

National Security and Economic Development: Securing Development – Developing Security

Wolfgang-Peter Zingel

1 Introduction

International intervention has been undertaken for various reasons: Ending or preventing genocide, ending terrorist activities aimed at other countries or protecting and looking after refugees. Beyond these and other goals interventions are also directed towards development. Security and development are obviously mutual preconditions: National security is a precondition for economic and social development as much as economic and social development is a precondition for national security. The question then arises: Is there a trade-off between national security and economic development? Is economic and social development possible without national security and how much security does development need?

Being an economist the author of the present paper looks at security as a (pre-)condition for development, assuming that security is part of what economists refer to as the “(non-)economic framework”. A political scientist or a security expert might see it the other way round, i.e. how development, or rather economic and social well-being, is a precondition for national, internal and external, security.

2 Terminology, theories and concepts

Obviously, it is difficult to “develop” countries that have been suffering from internal strife to such an extent that international intervention had been brought in for the purpose of (re-)establishing a kind of order where the state had failed and where order had totally broken down. Countries like Afghanistan, Kosovo and Chad serve as examples in this conference as Austria has been engaged there. The author, however,

being familiar only with Asia, will concentrate on Afghanistan, where order has broken down in parts of the country, and Pakistan, that sees spillovers from the war in Afghanistan; there will be more examples from South and Southeast Asia.

2.1 Development

At the outset the term “development” needs clarification, as its meaning has changed over the last half century. Until the end of World War II most of Africa and Asia were under the control of the colonial powers, directly or indirectly. Once the colonies were “released” into independence, their “underdevelopment” became the object of policy makers. It soon emerged that recipes that had worked in the reconstruction of war-torn Europe and Japan would not work automatically in the newly independent countries where institutions had to be built up and not simply to be rebuilt. Soon a new discipline, i.e. development economics, emerged, starting with defining development levels and bringing out specific “development” problems like the “vicious circle” of health, poverty and income, demographic trends (“population explosion”) and social systems (dual society). Development economists came up with simple, often exclusive, strategies to overcome underdevelopment, like the “big push”, the “take off”, “balanced” and “unbalanced” growth, “import substitution”, or “export-led” growth.

Development can be considered an achievement as well as a process. “Developing countries” as a category implies that their “development” is their defining parameter, although in the sense of an urgent need and necessity rather than a description that this is already happening. That poor countries were categorised as “developing”, which was rather a euphemism especially because those countries are called developing which have the least progress to show. In any event, judging a country as developing has never been easy. Various organisations had their own definitions and these changed over time. To make it more complicated, a subgroup of less developed countries (LDCs) was called least developed countries, and quite confusingly the abbreviation of LDCs that stood originally for the less developed countries now stands for the least

developed countries (also LLDCs), so that one is well advised to make clear which definition is being used.

2.2 Indicators

Originally, one single indicator, i.e. the gross national product (now: gross national income) per capita, alternatively also the gross domestic product, i.e. the level of production, seemed to suffice to characterise a country by its level of economic activity. This was the time when economic growth was the ultimate goal of economic policy in “developing countries” and elsewhere. It took time to learn that “underdevelopment” as a phenomenon was easy to describe, but that “development” would be a complex process and difficult to put into practice.

As lined out, development is a multidimensional system of goals. Development is certainly more than economic growth or an increase in gross/net domestic product or gross/net national income per head of population. The World Bank, therefore, no longer ranks the countries by their GDP per capita as it used to do until 1997 in their World Development Reports.¹ Professor Mahbub ul Haq worked out a composite index for the United Nations Development Programme (UNDP), which was presented in the first Report on Human Development in 1990. The Human Development Index (HDI) combines economic and social indicators of stocks and flows, i.e. (hypothetical) life expectancy at birth, the latest available rates of adult literacy and mean years of schooling and real GDP per capita (i.e. the value added in the last available year); a range of indexes has been added since then

¹The gross national income (GNI) per capita is still given in the reports. For 2007 see: World development report 2009: Part II: Shaping economic geography. Washington, D.C.: The World Bank 2009, pp. 352-253 and 359.
<http://siteresources.worldbank.org/INTWDR2009/Resources/4231006-1225840759068/WDR09_bookweb_2.pdf>, accessed on 9.4.2009.

(like the Gender Development Index).² What they have in common is, that most of them are composite indices that include social indicators.

There are still a number of methodological problems: One is the difficulty, if not impossibility, of interpersonal comparison of utility (or “happiness”). Economists tend to assume a decreasing marginal utility of most commodities: Most people would not be ready to spend as much for the second piece of a particular item as for the first one.

Most indicators are average values that say little about economic and social problems of the poor in poor countries. This does not only apply to averages across the population but also over time. The average availability of food per capita in a particular country (or a region) says nothing about how much each and everyone has to eat and also not whether food would be available throughout the year. Since crops of most fruits are seasonal, periods of food shortage often exist in the weeks and months before the new harvest. In some languages they even have a word for the season of scarcity (like *munga* in Bengali). Amartya Sen has written in his seminal work on Poverty and Famines how people starve although there are neither widespread crop failures nor rising food prices.³ Similar observations can be made in war-torn countries where foodstuff and other requirements are available but not accessible for large segments of the population.

Political turmoil and war are main reasons for widespread distress. This was the case at the time of the Great Bengal Famine of 1943 when the Japanese occupation of Burma, the major “surplus province” of British India, meant that India’s sea ports were cut off from food supply

² The Human Development Report comes out every year and comprises a series of indicators and indexes of economic and social development. They are described in detail at the end of the report. The latest has been: Human development report 2007/2008. Published for the United Nations Development Programme (UNDP). New York: Palgrave Macmillan 2007.
<http://hdr.undp.org/en/media/HDR_20072008_EN_Complete.pdf>, accessed on 2.4.2009.

³ Sen, Amartya: Poverty and famines: an essay on entitlement and deprivation. New Delhi: Oxford UP 1994 (1982).

(another factor was poor management of the crisis); the African famines of the 1970s and 1980s also had a string of other reasons (irresponsible governments, wars) than crop failures.

2.3 Strategies

The reason was distribution: aggregate and average indicators say nothing about personal and regional distribution of income and wealth or about the risk of hunger and famine. Already in the 1960s Gunnar Myrdal described in his seminal book “Asian Drama” that a country like Sri Lanka or an Indian state like Kerala suffered from relatively low average incomes, but nevertheless could show impressive social indicators.⁴ Pakistan became a text book case of failed growth strategies, because the poorer half of the country, the Province of East Pakistan (now: Bangladesh), was intentionally neglected for the reason that it showed a lower capital productivity than the western part of the country and, therefore, received less investment. It was argued that, in plain language, nothing could be distributed before it had been produced. The more investment would be concentrated in the western half of the country, the more would be available for distribution later. It is not surprising that the East Pakistani found this line of argumentation not convincing and feared to remain disadvantaged for decades to come. The growth-versus-distribution controversy led to an estrangement of the two “wings” of the country, to civil war and, finally, to the break-up of the country.⁵

The United Nations came up with the Millennium Development Goals (MDG), all indications that development obviously is easy neither to define nor to measure.⁶

⁴ Myrdal, Gunnar: Asian drama. An inquiry into the poverty of nations. 3 vols. New York: Pantheon 1968.

⁵ Jahan, Rounaq: Pakistan. Failure in national integration. New York: Columbia UP 1972.

⁶ They are listed in: World development report 2009, op. cit., pp. 354-355.

