

Explaining the dynamics of transformation: the nature of the development-security industry

TAKING INTO account the common themes emerging from analyses of policies and agendas aimed at tackling the problem of war economies, it is clear that both the nature and outcomes of the transformation agenda are determined by a number of interdependent processes. These processes are determined by the interests and beliefs of powerful actors, in this case the network of actors that determine and implement policies – the DSI. These interests and beliefs are determined by the worldviews held by those within this network, the problematic ways in which they define and view key issues, and how these factors are then translated into policy. As such, in order to move away from a project-assessment approach and towards a framework that helps us to analyse the transformation agenda as a whole, one must simultaneously consider the ideological foundations and practices on which the DSI rests, the dominant conceptual lenses used in terms of how it approaches the problem of war economies and the operational features and trends which result from these ideological and conceptual tendencies. This chapter will explore the nature of the DSI along these three dimensions, assessing the ways in which the dominant features of this industry are known to impact upon peace, security and development interventions more generally. These characteristics of the DSI will in turn be used as a preliminary framework through which policies aimed at transforming war economies, including but not limited to those reviewed in forthcoming chapters, can be assessed in a holistic and structured manner.

Ideological projects and processes: the impact of liberalism

The development-security industry, both in terms of its response to war economies specifically and development and peacebuilding more generally, can be characterised as resting on distinctly liberal foundations. Liberal dominance in these fields has been accelerated and solidified since the end of the Cold War when the primary alternative collapsed, leaving a largely unipolar or 'uni-ideological' global arena. Guiding actors within the DSI have taken advantage of this new geopolitical reality and have moved the practices of development and security from beyond limited strategic aims (such as the rebuilding of Europe, or maintaining allies during the Cold War) to a more pervasive and intrusive project of installing a particular form of liberal peace across the globe. This mode of peace is founded on liberal beliefs, primarily the inherent value of individual freedom, open markets and democratic governance. From these basic tenets an array of approaches to development-security policy have materialised. In the economic sphere of programming, neo-liberalism, a distinct strand of liberal theory, has emerged as the dominant guiding principle. Defined as 'a theory of political economic practices proposing that human well-being can best be advanced by the maximization of entrepreneurial freedoms within an institutional framework characterized by private property rights, individual liberty, unencumbered markets, and free trade' (Harvey, 2007: 22), neo-liberalism has become a hegemonic discourse. It underpins global economic policy and forms the foundation of economic reforms imposed on developing and conflict-affected states by institutions such as the World Bank and International Monetary Fund. Beginning in the late 1970s, this ideological discourse was operationalised by the above institutions in what came to be known as the Washington Consensus. Based on neo-liberal principles, policies of fiscal discipline, liberalisation, deregulation and privatisation were prescribed to developing and developed nations alike (Krogstad, 2007). The failure of this consensus to substantively contribute to economic development and stability led to an adjustment of the consensus, with global financial actors coming to accept that markets did not function perfectly on their own. This new post-Washington Consensus (PWC) whilst underpinned by the core values of neo-liberalism, simultaneously called for an increased role for states and institutions (local, national and international) in planning and regulating economic policy (Krogstad, 2007; Öniş and Şenses, 2005). A recognition of the importance of local context also characterised this shift, in theory leading to increased flexibility that allowed for local actors to adjust policy based on the specific needs of their constituents (as illustrated in an increased use of nationally led Poverty Reduction Strategy Papers (PRSPs) by actors such as the IMF and World Bank) (Krogstad, 2007; Ruckert, 2006).

However, the move to a PWC does not represent a fundamental shift by international institutions away from core neo-liberal beliefs and as such, suggestions that there has been some kind of revolutionary change in regard to how international financial institutions work are somewhat overstated. Both approaches, for example, fail to deal with issues of equality including problems of land and income distribution (Öniş and Şenses, 2005; Ruckert, 2006; Sheppard and Leitner, 2010) and despite granting room for the state and institutions in the management of the economy, the PWC still lacks any meaningful understanding or integration of social and political dimensions (Kelly, 2008; Montiel, 2007). In this regard, the PWC can be characterised as ‘a new Trojan horse for embedding market-centred norms and practices’ (Carroll, 2009: 447). Whilst the PWC utilises different processes (i.e. state and international regulation and policy tools such as PRSPs as opposed to a purely free market approach), the ideology remains the same; it is simply embedded and imposed using alternative techniques.

Of course, it is not just economic policies that are guided by liberal ideals. Neo-liberal economic policy has come to be implemented alongside a series of complementary liberal political and social policies. Focused on issues such as good governance, individual human rights, democratic politics and strong, independent civil societies, these policies, alongside the above-mentioned economic reforms, constitute what has come to be known as the liberal peacebuilding consensus and form the foundation for the majority of interventions undertaken by the DSI. Of course, as with neo-liberal reform, one can identify variations within this wider project (Richmond, 2007), however, it is widely agreed that at the root of interventions into conflict-affected states are a series of liberal political and economic values to which political actors and citizens must comply (Cramer, 2003b; Pugh, Cooper and Turner, 2011). This peacebuilding consensus is based on a number of beliefs related to the pacifying effect of liberal structures. For example, as Cramer notes, economic aspects of the liberal peacebuilding consensus are largely based on the belief that capitalism and free markets ‘tie people up with the relatively benign business of money making, thus diverting them from the more nefarious activities of seeking power and making war’ (Cramer, 2003b: 152).

Similar assumptions regarding the role of political and social reforms can be found in one of the bedrocks of liberal international relations theory – the democratic peace hypothesis. A proposition that has been continuously reformulated and critiqued since Kant’s (1790) original articulation in his 1795 essay *Perpetual Peace* (for a good review see McDonald, 2009: 4–10), the hypothesis and its supporters both explicitly and implicitly extol the virtues of democratic processes and norms. Whilst admitting that there is a concomitant likelihood that liberal states are more likely to commit violence against non-liberal states, possibly leading to a form of liberal imperialism (Doyle, 2005)

there is an underlying promotion of liberal democratic values and systems by those who support the hypothesis. Simultaneous adherence to the range of liberal norms is still seen as inherently pacifying, with liberal actors only 'provoked' into violence when faced with illiberal and thus disruptive regimes. Concomitant beliefs in the power of civil society groups and NGOs to hold potentially violent regimes to account and help resolve social discord within society are also strong features within much of the liberal peace discourse (Cramer, 2003b). There is of course a vast literature critiquing the basic tenets and logic of the liberal peace (Cooper, 2005; Duffield, 2001; Mac Ginty and Richmond, 2007; Pugh, 2007; Richmond, 2008, 2010). These works challenge both the content of liberal reforms, pointing to inherent contradictions and logical flaws of these approaches, as well as the processes through which liberalism is imposed.

