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The Globalization of Security

Introduction

In 2002 the UK’s Economic and Social Research Council (ESRC) launched the comprehensive five-year New Security Challenges Programme. Directed by Professor Stuart Croft at the University of Birmingham, it now funds almost 40 projects involving over 120 researchers. Its expansive and multidisciplinary approach seeks to reach beyond war into other important areas of global security. NSC projects explore eight broad themes: (1) the role of military force; (2) the role of international law, international organizations and security regimes; (3) economically driven security challenges; (4) technological aspects of security; (5) gendered dimensions of security; (6) security and civil society; (7) the media and psychological dimensions; and (8) human security.

In a collaborative venture, a series of briefing papers written by project leaders within the NSC Programme is being published by Chatham House (and posted on its International Security Programme web pages) over a two-year period to summarize important research results and emerging discussion points. The theme of the first set (in July 2005) was Security, Terrorism and the UK. This second set focuses on The Globalization of Security. Michael Dillon reframes the emergent global security problematic in terms of issues of ‘circulation’, ‘complexity’ and ‘contingency’. Mark Duffield examines ideas of development and human security. Rita Abrahamsen and Michael Williams analyse the implications of the proliferation of private security companies. Finally, Paul Collier and Anke Hoeffler provide an economic analysis of the global costs of civil wars and alternative preventative strategies.

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The International Security Programme at Chatham House has a long-established reputation for independent and timely analysis, and for its contribution to the public debate on security and defence. We are especially pleased to be associated with the ESRC’s NSC Programme in publishing these Briefing Papers by independent experts that will address both topical issues and the broader intellectual context of security policy.

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Global Security in the 21st Century
Circulation, Complexity and Contingency

Michael Dillon

Contemporary global security concerns can be distinguished from those of previous eras by developing three analytical terms: circulation, complexity and contingency. Looking at security through these terms not only enables us to see how a cognitive shift is taking place in how global security is being thought about, but also raises a series of classic policy dilemmas that are becoming increasingly difficult for policy-makers to ignore.

Circulation
In the new security context, the term circulation gives emphasis to the problems posed by interdependencies and flows rather than problems posed by demarcations between internal and external affairs. In a general, low-intensity state of emergency, characterized by the shifting locales of violent conflict, derived from many different causes and taking various forms, global circulation also appears to pose a seamless web of interdependent problems. Here, climate change, human, food and water security, as well as economic and political security, enmesh homeland security with external defence into a complex agenda where different concerns compete for local and global attention and resources. The problems posed are as much cognitive, however, as they are material. They demand changes in thinking as much as they do redirection of resources.

What distinguishes the new security problematic in the first instance is therefore the primacy of the preoccupation with global/local ‘circulation’. Circulation in this context means every conceivable kind of circulation or flow of peoples and things, of energy and of finance, of water and food, of capital and information, of images and discourses, of science and technology, of weapons and ideas, of drugs and of sex (AIDS to prostitution), of microbials and diseases. In short, the new global security problematic is concerned with the circulation of everything. The reason is simple. In a systemically interdependent world everything is connected or, in principle, is able to be connected, to everything else. Therefore everything now matters. The very smallest perturbations or anomalies in one system of circulation have the potential to cascade rapidly into large-scale crises affecting very many other local and global systems of circulation. A virus gets loose, a passenger jet crosses an ocean, a population is infected, a city is closed down – SARS and Toronto – and financial markets begin to react. Health, tourism, urban vitality and systems of global finance display connectivities hitherto unknown or unanticipated. Cognitively, circulation translates the new global security problematic from a ‘geo-strategic’ into an ‘ecological’ problem characterized by the escalatory dynamics of complex interdependencies.

Complexity
A lot has been written in the past 25 years about how complex systems differ from complicated systems and about the complexity sciences and non-linearity. This is not the place to go into that in detail,¹ but in effect, complex systems of circulation operate more like living systems than like mechanical systems. They therefore pose different kinds of scientific and technological problems as well as social and political ones. In other words, the techno-science and governing technologies required for understanding and managing them are different. If circulation poses the generic problem of global security, complexity poses its epistemic challenge. How are we to understand how these complex systems of global circulation operate and how to manage them in ways that will avoid the potential for disaster stored up within them? This is as much a political as a technical challenge. Technology always receives privileged attention in security politics, but ultimately it is politics that will meet or fail the challenge.