2.4 Aid

The attributes “underdeveloped”, “less/least developed” and “developing” are used to describe a group of recipients of foreign economic assistance, commonly called foreign aid or development assistance, or politically more correct: development cooperation. Under these headings all kinds of support are understood, provided to governments or institutions in cash and kind, but always at preferential terms (although even this has been disputed).⁷ Originally such support was given as outright grants or (wheat) loans, often also as expert advice (technical cooperation). Providing support/aid/assistance/cooperation started at the same time as the Cold War; such support extended also to the field of national (internal and external) security. In many instances military aid was part of a package; often it was – and still is – impossible to say where exactly development assistance ends and military assistance begin. Measuring development assistance is a matter of definition, not only vis-à-vis military assistance but also with regard to private investment. Gross and net assistance have to be distinguished (the difference being the debt service, i.e. payments for amortisation and interest). There is hardly any information on the grant element, repayments, and waiving of debts.

2.5 Reconstruction and change

Anthropologists and others have raised the question whether development can be an activity, a transitive action: Can one develop another one into something? Can a government develop its economy and society? Can foreigners develop a country of which they are not citizens and where citizens may even be hostile to the idea of being “developed”? This is a central question and not just semantics. Decades of development policy have shown how difficult it is to bring about change in a foreign country. It was easier in the case of post-war

⁷This especially applied to “tied” aid, i.e. aid given under the condition that procurements had to be made from the donor country. As the world economy has become less national and more global lobbying for such ties has become less and the discussion has more or less stopped.

reconstruction in industrialised countries like Germany or Japan. The developers, then the Americans, had an idea how economy and society could be reconstructed there. Reorientation programmes, however, were suffered through rather than welcomed. Korea and Taiwan were in a similar situation that may exist also in the Balkan.

The leaders of the Indian independence movement also talked of “reconstruction”, but they referred to pre-colonial India, destroyed by the colonial power. After independence, however, they did not reconstruct India but started to construct a new India. India’s development policy with its socialist orientation certainly did not reconstruct any pre-colonial patterns and relied on a political and administrative set-up that they inherited from their colonial masters. Development, therefore, is an intransitive process: societies and economies develop into something rather than being developed.

2.6 Security

National security also needs definition: Which security and whose security? In economic terms security would be the absence or reduction of risk and a heightened predictability of future events. The entrepreneur can hedge against risk by selling the risk to someone else, e.g. to an insurance company or to a hedge fund. This, however, is no solution when it comes to personal safety or national security. The lack of national security can also be looked at in terms of transaction costs: When security is lacking, transactions become more time-consuming, more risky and, thus, expensive.

Political leaders often mean national integrity when they speak of national security. The disintegration of a state, however, does not necessarily add to insecurity as the case of Singapore’s separation from Malaysia in 1965 shows.⁸ Czechoslovakia split peacefully into the Czech

⁸ Henderson, John W. et al.: Area handbook for Malaysia. Washington, D.C.: American University 1970, p. 71.

Republic and Slovakia in January 1993,⁹ as had done earlier Norway when it separated from Sweden in 1905. The break-up of the Soviet Union went surprisingly smoothly, at least in the beginning. In Yugoslavia the Serbs did not want to let go the other republics; the situation worsened in Kosovo when the Serbian government withdrew regional autonomy in 1989 and 1990.¹⁰ In most cases, however, national security is threatened because various groups of population fight over territory (especially in Palestine and Sri Lanka) and power.

There have been a number of wars between Asian states after World War II, but most of them remained border wars, e.g. India-Pakistan (1947-49, 1965, 1971 on the western front, 1999), China-India (1962), China-USSR (1969), China-Vietnam (1979 and after). For more than forty years it was not open hostilities and outright war but threats to national security, with the most prominent case being the Cold War. Non-combatant countries serving as sanctuaries for the warring parties in neighbouring countries became main sufferers. This was the case especially in Laos and Cambodia during the Vietnam War and presently this happens in Pakistan as the War-against-Terrorism in Afghanistan spills across the Durand Line.¹¹ Naxalites¹² and self-styled “Maoists” obviously move freely between Nepal and India and both India and Myanmar suffer from endless insurgencies of dozens of local armed movements in their border states.

⁹ Before that the Czechoslovak Federative Republic had changed into the Czech and Slovak Federative Republic.

¹⁰ Judah, Tim: Kosovo. What everybody needs to know. Oxford: Oxford UP 2008.

¹¹ After the Second Afghan War and the Treaty of Gandamak, (1879) the British ruled over Afghanistan for four decades, although only in principle and with little effect on the ground. In 1893, however, a boundary between Afghanistan and India was drawn named after Sir Henry Mortimer Durand, Foreign Secretary to the Government of India. The Durand Line cuts through the areas inhabited by the Pashtuns. Later governments of Afghanistan refused to accept the Durand Line as their border with Pakistan. For a history of the Pashtuns see: Caroe, (Sir) Olaf Kirkpatrick: The Pathans, 550 B.C. - A.D. 1957. Karachi: Oxford UP 1976 reprinted (London: Macmillan 1958).

¹² Called after Naxalbari, a village in West Bengal, where a communist armed movement to help the landless was started in the 1960s. Singh, Prakash: The Naxalite Movement in India. New Delhi: Rupa 1995.

2.7 Threats

There is, thus, no uniform pattern of national security threats. They can come from inside and outside of a country and affect whole countries or only parts of them. They can be the cause of large scale internal and transactional migration and often have an impact on the lives and livelihoods of large segments of the population, even if these are not directly affected. Among the many effects are the high direct and indirect costs, the scarcity of goods, increasing prices and higher taxes needed to finance the increasing security-related outlays of the exchequer.

Besides those who are directly affected by violence or forced migration there is the much larger number of people who are not directly affected yet, but already feel threatened. If this applies to the intellectual and financial elite, their country will soon experience a loss of expertise and capital. Typically, the elite sends their younger and more mobile members abroad for education and encourages them to have their babies in countries where citizenship is granted to the newborn and where family members and relations then can hope to find refuge if needed.

2.8 National unity and integrity

If national unity and integrity are considered to be part of national security, then the question arises how much unity a country should have. Pakistan is a textbook case of a country that broke apart because the military and a powerful section of the non-military elite tried to force their type of state unity on regions (East Pakistan, Baluchistan, NWFP, Sind) that simply wanted more autonomy. In their fight over Kashmir both India and Pakistan so far bothered not too much to ask the people of that former princely state.¹³

¹³ There are different readings of the events that lead to the first war in Kashmir.

Alastair Lamb has tried to give a minute report of the events of 1947; his views are not shared by the Indian government. Lamb, Alastair: *Incomplete partition: the genesis of the Kashmir Dispute 1947-1948*. Karachi: Oxford UP 2002 (Hertingfordbury: Roxford 1997).

There are reasons pro et contra unity and uniformity. The tribal belt along the Afghan border that has seen war since the US, NATO and UN intervention started in Afghanistan enjoyed a number of privileges that Pakistan inherited (more or less) from the British and that has been written into Pakistan's constitution. The Federally Administered Tribal Areas (FATA) are exempted from Pakistani laws as long as the president does not decide otherwise: "No act of Parliament shall apply to any Federally Administered Tribal Area or any part thereof, unless the President so directs ..." (Constitution of Pakistan, 1973, article 247 (3)).¹⁴ Defence of Pakistan's border in the tribal area was left to the tribes until the army marched in after 9/11 in search of Al Qaeda and the Taliban.¹⁵ Local resistance in the FATA, thus, for the tribal population is defence of what they consider their cultural and customary rights and what they equal with religion. Therefore, seeking unity and uniformity in the tribal areas has the effect of diminishing security rather than increasing it.