Despite these concerns, liberalism continues to underpin most of the policies initiated by the DSI, and on top of the inherent problems related to the *nature* of policies (discussed in greater detail below and throughout the remainder of this book), there are also concerns regarding the way in which international actors are going about the spreading of liberal peace. As Duffield notes: 'In the past, while development and security policy were clearly associated, compared to now the relationship was more opportunistic, geared to national interests and often covert. The current merger of development and security is much more inclusive, organic and transparent' (2001: 35). There is no longer a need to try and mask the political, opportunistic aims of DSI involvement in conflict-affected states as was often the case during the Cold War. However, Duffield's description of a more 'inclusive, organic and transparent' process should not necessarily be taken as a positive or neutral assessment of this new agenda as these new processes make use of problematic technologies. Indeed, analysis of security and development policies reveal that in order to create these new liberal societies, the DSI must engage in two seemingly paradoxical, but complementary processes – the depoliticisation of conflict and security environments and a politicisation of aid initiatives.

This first technology, depoliticisation, is central to a liberal approach, whereby actions and events are depoliticised in an attempt to normalise them (Edkins, 1999; Mouffe, 1993, 2005), to make them appear part of a non-contentious sphere of private and public life that therefore requires little if any scrutiny. This process reveals itself in several ways within the arena of security and development programming (Jaeger, 2007). For example, depoliticisation occurs when political causes and consequences of insecurity and conflict are pushed to the background, with economic and developmental issues becoming central both to the explanation of insecurity and thus to the solutions. Poverty in and of itself is treated as a cause of conflict, as opposed to more politically contentious issues of distribution of wealth, inequality and

power. At a more concrete level, depoliticisation also describes instances where projects are implemented as if there were peace, despite ongoing political and security issues. Ongoing violence is treated as an aberration, with incidents often portrayed as random anomalies committed by 'rogue' or 'extremist' elements – as opposed to acts motivated by those with ongoing grievances or other motivations. As aid is depoliticised, reconstruction and development continues as if such acts were unimportant, a minor distraction. Likewise, wider unresolved geopolitical disputes may be brushed aside with post-conflict programming being implemented regardless.

Depoliticisation is a useful political strategy for the DSI on several fronts. First, the removal of politics serves to legitimise the failure of actors to intervene politically or militarily. Portraying conflict as apolitical, or as primarily a development problem, allows actors to excuse themselves from actively engaging or working towards more political solutions (described in greater detail in forthcoming sections). Linked to this, as aid becomes the primary technology for conflict response, as opposed to more difficult or costly forms of political engagement, major actors are able to deflect blame for failed peacebuilding endeavours. While the guiding actors in the DSI set the agenda and call for aid to be used to solve political strife, it is the operational actors who come to be used as scapegoats should the mission fail (Aall, 2000). In effect international political elites are absolved from responsibility for continued violence, as poor project implementation by the operational arms of the DSI, including local actors and recipient populations, take the blame. The apolitical approach also provides a cover of neutrality for organisations who do not wish to be seen as taking sides in overtly political struggles. This is especially true in an era where accusations of neo-colonialism threaten the legitimacy of such interventions. For this reason, we can see the international community as not wanting to engage in the politics of the locale, and to at least have an appearance of not acting as part of a wider (or foreign) political project.

Acts of depoliticisation are not merely conceptual oversights or operational flaws but are actually essential to the creation of liberal peaces by the DSI. In other words, processes of depoliticising conflict and security are political strategies of the guiding actors in the DSI. Such a process is very much akin to Ferguson's (1994) notion of development as an anti-politics machine. Through these processes, actors attempt to subtract politics from the conflict equation in order to facilitate their own political agendas of spreading and creating liberalism in post-conflict states. Thus, acts of depoliticisation enable politicisation of peacebuilding policy, with the politicisation occurring as peacebuilding becomes a means by which the DSI can install a liberal peace in post-conflict zones. Of course, it should be noted that phrases such as 'political' or 'politicisation' need not be used pejoratively (de Zeeuw,

2001). Indeed, as will be seen in upcoming chapters the insertion of politics into peacebuilding projects and areas of reform is not only inevitable, but even desirable insofar as it leads to context-appropriate and sustainable modes of transformation. Where politicisation can become problematic, as discussed in forthcoming sections, is when the interests of powerful external actors override the goals of local conflict resolution and achieving a positive peace.

The depoliticising/politicising dynamic found within public life, both locally and in terms of international politics, is problematic on several fronts (Edkins, 1999; Kurki, 2011; Mouffe, 1993, 2005; Peterson, 2013; Rancière, 2010). At the most general of levels, a denying of the messy politics of the real world to further one's own goals gradually decreases our ability to manage such politics; depoliticisation leads to 'bewilderment in the face of [political] manifestations and to impotence in dealing with them' (Mouffe, 1993: 140). More specifically, however, the depoliticising-politicisation dynamic which is characteristic of the DSI's liberal peace project has at least four policy implications, some of which can be considered as general issues, and others which can be seen as specifically relating to the problem of war economies. First, as the liberal project is promoted, there is a concern that actors working in post-conflict contexts will become little more than tools of foreign policy for the world's most powerful political bodies and countries. Projects may be designed or implemented in order to maintain stability and thus prevent the spread of instability to intervening countries, or to protect ongoing political and financial investments. Evidence of such politicisation can arguably be found by considering aid levels, where contributions appear to coincide with the politics and goals of donors (Atmar and Goodhand, 2002; Macrae and Leader, 2001; Munslow and Brown, 1999) as well as the selectivity of interventions (Bradbury, 1998; Meron, 1995). This suggests a prioritising of international goals over local needs.

A decreasing focus on development in favour of security goals is also a concern as the blending of development and security is not a balanced merger. Development policy can easily become subordinate to security concerns (Klingebiel, 2006) a possibility of increasing concern given the shift in security thinking resulting from the global war on terror (Duffield, 2006). Also, declining aid budgets have led to a situation where NGOs that used to engage in developmental work are now expected to be more relief oriented (Abiew, 2003) leading to a shift away from long-term to short-term programming (Seddon and Hussein, 2002). For example, EU funding for security and stability projects in the region was set to increase by 131 per cent from 2007–2013, while funds for development cooperation and economic cooperation were set to drop from 56 per cent of the budget to 49 per cent (Robinson, 2006: 83–84). What counts as official development aid is also allowing countries to shift their priorities from traditional development aims to

programming which supports security. Official development assistance guidelines now allow the management of security expenditure, enhancing civil society's role in the management of the security sector, security sector reform, small arms and light weapons programming, civilian activities for peacebuilding, conflict prevention and conflict resolution to count towards levels of official development assistance (Robinson, 2006: 86).

Further, there is a concern that in the pursuit of idealised liberal project the DSI will allow local actors to capture the political and economic benefits of programming as a way of achieving ideological goals. In order to maintain stability, or to reward those who support the DSI in their aim of installing a liberal peace, local elites become the benefactors of post-conflict programming – sometimes at the expense of wider development goals or social reconciliation. In this sense, politicisation occurs as peacebuilding initiatives focus on appeasing actors who may spoil the desired liberal peace, marginalising more peaceful and progressive groups within society (Pankhurst, 1999). By focusing on violent powerful groups the non-powerful are ignored, confirming the rationality of and institutionalising the use of violence (Turton, 1997). As will be seen in upcoming chapters, this is an especially problematic impact in terms of the transformation of war economies where those involved in conflict trade have unjustly amassed a great deal of political power and wealth through corruption, illicit trade and violence.

