

7 | Globalization and Disorder

The 1970s was a decade of crisis and rethinking, paving the way for significant discursive change. The shift to a new development discourse, which was centred on the concept of globalization, came around the year 1980. In view of the sudden collapse of this discourse three decades later, it is important to understand the conditions under which it emerged. As important markers one could mention the rise of the New Right (Thatcherism and Reaganomics) and the New Cold War, the counter-revolution in development economics, and the rise of post-modernism, all in the context of globalization. This led to the so-called impasse in radical development theory as well as development studies. Globalism became the new paradigm, replacing the idea of development with the strategic imperative of structural adjustment. In the course of the 1980s the communist system broke down, contributing immensely to the liberal triumphalism that many took to be definitive and final.

In the course of the 1990s, however, various problems associated with market-led globalization began to emerge. The phenomenon of 'failed states' became widespread. Development policy had formed an integral part of the nation-building project. Its purpose had been to achieve an integrated and consolidated nation-state, with a sufficient degree of legitimacy. However, in many developing countries the movement towards internal cohesion was interrupted, and neither the investment nor the welfare fund could be maintained. Instead, these countries became

increasingly militarized. The shrinking surplus was spent on 'security' for the political elite, signalling the collapse of the state and civil society – and subsequent disorder. This was the end of the optimistic phase of the discourse. The discontented multiplied into a storm of anti-globalism towards the end of the decade, and in the new millennium demands for a new world order were raised. The much broader critical debate in connection with the financial crisis, starting towards the end of 2008, and the following depression signalled a discursive change, in certain respects similar to the 1930s (Chapter 5).

Development and globalism

Development theories and strategies associated with political interventionism had been largely unsuccessful, except for a handful of states in East and South-East Asia which had followed more or less closely the Listian recommendations for catching up, although now with a stronger emphasis on export. In addition these countries were supported by the West for geopolitical reasons. This applies to market-oriented 'developmental states', also called 'newly industrialized countries' (NICs.) Elsewhere state intervention had been more politically motivated, referred to as 'clientism', but legitimized through the ideals of welfarism that originated in the West. Many countries thus indulged in overspending, which soon led them into financial crises, and thence to economic and political conditionalities. Under this pressure, developing countries gradually began to liberalize and open up their economies. The discourse on engineered development came to a close. Market-oriented convergence took place even in politically very different regions.

Since radical development theories and socialist strategies proved to be of limited instrumental value, the failure led to a

'crisis' or 'impasse' in the more radical (interventionist) development theorizing which had been predominant in the 1970s (Booth, 1985; Schuurman, 1993). The impasse was an important rupture in development thinking. Schuurman suggests three underlying causes for this paradigm crisis: the failure of development in the South, the post-modern critique, and the rise of globalization. If the state was no longer the major agent, how could development take place? Globalization was said to be the new form of development, which in practice meant integration in the global economy preceded by 'reforms'. China after 1978 is of course the major example, followed by a general 'transition' from communism to capitalism starting in the 1980s. In the Soviet bloc *perestroika* was introduced in 1985, further enforcing the general process of liberalization in the world.

Globalization

The much-discussed question whether globalization is an old or new phenomenon is basically a matter of definition. It is widely held that globalization must be understood as something more profound than internationalization, by which is meant merely an increase in the contacts between nation-states. Globalization on the other hand defines a growing transnational arena in which limited nation-state control operates and where players other than states assert themselves. It further binds together a large number of players at different levels of society, including various sub-national levels, for example, micro-regions and local communities. It can perhaps be said that the criterion for the fact that we are faced with globalization rather than simply internationalization is precisely the impact on local society, as well as the insertion of local society itself into globalization ('glocalization').

Another major debate concerns whether globalization, seen from a normative point of view, is a good or bad thing. This depends on how different individuals and groups are affected,

What is globalization?