In India Hindu nationalists demand a uniform civil/family law, a movement that is directed against "communal" law ("communal" in India refers to religious groups, i.e. Hindus and Muslim), i.e. what they view as legal privileges for the Muslims; they also demand the abolition of the special legal provisions for Kashmir laid down in the Constitution of India (article 370).¹⁶

Requests for cultural diversity, regional autonomy, decentralization, devolution, minority rights, or subsidiarity may sound innocent. They are, however, more than often seen as threats to national unity and security.

¹⁴ The constitution of the Islamic republic of Pakistan. Islamabad: Law and Justice Commission of Pakistan.
<<http://www.ljcp.gov.pk/Menu%20Items/1973%20Constitution/constitution.htm>>, accessed on 2.4.2009. – Khan, Hamid: Constitutional and political history of Pakistan. Karachi: Oxford UP 2001, p. 509

¹⁵ Taliban is the plural of the Arabic word *talib*, i.e. student.

¹⁶ Singh, D. K.: V. N. Shukla's constitution of India. Seventh edition. Lucknow: Eastern 1988 (1950). pp. 654-657.

2.9 Intervention

Webster's Encyclopedic Unabridged Dictionary of the English Language¹⁷ defines "intervention" as the "act or fact of intervening" and as the "imposition or interference of one state in the affairs of another". To "intervene" means – among others – to "come between, as in action", "to interfere with force or a threat of force", and in law: "to interpose and become a party to a suit pending between other parties". "International intervention", thus, would be the intervention by more than one state, which are usually bound together by membership in an international organisation like the United Nations, a defence alliance like the North Atlantic Treaty Organisation (NATO), or by a regional organisation like the European Union (EU). As a technical term, "intervention" says nothing about a consensus, i.e. whether the intervening party has been invited by the government or any group in the country where the intervention takes place.

3 Security and economic theory

Basic economy theory works with theoretical models and a number of (often heroic) assumptions. The certainty of expectation and the absence of risk are among the most common ones. Modern technology (transport, storage, information technology) has helped to overcome risk to some extent. Individual risk can be overcome by informal and formal organisation. The family, clan, tribe, friends or group of like-minded people traditionally provide a safety net that works as long as not all members become subject to the same risk, like natural calamities, deadly diseases or war. Many insurances are also organised on the basis of mutual support. Others have been founded as business enterprises and are virtually bets: The purchaser of an insurance policy assumes a higher risk than the provider of an insurance. Such insurances often exclude natural calamities and war. In war-torn countries little relief is to be expected in cases of fundamental and existential risks.

¹⁷ Webster's encyclopedic unabridged dictionary of the English language. New York: Portland House 1989.

3.1 Risk

Risks can be diminished over time by means of temporal and spatial adjustments, i.e. through stocks and transport, preferably organised by the state and using technology. The famous story of the Pharaoh's dream of the seven cows and subsequent government intervention in food-grain markets (Genesis 41) shows that food stocks have a long history of securing livelihoods in times of scarcity. Risk of famine was also reduced by way of improved transport: During the nineteenth century India was stricken by famines once or twice every decade; crop failures, however, were mostly regional affairs.¹⁸ Until railways were built, large scale transport was only possible by ship, but the subcontinent has only few navigable rivers in the dry season. Once all India was covered by railway lines, it was possible to move large quantities of food from the surplus regions to deficit regions. The combination of food stocks and transport makes it possible to move large quantities of food everywhere in the world and at any time. Even if whole world regions would be affected by poor harvests, no one has to go hungry as long as markets and/or national/international or global solidarity work. Famines, therefore, only occur today if storage and transport systems no longer function or if people have neither income nor savings to buy food and if no one provides them help. In war-torn countries, however, hostilities often go so far that destroying harvests, food stores and infrastructure become the norm. In such cases international intervention can reverse such processes.

3.2 Entitlements, rights and ownership

Having access is a question of entitlements, rights and ownership. Sen describes in his book how necessary it is that people are entitled to

¹⁸ According to the Famine Commission (1901) there had been twelve famines and four severe scarcities in the period from 1765 to 1858. Cf. Visaria, Leela / Visaria, Pravin: Population (1757-1947). In: Kumar, Dharma / Desai, Meghnad (eds.): The Cambridge economic history of India. Vol 2: c. 1757 - c. 1970. New Delhi: Orient Longman 1991 (Cambridge UP, 1982), pp. 477. – Drèze, Jean: Famine prevention in India. In: Drèze, Jean / Sen, Amartya / Husain, Athar (eds.): The political economy of hunger. New Delhi: Oxford UP 1999 (London: Clarendon 1995), pp. 72-75.

having their basic needs, like food, shelter, clothing, health and education guaranteed by state and society. This requires that the state is in a position to deliver. If not, we would speak of a failing or even of a failed state. The state, however, or those, who control the state, may also be unwilling to deliver. In the extreme cases of “ethnic” or other “cleansing”, the denial of entitlements, even the withdrawal of everything that guarantees survival, becomes an instrument of state policy with the ultimate aim to deprive people of their basic rights, to drive them out of the country, and even to extinguish them.¹⁹

Among the many rights that define people’s safety and survival the most prominent one in the non-industrialised countries is land, and under condition of an arid climate, also water. To the extent that people do not own land, they only can earn their living by working as tenants, agricultural labourers or in non-farm professions like artisans or traders. Not all labour offered may be required, leading to open and hidden unemployment (underemployment), to below-subsistence wage levels, and to a rural exodus. Hence the demand for a redistribution of land, commonly called land-reform, so that everybody has some income from his own lands. Another possibility is a secondary income-distribution by way of taxation of those who have an income and distribution of transfers payments and/or subsidies to the needy. But even if everyone has some land, it might be too little to feed his/her family and he/she will still be subject to crop failures and loss of income. In any case land ownership can be a powerful tool and many crises arise from the unequal distribution of land, or - even worse - the monopoly of land ownership in the hands of one group of people and the exclusion of others. Often the rights to land and to water are disputed and subject to hostilities and

¹⁹ Social indicator number 2 of the “Failed State Index 2008” of the Fund for Peace: “Massive Movement of Refugees or Internally Displaced Persons creating Complex Humanitarian Emergencies: Forced uprooting of large communities as a result of random or targeted violence and/or repression, causing food shortages, disease, lack of clean water, land competition, and turmoil that can spiral into larger humanitarian and security problems, both within and between countries.” Failed State Index 2008. Washington, D.C.: Fund for Peace. 2008.
<http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=99&Itemid=140>, accessed on 9.4.2009.

violence. There is a school of thinking emphasising the importance of clearly defined property rights. There are, indeed, many countries, that lack clearly defined land and water rights, they are lacking land registers and people have to refer to land tax records or other documents to establish their claims.