Most concerning is that the liberal project is pursued via the use of hegemonic mechanisms, resulting in an 'agenda of control' (Cooper, 2003; Pugh and Cooper, 2004). These methods taken together relate to one of the strongest critiques against the (neo-) liberal ideological project, namely its autocratic underpinnings. As David Harvey finds, 'it is the profoundly antidemocratic nature of neoliberalism that should surely be the main focus of political struggle. Institutions with enormous leverage ... are outside any democratic control' (2007: 42). This anti-democratic power of the liberal project has been strengthened by the DSI's insistence on the link between poverty, crime and war. Kate Meagher has linked the liberal approach to conflict and the concern over illegal trans-border trade in her assessment of policy options utilised by the DSI:

Policy makers are now left with two major options: transborder trade can be suppressed and criminalised or it can be incorporated into the formal economy ... Neo liberal ideologies and international development institutions seem to be gravitating towards the criminalisation option. Close analysis suggests that this policy preference has more to do with the interests of Western powers regarding control and protection of their markets than with hard empirical evidence on levels of criminality. (2003: 71–72)

Whilst the criminalisation of these economies will be discussed in greater

detail later in this chapter, it is important to highlight here how the discourse surrounding them serves to strengthen the resolve for implementing liberal reforms. What is relevant at this point in the discussion is that the resulting control mechanisms are politically and economically motivated, as such techniques constitute a way of safeguarding the interests of western nations and powerful elites.

There are many examples of policies that could be classified as belonging to an agenda of control. The two most obvious examples in the case of war economy transformation are direct military intervention, such as UK intervention in Sierra Leone, and the destruction of a commodity such as the crop eradication programmes in Colombia and Afghanistan. More subtle forms of control would include externally led and monitored anti-corruption reforms. In effect, these are attempts at keeping a close check on the internal workings of sovereign nations. While policy documents often cite the need to increase levels of accountability to local peoples as justification for such programmes, accountability is often not downwards, but upwards with the aims, needs and requirement of donors at the forefront of national reforms. Besides this, there is also the more basic issue of effectiveness. The success of the policies related to this agenda is limited and unlikely to prove any more successful in the future, as the ability of groups and actors to evade control is pervasive (Jones and Roemer, 1989; Ballentine and Nitzschke, 2005). The above arguments are not meant to suggest turning a blind eye to illegal industries such as drugs and arms. Nor are they suggesting an abandonment of democratic reform and more effective and responsible security forces and judicial sectors. But the agenda of control remains problematic insofar as it 'gives priority to the rule of law rather than social justice' (Pugh and Cooper, 2004: 6); it values stability over justice or positive peace.

Intrinsically linked to the agenda of control is that the DSI agenda is predisposed towards normative western economic and political ideals. The development-security nexus portrays intervention as an altruistic activity which simultaneously bestows peace and wealth. This is a much more subtle form of control (Schuurman, 2000) but is part of the agenda of control nonetheless, based on the assumption that the West possesses knowledge of universal truths of what is good and what is perverse. The processes of defining the problem war economies and creating solutions for this problem are accompanied by these assumptions and result in the tendency of the DSI to rely on euro-centric norms and values which ignore the peculiarities of the growth and sustainability of war economy activity and presume, unquestionably, the superiority of western models to transform such activity.

Evidence of a system biased on western values and interests can be found by looking at the number of policies and concomitant resources directed at dealing with drug economies over arguably more destructive forms of conflict

trade such as timber, minerals including coltan, oil, tax evasion and money laundering. More subtle forms of western normative bias, however, may be found in two specific policy options utilised in war economy transformation. Through judicial sector reform, the western legal system is being imposed on a number of countries for whom such systems and values are to a certain extent foreign. These reforms are often based on western legal ideals as opposed to local or national ideals of law and justice. Secondly, the option of naming and shaming individuals and companies involved in conflict trade, by international actors, infers some form of legitimate moral position to make judgements on what is legitimate and illegitimate in today's global economy. The concomitant use of 'white lists', by which all companies that can ensure high standards of transparency become preferred operators within their industry (Winer, 2005), similarly evokes images of casting moral judgements by dividing those who meet the required western standards of operation from those who do not. As such, western actors are exalted over those who stray too far from the idealised liberal form.

As shown, liberalism is a political project that relies on a number of strategies which are in and of themselves damaging to the goals of peace and security programming and in turn, political-economic transformation. Through depoliticisation, the task of rebuilding war-affected states is portrayed as a largely apolitical, neutral and thus unobjectionable project. The wider political project of spreading a particular ideological project – namely liberalism – is made to disappear. And while these processes have been shown to be problematic in their own right, the impact of liberal ideals goes much further, also influencing the conceptualisation of war economies and the operational tools that are used to manage them.

Conceptualisations of conflict and recovery

The hegemony of liberal discourses shapes the ways in which war economies are conceived and thus influences the nature and choice of policies aimed at their management. Understanding the dominant conceptualisations of war economies and the issues associated with each of these offers further insight into the dilemma of transformation. Research findings presented in [Chapters 5 to 7](#) will show the diversity of actors' opinions regarding political economies of violence, and indeed examples of when individuals and organisations 'strayed' off the stereotypical liberal path are central to the conclusion of this book. Nonetheless, it is possible to identify the dominant understandings of conflict and recovery and the impact these have on political-economic programming.

As a starting point for this discussion, it is important to review the prevailing theories which have come to shape actors' understandings of origins of

war. Currently, conflict theory can be seen as having entered its own era of 'impasse', to borrow terminology from the development literature, as there exists no hegemonic conclusion regarding the causes of war. Analyses of political violence therefore utilise explanations from many bodies of conflict theory, leading to a layering of explanations regarding the motivation of actors who engage in violence. These explanations regarding causes of violent conflict offer insight into the competing ways in which actors within the DSI can choose to understand the role of commodities and profit in violent conflict, providing another lens through which we can analyse the processes chosen by actors in regard to war economy transformation.

Prior to the end of the Cold War, a militaristic understanding of security dominated conflict analysis. Often referred to as traditional or orthodox security, this school of thought is concerned with violence between states, with both the nature of threats and the responses to them being conceived of in military terms (Ayoob, 1991). This classical view is based largely on a realist paradigm which sees the international system as inherently anarchic and in which the nation-state remains as the primary unit of analysis. With the fall of communism and the emergence of a unipolar system, notions of security began to change. Initially, it was assumed that with the end of the super power struggle, the globe would witness a new era of peace – a 'New World Order'. However, this utopia failed to emerge, and paradoxically a 'new world disorder' revealed itself with conflict erupting across Asia, Africa and Eastern Europe (Keohane, 1995). It is in the wealth of diverse analysis that attempts to understand the causes and nature of these 'New Wars' (Kaldor, 2001) that the problem of war economies gains prominence.