There is no consensus on what is meant by globalization. What is certain is that it has had a great impact on the development discourse. Communications between places throughout the world are virtually instantaneous (often described as compression of the world in terms of space and time), with no significant barriers between societies previously considered as more or less separately demarcated national and local arenas. The world at large seems to have shrunk and to be omnipresent. The world economy is being highly integrated and the autonomy of national economies is being diminished. Common ecological conditions have created a planetary existential problem for mankind. From a cultural perspective globalization is more complex, giving birth to hybrid forms. Cultural phenomena which previously were geographically limited are now to be found throughout the world, often in new and innovative combinations.

and we can with great certainty maintain that they are affected differently. Globalization reduces the space of action for the nation-state. In consequence the state functions less and less as a protector of its 'own' population, and instead more and more as a medium for signals from the world market: structural adaptation and cutbacks on welfare. This perceived 'betrayal' alienates the state from society, diminishes its legitimacy in the eyes of segments of its own population. In collapsing states the nation-state order is replaced by all kinds of local leaders, including warlords, a situation which recalls the Middle Ages. There is thus nothing determined by nature in a process of globalization. It also unleashes anti-modern counter-movements, for example, in the form of neo-nationalism and religious fundamentalism. This, finally, implies that globalization must be thought of in the plural, and as something that can be politically influenced.

The vast literature on globalization has been divided into three categories: hyperglobalizers, sceptics, and transformationalists (Held, 1999). The hyperglobalizers believe that we already live in a global economy, a thesis rejected by the sceptics as a myth. The difference between these two positions in terms of development strategy is the familiar one between *laissez-faire* and interventionism. The transformationist thesis is that all states and societies are going through a profound transformation as they adapt to a globalizing world – the globalized condition. In my view globalization can be understood in terms of Polanyi's *Great Transformation* as a 'second great transformation'. Thus the implications for development are in this view more open. The purpose of political order, according to the globalist vision, is merely to facilitate the free movement of economic production factors. This is seen not only as the 'natural' but also as the most beneficial condition for development and welfare. Any country or region that attempts to thrive in isolation from market forces (as had been suggested by radical dependency theory) is, according to the liberal view, sentencing itself to stagnation. The optimum size of an economy (and therefore its ultimate form) is the world market, as Adam Smith once asserted (see Chapter 3). All other arrangements, such as regional trade agreements, are only second best, but acceptable to the extent that they are stepping stones rather than stumbling blocks towards an open world market.

Globalism or, in development language, 'structural adjustment', the current hegemonic development paradigm, implies as its ideological core the growth of a world market, increasingly penetrating and dominating the 'national' economies. Since this process is synonymous with increased efficiency and a higher 'world product', globalists consider 'too much government' to be a systemic fault. 'Good governance' is consequently often in practice defined as less government. Thus, the current ideology of globalism argues in favour of a particular form of globalization,

namely neo-liberal economic globalization: the institutionalization of the market on a global scale. It is a simplification, however, to identify globalization as such with neo-liberalism. Other political contents should in principle be possible. There is thus a struggle for the political content of globalization. Stronger regions would, for example, shape the form and content of globalization in different ways, depending on the political trends in their respective regions. The world may defy the modernist script by becoming not one world, but instead a plural, multipolar world.

Contemporary globalization can be seen as a further deepening of the market system, which (including its disturbing social repercussions) is now taking place on a truly global scale. We should not expect a uniform response to this 'second great transformation', but, as history shows, many forms of adaptation and resistance. So far the globalist hegemony has been powerful. Highly contrasting political forces converge on the same neo-liberal economic policies ('there is no alternative'). It is not much of an exaggeration to say that, whereas a national five year plan was a must for a developing country expecting to receive international assistance in the 1960s, it would have more or less disqualified that country from receiving aid in the context of the neo-liberal hegemony discussed here.

The counter-revolution

Of course all this affected the field of development studies. In an article from 1981 Albert Hirschman explained the rise and fall of development economics by the combination of two methodological and theoretical positions. The first was a rejection of the mono-economics claim, in line with the substantivist position of Polanyi discussed above, thus arguing for a separate theoretical structure. The second was the assertion of the mutual benefits between rich and poor countries. This provided development economics with a claim to originality, without being unacceptably

radical, like the dependency approach, which gave little guidance to the donor community. Development economics took advantage of the disarray in orthodox economics after the depression of the 1930s and the Keynesian revolution. This had led to a conception of two kinds (micro and macro) of economics: ‘The ice of mono-economics had been broken and the idea that there might be yet another economics had instant credibility’. But this methodological position was now rejected.