Complex systems are not only adaptive entities behaving more like living systems; they are a combination also of social and technical elements. In the jargon they are called socio-technical systems. Here the interface between the human and the technical elements is integral to the dynamic of the whole system. And it is that interface, where the human is also the social, which is most difficult to comprehend and command. This in turn requires a cognitive shift in the way in which the natural and the social world are studied scientifically – together not separately. Any transformation in the way in which the world is understood technically and socially will entail a cognitive shift in the way in which security becomes problematized and in the conduct of security policy. We are undergoing such a historical shift now.

Contingency
If the laws of Newtonian physics are said to operate regardless of time and space, the laws of dynamic exchange between intelligent evolving systems are, instead, always critically dependent upon the contingencies of time and space. The more things circulate the more complex they become. The more complex things become, in the organic way described here, the more contingent becomes their operation. Contingency does not mean pure arbitrariness, it means being critically dependent upon the detailed correlations of time and space. These are the accidents of circumstance. As the global security problematic becomes preoccupied with circulation and complexity it therefore also becomes preoccupied with contingency as well. Expressed in the most abstract and general way, contingency is what complex global systems of circulation circulate – massive and dynamic sets of spatio-temporal conjunctions and correlations. That is why the modern global security problematic has also become preoccupied with risk. For if circulation and complexity pose contingency, contingency in turn poses risk.

Ordinarily risk is something to be avoided in security politics because it is associated with danger. But risk is not simply the occasion of danger. Risk is also the occasion of profit. Complex global circulations of every kind do not simply, therefore, reflect or compound the radical contingency of the world; many of them are fact explicitly designed to turn the world’s contingency to advantage by exploiting the circulation of contingency and risk. Without the profit and invention extracted from the radical contingency of complex global circulations of every kind our global societies would be entirely different.

Here, for clarification, we can invoke Pascal because what translated contingency into a risk from which profit could be extracted with a measure of calculation was probability, and it was Pascal who invented probability. Without Pascal’s mathematical formulation of probability, the insurance industry as we know it, for example, would

never have been able to become one of the single most important service providers of social and economic security in the modern world. Without Pascal, the very changing moral economy of precaution that insurance builds into the micro-physics of societies would not have contributed as much as it has done to the social securitization of mass industrial societies. Without Pascal we would not have the financial markets upon whose trading in ‘securities’ the financial assurance which underwrites the prosperity and social security of these societies also relies.

In other words, with Pascal emerged the modern taming of chance. Here, too, a fundamental shift in the very nature of what we understand security to be, and the very means by which it can be provided, went through a fundamental shift that is also increasingly characteristic of our modern security problematic. The security promised by the modern state offered physical protection and the preservation of ways of life. In exchange for that, citizens were supposed to grant states their legitimacy to rule. State apparatuses have habitually reneged on this security contract or indeed reversed its very terms. Many states are simply protection rackets that wrest their ability to rule from the different ways in which they actually endanger their citizens. In the modern world most people get most of their security most of the time from other institutions and systems, especially insurance. This security is not physical or existential. Much less is it the metaphorical security offered by some national way of life. It is a material and basic but essential form of ‘reparational’ security which, through the way insurance and other systems exploit risk, allows most people most of the time to survive the contingency of the world, putting people and things back into circulation.

Probability depends, however, upon the absence of an ‘evil demon’ determined to wreck the best risk calculations of probability that promise us a way of governing security. Pascal’s near contemporary was Descartes. If Pascal taught us the mathematically reliable principle of probability, it was Descartes who introduced the principle of radical doubt into our thinking through the way he imagined how an ‘evil demon’ might stalk our world deliberately intent on wrecking the very calculability that Pascal’s probability held out to us. The ‘evil demon’ signals the very limits of calculable knowledge. That is what 9/11 reintroduced into our close-coupled civilization in the form of suicidally empowered ‘terror’. It is that which confounds all current calculations of probability and reasonable expectations, together with all the technologies and strategies of negotiation upon which we have traditionally come to rely for the resolution of conflicts and the advance of global security.

The techno-scientific challenge of global security in the 21st century is therefore now suspended in a new balance of terror between the pole of calculability represented by Pascal and the pole of radical doubt represented by Descartes. While the fate of the world now hangs on the governability of this contingency, it is perfectly clear also that the threat posed is not one that comes from outside. It is one that is integral to global systems of complex circulation and exchange through which we make our livings and enjoy our security. Externalizing the threat misconceives the problem.