In the early 1990s, several ideas which addressed the ethnic nature of these wars emerged as dominant explanatory tools. Under orthodox political analyses, people's identities and loyalties were seen as coalescing around the state. However, with the rise of intra-state conflict in the post-Cold War era, the primacy of national identities as an organising principle faded and ethnic identities became central to conflict analysis. Supporting such theories were wars in the former Yugoslavia and the Rwandan genocide. Based on Huntington-esque visions of a 'clash of civilisations' (Huntington, 1996), these theories are often closely attributed to the works of Robert Kaplan, whose works *Balkan Ghosts* (1993), *The Ends of the Earth* (1996) and *The Coming Anarchy* (2000) evoke images of chaotic wars between disgruntled and historically opposed societies. And while conceptualisations such as this of the role of ethnicity have played well in the media, these simplistic explanations of the role of ethnicity in violent conflict have been questioned in terms of their intellectual and methodological rigour (Duffield, 2001; Gilgan, 2001; Keen, 1997; Shaw, 1996; Turton, 1997). Stemming from such critiques, a more considered and theoretically grounded debate on the role of

ethnicity in modern conflict emerged, allowing socially constructed identities a key role in conflict analysis without falling into the traps of the 'new barbarism' and 'ancient hatreds' models (Gurr, 1993; Kaufmann, 2001). While focusing largely on the role of the construction of ethnic identities, these approaches to ethnicity began to address the relationship between violence and resources. Kaufmann's work on symbolic politics, for example, suggests that for conflict to occur, groups must also be presented with the *opportunity* to engage in conflict, and that this involves both adequate political space as well as physical resources (Kaufmann, 2001: 29–38). Likewise, Gurr's work on ethnic conflict suggests two broad motivations for ethnic groups engaging in conflict – relative deprivation and group mobilisation: 'the former contends that peoples' discontent about unjust deprivation is the primary motivation for political action, whereas the latter emphasizes leaders' calculated mobilization of group resources in response to changing political opportunities' (1993: 123–124). These two motivations are indicative of one of the key debates that then emerged in the field of conflict analysis with the former representing what has come to be referred to as grievance theory and the latter providing a foundation for an emerging body of work which suggests that greed, economic motivations and opportunities are central to understanding incidents of modern conflict. It is from this debate that war economies became central to the study of conflict.

Grievance explanations for civil wars are based largely on the idea that deprivation, in the economic, social or political spheres, provides the motivation for groups to rebel against actors whom they see as causing their deprivation (Davies, 1962; Gurr, 1970). Such explanations for violent conflict have proved influential in the policy arena, with the addressing of deprivations via peacebuilding and development initiatives being seen as a cure for ongoing conflict and as a preventative mechanism for future conflict. However, the causal relationship between grievances, deprivation and the outbreak of political violence came to be questioned by statistical analysis emerging from World Bank researchers (Collier, 1995, Collier and Hoeffler, 1999, 2001). These studies argue that grievances are not strongly correlated with instances of violent group conflict but that economic opportunities play a much more important role in both motivating and facilitating violence. This questioning of grievance-based theories has been a key factor in elevating war economies to the position of a principle explanatory factor of violent conflict. Crudely referred to as greed theory, this body of work places financial motivations and the role of economic opportunities in facilitating rebellion at the centre of causal explanations of violence (Collier, 1995, 2000a; Collier and Hoeffler, 1999, 2001; Collier, Hoeffler and Rohner, 2006; Lujala, Rød and Thieme, 2007; Ross, 2006).

These econocentric explanations of war resulted in much debate with

both the methodologies used and the implications of these approaches coming under attack. One of the strongest critiques against such theories is that they are reductionist and fail to incorporate historical and political context; they give little recognition to the fact that political violence is very much a dynamic process, with motivations and driving forces changing over time (Berdal, 2005; Cramer, 2003a; Luckham et al., 2001; Murshed and Tadjoeddin, 2009). Further, these understandings of the causes of violence also deny or downplay the role of ideology or identity (Cramer, 2002). In this sense, one can see the obvious linkages between this conceptualisation of the conflict and conflict economies, and the preference for apolitical narratives which have been shown to suit the ideological agenda of the DSI.

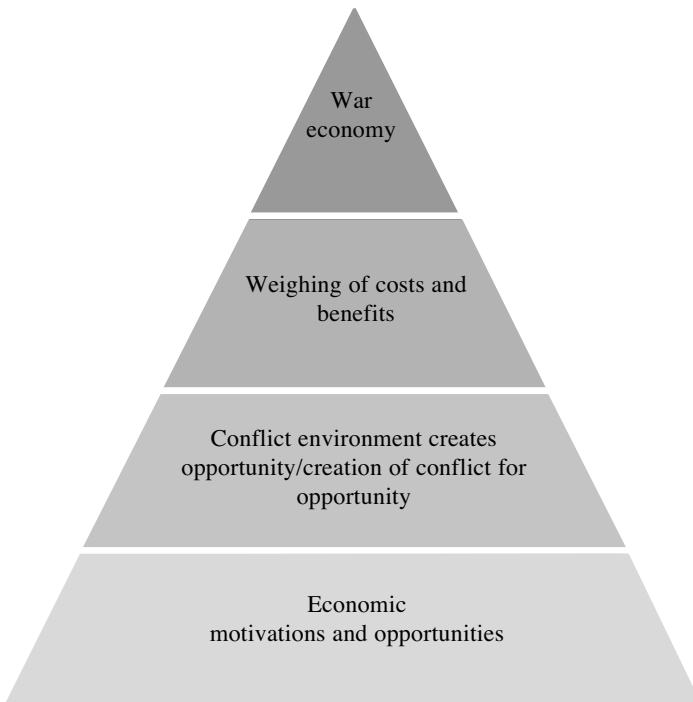
Despite war economies being closely associated with the above debate, other approaches to conflict have also stressed the importance of these economies in conflict dynamics in ways which seek to address the critiques of economic-centric approaches, whilst also accepting the importance of economic factors. Research surrounding the concept of 'complex political emergencies' (CPEs) has been particularly useful in expanding conceptualisations of the role of economics in instances of political violence. While some take issue with the concept of 'emergency' contained within this work (Calhoun, 2004; Dillon and Reid, 2000; Edkins, 2000) the strength of the CPE approach is that it expands analyses beyond state borders and considers the wider regional and international factors which become part of otherwise 'internal' political struggles. There is less of a focus on relationships of cause and effect and a greater concern with wider structural forces which have a more indirect impact on political-economic dynamics by shaping, influencing (and perhaps confining) the choices available to actors. Ballentine's work (2003) offers an example of this approach, moving our thinking regarding war economies away from the notion that illicit economic opportunities either cause wars or are caused by war and towards a model which suggests that war economies feed into already existing political conflicts, impacting the duration, character and intensity of a war. In this sense, facets of war economies are seen as existing as part of a dynamic system – constituent parts of war economies both contribute to and are fuelled by insecurity and violence as well as other structural factors such as poverty, corruption and global market forces.

Competing analytical approaches to war economies

The above assessment over the dominant explanations on the causes of conflict and the position of economic factors within each of the debates suggests there are multiple lenses through which the DSI can interpret economic issues in relation to political violence. Two distinct conceptual

approaches to war economies emerge, each granting war economies a prominent yet different role in conflict. The first conceptualisation can be characterised as a rational choice (RC) model of war economies. Under this view, war economies stem directly from the decisions taken by 'war entrepreneurs' who are motivated by profit or power and who either take advantage of an already occurring war, or actually instigate conflict, with financial enrichment as the ultimate goal. Decisions to participate in such activity are based on a rational weighing of potential risks and payoffs. In this sense, war economies are the end result of a series of considerations and enabling factors and are an entity unto themselves. As presented in [Figure 3.1](#), this conceptualisation sees war economies as a distinct unit, a final culmination resulting from of a sequence of steps and choices taken by actors.