Instead, a neo-liberal backlash, the ‘counter-revolution’ in development economics (Toye, 1987), gained momentum. A non-interventionist, anti-Keynesian, neo-classical, formalist approach, at first politically associated with Thatcherism and Reaganomics, became dominant, legitimizing structural adjustment programmes (with or without a human face) and privatization; the reconfiguration was orchestrated by the Bretton Woods institutions, now pressing for a more consistent liberal policy. In this way the domestic bases for continued globalization were created and secured. This marked the end of the Great Compromise and the Golden Age, and the rise of the Washington Consensus. Globalism entered the development discourse as immanent and inevitable progress: the modernization paradigm globalized and simplified. Other central issues in the development discourse were democracy and human rights and the use of conditionalities to promote these values. The development problems and their solutions were looked for inside the developing countries, rather than in their unequal international relations.

The discursive struggle started in the 1970s, a time of crises when no economic policy seemed to help, which undermined the position of Keynesianism. As part of this struggle we can see the Nobel Prize for economics (actually a prize in memory of Alfred Nobel sponsored from 1968 by the National Bank of Sweden). During the 1970s the prize went to neo-liberals like Friedrich Hayek (1974) and Milton Friedman (1976), signifying a

paradigmatic change in the economics discipline. Development economics disappeared in favour of 'monoeconomics': there was now only one acceptable economic theory, and its name was neo-liberalism. On the whole there was a reduced interest in development theory in general, and interventionist theory in particular. In the socialist world 'transition theory' became fashionable. This discursive change was carried out by the 'counter-revolutionaries', a group of economists typified by Lord Bauer (1971), who from the very beginning had been sceptical of Keynesian theory and characterized development theory, particularly dependency but also the structuralism of the pioneers in development economics, as a leftist, Third Worldist ideology without scientific basis. They claimed that economic theory was universal and thus valid for all types of societies. Market exchange provided solutions to the development problem. Poverty was seen as caused by mismanagement in the developing countries. The Western guilt complex was rejected.

The counter-revolution was partly ideology (New Right), partly a resurgence of a new realism, as far as realities in many developing countries were concerned. It is undeniable that many politicians and 'rent-seeking' bureaucrats were enriching themselves rather than developing their countries, thereby becoming 'development obstacles'. There is an echo here of the early liberal critique of mercantilism (Chapter 3). The structural adjustment programmes were therefore useful in raising the level of discipline, but far from being a sufficient means to achieve sustained economic growth; indeed, in many cases they were actually a 'prelude to systemic crisis' (Duffield, 1998, 2001, 2002) and an end to genuine nation building, which earlier was linked to development. This concept was given a completely new meaning. There was even a neo-classical Marxism; Bill Warren (1980), for example, recycled the Marxian view that capitalism has been historically progressive and that imperialism therefore had played a positive role in the

development of global capitalism. This was a meeting of extremes that spelled a deep crisis for development theory.

Neo-liberal development

What kind of development was informed by neo-liberalism? According to this ideology liberal development means freeing the market from various political and bureaucratic obstacles established in order to regulate the economy. In reality it means, as Polanyi pointed out long ago, the installation of a new, market-friendly political framework serving above all capital accumulation and economic growth, and playing down social justice and related considerations. The main purpose is ‘forging the market state’ (Robison, 2006). Such a state, facilitating the functioning of the market, can be authoritarian like Singapore and Malaysia, or even a one-party state such as China and Vietnam (communism without socialism), or a military dictatorship like Chile under Pinochet. Thus the neo-liberal development experience is not homogeneous, contradicting neo-liberal orthodoxy (market fundamentalism).