**Conclusion**

The problems of ‘circulation’, ‘complexity’ and ‘contingency’ described above were well established before 9/11, but the difficulties they pose have been severely compounded by the effects of that event. The problems posed derive from the very ways in which the complex, globally interdependent infrastructures that now characterize social, economic and political orders operate. Their very connectedness poses dangers in terms of the speed and ferocity with which perturbations within them can cascade into major disasters. It does not take a suicidal terrorist to do this. We have socio-technical systems that can quite happily do it unintentionally on their own. Their own dynamics may engender catastrophic events.

One more point to add is that these systems have as complex a relationship to the natural environment as to each other. Natural catastrophes will also be social (and potentially political) catastrophes. Social and political catastrophes – civil war for example – can engender or compound natural ones. The complex interdependence of the world is as ecological as it is socio-technical. Hurricanes, tsunamis and earthquakes are not simply acts of God. They are simulated. They can be predicted, within carefully prescribed bounds. Warning systems may be installed to mitigate their catastrophic effects. As a Pakistani official observed in relation to the earthquake that devastated large areas of Northern Pakistan in October 2005: ‘it is not earthquakes that kill people but building regulations and the failures of aid and rescue.’

Add to this dynamic brew the suicidal terrorist and you have the return of Descartes’ ‘evil demon’ in the face of whose machinations, he concluded, you have to imagine the very worst. Here intended catastrophe threatens to ally itself with the catastrophic natural accident described so well by Charles Perrow, to devastating effect.2

Circulation, contingency and complexity represent a cognitive shift in thinking about global security as much as a profound transformation of global society. They add emphasis to the ways in which political and media attention tends to focus on ‘the Event’ or ‘the incident’: 9/11, Hurricane Katrina, the tsunami, and so on. Three classic policy dilemmas are posed anew and with added urgency because the stakes have been raised. The first is how to differentiate good circulation from bad circulation, devising means of preventing bad circulation without collapsing circulation as such. The second is the problem of governing too little or governing too much. Too little, and regimes may fall. Too much, and circulation may halt. The third is posed by the massive democratic deficit associated with the security systems and surveillance technologies being developed to cope with the new security problem posed by all three. A crisis of political legitimacy haunts the work of security managers as they contend with this new security problematic. Posed in terms of the decline of public trust and confidence in governing institutions and political elites, that crisis indicates that security is ultimately always more a political than a technology problem, that the scarcest resources of all include political intelligence, commitment and inventiveness, and that the stakes are global.

**Human Security: Development, Containment and Re-territorialization**

**Mark Duffield**

Human security is usually described as the widening of security concerns beyond those of states to include the needs and well-being of people. This idea emerged at the end of the Cold War and, by the end of the 1990s, had

produced a growing number of dedicated networks, research programmes and international commissions. Given its ambitious aim to secure humans globally, making human security a reality usually rests upon the policy invocation of extensive international divisions of labour that bring together governments, UN agencies, international financial institutions, NGOs, private companies, and so on. However, rather than examining human security as a physical or material condition that can somehow be measured, indexed or compensated for, it is advantageous to analyse it as a relation of governance—that is, as a set of discursive practices whereby the international community of effective states understands and intervenes within ineffective ones. From this perspective, human security is a moral technology through which effective states are able to project and strategize power.

**Development and underdevelopment**

Human security provides a means of distinguishing geopolitics, the security of states, from biopolitics the security of population. Since they are intimately connected, this is not always easy. Geopolitics is contained within a register that interconnects states, armies, territories and alliances. Retortories, however, also come with populations, in relation to which modern effective states also play an important role—especially in supporting and promoting the aggregate life of a population, including instigating measures that allow people as a whole to realize their optimal productive and reproductive potential. This is the arena of biopolitics. The biopolitical relationship between states and territories has been neglected by security and development studies alike. In the case of the latter, this is surprising since development, with its basic instinct to protect and better people whom it understands to be somehow incomplete, can be seen as an aspiring international biopolitical regime.