Unfortunately, there is no easy solution and no less problems would arise if all lands were be clearly attributed to somebody – this can be realised from the fact, that it would be an almost impossible task to write down all land rights and establish a land register that would provide more legal security once ownership rights have become registered. One of the many reasons is that there are differing concepts of what ownership of a piece of land means. To tribal people individual rights to a piece of land are sometimes alien. It may also be difficult to define ownership, as a number of rights may be claimed by various owners, if we only think of the rights of trespassing, the right to collect wild fruits and berries, the right to hunt, the right to graze, the right to collect fire wood, and the right to fell trees (e.g. for the purpose of constructing a house). Rights can also be temporal (grazing, hunting). They can be transferable etc. In South Asia the East India Company, and later the colonial power and the independent states of India, Pakistan and Bangladesh, all as legal heirs of the Mughal Emperor, claimed a right to all “waste”, i.e. areas not agriculturally used.²⁰ Much of the ecological movement in South Asia actually has been a fight over natural resources, e.g. trees in the Western Himalayas, lands for strip mining in Orissa or primeval forests in Central India. Nationwide land registers could also create more insecurity than the status quo if they were not very carefully administered.

Ownership can extend to non-tangibles like language: Language is a cultural technique of utmost economic importance. Language problems in India and Pakistan were not just over which language was accepted as the (sole) national or regional language. It was also a question of who is appointed to government positions and seats in the institutions of higher

²⁰ Baden-Powell, B. H.: The land-systems of British India. 4 vols. London: Oxford 1892 (Reprint: Delhi: Oriental 1974, 3 vols.), vol. I, pp. 236 ff. and *passim*.

learning: When Nehru gave in on the question of Hindi as the national language of India, he saved the unity of the country. Sentiments in South India, especially in the Tamil speaking areas, were boiling over and by drawing state borders in accordance with the languages spoken (e.g. Tamil Nadu for the Tamils), he avoided a major conflict. Similarly, (East) Punjab was divided in 1965 separating the Punjabi speaking Sikhs from the Hindi speaking Hindus. Quite different in Pakistan, where the “Father of the Nation” Muhammad Ali Jinnah refused to give Bangla (Bengali) the status of a national language (that he reserved for Urdu). When this demand was met later, it was already too late: the language question was the beginning of East Pakistan’s quest for autonomy and later for independence. Denial of Bengali as the national language was seen as a denial of ownership: If the Bengali speakers were not accepted as co-owners of Pakistan, then they did not want to be part of that country.²¹

Once rights are established and accepted the next question is that of the transfer of rights from one holder of rights to another. This must be possible and transparent. What applies to rights also must apply to duties.

3.3 State failure

In democracies competition, the market and the rule of law are the main coordination mechanisms of the economy, other than in centrally planned and command economies where a central authority decides over all production and consumption, over prices and quantities. As a consequence of competition, markets integrate and become more efficient, transaction costs decrease. This can be seen from recent examples: After the end of the Cold War, the trade negotiations of the Uruguay Round, the foundation of the World Trade Organisation (WTO) and China’s opening up and joining the WTO, the volume of world trade has increased in an unprecedented manner. Tradable goods (other than many services), especially manufactured consumer goods, have become

²¹ Rushbrook Williams, L. F.: The East Pakistan tragedy. London: Tom Stacey 1972. p. 18. ff.

much cheaper. As a consequence of greatly improved transport and information technology transaction costs have fallen. Transaction costs have become so low that often imported goods can be supplied at a lower price than domestically produced, even if they had to be shipped around the world. The outcome is a better and more reliable supply of goods. The role of the state and the community of nations is to secure competition.

Once the state starts failing and is no longer in a position to provide law and order and other public goods, markets start to disintegrate, transfer costs start rising, goods become scarcer and more expensive. At the same time goods (or better: bads) that so far have been made scarce and expensive with much effort, like narcotics and weapons, become available more easily and at lower prices. As in the early days of trade, goods that can be easily transported, because they are neither bulky nor heavy, that can be easily stored and hidden, will be available even under very adverse conditions. There is plenty of anecdotal evidence, that the newest DVDs with films that have just been released (or even not) can be found on the markets of war-torn countries at reasonable prices. Non-tangible products, like computer software, may be as easily available as long as international communication is available. Goods that can be easily stored may only become more expensive. Goods that need special technical provisions for transport and storage, like frozen meat, might be scarcer. Surprisingly low can be the outcome of the lack of purchasing power: With dwindling safety and security often the economy comes to a halt, people lose income and - over time - savings, so that there are few buyers ready to pay higher prices.

That goods are still available, to some extent at least, is the result of a chain of traders, where each individual trader only knows his seller and his customer. In pre-modern times spices, silk, muslin, porcelain and other exotic goods were traded from the Far East without customers (and even traders) knowing from where the goods came. Down the chain there might be little competition and prices develop unrelated to events further away upstream or downstream. The number of traders along this chain easily becomes larger than during normal times. "Cutting out the middle man" is famously one of the main reasons why discounters can

offer their goods at highly competitive prices. Under conditions of civil war and war the opposite happens: The share of costs of trade and transport in the final price increases. On top of it, the substantial costs of “private security” are to be added that warlords and others offer. This kind of “taxing” trade becomes a major source of income for the warlords and/or other warring parties. Accordingly they have no interest in stopping trade altogether because that would deprive them of a major source of income and, of course, their own supply and sales (e.g. narcotics).

4 Characteristics of state failure

Once a government shows signs of breaking down and the state starts ceasing to perform its main duties, we speak of a failing state; if it has totally broken down and no longer performs its duties, we speak of a failed state. Interestingly, there is no talk of “failing” or “failed” economy. This must be because economy “happens” as long as there is at least one person: We speak of a Robinson economy but not of a Robinson state. The failing and failed states are characterised by a breakdown of exchange, and sometimes even production of commodities, a breakdown of infrastructure and public services, especially water and power supply, (public) transport and communication, a lack of housing, a stop of construction, a breakdown of financial services, a labour market that is characterised to an increasing extent by non-payment or reduced or late payment of salaries, by the loss of employment and the lack of new jobs, by the non-existence of health services and scarcity of medicinal drugs, by the closure of schools and the lack of social security systems.

4.1 Commodities and services

Bottlenecks develop in the supply of basic and other commodities, especially after stocks have been depleted or withdrawn from the market for speculative reasons. Production suffers because of lack of raw material and intermediate products, especially if they have to be imported; of lack of (qualified) labour; of insufficient maintenance and

servicing; of lack of spare parts; of wear and tear and/or because of production at capacity limits. Where transport and trade routes are interrupted, nationwide markets and distribution systems no longer function, the exchange of goods and services becomes more and more localised.

Among the things that make their absence felt first are food items, medicinal drugs and fuel. This also includes electricity that needs to be transmitted over longer distances or - if generated locally - is totally dependent on primary energy (coal, oil, gas) that has to be brought in from faraway. Some of the missing electric power can be produced with the help of generators, running on petrol or diesel, a rather inefficient and expensive way to produce electricity. In prolonged crises most commodity production has to stop because of the lack of raw material and primary products, but also because of a lack of a market. Accordingly the economy becomes more and more dependent on the “importation” of commodities that used to be produced locally. Because proper maintenance no longer is possible and there is no replacement investment, production more and more suffers from breakdowns. Needless to say that additional production capacities are not created, even if there were a ready market and an abundance of cheap labour.