Neo-liberalism vs neo-conservatism

The relationship between neo-liberalism and neo-conservatism, both of them simultaneously pursued by the US under the Bush administration, is complicated. While the former believes in a minimal state to get the market mechanism in full operation, the latter pursues the same aim with the help of a strong, even authoritarian state and with little regard for authentic and popular (in contradistinction to formal and elite-controlled) democracy. The liberal trickle-down theory is replaced by the more cynical view that inequality has natural explanations in terms of human capability. It seems as if neo-liberalism served as ideology, while neo-conservatism was the praxis, until it also became the explicit ideology of the Bush (Junior) regime (Robison, 2006).

How much did Europe differ? The neo-liberal development ideology of course left its mark on the EU development policy. In terms of development ideologies there has been an evolution from ‘associationism’, via an increasingly radicalized Lomé system, to a more neo-liberal approach (post-Lomé). The EU’s relations with the African, Caribbean and the Pacific (ACP) group of countries are rooted in colonial and neo-colonial relations, which are now described in more symmetric terms as ‘partnerships’, for instance in the Cotonou agreement (2000). The background to this evolution is the gradual abandoning of the ‘pyramid of privilege’ implied in the Yaoundé and Lomé frameworks that, since the mid-1960s, defined the relationship between the EU and peripheral regions, originally selectively favoured in accordance with former colonial interests. Over the years the ACP countries have been marginalized in the European-led inter-regional system, but interestingly these countries have made efforts to act as a collective unit, while the EU makes efforts to regionalize and differentiate the group based on territorial and developmental criteria (LDCs, landlocked countries, island countries and so on). On the whole the post-colonial world has been marginalized and the ‘pyramid of privilege’ has shifted to the benefit of the ‘near abroad’ of Europe. An additional factor is the fact that the meaning of development has not remained static from Yaoundé to Cotonou. However, the poverty issue remains in the EU’s rhetoric, which states its mission as helping to reduce and ultimately to eradicate poverty in the developing countries and promoting sustainable development, democracy, peace and security.

The politics of identity

In accepting the neo-liberal ideology of globalism the state became the disciplining spokesman of external economic forces, rather than the protector of society against these forces. This

latter role was the classical task of nation building, culminating in the modern welfare state. The retreat of the state from these historical functions also implied a changed relationship between the state and civil society (Tester, 1992; Chandhoke, 1995) and, in particular, a tendency for the state to become alienated from civil society. Inclusion as well as exclusion is inherent in the networking process implied in globalization, and benefits occurring somewhere are negatively balanced by misery and violence elsewhere. Particularly in the South, there is an ongoing informalization of economy and fragmentation of society. The fundamental problem with globalization is the selectiveness of the process. Not everybody is invited to join. The exclusivist implications lead to 'politics of identity', as loyalties are being transferred from civil society to 'primary groups' (defined as the smallest 'we-group' in a particular social context), competing for scarce resources in growing development crises. This also implies a crisis for the nation-building project, meant to be inclusive. Development, as a crucial part of modernity, was traditionally seen as a rational progressive process organized by the state (nation building). The idea that the world is instead moving into global chaos (Sadowski, 1998) has been forcefully presented by a school of thought represented by Robert Kaplan (1994) and Samuel Huntington (1993). Others apply a more sophisticated theory of chaos borrowed from science, which seems to imply that the social system can be made to move in unforeseeable directions through minor changes occurring anywhere in the system.

A related post-modern line of reasoning acknowledges the fact that globalization has undermined the nation-state order, but tries to identify some sort of logic in this seemingly turbulent situation. In this situation domestic chaos or durable disorder can go on for decades, thus no longer being abnormal, but rather the birth of a new order very different from modernist assumptions. The conventional view says that disintegration of the state implies non-

development, but some studies of ‘real’ substantive economies suggest a more complex picture of emerging ‘local’ (or rather ‘glocalized’) economies. They are delinked from state control, run by a new type of entrepreneur, supported by private military protection, and draw on international connections (cf. Chabal and Daloz, 1999). All this has become possible because the state is becoming unable to legally define and protect various assets and resources situated within the ‘national’ territory (Duffield, 1998, 2002, 2007). The post-modern global condition is often described (and celebrated) by post-modernists through the key concept ‘difference’, which to a modernist may appear as disorder. The old assumption of convergence and growing sameness implied in the modern project is increasingly questioned.