Within policy discourse the term ‘development’ is often vague and undefined or, at best, simply equated with poverty reduction. By distinguishing a ‘developed’ from an ‘underdeveloped’ population in biopolitical terms, however, the term can be given more depth. In this respect, the tsunami disaster of December 2004 is instructive. Although the destruction was of an entirely different order, within 24 hours the world’s leading reinsurance companies had estimated losses around the Indian Ocean rim as less than half the $21bn incurred during the summer hurricanes that hit Florida in 2004. The reason given was that few local people and businesses affected by the tsunami wave were insured. The distinction between an ‘insured’ and a ‘non-insured’ population, broadly interpreted, suggests how a developed and an underdeveloped population can be distinguished biopolitically. The life-forms associated with mass consumer societies, such as those of Europe, are distinguished from an underdeveloped population by the degree to which life is supported by a comprehensive mixture of remedial and supportive measures, including public and private insurance-based safety-nets, that cover birth, education, employment, health and pensions. While the nature of such provision is politically contentious and its distribution uneven, this is what is meant by an insured population. In comparison, the tsunami victims, the displaced people of Darfur, those starving in Niger, and so on, are non-insured populations.

To present development and underdevelopment in biopolitical terms emphasizes the huge gulf in life-chances that separates people living in mass consumer societies from those within ineffective or fragile states. Some might imagine that development is about significantly narrowing this gap—for example, bringing non-insured populations to a level of health, welfare and pension support similar to that existing in Europe. The reality of development practice, however, is very different. When confronted with the biopolitical gulf between developed and undeveloped life-forms for the last several decades ‘development’ has been increasingly redefined as a means of protecting mass consumer society from the consequences of underdevelopment, especially the risk of disorder associated with its cyclical demographic and migratory dynamics. Not least of these are the asymmetric demands made by non-insured migrants and refugees on Europe’s welfare system.

**Development as containment**

As an idea, human security did not emerge ready made. It builds upon recent changes in how development and security are understood. In the case of development, this involved the 1980s fusion of developmental and environmental concerns to produce ‘sustainable development’. This formulation emerged as a critique of earlier notions of modernization associated with state-led industrialisation and bureaucratic, professionally based public welfare provision. In the hands of independent nationalist elites, modernization strategies aspired to narrow the gap between developed and underdeveloped worlds. Rather than being controlled by local elites, however, sustainable development was pioneered by external international aid agencies. Moreover, instead of being state-centred, sustainable development is people-centred. The life-form that is valued by sustainable development is that which secures its existence through pursuing choice and opportunity in the marketplace via the effective management of poverty’s risks and contingencies. As an alternative to an insured existence, sustainable development aims at strengthening self-reliance through promoting a compensatory social entrepreneurialism at household and community levels. Rather than producing a convergence between development and underdevelopment, however, sustainable development is essentially a technology for containing, managing and making more predictable the risks associated with poverty.

**The crisis of containment**

Poverty reduction through actor-based sustainable development became official donor-government policy during the 1990s, at the same time as post-Cold War anxieties over the ability to manage the risks of underdevelopment were heightened by the persistence of internal wars. Both sustainable development and internal war take a self-reliant life-form as their reference point. Within policy discourse, however, they appear as opposites; sustainable development seeks to strengthen self-reliance while internal war destroys it. Rather than containing the risks of poverty, internal war promotes population displacement, migration, refugee flows and shadow transborder economies, including illegal sourcing and procurement. Internal war not only highlights the problem of ineffective states, it releases non-insured and destabilizing forms of global circulation able to penetrate the porous borders of mass consumer society and test its resilience.

The idea of human security brings together these changing perceptions of development and security. While embracing the optimism of sustainable development and its aim of strengthening self-reliance, it simultaneously draws attention to the conditions that threaten international stability. Human security articulates the interconnection of development and security in the post-
Cold War era. The crisis of containment underpinned by internal war has shaped a worldview in which events, no matter how distant, are now seen as radically interconnected. In these circumstances, a ‘responsibility to protect’ has shaped the emerging custom and practice of international intervention during the 1990s. This dictum holds that if an ineffective state is unable or unwilling to protect the human security of its citizens following a major humanitarian emergency, this responsibility passes to the international community of effective states.

The responsibility to protect, which is currently informing the UN reform process, signals that moral considerations now trump international law. One only has to scratch the literature on human security to realize that it contains a distinction between effective and ineffective states. Whereas during the Cold War an underdeveloped state enjoyed de jure legal equality with a developed one, during the post-Cold War era effective states, faced with a crisis of containment, have assumed the moral authority to intervene within ineffective ones. The world has returned to a situation of de facto state inequality within the international arena. Given this situation, the question can be asked: responsibility to protect what exactly?