4.2 Infrastructure

State failure comes in different forms and in its initial stages does not necessarily imply widespread violence. Early signs of state failure can usually be observed in the infrastructure. Infrastructure and related services are characterised (mostly) by high (fixed) investment and substantial economies of scale, and accordingly by decreasing average costs. Economists call such a constellation a “natural monopoly”, because one supplier can produce at lower costs than more than one supplier (because of the decreasing average costs). This is especially the case where services are distributed via pipes or wires, as is the case with gas, water, sewerage, electricity and communication. It would be expensive to have more than one gas or water pipe or more than one electricity connection for every house or even household. We, therefore, speak of the “last mile”, where competition would be possible only at

very high distribution costs. We have a similar situation in rail-bound transport: We sometimes have more than one company running rail services using the same track, but it usually would be bad economics to have more than one rail connection between two places. There are some attempts to solve the “natural monopoly” problem by awarding a monopoly only for a limited time (often used in garbage collection) and thus introduce an element of competition. Irrespective of how these sectors are organised, we are dealing with monopolies that require a certain degree of state initiative and control. The state can offer these services itself or it lets private entrepreneurs supply the services under state control. In the first case there is the danger of “failure” by overstaffing, sloppy management and corruption, in the latter there is the danger of “market failure” as private monopolists will try to realize a monopolist’s profit. There are examples of well-managed public utilities run by private firms as well as of public undertakings. There are also examples of poorly managed, overpriced and inefficient public utilities, again run by private as well as by public undertakings. There is the danger of a “benevolent”, i.e. well meaning, but not necessarily well doing, state interfering in the price policy of public utilities. As has been mentioned above, natural monopolies are characterised by high fixed investment costs and hardware that may last generations, if properly maintained. If prices are set so low that they do not allow any profit, no capital can be accumulated for extension, if prices are set even lower and depreciation is not earned, there will be no money for replacement; if prices are set even lower, there will be no money for maintenance; and if prices are set still lower, the variable costs are no longer met: Money can be saved if less is produced. This is what often happens in developing countries even if they are not considered to be failing states. The state of infrastructure and public services, thus, can serve as an early indicator, as a warning sign of an advancing failure of a state.

In countries that we consider as failing or even failed, the infrastructure usually is in a bad shape: Public services as described above are no longer provided: There is no water supply, bridges have been destroyed or collapse as a consequence of natural disasters and will no be rebuilt. Vehicles may be partly destroyed but can be repaired somehow and be brought back on the street. Road transport becomes dangerous due to

mining, harbours are blocked by ships that have been sunk. Power plants, pipelines and transmission lines have been destroyed. There are no spare parts available to repair them. At a later stage, even if public services are functioning to some extent, there is no systematic collection of user fees, public utilities have no money even to run basic services. Systems will be overused because it is not possible, technically, to hinder people to pilfer electricity and water. This even more so, as public services even in “normal” times suffered from non-payment of fees either because the government was so generous to free certain segments of the economy and the population from payment of fees, or because they never were collected in a systematic way, or because metres were not read, customers were not charged or paid only a fraction of the fees due or not at all, usually in collusion with the personnel of the public utilities (sometimes with terrible results like in the case of the Marriott Hotel in Islamabad that burnt out after a terrorist attack, allegedly because an illegal gas connection could not be closed).²²

4.3 Housing

The impact of failing and failed states on housing can be very different: Countries where public services leave too much to desire can still enjoy a construction boom as private (black) money is available and has to be used somehow. A city like Beirut that has seen a breakdown of security more than once still has seen construction; Karachi with virtual “no go” areas in the 1990s still experienced a housing boom, even in Kabul construction is going on. Policies meant to improve the lot of the tenants often turned out to be counterproductive: rent ceilings often act as a detriment to maintaining buildings and often also to building new ones. India has been pursuing a policy of punishing rent controls that left much of the existing housing to crumble and new houses not coming up. The effects vary as such policies are enacted: If sitting tenants enjoy low rents simply because they have been living in their houses and/or

²² Personal communication from various sources during a visit to Islamabad in December 2008. Press reports speak of a “natural gas pipe leak”, cf. Deadly blast targets Marriott Hotel in Islamabad. edition.cnn.com, 21 September 2008. <http://edition.cnn.com/2008/WORLD/asiapcf/09/20/pakistan.islamabad.marriott.blast/index.html>>, accessed 2.4.2009.

apartments since decades but new tenants have to pay the much higher, up-to-date rent, land lords may be tempted to eject their tenants by any possible means. Not only that houses often go up in flames for unknown reasons, so that tenants lose their place to live and have to move, a new house can be built and rented out at many times the previous rent, any unrest can be used to forcefully remove tenants: It has been reported that the communal (= religious) riots of Mumbai in 1993 were used to send out arsonists with lists of houses to be torched. Buildings and shops in the once posh Connaught Place area of New Delhi were torched in the riots of 1984 (after the murder of Indira Gandhi) and then remained in a state of half-dilapidation and rot for many years over claims for compensation.

Kabul was destroyed after the Soviet army had pulled out of Afghanistan, not during the “Russian” Afghan War (1979-1988). It was flattened by the artillery of various “mujahiddin” war lords. Little damage was done during the time of the Taliban and later the UN/NATO/ISAF forces.

Once hostilities and open violence begin, and often even before, refugees arrive in the major towns and need to be accommodated. If more people move into the cities, rents start to increase, although not all owners might be in position to collect rent, especially if armed groups take possession of houses and/or where houses of ”enemies” are taken over. On the longer run there will be few incentives to repair and to build houses. Owners and tenants may even maintain an unattractive appearance of their house in order not to invite seizure.

But since “low intensity” warfare has become more common, a very different behaviour might also set in, that is that the urbanites start leaving their cities where most of the fighting is happening. By the time the Taliban moved into Kabul, much of the population had left the city.

4.4 Money and finance

One of the early indicators of state failing is public overspending and inflation: With government expenditures no longer met by government

incomes, usually in the form of taxes, the government may be tempted to borrow money from the Central Bank that in turn increases the volume of money in circulation. If nothing else is changing, this should result in an increase of prices, i.e. inflation. Zimbabwe, certainly a failing, if not a failed state and up for international intervention, presently suffers from one of the highest rates of inflation ever known in any country. As people try to change their money into other, more trustworthy currencies, changing money is usually banned; with attempts to maintain the old, now unrealistic, exchange rate, a black market emerges, the “official” and the “unofficial” exchange rates become more and more apart. As people who have any money still try to change it into convertible currencies, the money loses its major functions; banks no longer can rely on savings to fund their lending.

At the end of such a development a command economy emerges: The more the government tries to control the economy the more private (and foreign) business loses confidence: Private savings as well as investment comes to an end, at least in the “official” economy”. Bank services also suffer as people become more and more nervous with regard to their money in the bank. As the government attempts tighter control, financial transactions move to informal channels where they do not leave a paper trail. This is even more so, as paying taxes can be avoided. Especially in Asia and Africa, where millions of labourers work abroad, home remittances shy the official channels and use “hundi”, “havala” or other parallel systems that work as reliably as official channels. Obviously these informal international financial systems are much faster and give better exchange rates. This would be rather welcomed by economists, would there not be a downside to it: The system can only work if there are two money circles: one in the country where the labourer works and the other from where he originates and where he is sending the money to. In the first country labourers give the money in cash in convertible currency to their money agent who will put the order via telephone or internet to his counterpart in the country where the money has to be sent to. The agent’s partner will give the money to the person in his country whom his counterpart had advised him to do. This transaction may be illegal, but not necessarily. Countries like the Gulf States are quite liberal in money affairs. In the home country of the labourer this is

usually not the case. Here the designated recipient gets his money from a person who is flush with cash in local currency and wants to bring his money out of the country. As he gives money to the recipient the corresponding amount of money in hard currency will be paid in his account in the Gulf country. Very often the money stems from illegal activities like narcotics or arms trade, or originates from other undocumented and untaxed business (home remittances are usually not taxed). The system is excellently suited for laundering money. After 9/11 the United States asked governments all over the world to enforce international transactions through official channels. The informal financial sector, however, is still well developed and of a substantial size. That the once rather local systems are now internationally connected has become a matter of serious concern. Piracy in international waters and the extortion of large amounts of money would not work so easily without such networks.