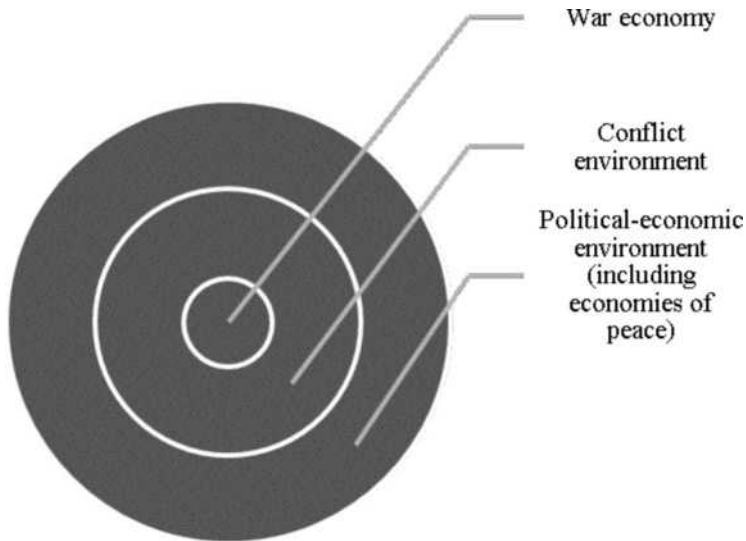
Figure 3.1 A rational choice (RC) model of war economies



Alternatively, war economies can be seen as a constituent part of a wider political-economic environment which provides fertile ground for the formation and continuance of these economies. With a focus on relational and structural forces, this model supports calls for an alternative 'radical political economy' approach to understanding the role of resources and other economic factors in political violence (Obi, 2010: 483). Unlike the RC model,

there is less of a focus on individuals' motivations, with state, regional and international actors and structures seen as playing a significant role in the conflict dynamic. What we see as a tangible war economy is actually an outgrowth of the status quo – war economy activity is not an aberration based on the rational calculations of actors, but rather an almost logical or even predictable outcome of a perfect storm of geopolitical, regional, national and local political, social and economic realities. Under this alternative conceptualisation, war economies are considered manifestations of wider political and economic structures (see Figure 3.2). In other words, war economies are also a characteristic or outcome of what can be referred to as national, regional or international peace economies. Under this conceptualisation, war economies are not a separate final state as seen in the RC approach. Rather, they are contained, encircled and encapsulated within wider political and economic structures.

Figure 3.2 A structural political-economy (SPE) model of war economies



Adopting a structural political-economy (SPE) perspective requires a consideration of a much wider range of motivations and impacts of war economies. Under this view, the war economy is not simply a dysfunctional set of activities which causes or prolongs political violence with the view to gain economically, but in fact may serve as a means by which numerous actors (both legitimate and illegitimate) seek to gain or maintain political power (Ajulu, 2001; Dietrich, 2000; MacLean, 2002). In addition, the SPE model requires one to reconceptualise actors' decisions to participate in war

economies – to think about motivation not simply in terms of a desire to accumulate wealth, but perhaps as an attempt to find a way of participating in today's competitive global economy (Cooper, 2003). In this sense, war economies can be seen as a means through which actors can provide for themselves when the state and 'legitimate' markets fail to do so (Chingano, 1996; Ifeka, 2001). Part of an ever-evolving global political-economic system, these economic practices represent both a reaction *and* alteration to the creation of a new global political economy (Obi, 2010; Raeymaekers, 2010). What is actually occurring is the creation of a new status quo, not simply the failure of or interruption to current systems.

While both conceptual lenses are available to members of the DSI, it is the RC approach to war economies that is believed to be most prevalent in responses to war economies, with the wider political-economic structures privileged by an SPE approach often being ignored in donor and aid policies (Brown, 1999; Cooper, 2002; Johnson et al., 2003). Obi goes as far as saying that such simplistic notions of causality, typified in much of the work on the resource curse, has become a hegemonic discourse (Obi, 2010). In fact, despite methodological and ethical concerns regarding much of the research related to the RC approach, it has retained a central place in academic and policy endeavours. Explaining this dominance, Mats Berdal notes, 'The most important factor behind the initial attraction of the greed thesis . . . was the statistical analysis and social-science methodology in which it was steeped, which had the effect of simplifying the complexity of conflicts confronting policy makers' (2005: 688–689; see also Cramer, 2002). Charles Cater concurs, noting that practitioners often place

the most explanatory weight on the rational decisions made by other elites and the readily identifiable factors assumed to influence these choices. Consequently, strategies for intervention by the UN and other actors have focused on a limited range of measures intended to influence the flow of natural resources and the decision-making calculus of elites, rather than more comprehensive approaches that tackle the macro level processes and structures that generate and sustain intrastate war. (2003: 40)

In an academic field and policy arena often overwhelmed by interdisciplinarity and complexity, the straightforward and logical framework offered by the RC approach is tempting. It is supported by theoretical statistical modelling and can be easily fused with qualitative evidence. Policy wise, it creates simple and thus attractive answers as it suggests that conflict can be prevented and contained through better resource management, monitoring and stricter financial controls. These tendencies within the aid world are representative of the growth of neo-classical economic theory and rational choice theory in the field of conflict and security studies more generally (Cramer, 2002), providing

evidence of a concrete link between ideology and the conceptual lenses which dominate peace and development programming.

The dominance of the RC approach to war economies is, however, highly problematic. As Cramer notes, rational choice approaches to conflict often fail to address the need for 'structural and relational change' (2002: 1850), mirroring critiques found within other studies of development programming in which it is determined that 'the development aid system still neglects most of the non-economic aspects of development in favour of a narrow economic-technical approach' (Uvin, 1999: 55; see also Uvin, 1998). The resulting technocratic responses emerging from an RC conceptualisation of the problem fits well within a liberal framework which, as noted, is characterised by its reliance on rational choice theories and technical solutions. Such preferences fit well with another core characteristic of liberal thought, namely a belief in the power of institutions to resolve all manner of social and political problems (Shahar, 2007). Although there exists a variety of institutional approaches and analyses (Fioretos, 2011; Grieco, 1988; Shahar, 2007) liberal institutionalism has become a dominant concept and tool to both explain and promote the idea that there can be cooperation (instead of conflict) between states in the geopolitical realm (Nuruzzaman, 2008). A belief in the pacifying nature of liberal institutions at the international level has trickled down to a belief that the right institutions (i.e. liberal models of democratic governance, civil society, judiciaries) can also build and promote peace at the national and local levels by constraining the narrow interests of political elites. This approach is perhaps most clearly conceptualised in Paris's (2004) 'institutionalisation before liberalisation' approach to post-conflict reconstruction. Under this school of thought, there remains a belief in the inherent effectiveness of liberal approaches, but there is also a reconsideration of the sequencing of reforms, with a belief that good institutions must be created in order for the virtues of liberalism to be realised.