Re-territorialization

Although the human in human security implies a universal or cosmopolitan ethic, policy discourse makes it clear that the territorial nation-state is vital to achieving human security. ‘Responsibility to protect’-style interventions are not, for example, trying to secure non-insured populations in the name of a universal citizenship, but instead take on a rather more limited role of reinstating an effective state. Following the collapse of the small-state Washington Consensus in development policy and growing dissatisfaction with the transformational powers of non-state humanitarian assistance, human security signals that the state is now back at the centre of development discourse.

This begs another question. In exercising the responsibility to protect, what sort of state is being constructed? In the case of ineffective states (variously known as weak, failed or fragile), ‘governance’ states are being constructed that draw their architectural inspiration from the developmental success stories of Africa. A governance state is, in effect, a transnational enterprise in which the core budgetary and human security functions of the state are subject to a high degree of international oversight and control. While new instruments and means of aligning donor-government policies are required, the future of ineffective or fragile states has been cast in terms of their gestation into governance states. With the placing of human security at the heart of an emerging governance state, one can detect a process of re-territorialization that gathered momentum during the 1990s. This has been boosted further by the war on terrorism.

The international political architecture of the Cold War was defined by the respect for territorial integrity together with the principles of sovereign competence and non-interference. The architecture of the post-Cold War period has changed, however, especially in relation to ineffective states. While respect for territorial integrity remains, with regard to non-interference, sovereignty over the non-insured populations living within such states has become internationalized, negotiable and conditional. Interventions in Kosovo, East Timor, Afghanistan and Iraq, for example, have not challenged the territorial integrity of the states concerned; indeed, its principle has been upheld. What is in question is how populations within such territories are governed and maintained. Re-territorialization within the existing borders of ineffective states, based upon external oversight and control of core budgetary and human security functions, is not only seen as good in itself, it is has been cast as essential for the security of mass consumer society.

Conclusion

The process of re-territorialization has had a significant impact on the role of NGOs. During the Cold War, NGOs operated outside the state and, indeed, were critical of state-led development. But in the name of coherence, re-territorialization has demanded new forms of centralization, including transforming NGOs into the role of state auxiliaries. For some, the move to pre-emption, together with bringing the state back into development policy, has been an uncomfortable process of adaptation. At the same time, however, the securitization of aid has created openings for new actors and opportunities for wider privatization. The war on terrorism, in emphasizing the radical interdependence of global affairs, has made possible new forms of coordination and centralization that bridge the traditional national/international divide. In the search for human security a new planetary order is currently in the making.

The Globalization of Private Security

Rita Abrahamsen and Michael C. Williams

The privatization of security has attracted considerable attention in recent years, but amid all the discussion of mercenaries and private military companies, one aspect of security privatization has gone almost unnoticed: the phenomenal growth of private security companies (PSCs). While less spectacular than the mercenary activities of someone like Simon Mann or the Iraq involvement of private military companies such as Erinys and Blackwater, the size, scope and rate of expansion of private security companies dwarf those of private military companies. Similarly, while their concentration on the more mundane aspects of security such as guarding, electronic alarm systems, patrolling, risk analysis and management may lack the eye-catching cachet of the new ‘corporate dogs of war’, they have a profound impact on the day-to-day provision and politics of security. In fact, the growth of PSCs has significantly altered the landscape of security both locally and globally, leading to and reflecting an increasing commodification and politicization of security.

At first glance, the globalization and privatization of security appear to be a classic example of the erosion of sovereignty and state power, as the state’s monopoly of legitimate violence has long been regarded as a defining characteristic of sovereignty itself. Any image of a straightforward ‘retreat of the state’ is, however, too simplistic. To be sure, there has been an increasing fragmentation of the security field, in that a multiplicity of different actors – public and private, global and local – are involved in the provision of security. But rather than an erosion of state power, the result is the emergence of new networks of security in which the authority of the state and private actors is re-articulated through new technologies of governance, coercion and control. This has numerous political implications, in terms of how security is provided, for whom, and by whom, and also theoretically for how we think about the state and global security. The challenging security environment of sub-Saharan Africa illustrates these implications with particular clarity.
Growth and globalization