In the beginning such national and international systems of informal financial transactions were the result of a lack of financial services for most of the people in most of the countries. The Kabul money market was famous for honouring Euro cheques instantly when their use in Europe was not yet common and often not possible. Only much later developing countries started to expand their network of local banks. Services like Western Union have become commonplace in South Asia for example only recently.

Risks are often difficult to cover by insurance in developing countries. Damages caused by unrest, riots and war are usually excluded from compensation. In failing and failed states third party insurance more than often is missing. In the case of an accident no compensation is paid (or only after difficult negotiation) and the cost of the damage has to be borne by the victim. As people behave as risk-averse they restrict transport and travel to the minimum possible if it turns too risky and hedging against risk is not possible.

It is not surprising that capital markets become inefficient and cease to function. Capital inflow from outside becomes a trickle, at least as far as the official financial system is concerned. Construction under adverse

political conditions (see above) implies higher costs; more money has to come through the parallel financial system into the country than through the official system.

As far as public finance is concerned, the exchequer loses income from taxation and other sources. As the administrative system becomes ineffective, government revenue no longer reaches (always) the exchequer, as a consequence the state has to turn to easily taxable items and procedure: As a last resource foreign and even humanitarian aid becomes the object of taxation, as the case of Bosnia has shown.

Most of the failing and failed states have to rely on foreign aid, even if they try to present themselves as “self reliant” and “self sufficient”, as has shown the example of the People’s Republic of (North) Korea. Once foreign intervention has started a considerable part, if not most of the government expenses, have to be borne by foreign assistance and aid. Under these circumstances it becomes impossible that the receiving country develops its own set of goals and tries to pursue and realise them. Whatever foreign funds are made available is utilised, very often in a very unconnected and uncoordinated way. A special problem is the funding of public services like public utilities and public transport (see above).

4.5 Labour

Failing and failed states are usually characterised by a difficult labour market, large scale unemployment and (not necessarily) a lack of qualified personnel, because qualified and better educated/trained personnel are the first to consider leaving the country. The poor may be considering leaving the country, too, but usually lack the financial means and the opportunity to do so. Members of minority communities very often can be found at both ends of the social spectrum: Often traditionally excluded by law, social norm or custom from owning land, like the gypsies in many parts of Europe, or the Hazara in Afghanistan, they are poor and often do not have the option of leaving the country, they also might lack fellow-members in other countries to turn to. For the very reason of being excluded from mainstream occupation,

especially in agriculture, however, minorities are often over represented in administration, education, trade, health and finance. As they are often internationally connected, they can be the first to leave once singled out as easy targets in times of political and economic crisis.

As the crisis worsens more and more people are losing their jobs, self-employed people lose their business. During times of war and mass destruction of factories and other work places people are not necessarily put out of work as the analysis of carpet bombing in World War II has shown: Factories that would be regarded as destroyed and no longer functional in “normal” times continued production or started production again after some simple repair work; workers had more time to put into production after they had lost their places of entertainment and recreation; the war economy absorbed any labour available.²³ This was possible, because countries at war are usually under strict government control; they may not be governed better, but in any case more intensely. This - by definition - is very different in failing and failed states, where governments have lost their powers over much of the state, the economy and the society.

In war-torn countries those without a regular income from employment easily make out more than half of the work force. Their considerable number is increased further by refugees. This creates an oversupply of labour, leaving them without bargaining power. As prices increase during inflation, their real wages are constantly devalued. It is often only fringe benefits like cheap accommodation, access to health and education for the family and the hope to keep their jobs for better times plus the lack of alternatives that keep them in their jobs. This also explains how certain public services will be maintained even if the government runs out of money and public employees have to wait for their salaries for months, if not longer. Under conditions of a collapsing economy and a lack of employment opportunities, government jobs can

²³ The United States Strategic Bombing Survey. <<http://www.anesi.com/ussbs02.htm>>, accessed on 9.4.2009. – John Kenneth Galbraith usually is reported as having been in charge of the United States Strategic Bombing Survey of 1945; the document itself names him as one of the directors.

be still attractive and as the government tries to accommodate as many people (especially their own family members and friends) as possible, resulting in overstaffing of public services.

The problem is different for the younger population that enters the labour market. Usually labour is kept following the principle of last-in-first-out: Those who have been working with their employers for a longer time could establish themselves in their positions, they have built up a network of personal connections, they also have families to maintain – all good reasons to keep them as long as possible. The younger and less experienced latecomers to the job are likely to get sacked first. Those who hope to find a first employment have the greatest difficulties to find a job under such conditions. They may be also more restless and prone to join any of the more violent groups. In Iraq the United States had an employment programme for this group and engaged them in all kind of occupations of little economic use and without any long-term perspective simply for the reason of keeping them “off the street” and from joining any of the many terrorist groups.²⁴ But even then they remain without any professional training and experience and start accepting criminal activities or terrorism as their only chances of a “professional” economic and social career.

As jobs are getting scarcer, another group of late entrants into the job market are driven out again, i.e. the female workforce. During war times, when men are gone fighting and away most of the work is done by women and often they can secure positions for themselves that were not available for them before. Once the war is over, however, and most of

²⁴ Reported by David Soroko, Director of USAID/Iraq’s Focused Stabilization Programme (FSPO), at the workshop “Stabilization and Economic Growth: The Way Ahead” at the Centre of Naval Analyses (CNA) in Washington, D.C., on 12 November, 2008. - Preliminary results of this seminar have been published: Gregoire, Joseph (ed.): Stabilization and economic growth workshop. Interim report. Washington, D.C.: CNA 2009.

<<https://pksoi.army.mil/Docs/Governance/Stabilization%20and%20Economic%20Growth%20032509.pdf>>, accessed on 9.4.2009. - See also: Goldstone, Jack / Houghton, Jonathan / Soltan, Karol / Zinnes, Clifford: Strategy framework for the assessment and treatment of fragile states. Executive summary (revised). Washington, D.C.: University of Maryland 2004.

the armed forces are demobilised, prisoners of war are released and refugees return, women are driven out of their new occupations and a more traditional understanding of gender roles re-emerges. All this could be observed in many countries during and after the Second World War.

A few lucky ones will work for the intervention forces and their administration. Since only specific qualifications are needed, e.g. specialists like translators, administrators, accountants, drivers and guardsmen, will be in such demand, that their wages will increase, sometimes to levels that locals can no longer afford to pay.

4.6 Education, health and social services

Different from countries at “regular” war, where education and health services usually function as long as the particular area has not turned into a battlefield proper, modern wars lack well-defined front lines and combatants hide among the civilian population. Since education, health and social services are provided not only by the state, the effect of state failure may be different in each state. Private institutions will function as long as the providers, i.e. often private non-profit organisations, have the means to do so. They usually, although not exclusively, provide services for the members of their own community or group. An exceptionally nasty, although not necessarily new, custom has become the targeting of educational and health institutions of the “opposite” (however defined) community. If “the state” is seen as an instrument of “the other” party, government schools and hospitals are targeted in general. This is especially the case of girls’ schools in Afghanistan and north western Pakistan. It is the belief of religious zealots there that girls under no circumstances should leave their houses “unprotected” (by male members of their families) and should not be exposed to “strangers”, i.e. any men not belonging to their families. They should learn, if anything, just the barest minimum. This rigid interpretation of their religion by no means is the accepted dogma among the majority of the learned clerics in Afghanistan or Pakistan. Unfortunately, religion has become a victim of politics; it has become dangerous for moderate clerics to stand up against their, usually, less learned but far more extremist and violent co-clerics.

