that such reform is not in the interests of southern rulers wishing to encourage foreign exploitation of their natural resources. Tensions arising from legal equivocation have helped fuel a growing demand for private protection. A demand which is both an expression of illiberalism and, at the same time, part of the resistance to it.

The inability or unwillingness of the state to uphold the rule of law has had powerful repercussions throughout Africa and the European East. The greying of the small-arms industry has allowed, for example, many African subsistence groups to ‘militarise’ in order to protect threatened common law rights and subsistence assets (Turton, 1989; Keen, 1994). The spread of the ‘Kalashnikov culture’ owes more to this than an alleged degeneration into banditry, chaos and barbarism (Kaplan, 1994). Armed responses to illiberalism, however, are not the focus of this section: rather, it is private protection as a ruler strategy. In many respects, in unstable areas there is a good deal of similarity between mafia/warlord type structures and commercial security outfits providing protection for foreign companies. They are both privatised forms of protection existing in relation to so-called weak states. They also compete over similar productive assets, concessions and mineral wealth. Perhaps one difference is that mafia/warlords are largely extra-legal, while commercial security companies tend to be grey operations providing linkages to the conventional international economy. Even here, however, differences may be ones of degree rather than absolutes.

Regarding Russia, Varese (1994) has argued that the rise of the Russian mafia, after the fashion of Sicily, can be understood in terms of the transition from a condition of monopoly ownership to one of private property in the context of the inability of the state to legally define and, especially, protect that property. In Russia, mafia groups have arisen in the wake of the post-1986 economic reforms (Varese: p.231). As further rounds of reform and privatisation have increased the numbers of property owners, the state has been noticeably ineffective in producing clear legislation regarding that property or in enforcing property rights. As a result, the demand for private protection among the new property owners has grown.
So too, have the opportunities for extortion and racketeering. Estimates for the number of mafia type groups operating in Russia in the mid 1990s, for example, range from 2,600 to 5,000 (Varese: p.232). Not only is property inadequately protected, but businessmen frequently resort to violence between each other as a means of settling commercial matters. By the early 1990s, the need for protection and the hiring of private guards had also spread to Russia’s privatised agricultural sector.

Although expressed in relation to the Russian mafia, Varese makes an important general point. That is, a demand for protection alone is insufficient to explain the spread of mafia-type organisations. It also requires a ready supply of people willing and able to carry out violent and protective duties (Varese: pp.246–7). In Russia, an important part of this supply has come from the shrinking security and police services. During the early 1990s, for example, the annual discharge rate in the armed services alone was some 40–50,000 personnel. In other words, conditions have allowed supply and demand to meet. Africa exhibits a similar trend. The greying and deregulation of the small-arms industry has been of devastating significance. It has allowed many of those now surplus to a threatened and decaying subsistence economy to take up protection duties. In Mogadishu, for example, at the beginning of 1997, a Somali company, Barakaat, opened one of the first banks in the city for several years. Of the company’s 300 employees, a third are armed guards (Bellos, 1997). That NGOs have increasingly been forced to avail themselves of such services in many parts of Africa and the European East since the early 1990s, is symptomatic of this historic trend.

The New Corporate Armies

In terms of the global economy, Africa has ceased to be a generalised supplier of raw materials. Market deregulation, coupled with post-adjustment political projects has allowed a new type of political economy to emerge. That is, a more selective extraction of valuable minerals such as diamonds, oil and hardwoods, together with the production of specific agricultural goods, such as flowers, tobacco and exotic tropical fruits. Commodities which generally do not require a local market. They are sold direct in the international markets for hard currency. At the same time, illiberal or post-adjustment political authority implies formations which combine a wide governance gap with minimalist public welfare functions. Paradoxically, it is in the world’s most impoverished countries where welfare services to the poor have usually been most thoroughly deregulated and privatised. Even to the last cup of water. That the conditions for this new political economy are growing is suggested by the recent flotation of
South African mining groups on the London Stock Exchange, a move described as, ‘... reminiscent of the efforts of the buccaneers who tapped the market to fund their gold and diamond adventures before the Boer war’ (Farrelly and Woolf, 1997).