The global private security sector is currently estimated to be worth $95 bn, and in the post 9/11 ‘risk’ society its growth is expected to continue. Private security has become a pervasive feature of modern life, and the companies catering for our seemingly insatiable demand for security range from very small, owner-operated local firms offering basic manned guarding to extensive regional and national companies. The true giants of the sector are the global private security companies. The world’s largest PSC, Securitas, now operates in more than 30 countries, and employs over 210,000 people. Listed on the Stockholm stock exchange, the company has annual revenues in excess of $6 bn. Group 4Securicor, the second largest company, has 360,000 employees on the continent of $3.8 bn, and operations in over 100 countries. Other global PSCs are part of even larger transnational corporations. Chubb, for example, is part of United Technologies, a $31 bn global corporation listed on the New York Stock Exchange, whereas ADT Security Systems is incorporated into Tyco International, serving nearly 8m customers in over 100 countries and responding to some 34m alarm signals per year.

While the largest security markets are in North America and Europe, growth is higher in the so-called ‘emerging markets’, and the major international security companies are looking to developing countries for profitable expansion opportunities. Securitas has a significant presence in South America and parts of eastern Europe, and is currently considering opportunities in Asia. In Africa, private security has expanded at a phenomenal rate in the last two decades, and the continent is increasingly becoming part of the global security market. Most notably, Group 4Securicor now operates in 40 African countries and employs 60,000 people on the continent of $2.7 bn. Two international companies, ADT and Chubb, dominate South Africa’s lucrative armed response market, while numerous international risk analysis and risk management companies operate throughout the continent, especially in locations with strong economic interests or a high presence of aid and humanitarian personnel.

While in the popular imagination private security in Africa is predominately associated with post-apartheid South Africa, the influence and expansion of private security provision is far more widespread than this impression allows. To be sure, South Africa has experienced an explosion in the number of private security companies, and as a percentage of GDP the country has the largest security market in the world. But as crime and insecurity have become endemic in large parts of Africa, private security companies have increasingly taken over the role of the protection of individuals, households, neighbourhoods and businesses alike. As a result, the uniformed guards of the literally thousands of security companies have become a familiar feature of urban life. In Nigeria, for example, there are now an estimated 1,200 security companies, employing at least 100,000 people; in Kenya, there may be as many as 2,000 security companies; in Uganda there are equal numbers of private security officers and public police; and in post-war Sierra Leone private security is just about the only economic sector to show any sign of growth. The provision of day-to-day security in Africa has become not only highly fragmented and varied, but also highly localized, so that it is no longer provided primarily by public actors but by private companies.

Fragmentation and global–local networks of security in Africa

The growth of the private security sector in Africa is intimately connected to the erosion of state capacities and services that began in the late 1980s and continued throughout the 1990s. This was a period of declining economic prosperity, when state expenditure and investment were drastically reduced, often in line with international donor requirements for economic liberalization and structural adjustment. The result was a continuing deterioration of the capacity of governments and municipal institutions to deliver services, including the provision of law and order. At the same time, many state elites showed little inclination to curtail their own appetites, and corruption and mismanagement of state assets continued unabated. As the state failed to provide protection for its own citizens, people organized in various ways to maximize their own safety.

It is also important to recognize that recent transformations in security provision cannot be captured in a strict public–private dichotomy, and that more often than not private and public security are linked in complex networks of authority and cooperation. More or less formalized public–private partnerships exist across the continent, particularly in relation to armed protection. Outsourcing is also becoming increasingly common, and in South Africa PSCs now protect all the country’s police stations. The blurring of the distinctions between private and public, global and local is also evident in Nigeria,
where private security has become a major part of the economy and is essential not only to the continued operation of the oil industry but also to the very survival of the federal state. Nigeria is the world’s eighth largest oil producer, and with the state holding a 60% share in all oil companies operating in the country, the revenues are substantial. The security situation in the Delta is currently such that many of the activities associated with oil extraction take place in enclaves: operations behind layers of barbed wire, staff inside gated compounds, transports with armed escorts. Other aspects of oil extraction and production are spread across thousands of square kilometres in the mangrove swamps and creeks of the Delta, and are practically impossible to secure. This situation has given rise to an extensive network of public–private, global–local security structures where the public police, the military and the navy work side by side with international security experts to ensure the continued operation of the oil fields, and by implication, the maintenance of Nigeria’s social and political order.