The turbulence following from globalization gives rise to different forms of state: fundamentalist, ethnocratic, warlord, militarized, microstates. The emphasis on contextualization underlines not only historical but also geographical differences. Each region in fact deserves its own framework (Payne, 2004). The crisis for the African nation-state, the problem of ‘failed states’, would perhaps have occurred without the impact of globalization, simply due to inherent difficulties in the nation-building project; but when it happens it happens in a context of ideological globalism, firmly pushing for minimal government. The poor who do not control the state, or the not so poor who face the end of patronage, rely on collective identities which not only enhance solidarity within the group but can create hatred towards outsiders. Those who can’t control the state turn to ‘warlord politics’ (Reno, 1998).

In many places there is little difference between the old ‘kleptocratic’ state bureaucracy and the new militarized entrepreneurs. Elsewhere, where the modern project is still alive, one can, however, discern a difference between, on the one hand, the conventional nation-state strategy of maintaining sovereign rule over the

national territory and, on the other hand, localized strategies of reserving local assets for local entrepreneurs, disregarding claims from the official, but no longer *de facto* nation-state. The competition concerns mainly control over resources. It is, nevertheless, interesting to note that the new entrepreneurs often rationalize their behaviour in accordance with the hegemonic economic ideology. They are not only ‘locals’ but operate in a globalized system. Liberalization and privatization are really on the agenda. Neo-liberalism and warlordism thus seem to travel well together. Thus the description of such situations as state disintegration, ‘black holes’, and ‘failed states’ is somewhat simplified. It is not the state that disappears. It is everything else that changes.

A new political economy was emerging, both local and global at the same time. The ‘new wars’ characterized the 1990s, not only in Yugoslavia but in many parts of the world. These wars were fought inside states (at least initially) by local mafia organizations against the civil population, sometimes in cooperation with criminal global entrepreneurs. The purpose was the accumulation of different kinds of resources. Therefore the ‘new wars’ have been defined as a way of making a living rather than as a temporary break in the process of modern development.

There has been a debate about the underlying motives behind the ‘new wars’ (Berdal and Malone, 2000). Are they driven by ‘grievance’ or by ‘greed’? The first interpretation is popular among economists; the latter is typical of a more leftist discourse, and seems relevant for understanding why civil wars start in the first place – while the former interpretation explains why civil wars seem to go on for a long time. Vested interests will have been created in the primitive accumulation of warfare, while a return to peace may cause problems due to the lack of alternative ways of making a living. Even if ‘new wars’ are usually defined as ‘internal’, the new situation is actually characterized by the erosion of the external–internal distinction. As a state is dissolved,

it can no longer be territorially defined, and occasionally neighbouring states are drawn into clashes among themselves (regionalization of conflict), underlining the increasingly irrelevant distinction between ‘internal’ and ‘external’. The phenomenon may, as noted, not only be a simple passing crisis for the state, but a ‘durable disorder’ or, in metaphorical terms, ‘a new medievalism’ (Cerny, 1998). This can be described as some sort of regression into pre-Westphalianism – a world with a drastically reduced role for the nation-state as we know it. The overall significance of this route is a downward (from the state) movement of authority to subnational regions, localities, and social groups, while supra-national forms of governance remain embryonic. Disorder is here seen as a problem of insecurity and belonging to the broad security discourse, including security threats that come from inside society. In terms of ‘development’ *durable disorder* can mean a generalized warlord economy with limited influence of external forms of authority on the local power holders and social forces. The mode of development possible in such a context may at best be some sort of ‘primitive accumulation’. Obviously the standard definitions of development are hard to apply in this situation of global civil war. This illustrates the development–security nexus discussed in the first chapter.