Despite instability in many of the countries involved, Foreign Direct Investment (FDI) in Africa’s extractive industries has maintained a pattern of steady growth since the 1980s (ODI, 1997). A trend that runs counter to an otherwise dismal picture of commercial investment. Given the changing competence of the state and erosion of the rule of law, however, the issue of protection in relation to such activities is implied. This has been approached in two ways by companies. First, by seeking state protection and second, by making their own security arrangements – an increasingly important development. As in Russia, the demand for private protection in Africa has needed a ready supply of people with the required skills. This has largely come from the post-Cold War and post-Apartheid downsizing of Western and South African military establishments respectively. London is now an important centre for the new commercial security companies and is the base of such organisations as Control Risks Group, Defence Systems Limited (DSL), Sandline International and Saladin Security (Bazargan, 1997). As Major General Stephen Carr-Smith of the DSL explains:

Our clients include petrochemical companies, mining or mineral-extraction companies, multinationals, banks, embassies and so on. Very often the sort of ‘first-in’-type companies that are trying to get things going. We provide them with a service which allows them to operate wherever they are (Bazargan 1997: p.2).

While Britain is well-represented, other European countries have similar companies. For example, a Dutch registered security firm, International Defence and Security (IDAS), is mining diamonds in northern Angola (Economist, 1996). There is also an increasing occurrence of freelance and mercenary forces from the European East operating in Africa (French, 1997; Nicoll, 1997).

Sierra Leone is an example that has wider application. Although forming a juridical state, as a means of political survival Sierra Leone’s rulers have increasingly adopted warlord strategies and tactics. Valentine Strasser, for example, who came to power in 1992, like Taylor in Liberia, invited foreign companies to take charge of Sierra Leone’s diamond mining. During first half of the 1990s, several such companies attempted, with partial success, to use their own security forces to police their concessions. In 1994, for example, Sierra Rutilé (a subsidiary of American owned Nord Resources) explored the possibility of using the British firm, Gurkha Security Guards
(GSG) to provide protection for its mining activities (Reno, 1996: p.14). As already argued, such acts of 'privatisation' satisfy a number of different agendas. For rulers, it secures hard currency while denying resources to opponents. At the same time, lending institutions are satisfied that resources are being efficiently exploited and that debts will be repaid.

One of the more well-known security organisations is Executive Outcomes. Created from Apartheid's erstwhile security establishment, it first entered Sierra Leone in April 1995. Before its actions there are mentioned, it is worth briefly examining the corporate structure of which Executive Outcomes (EO) is a member. EO was established in 1989 and currently forms part of a commercial alliance between two umbrella companies (Shearer, 1997). The first of these is the South African registered Strategic Resources Corporation of which EO is one of a dozen members and forms its security interest. Based in South Africa, EO is run by the former deputy commander of the 32 Buffalo Battalion, which spearheaded South Africa's regional destabilisation programme during the 1980s. The second company is Plaza 107. Situated in London, this commercial group includes off-shore registered mineral extraction companies including Branch Energy, Diamond Works and Heritage Oil and Gas. Other corporate members cover civil engineering, chartered accountancy and air transport (Pech and Beresford, 1997). EO has been registered in UK since 1993 as part of the Plaza 107 group. This corporate structure allows for a good deal of internal subcontracting thereby lowering the profile of its individual members. EO's contractual relation with the Sierra Leon government, for example, was handled by mineral companies belonging to Plaza 107 (Shearer, 1997).

EO was operational in Sierra Leone between April 1995 and February 1997. Following the limited success of other security companies, it had a much greater impact. It initially supported the military government of Valentine Strasser until elections in February 1996. The new civilian government continued to use EO's services until the company left in February 1997. During this period, it was able to first clear the Revolutionary United Front (RUF) from the outskirts of Freetown and then out of the mineral fields. Events which tipped the balance in favour of the government, allowing elections and ultimately pushing the RUF into a peace agreement. However, in May 1997, only a couple of months after EO had left Sierra Leone, the military ousted the elected government and invited the RUF to join them. A reverse which both illustrates the protracted nature of such instability and, despite a growing number of supporters, the unproven long-term utility of commercial security as a means of conflict resolution.
One thing is clear, however, Executive Outcomes represents a new phenomenon. Private security companies should not be confused with the mercenaries of the 1960s and 1970s. Today, most of them claim to be apolitical and to work only in relation to legitimate governments (Harding, 1997). They are not just guns for hire. Rather, they ‘...are the advance guard for major business interests engaged in a latter-day scramble for the mineral wealth of Africa’ (Pech and Beresford, 1997).

Executive Outcomes usually barter its services for a stake in the mineral wealth of the country concerned. It is currently operational in about 20 countries, mostly in Africa, Angola and Sierra Leone being its two most celebrated ventures to date. Ranger and Heritage Oil, members of the same corporate group, helped finance EO’s operation in Angola (1993-95) in exchange for government oil concessions. In its two-year operation, it also alleged that the Angolan government had handed EO $80 million for its services. In Sierra Leone, Branch Energy obtained a diamond concession as part of EO’s involvement. For the 2 months it spent in this country, it claimed that the government also paid $35 million in cash (Shearer, 1997: p.205). Exactly how much EO earns is disguised in the trade-off between the value of concessions and cash payments to the various members of the corporate group.