**Conclusion**

The extensive privatization and globalization of security have important implications. In terms of policy, the increasing fragmentation and multiplication of security providers mean that private actors must be seen as an intrinsic part of the security field, for example when considering reform of the sector in developing countries. But to date PSCs have been treated as largely external to this reform process, thus ignoring the extent to which people rely on them for their daily security. Regulation is also crucial, as an unregulated private security sector can quickly become the vehicle for increased inequality, criminality and insecurity, or lead to competitive and dysfunctional relations between the police and PSCs.

PSCs have become important (global) actors, cooperating and interacting with states, capital and international organizations in the provision and maintenance of security. Increasingly, the distinctions between private and public security are becoming blurred and reconfigured, fusing into networks of institutions and practices that are not only local but global. Recognizing the nature of private security and the emergence of these global–local, public–private networks is crucial to an understanding of broader transformations in contemporary security provision and global governance.

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**Reducing the Global Incidence of Civil War: Available Policy Instruments**

**Paul Collier** and **Anke Hoeffler**

Most wars are now civil wars. Although international wars attract enormous global attention, they have become infrequent and brief. Civil wars usually attract less attention, but they have become increasingly common and typically go on for much longer. Civil wars are an important issue for development and global security. Where development fails, countries are at high risk of becoming caught in a conflict trap in which war destroys the economy and thus increases the risk of further war. The effects of civil war extend far beyond the country’s borders. Economic growth in neighbouring countries is reduced and the entire region is destabilized. In addition, there are global effects.

Our research focuses on three issues: (1) the opportunities for global conflict prevention; (2) the analysis of instruments aimed at shortening existing conflict; and, (3) recommendations on how to design policies for post-conflict societies. Post-conflict periods are at particularly high risk of renewed civil war and the research to date suggests that the best opportunity for development policy is in the prevention of recurring war in post-conflict societies. The analysis of possible policy instruments in the reduction of the incidence of civil war is based on a global cost-benefit analysis. The estimated cost of each policy instrument is compared with the benefits resulting from a reduction or shortening of war.

**Benefits of reduced incidence of civil war**

The benefits resulting from a reduction in the incidence of civil war accrue at three distinct levels: national, regional and global.

Taking the national level first, one clear cost of civil war is a reduction in economic growth. One year of conflict reduces a country’s growth rate by 2.2%. Since, on average, each civil conflict lasts for seven years, the economy will be 15% smaller at the end of the war than if the war had not taken place. During the post-war recovery, even though the economy on average grows at an annual rate of more than 1% above the norm, it will take roughly ten years to return to its pre-war growth rates. And 21 years after the start of the original war, the GDP has returned to the level it would have achieved if no war had occurred. The total economic cost, expressed as a present value at the start of the war, is 105% of the GDP at that point. The welfare of a country’s population, however, is further reduced because of increased military spending during and after the war. The additional cost is about 18% of GDP.

Conflict has a severe effect on human health. One way of summarizing this effect is to express the cost in terms of Disability Affected Life Years (DALYs): a measure of the total number of people affected and the period for which their disability lasts. An average war causes an estimated 0.5m DALYs each year. We calculate 5m DALYs as the net present value of health costs. If each DALY is valued at $1,000, the economic cost of harm to human health in a typical war is around $5 bn.

At the regional level, the growth rate and military expenditures of neighbouring countries are affected during and after the war. On average, each country has 2.7 neighbours; by applying the same concepts as detailed above we calculate the loss of income to be 127% of the initial GDP of any one country – greater than the direct effect in the conflict country itself.

Other costs which are too difficult to quantify include forced migration and disease. Thus, with the proviso that the figures so far are underestimated to some degree, the total benefit of averting a single ‘typical’ civil war can be calculated. The various national and regional costs covered amount to 250% of initial GDP. The average GDP of conflict-affected low-income countries just prior to war is $19.7 bn; the cost of a single war is therefore around $49 bn plus $5 bn of health costs, giving a total cost of $54 bn for a single low-income country. This is a significant figure, but in addition there is the ‘conflict trap’ mentioned above: countries that have just experienced a civil war are more likely to have further conflict. It takes about 15 years for the risk to reach the pre-war level again; the additional discounted cost is $10.2 bn. Thus, the total national and regional cost of a single war is more than $64 bn.

There are additional, global impacts of civil wars,
massive in scale but difficult to quantify in terms of cost. Civil conflicts have been contributory factors to three world scourges: hard drug production, AIDS and international terrorism.