Adopting a structural approach to understanding war economies

To be clear, arguing that there is an increasing technocratic element to aid is not synonymous with saying that the aid industry is apolitical. What is being suggested is that while the distribution of aid, and the motivation for providing aid, may be extremely political in nature, the processes through which aid is meant to be utilised have become highly bureaucratised and formulaic, focusing on creating superficial economic, political and social institutions and thus eliminating any potential for aid being used for real and substantial social and political change. Importantly, bringing politics back into the process does not equate to an imperialistic imposition of northern ideals and processes. As de Zeeuw argues,

a political focus for peace-building does not mean that the international community should promote or even prescribe certain political institutions. Instead it should try and identify 'those relationships, processes, mechanisms and institutions that hold the greatest promise for ongoing conflict resolution, which may not always look like those in Western states'. (Adapted from Cousens and Kumar, as quoted in de Zeeuw, 2001: 17)

Accepting the politics of peacebuilding requires aid agencies to be more aware of the power relations which led to conflict and sustained the war, and which continue to affect post-conflict power arrangements. Without denying the reality that individuals and groups do formulate decisions based on potential risks and payoffs, choices are also shaped and constrained by surrounding forces such as history, politics and socio-cultural dynamics. Therefore the adoption and integration of SPE analysis by the DSI is a fundamental requirement in the transformation of war economies. In order to address the wider political-economic issues related to war economy transformation as opposed to a narrowly defined RC model of war economies, at least four areas need to be considered by actors: the problematic characterisation of criminality in zones of conflict; the geographical scope of war economies; the temporal scope of war economies; and the functions of these forms of economic activity.

Accompanying a focus on economic agendas in war is an increased tendency to view war as criminal with many actors being relegated to the category of common criminal. Consider an evaluation of the situation in Northern Ireland where one commentator concludes that 'violence takes on more characteristics of gangsterism than of a revolutionary uprising' (Jennings, 1998: 294). In effect, as the criminalisation discourse permeates, fighting war has turned more and more into fighting crime. Moodie (2010) refers to such changes in the labelling of acts associated with violence as 'critical code switching'. Citing the case of El Salvador, where policy makers have been faced with ongoing and arguably increased violence and criminality since the signing of the peace accords, it is noted that

if El Salvador was to join the ranks of the modern, investment-grade nations, then traces of war and indeed 'politics' had to be erased. So attention turned to recategorizing acts of violence, to recoding them, in a way that established a sense of order and normativity. That sense of order was bolstered by a new discourse on technical mastery of criminal investigation, of science rather than politics. (2010: 55)

However, one should remain cautious of the criminalisation discourse for several reasons. While there is a close relationship between criminal activity and war economies, many reports are sensationalist and exaggerated (Dupont, 1999), with discussions of war economies being hijacked by a 'drugs and thugs' mentality (Cooper, 2002: 935). Second, the category of criminal is

not easily (or objectively) defined. While a legalistic definition would posit crime as any activity which breaks a formal legal code, criminality is not always defined in this way. Crime is a socially constructed concept. Defining what is criminal in war economies is made more difficult in that illicit facets of war economies are often closely linked to licit formal and informal economies. Grey, black, shadow, underground, illicit, illegal and informal economies, regardless of how you define them (Karp, 1994; Lindauer, 1989; Meagher, 2003; Portes, 1996) 'are closely intertwined; there are no clear boundaries between them . . . In this context concepts such as "licit" and "illicit" economy fall short' (Collinson et al., 2003: 5). At what point in the trading process does an illegally mined diamond cease to be illegal? At the point of leaving the country? At the point of sale to De Beers? Once purchased by a consumer in the United Kingdom? This is not to argue that no element of a war or of a war economy should be classified as criminal, but that the difficulty in defining crime should act as a first step in reconsidering the preconceived notion that war economies are necessarily criminal. Characterising activities as 'criminal' shapes and indeed limits the feasible responses to these activities.

Another problem with the current criminalisation discourse relates to the fact that in many cases, gangs survive based on acceptance within their own communities (Skaperdas and Syropoulos, 1997) and as such, cannot simply be moralised away via derogatory labelling. Such overt normativity via the labelling of acts as criminal effectively delegitimises conflict and conflict actors (Keen, 2002/03). In other words, one of the dangers of the discourse lies in the portrayal of conflict actors as morally inferior and void of political ambitions or status (Meron, 1995), which may result in morality and normative judgments replacing thorough political analysis (Douzinas, 2003). Further, portraying leaders as greedy 'justifies open-ended and repeated international intervention on behalf of populations' (Hughes and Pupavac, 2005: 882). Here we can see the link between the ideological and analytical planes, as it suits the liberal political project to define the problem as criminal and thus apolitical.

Alongside a reconsideration of the fundamental role that supposed criminality has come to play, undertaking an SPE approach to war economies also necessitates widening the geographical scope of analysis. It is not enough to simply examine the role of resources in terms of the confines of a localised and geographically bound conflict. One should consider the links between localised conflict-related trade and regional or international economies of peace. Many legitimate international actors benefit from illegitimate local activities related to violent conflict. These actors include some of the globe's most powerful actors including IFIs and multinational corporations. International companies often circumvent southern governments' authority, making agreements with faction leaders (Aning, 2003) – Shell, for example, is

known to have paid money directly to the Biafran Separatist administration (Fitzgerald, 2001). A large percentage of the profits from war economies are laundered or filtered through financial institutions in the developed world (Power, 2001; Quirk, 1997) and some of the world's most powerful tobacco companies have also been found to have knowingly contributed to cigarette smuggling, with trade routes including conflict zones (Titeca, Joosens and Raw, 2011). External actors are also known to benefit via the involvement of international private security companies such as Executive Outcomes (Harding, 1997; Howe, 1998; O'Brien, 1998). Governments of so-called 'peaceful states' also benefit from these forms of trade, shifting allegiances as need requires (Friman and Andreas, 1999: 10; Power, 2001).

Related to this is the issue of consumption of conflict goods. Where commodity sales form the basis of a war economy, consumption rests largely in the North. Consider the fact that 'timber stolen from communities at gun-point eventually emerges in European garden furniture stores under a "green" label' (Le Billon, 2000: 788). Similarly, the final destination of conflict diamonds is predominantly northern markets, and the consumption of drugs also occurs in the globe's most developed regions. In terms of the scope of involvement, global value chain analyses point to the fact that the majority of the value added occurs outside the conflict-affected state. For example, just 1 per cent of the profit from the Afghan opium economy remains in Afghanistan (Cooper, 2002: 941). This is not to deny that profits are made by those in the conflict-affected state, however, the above arguments provide support for a need to move away from conceptualising war economies as a detached system, resulting from the immediate motivations of individual actors and assembled around the immediate violence of conflict. Instead, these economies, and thus their transformation, need to be more widely considered as having a global reach.