In war torn countries schools and hospitals sometimes are destroyed in the course of air raids or artillery shelling or by arson. The fact that schools and hospitals are closed, school suspended and patients not, or only poorly, treated in most cases has (also) other reasons: teachers, doctors and nurses may have left (e.g. if they belong to minority groups, see above), transport may not be available, salaries not be paid, and in hospitals there may be a lack of medicine or medical supplies.

Schools and hospitals may also have begun to provide their services to selected groups only: Those who belong to certain ethnic or religious groups (“minorities”) or a specific gender (usually women) may find them excluded.

The social fabric becomes thinner as sources of income are drying up, savings are exhausted. Once food becomes scarcer and undernutrition (especially of girls and women) spreads, health suffers: the demand for health services increases as food supplies dwindle. If there was a public system of social security, it becomes less effective. Solidarity among families, clans and tribes is a great relief only in times of individual, not collective calamities. As social coherence diminishes, societies become more segmented and tribal. Finally the economy falls back on barter trade and robbery.

5 Intervention:

Case studies from South and South East Asia

As has been lined out, state failure may come in very different forms: A brutal regime can be very “efficient” in the sense that public services work well and violence is restricted to state violence: The fact that one can walk through a city at night without fear suffices for many as a sign of a high level of personal security: at the same time, however, segments of the population may live in fear of a midnight knock at the door, prison, labour camps and worse. Given such conditions, foreign intervention may be discussed – openly only outside the country – but usually will not take place. Even today totalitarian regimes of this kind are seldom considered to be failing.

Deficiencies described and discussed above, however, are common to some extent in most countries that are generally referred to as “developing” or “transition” countries. Once such deficiencies start to affect other than neighbouring countries, international intervention is considered.

5.1 Afghanistan

This applies especially to Afghanistan, where the Shah, who personified the old order, was ousted in 1973; a series of coups and counter coups from 1978 onwards led to the Soviet invasion of 1979²⁵ and the “Russian” Afghanistan War, which lasted until 1989.²⁶ It was only after another decade of civil war and Al-Qaeda had made the country its headquarters that international intervention became an issue.²⁷ Intervention started in the style of colonial “campaigns” and “expeditions” of the 19th century.²⁸ Foreign troops stayed to fight Al-Qaeda and the Taliban²⁹ and at the same time tried to “develop” the country.³⁰

²⁵ Manzar, A. M.: Red clouds over Afghanistan. Islamabad: Institute of Political Studies 1980.

²⁶ Cordovez, Diego / Harrison, Selig S.: Out of Afghanistan: the inside story of the Soviet withdrawal. New York, NY: Oxford UP 1995.

²⁷ Winning or losing. A special report on al-Qaeda. In: The Economist. July 19, 2008, pp. 1-12.

²⁸ Cooley, John K.: Unholy wars: Afghanistan, America and international terrorism. London: Pluto 1999.

²⁹ Rashid, Ahmed: Islam, oil and the new great game in Central Asia. London: Tauris 2000.

³⁰ Section Two: Major domestic challenges in Post-Taliban Afghanistan and attempts at their solution. In: Ahmar, Moonis (ed.): The challenge of rebuilding Afghanistan. Second edition. Program on Peace Studies and Conflict Resolution, Department of International Relations, University of Karachi and the Hanns Seidel Foundation, Islamabad. 2006 (2005), pp. 27-160. – For an innovative crisis management see also: Gauster, Markus: Provincial reconstruction teams in Afghanistan. An innovative instrument of international crisis management being put to the test. Occasional Paper Series. Garmisch-Partenkirchen: George C. Marshall European Center for Security Studies. No. 16 (January 2008).

More successful were two interventions that should have been international ones but were conducted by most troubled neighbours. These are the cases of Bangladesh and Cambodia. Neighbourly intervention was less successful in Sri Lanka.

5.2 Bangladesh

Bangladesh, basically comprising the delta of the Ganges, the Brahmaputra and the Meghna rivers, was the eastern part of the Bengal Province of the Mogul Empire, which later would become British India. This region was inhabited predominantly by Muslims, thus the movement not only for an independent state but particularly for a state for the Muslims of India, then still a part of Pakistan, was especially popular here. In 1947, when India was “released” into independence, the eastern part of Bengal together with four provinces in the northwest became the Dominion of Pakistan. Most of the time under military rule, indirectly and directly, denied of equal rights (language), access to government jobs and investment, a movement for regional autonomy emerged. When the first national elections were finally held after 23 years of independence, the Awami League, based in East Pakistan as it was called then, won the absolute majority of seats in the national assembly. In order to avoid a prime minister from the eastern “wing” and his agenda for regional autonomy, the army and the leaders of the major West Pakistan party postponed the inaugural meeting of the national assembly and, with emotions running high, had the army finally clamp down on East Pakistan and started to eliminate the regional political and intellectual leadership systematically. After nine months of civil war, ten million people had fled to India, hundreds of thousands had been killed. As Pakistan was an ally of the U.S.A., China and the Islamic states, India turned to the Soviet Union for help; when finally open war broke out, India defeated the Pakistan troops in East Pakistan within two weeks, East Pakistan became the new state of Bangladesh. In 1974 Pakistan recognised Bangladesh as an independent country.

In the case of Bangladesh no open intervention might have been needed if Pakistan’s friends and allies had exerted pressure on Pakistan not to try to force military rule upon its eastern territories. This even more so,

as Pakistan had only marginal support from the U.S.A., while the public all over the world was supporting the quest for Bangla Desh. India's policy was very measured, indeed: Within three months Indian troops were pulled out of Bangladesh. It was also prudent because anti-Hindu sentiment in Bangladesh was still pronounced; it had been the driving force for the whole Pakistan Movement of the 1930s and 1940s. As India encircles almost all of Bangladesh and as the country also has only a small national territory, it can be easily controlled from the outside. During the first three-and-a-half years Bangladesh followed India's version of moderate socialism and state control. The country, famously called a basket case by US foreign secretary Henry Kissinger, became a test case for development (so the title of a book): If development would work under adverse conditions, such as in Bangladesh, it would work everywhere.³¹ Almost four decades later Bangladesh is still being discussed as a failing or even failed state, but general economic and social conditions are clearly better than in the final years of United Pakistan. Intervention has led to development, after all.

Bangladesh has been named as a candidate for failed state status repeatedly in the last years, mainly because of an excessive mutual blockage of the two major political alliances and a string of terrorist acts. Some observers see Bangladesh as a safe haven for terrorists and as the next Afghanistan (so the title of a book).³² Bangladesh has been ranked as one of the most corrupt countries in the world,³³ but it has not been discussed as the target of any international intervention. Ethnic and religious minorities are concentrated in the hilly areas along the south-eastern borders; open violence ended after an agreement of 1997, although not totally.

³¹ Faaland, Just / Parkinson, Jack R.: Bangladesh. The test case of development. London: Hurst 1976.

³² Karlekar, Hiranmay: Bangladesh, The next Afghanistan? New Delhi: Sage 2005.

³³ According to Transparency International's Corruption Perceptions Index Bangladesh stood 147th among 180 states in 2008. The situation has improved: In 2005 Bangladesh stood at the last place (together with Chad).