At present, on average two civil wars start each year. The net cost of these would be $128 bn. So an initiative that reduced the chance of a new war by, say, 10%, would generate benefits of around $13 bn each year.

**Opportunities for conflict prevention**

The empirical research shows that economic factors are important in determining the risk of war. Raising the economic growth rate and harnessing the ‘resource curse’ reduces the risk of conflict. Two major policy options might deliver these benefits: aid and better utilization of income from natural resources.

* Aid: The effect of aid will depend to a large extent on the political and institutional situation. An extra 2% of aid to poor and generally peaceful states would cost an estimated $195 bn. This indicates that unsolicited aid programmes are not a cost-effective way of reducing conflict: the benefits are less than 10% of the costs. This is not to say that the aid may not be justified; after all, its main purpose is poverty reduction. However, conflict reduction should not be expected to be a major outcome.

* Improved governance of income from natural resources: Not only is income from natural resources poorly converted to growth in many conflict-prone countries, but revenue from primary commodities is actually a risk factor in civil war. One reason is that valuable resources can encourage regional secessions and provide finance for rebel movements. One way in which the international community can act collectively to improve this situation is to increase the transparency of revenue streams, as in the Extractive Industries Transparency Initiative (EITI), a campaign backed by a range of NGOs, the G8 governments and international institutions.

  It should be feasible to halve the adverse effects of poorly managed natural resource incomes. Subsequently, growth rates would be raised by 0.067%, an increase assumed to be permanent once reforms are in place. The benefit in present value terms would be $12.1 bn.

  A much larger benefit is realizable. Greater transparency in the revenue flows can reduce regional grievances and the incentives for secessionist groups to take control of the income. If such action reduced the risk from natural resource dependence by 10%, the overall risk of war for a typical country would fall from 13.8% to 12.7%. This would be worth $3.9 bn annually and, assuming it is permanent, gives a present value benefit of $77 bn. The total benefit from conflict reduction by this route is then $89 bn, making this a cost-effective option.

**Reducing post-conflict risks**

During the first decade following a war, there are very high risks of repeat conflict: around half of all civil wars arise in this way. However, typically there are only about 12 countries in this post-conflict category at any given time, making it relatively easy to direct resources to them. Two policy approaches to reduce post-conflict risks are the use of aid, and military spending. Countries typically have higher growth rates in the middle of the post-conflict decade. Although the need is great immediately after a conflict, there is limited capacity to use aid effectively; by the middle years, resources can be managed better and the needs addressed properly. The opportunity identified is then to provide increased aid at the time when it is most useful: the analysis is for an aid increase of 2% of GDP for the middle five years of the decade. Typically, the combined GDP of the 12 countries in their first post-conflict decade is about $163 bn. The cost of the additional aid averages $1.6 bn per year over the decade, with a net present value of $13 bn. The gain in growth rate in the years when extra aid is received would be 1.1%, more than five times the increase seen in normal non-conflict situations. The benefits of this targeted aid in terms of avoiding conflict can be calculated as $31.5 bn across the 12 countries. This intervention is clearly cost-effective for the additional security benefits alone, in addition to its main purpose of poverty reduction.

**Military expenditure**

There is a case for international military intervention, on condition that the government makes deep cuts in its own military expenditure. A reduction to pre-conflict levels alone would increase GDP by 2% in the decade.

Assuming that an international peace-keeping force completely avoids the outbreak of another war during the ten years it is in place, a risk of 38.6% in the first five years and 31.9% in the second is averted. With the average civil war costing $64 bn, the present value of this intervention is $29.9 bn. In addition, a gain of $3.2 bn can be attributed to the reduced risk of war because of reduced military spending and increased GDP, making a total of $33.1 bn.

Costs will vary with the individual country’s situation, but taking the British intervention in Sierra Leone as an example we argue that an expenditure of less than half a $1bn dollars secures a benefit of $30 bn.

**Conclusion and comparison**

All of the above estimates are gross approximations. Nevertheless, they enable us to distinguish between those policies that offer very high rates of return and those that are uneconomic. Clearly, the option of international military intervention under Chapter VII of the United Nations Charter offers enormous benefits, but is also the most difficult politically. At the other end of the scale, aid has very limited effectiveness in conflict prevention unless it is much better targeted. Reforms of the commodity trading system fall between the extremes, offering significant benefits at reasonable cost.