Restoring order

In the globalized world of the 1990s, as a result of the spread of disorder, there emerged a qualitatively new discourse on intervention called ‘humanitarian intervention’ (or, in another more critical coinage, ‘military humanism’). This implied a coercive involvement by external powers in a domestic crisis with the purpose of preventing anarchy, punishing human rights abuses and promoting democracy and ‘good governance’. It can be seen

as an extension of international development assistance into a more coercive form, challenging established principles of territorial sovereignty. The recent focus upon human security rather than state security is significant for understanding the change of the security and development discourse and the fundamental challenge to sovereignty. Implied in concepts such as ‘human security’, ‘human development’, ‘humanitarian emergency’, and ‘humanitarian intervention’ was the widely accepted idea of a transnational responsibility for human welfare. Military intervention in the service of human rights is thus a key issue in the discourse, particularly in the 1990s. According to current international law there are only two legal types of intervention: (1) a conflict constitutes a threat to international peace, and (2) the behaviour of the parties to a conflict fundamentally violates human rights or humanitarian law (in the worst case a genocidal situation).

The practice of external intervention in domestic affairs has so far been rather restricted. A counter-sovereignty operation is not compatible with what was originally stated in Article 2 of the UN Charter: ‘Nothing in this Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state.’ International law and human rights have not been quite compatible. A fully fledged human rights regime belongs to post-Westphalia. However, the *legitimacy* factor with respect to intervention in ‘domestic affairs’ did in the 1990s grow stronger relative to the *legality* factor, and consequently the number of interventions in response to ‘complex humanitarian emergencies’ also increased, changing the nature of world order. The different cases of external intervention that we have seen so far have shown different degrees of legitimacy, not unrelated to the behaviour of the parties to the conflict. The more barbarian the behaviour of the warring parties, the more urgent and the more acceptable (legitimate) the external intervention will appear to public opinion.

The complex rebuilding (or rather the creation of a new equilibrium) cannot be done by outside actors alone – but normally not without them, either. Local actors have become paralysed by mutual hostility and fear, apart from lacking necessary resources, destroyed by the war. There is thus no alternative but to build on the combined efforts of external interveners and remaining ‘islands of civility’ (Kaldor, 1999) to combat hate, suspicion, corruption and criminality. Manuals based on early experience were produced by NGOs which, in the wake of the ‘new wars’, were handed a new task and a new role in global governance (Duffield, 2002). Humanitarian intervention was carried out in the name of humanity; by militarily cooperating states; sometimes in a formal UN context, sometimes in a plurilateral form; sometimes complemented by various non-military forms through international NGOs, representing what somewhat prematurely is referred to as ‘global civil society’. The interventionist movement in its liberal, humanitarian form lost momentum after 2001. More recently the discourse of the 1990s changed from ‘humanitarian intervention’ to pre-emptive intervention or ‘war against terrorism’. The full implications of this, as far as the future world order is concerned, are yet to be seen. The war against Iraq was not compatible with international law and may be a turning point as far as liberal interventionism is concerned, further undermining the Westphalian foundations of world order.

Globalization constitutes processes of both inclusion and exclusion; thus the alternative tradition in development theory can still be defined as incorporating demands from ‘the excluded’ – but, in the era of ‘post-development’, it is no longer so clear within what they are supposed to be included. An additional alternative development dimension in a context of societal disintegration has been the role model of remaining ‘islands of civility’ in a sea of civil war (Kaldor, 1999). Development, in collapsing states, was reduced to what development workers had

to do in situations of crisis and conflict. Development aid has in this context been reduced to a civil form of humanitarian intervention, and the major reason for intervention is violent conflict: to prevent it, to manage it, or to reconstruct societies in post-conflict situations (Munslow, 2002).

Post-conflict reconstruction is a new development experience of massive social engineering, completely different from the physical rebuilding of war-torn societies in which the inner societal coherence is still intact. This latter experience provided the model for planned development after the Second World War. In contrast, a 'complex humanitarian emergency' includes not only physical destruction but social exclusion, depletion of 'social capital', erosion of civil society, decay of institutions and decline of civility. It is a destruction of the social and moral substance of society. In view of the fact that the pre-conflict structure generated tensions that led to conflict, post-conflict 'reconstruction' is of course a most inappropriate term. Reconstruction must mean the creation of something new.