Likewise, linkages need to be considered on a wider temporal plane; a clear understanding of the role and impact of war economies requires us to look both forwards and backwards in time and not simply focus on the immediate conflict era. Many of the activities that become classed as part of the war economy were occurring years or decades before the commencement of the conflict. Transforming a war economy therefore is not simply a matter of addressing structures, relationships and behaviours which emerged during the active conflict, but understanding the often centuries-long processes which led to and facilitate such forms of accumulation. Conversely, the activities which constitute a war economy generally continue into peacetime with their structures becoming entrenched in the political-economy of the locale, region and globe. A war economy's legacy can be felt in three arenas. First, there is a political legacy as central figures of a war economy utilise the financial assets gained to acquire and sustain political power in the post-

conflict phase. There is also a criminal legacy as ‘criminal capital becomes political capital’ (Andreas, 2004: 44) achieved largely through the continuance of alliances made during the war, a problem which is compounded by the immunity often granted to individuals in peace accords (Ballentine, 2004; Gouvnev, 2003). Finally, there is an obvious economic legacy. Past war economies may hinder peacetime development by destabilising the state, which limits foreign investment, and continued smuggling detracts money from the state by eroding the tax base.

Of course, there is a functional and political logic to framing war economies as temporally bound within the accepted time frame of the conflict. As Hughes and Pupavac argue, ‘framing historical events in the contingent understandings of relevant time and space puts particular actors in the frame, while others remain outside of it . . . The international and local political and economic context for the initial descent into violence is removed from the analysis’ (2005: 875). Defining the war economy in terms of activity that occurred during the conflict period is practical in terms of narrowing the actors and structures which need to be dealt with, but also politically feasible and expedient as intervening parties can be selective about the actors on whom they choose to focus. However if broader transformation is the aim, the historical foundations and post-conflict impacts of war economies are of equal analytical concern.

Finally, once the above connections have been traced, analyses can go even further, attempting to understand not only *what* the linkages are, but also *why* those linkages exist. This can be done by examining the functions that these economies fulfil. Without glorifying or romanticising war economies and their participants, one cannot deny the positive social functions which war economies and their participants sometimes serve. As Duffield notes, in its interaction with these criminal economies ‘networks of aid practice confront a far more serious foe – the reflexive and resistant modernity of *actual development*’ (Duffield, 2002a: 1054–1055, emphasis added). The ‘actual development’ resulting from war economies may take many forms and can in fact lead to local resistance to transformation policies which might be seen as threatening local livelihoods or quality of life. Policy makers need to consider how post-war programming might need to fill these gaps, if the war economy is to be transformed. For example, in some cases, the war economy and its participants serve a security function within an area. With the collapse of the state, or in weakened states, sub-state groups, including participants in war economies, often step in to provide valuable security functions (Goodhand, 2008; Musah, 2002; Skaperdas and Syropoulos, 1997). For example, organised criminal groups have been credited with saving Sarajevo when the city was under siege (Andreas, 2004, 2008). Likewise, war economies also fulfil certain socio-political functions.

While groups who participate in war economies are often seen as the antitheses of legitimate state governments, it has been suggested that in some cases gangs fulfil the role of primitive states (Baumol, 1997; Skaperdas and Syropoulos, 1997). For example, drug traffickers in Latin America have contributed to social welfare programmes, with infamous drug lords such as Pablo Escobar and Roberto Suarez funding education and leisure facilities, providing scholarships and refurbishing churches (Richani, 1997; Shelley, 1999: 36). Taking this argument one step further, one must also consider the work of Charles Tilly who has famously argued that 'war makes states' (1985) but who also argued that 'Banditry, piracy, gangland rivalry, policing and war making all belong on the same continuum' (Tilly, 1985: 170; see also Downey, Bonds and Clark, 2010). In this sense, what one might classify as a part of the war economy can also be considered as a historical element of the statebuilding process.

Besides providing opportunities for wealth accumulation to warlords, criminals and political elites, many civilians also benefit economically from these economies, revealing important economic functions of war economies. Participating in a war economy is often a survival strategy for non-combatants. Afghanistan is often cited as a prime example of this, where estimates suggest that over half a million people are economically dependent on the war economy (Goodhand, 2000: 92). As mentioned earlier, within war economies, one can often find active and efficient credit markets, with economic elites in these economies often providing small loans for local people (Richani, 1997). Remittances from abroad, while sometimes used to support armed rebellions, are also a key part of many people's livelihoods in times of conflict, suggesting that attempts to curb remittances to conflict zones in an effort to reduce the ability of groups to purchase arms, may also have dire economic consequences. The scale and thus impact of these economies is also important. In Colombia, activities related to the war economy are estimated to have accounted for 12.3 per cent of the country's GDP in 1995 (Richani, 1997: 60). Likewise, the opium industry in Afghanistan is thought to account for nearly 60 per cent of its GDP (UNODC, 2004). None of this is meant to suggest that the structures of the war economy be left in place. These economies are also based on violence, fear and extortion. The profits are highly unequal, with much of the profits being accrued by elites and actors outside the country. These economies also deny the state revenue which could be used for post-conflict programming and social spending – in just one year it is estimated that the Cambodian government lost nearly \$100 million due to illegal logging (Boyce, 2005: 294). Nevertheless, war economies do fulfil certain functions at a local, national and international level. These functions allow war economies to become deeply entrenched and therefore difficult to transform.

The ability to consider the above issues, and address war economies from an SPE approach is limited, however, by the ideological underpinnings of DSI interventions. Operational actors are constrained, at least in part, by ideology to view phenomena through a technocratic lens (such as the RC approach to war economies) and thus rely on technocratic or apolitical solutions: solutions which fail to take into consideration the fraught and ongoing political realities that will affect both the implementation and outcome of the policy. But alongside the ideological constraints, which operate largely at the level of agenda-setting (dominated by guiding actors), there are other hurdles which hinder operational actors from moving away from an RC model and integrate something more akin to an SPE approach. One convincing explanation can be found in what Bradbury (1998) refers to as 'functional ignorance'. In order to be able to function and survive, organisations must focus on the issues and problems which they feel can be solved, ignoring those that may complicate their work. In the case of transforming war economies and peace-building initiatives, it is perhaps also an issue of functional ignorance that leads to faulty conceptualisations and problematic procedures. Due to the complexity presented by a wider political-economy approach, actors fall back on more simplistic models in attempts to understand problems and create solutions. There is of course variety in the analytical models adopted by actors, with individuals and institutions often moving along a spectrum between the two extremes of rational choice versus structural approach. This reality will become more apparent as cases of reform are assessed in coming chapters. In these instances, understanding how and when the less hegemonic choices are deviated from will prove an important field of investigation.

Operationalising ideological and conceptual tendencies

The underlying ideological and conceptual foundations of transformation policy are eventually translated into concrete operating procedures of the DSI, and thus understanding the actual dilemmas and problems faced by policy makers and implementers on the ground remains an essential task in creating a holistic picture of processes of transformation. The tendency toward technocratic approaches, the realities of an agenda of control, preferences for western *cum* (neo-) liberal institutions and other factors discussed in previous sections have shaped the format of DSI and transformation policies in ways that preclude more effective interventions.