In terms of its military operations, EO uses a modern variant of the approach developed during the wars of colonial conquest. That is, a relatively small core of trained and disciplined troops supported by local army units or militia forces. In Sierra Leone, for example, EO’s own personnel averaged around 150, only touching 300 for a few months at the height of the fighting (Shearer, 1997). The companies ground forces are predominantly Angolan and mainly commanded by white South Africans. For a private company, this core is supported by an impressive range of equipment. For example, Ibis Air, an associate company, has two MI-17 helicopters, two Hind M24 gunships, two jet fighters, and several Boeing 727 transports together with a number of other small aircraft. For many rebel groups, EO represents a potent force. More generally, it amounts to the first corporate army that Africa has seen since the nineteenth century.

While private security companies have a clear business interest, given the apparent failure of UN peacekeeping, it is becoming fashionable for policy makers to regard such companies have having a wider comparative advantage. To a former military officer on the London circuit, the advantage is clear.

The Third World War has already started. Its these fragmented little scraps in everyone’s backyard you can’t name a part of the world
where there isn’t one. It’s gone full circle, nuclear deterrence is old hat. We’re back to bullets, bayonets, clearing trenches and repressing the local-tribesmen-type scenarios which requires exactly our types of skills and our type of people (Bazargan, 1997: p.3).

Pech and Beresford (1997) cite a British intelligence report on EO which argues that the company is gaining a reputation for efficiency, especially with the rulers of smaller countries. By contrast, the UN is seen as slow and cumbersome. Indeed, as often freezing the status quo and creating protracted relief operations, than allowing one side to resolve the issue (Shearer, 1997). In other words, part of the comparative advantage of private protection is that it is not governed by the constitutionalism of international laws and conventions. At a time when Western armies are becoming more professional and scaling down, politicians are also increasingly aware of the negative public opinion arising from combat deaths. Astute security companies have realised that this mood is helping garner political support for an expanding role for themselves (Bazargan, 1997). While EO’s causality rates are confidential, in both Angola and Sierra Leone, deaths are said to have been in double figures.

Regarding the future, EO wants to diversity beyond security and protection work into the field of post-conflict rehabilitation, especially:

... reconstruction and the enormously lucrative logistics of rehabilitation. It is cultivating expertise in water projects, road-building, housing, tourism, conservation, clinical care and medical supply, perhaps extension farming (Harding, 1997).

Such contracts for EO, or more precisely its associated companies, are coming up in Mozambique and Zambia. In many respects, this move would seem a logical development. Companies such as EO are able to bridge two distinct agendas. They can support ruler survival strategies and, at the same time, are able to satisfy donor demands for privatisation and efficiency. This type of operation can use its corporate structure to support complementary operations thereby achieving greater market share. One subsidiary can exploit the mortgaged mineral wealth of a country; another can repair vital infrastructure while the protection arm provides overall security with each of these activities having its own payment arrangement. Levering in donor rehabilitation funding through other associated agencies would complement this arrangement. For some donors, the promise of political stability and the efficient exploitation of resources, together with reconstruction, could represent the ultimate technical fix. That it also entrenches illiberalism and undermines international conventions is a detail that will probably be missed.
POST-MODERN CONFLICT

POST-MODERN CONFLICT – CONCLUSION

The idea of internal or intra-state war is misleading. It is conceptually tied to a traditional and outmoded view of the nation-state. There is a corresponding tendency to regard the present phase of political instability in the South as a temporary aberration. We need to move beyond this perspective if we are to escape its analytic and moral limitations. The idea of post-modern conflict tries to take account of those factors that conventional wisdom finds it difficult to assimilate. That is, the emergence of long-term political projects that no longer need to anchor political authority in conventional territorial, bureaucratic or consent based structures. Yet, at the same time, need to establish international linkages.

Examining conflict from this standpoint establishes a link with globalisation. A broad pattern of developments, including deepening marketisation, which have qualified the competence of the nation-state. New supranational, international and subnational actors and intermediaries have emerged. Developments which have transformed hierarchical patterns of government into the more polyarchical networks of governance. To use the neomedieval metaphor, multiple and overlapping centres of sovereignty have developed as central competence has waned. As a consequence, the reality of globalisation is as much concerned with heterogeneity and division, including new processes of inclusion and exclusion, as it is with the levelling effects of market forces.