To begin, the DSI's need to label the 'other', to differentiate between itself and those whom it is trying to 'help', often blinds it to its own contributions to hostilities and thus to war economies (Anderson, 1999; Uvin 1998, 1999). Such contributions are at times overt, but at times less obvious. Examples of

the former include the involvement of UN troops in the smuggling economy during the Balkan wars (Andreas 2004: 38) and the payment of militias in Somalia for protection by NGOs (Ahmed and Green 1999: 121). In terms of less overt contributions to a conflict economy, one study has noted how general practices of aid can be problematic: 'British aid in the town of Prijedor had bolstered the economic and political power of local political bosses who had directed ethnic cleansing operations during the war . . . the hardliners in the Serb Republic "will laugh all the way to the banks we have reconstructed for them"' (Boyce, 2002a: 1030, referring to reports from Human Rights Watch, 1997 and Paul, 1997). Such forms of involvement are often portrayed as a necessary evil, a means to a greater end. The reality, though, is that with the DSI clearly impacting upon conflict dynamics it is not an objective third party and the ability of DSI institutions to be reflective of their own contribution to war economies and to self-reform is limited. Their role and financial interests in war economies themselves calls into question their central role in transformation.

Beyond the issues of the DSI being a contributor to political-economies of violence, operational procedures of the DSI also limit its potential to effectively transform war economies. Critiques of the ways in which DSI structures limit peacebuilding initiatives in general provide insight into some of the problems the DSI faces in transforming war economies specifically. First, the number of actors involved in this industry (encouraged by the free market approach) makes coordination immensely difficult. The problem of coordination is increased as security and development actors try to work together towards common goals. Differences in size, power, resources and mandates make coordination between the military and civilian institutions especially difficult. In the case of civil-military engagement, NGOs do not want to share information with the military, fearing their relationship with local civilian populations might be threatened (Aall, 2000). Likewise, the military are known to act in a 'hegemonic manner towards the NGOs, typified by the attitude: "only we understand the security situation"' (Abiew, 2003: 30). Differences in organisational culture also impede meaningful coordination as security institutions tend to have hierarchical, centralised command structures where the roles and responsibilities of actors are well defined. Development institutions tend to be more flexible in nature, with decentralised decision-making processes often based on consensus and shifting roles and responsibilities (Abiew, 2003). Instead of real coordination, based on high standards of performance, coordination often becomes little more than combining the wish lists of the various actors (Natsios, 1995).

A second problem, related to poor coordination, is the highly competitive nature of the aid industry. Groups in competition with each other are less likely to cooperate effectively, fearing the loss of their position in the industry

if tasks are shared. Taking on characteristics of other highly competitive industries, a growing number of organisations are vying for a finite amount of funds. Competition is partly responsible for creating a need for quick, observable results that can be easily quantified and presented to donors. Such pressure has led to a preference for short-term, quick-fix projects which means that in highly complex situations such as conflict and post-war environments, there is little time for serious conflict analysis (Collinson et al., 2003). The combined pressures of competition, demands for quick quantifiable results and the danger of working in conflict-affected environments also leads to agencies becoming extremely risk averse – not undertaking progressive, creative or unique programming (Christopolos, Mitchell and Liljelund, 2001; Goodhand, 2001; Montani and Majid, 2002). Associated with the above pressures and concerns is ‘approval disbarment culture’ (Boyce 2002a) whereby actors are forced to spend their budgets, regardless of views and opinions on the effectiveness of doing so, in order to ensure their budgets do not get cut in forthcoming years.

Also related to the way the DSI functions is a general lack of capacity which is linked to several associated problems. First, aid agencies are often required to follow trends in the industry (Pugh, 1998). Organisations therefore need to be able to adapt to whatever locales or causes donors choose to focus on. With the geographical and topical focus of the industry constantly in flux, it is impossible for many organisations, big or small, to be specialists on all things and in all places. This is further complicated by the prevalence of a contract culture (Schafer, 2002) and high levels of staff turnover (Schloms, 2003). Such factors limit any serious amount of institutional learning as the experience and knowledge gained through staff experiences are lost. NGOs are further disadvantaged in the new DSI as many of them lack the skills and analysis they need to engage in security issues (Goodhand and Lewer, 1999). Likewise, security actors may lack the necessary skills to engage in more developmental work. These problems, related to having to engage in areas which fall beyond the realm of an institution’s mandate, have been labelled as mission creep and can affect all organisations, even the large and well-resourced actors in the DSI. Of course none of the problems listed here are unknown to those working within the industry. However, despite this recognition, there appears little momentum for change, likely down to the fact that at the macro level (at both the ideological and conceptual level) the blueprint is correct and that there simply needs to be adjustment at the micro-policy level. Without fundamental structural challenges to the aid system, it is questionable whether the above operational challenges to transformation can be overcome.

Analysing processes of transformation

Policies aimed at transforming war economies are being impacted upon by several varied, yet interconnected forces. At the broadest of levels, the ideological foundations of the DSI have led to a preference for apolitical programming which is both a fundamental characteristic of liberalism but also a key strategy in masking the very political project of liberal peacebuilding. These technologies of liberalism have numerous impacts on the nature and quality of post-conflict programming generally and thus need to be considered in relation to attempts to build economies of peace in conflict-affected states. Further, ideological trends and inclinations within the DSI have in turn had a direct impact on the ways in which the problem of war economies have been conceptualised. Faced with two competing models for the existence and growth of war economies, the appetite and need for apolitical perspectives, the desire for quick, easy solutions and a concomitant reliance on liberal institutions has led to an unfortunate dominance of rational choice explanations for the existence of and solutions to war economies as opposed to the more holistic (though more complex) structural political economy model. These processes and beliefs, focused on apolitical, technocratic discourses and practices have shaped this industry in such a way that the basic operating procedures and protocols are ill-equipped to handle the complexity of issues such as war economy transformation.

Of course, it would be wrong to argue that *all* actors within the DSI adopt a purely RC model based on ideological tendencies and structural constraints. As alluded to earlier, whilst there appears to be a bias towards liberal *cum* rational choice understandings and thus solutions to the violence

Decision-makers are both empowered and constrained by the ideational categories they have inherited from within their own societies and through which they make sense of the world . . . the pre-existence of these ordering mechanisms does not strip the individual of autonomy; for, in recognizing and acting within these constraints, individuals are reproducing them and hence retain the possibility of changing them. (Dodge, 2010: 1271–1272)

Therefore, it is important to recognise as we move through forthcoming analyses that whilst ideologically liberal foundations tend to drive actors within the DSI towards a more RC-based approach, the aid arena is populated by a diverse set of actors and, more importantly, by individuals. This reality creates opportunities for deviations from the narrowly viewed liberal models. In the coming chapters, detailed analyses of the implementation of reforms aimed at transforming war economies are undertaken. Using the above debates regarding the ideological, conceptual and operational characteristics of the DSI as preliminary lenses, these case studies will explore the tangible

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practices and impacts of the liberal project on war economy transformation. In doing so, a clearer picture of the dominance of liberalism and the concomitant failure to transform economies will be exposed with a detailed framework of how to understand war economies and transformation policies presented in [Chapter 8](#). Within this framework, opportunities for deviating from the liberal model and potentially moving towards more positive modes of political-economic interaction will be highlighted.