These broad changes are affecting both the North and the South. They are part of what could be called the normal processes of everyday life. However, while there are a number of similarities at a global level, the opportunities open to northern and southern rulers differ greatly. In the North, one response to globalisation has been the concentration of the conventional world economy into several transregional productive systems. A measure aimed at sustaining comparative advantage. This has been accompanied by a growing deregulation of welfare services and labour markets. In contrast, in the South, the conventional economy has contracted to be increasingly complemented by a largely unrecorded mixture of parallel and grey activities. Linked to this development is the emergence of new political projects based on non-state and post-adjustment state actors. Projects which are often associated with illiberalism in the form of religious fundamentalism, ethnic exclusivism, political separatism, and so on. Rather than regional integration, such developments underpin regional tensions and schism. Moreover, illiberalism of this nature easily translates into the collapse of the rule of law, authoritarianism, widespread human rights abuse and extensive social dislocation.

Such occurrences are not abnormal or some from of temporary
aberration from the path of development. They are a reflection of embedded and long-term processes. In this respect, war economies in the South have a good deal in common with peace economies. Rather than being separate and opposed stages, post-modern ‘war’ and ‘peace’ share many similar characteristics. In analysing the Balkan crisis, Bojicic et al. (1995) have pointed out the differences between the war economy there and the traditional view of such economies derived from Clausewitz. That is, strong central control, self-sufficient economic production, together with mass social mobilisation in which populations are segregated into fighting and productive roles. The ‘total war’ of 1939–45 is the classic example:

... in contrast ... the war economy is characterised by high levels of unemployment, high levels of imports and weak fragmented and decentralised administration. It could be said that the war economy represents a new type of dual economy, typical of peripheral regions exposed to globalisation (Bojicic et al.: pp.10–11).

Such economies have a distorted public sector integrated into a criminalised market economy. In examining the war economy in the Balkans, however, its main characteristics can be argued to be an extreme form of the transition from communism occurring in other parts of the European East (Bojicic et al.: p.10). In other words, the war economy is simply a different expression of what constitutes normality. Even if open conflict is absent, similar processes and relations are present as when open violence is raging. War and peace are relative concepts. They appear as different degrees of each other, as either a speeding up or a slowing down, rather than absolute and contrasting stages.

We are back in a looking glass world were opposites are the same and stages but manifestations of each other. Mainstream aid policy is at a disadvantage in understanding and effectively responding to this world.9 Not only does its view of internal war remain state-centred, it is reliant on an essentially developmental understanding of conflict. That is, as stemming from a combination of poverty, ignorance and weak institutions. Policy springs directly and intuitively from this definition. It becomes a mixture of sustainable development, conflict resolution and civil society support measures; an ideological ‘one size fits all’ approach equally at home in both Africa and the European East. Within this framework, the role of aid is to restore the balance that aberrant conflict has upset. Its mission it to relaunch society toward the functional-harmony of liberal-democracy. However, with its tendency to underplay and entrench illiberalism, indeed to see such projects as part of a wider security framework, one wonders how effective or even safe this enterprise is.
1. These terms are used as a short-hand to distinguish those countries which form part of the main North American, West European and East Asian transnational economic systems (the North) from those that are either outside or only partially integrated within these regional configurations (the South). In this paper they loosely distinguish Western Europe from Africa, Eastern Europe and the former Soviet Union.

2. While world-system theory provides a useful periodisation, one of its many weaknesses is that it cannot adequately account for the rise of East Asia to become one the world’s main transnational regional systems. This special position of East Asia also confines this paper to Western Europe and what could be called its historic and strategic hinterland (see note 1).

3. Neomeditevalism should be distinguished from ‘new barbarism’ as reflected, for example, in the work of Kaplan (1994). This understands conflict in terms of an alleged resurfacing of innate or age-old cultural and ethnic hostilities. In contrast, neomeditevalism is a metaphor for describing certain characteristics of contemporary social and political systems.

4. Even with these advantages, however, northern rulers have so far failed to solve the problem of growing economic insecurity and social exclusion in their own countries.

5. Unless specified, for ease, the last two hereafter collectively termed the European East.

6. The current architects of EU enlargement appear singularly untroubled by these tendencies in the European East and their implications for expansion.

7. Similar types of trade-off have often accompanied the expansion of NGO welfare and development activities in the South.

8. During the same period, it is estimated that the warlord Savimbi (of UNITA), with whom Executive Outcomes was competing, grossed around ten times this amount. Its an African version of loosing the war but winning the peace.

9. This problem is examined at length in Duffield (1997).

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