<http://transparency.org/policy_research/surveys_indices/cpi/2008>, accessed 2.4.2009.

5.3 Cambodia

Cambodia (like Vietnam and Laos) had been part of France's colonial possession in Southeast Asia, i.e. French Indo-China. After the German occupation of France and the establishment of the Vichy government in 1940, Japanese forces moved into Vietnam and in mid-1941 entered Cambodia. While still under Japanese rule, King Sihanouk declared independence in March 1945. In October Allied forces occupied Phnom Penh, in January 1946 France recognised Cambodia as an autonomous state within the French Union, in 1953, in the end independence could be celebrated.³⁴ The American war in Vietnam later spilled over to Cambodia: As a neutral and weak neighbour with a small army only, Cambodia was well suited as sanctuary for communist rebels from South Vietnam and regular troops from North Vietnam; the system of supply routes became known as the Ho-Chi-Minh-Trail and was relentlessly bombarded by US Air Force from 1970 onwards, although nobody ever declared war to Cambodia. Prince Sihanouk had been ousted by Lon Nol, the prime minister, in a coup in 1970. After US troops had left Vietnam and the Vietcong finally marched into Saigon in 1975, a radical communist government led by Pol Pot took over power in Cambodia. In an unprecedented manner they forced the two million inhabitants of Phnom Penh, to leave the capital city within a few days. Intellectuals and others were killed in a systematic way, altogether around one fourth of the population. The prince remained officially in office (although in Chinese exile most of the time). He and Pol Pot remained to be the internationally recognised Government of Cambodia. If ever a country was a case for international intervention in the second half of the twentieth century, it was Cambodia. When finally Vietnamese troops marched in and drove Pol Pot and his last followers into the woods, it was seen as a breach of international law. Pol Pot remained the officially recognised government for many more years.

If the international community had been ready to intervene in Cambodia, the actual intervention might not have been different. Going by the

³⁴ Whitaker, Donald P. et. al.: Area handbook for the Khmer Republic (Cambodia). Washington, D.C.: American University 1973.

results, the Cambodia intervention can be seen as one of the most successful: conditions have been improving, although Cambodia might still be classified as being on the brink of failing.

5.4 Sri Lanka, Bhutan, Maldives

Sri Lanka is a case of the intervention of a neighbouring state on the invitation of the government that, however, later became less accommodating. The civil war in Sri Lanka started in 1983 after decades of complaints of the main minority group, i.e. the Tamil speaking population, about neglect and mistreatment by the majority group, i.e. the Sinhala speaking population. Sri Lanka had been a European colony for about four-and-a-half centuries. Portuguese, Dutch and British colonisers had controlled the coastal area, whose North and East were inhabited by a Tamil-speaking and mostly Hindu population and the West and South by a Sinhala-speaking and mostly Buddhist population. The British had earlier contacts with Tamils in India. In Ceylon, as the island was called by the Europeans, they had heavily relied on Tamils in administration and education. Sinhalese student leaders, however, had been campaigning for a reversal of this policy already before the islands independence. After a smooth transition into independence, a breakaway faction of the ruling party campaigned on the slogan of “Sinhala-only” and put it into practice once in power. As an exporter of tea, rubber and coca Ceylon was able to afford a generous social policy (education, free rice). When terms of trade deteriorated in the 1960s and 1970s, the Sri Lankan government found out that they could no longer afford a policy that had helped to paint over a rift in the population. In 1983, civil war broke out in the Tamil areas in the North and the East; in 1987 an “Indian Peace Keeping Force” (IPKF) was called in, however, having little success and becoming targeted by the Tamil Tigers, who were even said to be supported by the Sri Lankan government. In 1990 the Indians had to withdraw.

The example of Sri Lanka shows, that foreign intervention might come on the invitation of the warring parties and still cannot achieve anything. The Indian episode acts very much as a deterrent for any international

intervention as it has to be feared, that they may also become victims of the quarrelling parties who might be united only in fighting outsiders.

Maldives and Bhutan are also examples of small South Asian states that had called upon the big neighbour to help to stop the violence in their countries. The Maldives had been a British protectorate and always enjoyed internal self-determination; in 1965 they became independent. Until 2008 the island state had been ruled by an elected, albeit authoritarian, government. When local dissidents tried to overthrow the government with the help of Tamil Tigers in 1988, the Maldivian government called upon India; with the help of the Indian navy the coup d'état could be dealt with without problems.³⁵ Bhutan was a semi-independent kingdom under the British and eager to prove their independence vis-à-vis India. Since the 1980s the king of Bhutan had pursued a policy of Bhutanisation (Citizen Act of 1985) and had driven out of the country most of the population with a Nepalese background; estimates differ: they may have amounted to a quarter of the people in Bhutan.³⁶ India is Bhutan's most important trading partner, donor and investor and considers Bhutan (and Nepal) as part of their sphere of influence. India maintains a large representation in Bhutan's capital; it also provides military assistance and maintains joint army training camps in the country. India suffers from dozens of insurgent groups in its northwest; some had been using Bhutan's sparsely populated border areas to Assam as their training camps and sanctuary.³⁷

³⁵ Hazarika, Sanjoy: Indian troops end coup in Maldives. In: The New York Times, 5 November 1988.

³⁶ Dhakal, D. N. S. / Strawn, Christopher: Bhutan: a movement in exile. Jaipur: Nirala 1994.

³⁷ Bhaumik, Subir: Ethnicity, ideology and religion: Separatist movements in India's Northeast. In: Limaye, Satu / Wirsing, Robert / Malik, Mohan (eds.): Religious radicalism and security in South Asia. Honolulu: Asia-Pacific Centre for Security Studies 2004, pp. 219-244.
<<http://www.apcss.org/Publications/Edited%20Volumes/ReligiousRadicalism/PagesfromReligiousRadicalismAndSecurityinSouthAsiach10.pdf>>, accessed 9.4.2009. See especially p. 237, note 47.

With India's help Bhutan succeeded in driving out the insurgents.³⁸ The joint military action most probably benefited the Indian government more than the Bhutanese counterpart, but it ended a considerable threat to Bhutan's national integrity.

5.5 Pakistan

At present the war in Afghanistan is spilling over into Pakistan's tribal belt and even to the "settled areas" of the Indus river valley. The reason for this is that most of the Taliban are Pashtuns, and the Pashtuns live on both sides of the Durand Line (see above): one third lives in Afghanistan and two thirds in Pakistan. A possible intervention has been discussed openly in the US 2008 presidential elections: US troops have stepped over the border repeatedly and comparisons to Cambodia have started. Disturbances in Baluchistan also have a long tradition: When Great Britain withdrew from the subcontinent in 1947, this virtually meant independence for the hundreds of princely states. They were advised to join ("accede") any of the two dominions, India or Pakistan, most of them were small and surrounded by one of the successor states of British India. Among the few that were larger and located at the outer borders of British India was Kalat, comprising half of what today is Pakistan's Baluchistan province; it was finally annexed to Pakistan by force. Baluchistan has seen various uprisings against the central power. The present war in Baluchistan is the fourth of these wars. Travelling has become difficult. The media report terrorist acts on an almost daily basis. Afghan and Pakistani Taliban as well as Al Qaeda leaders move freely in the tribal areas of the NWFP and Baluchistan. The Pakistan army is engaged in both the provinces. Terrorist acts are conducted in an increasing way in Pakistan's major cities. Still, most of the country of 170 million people is not affected directly. The country enjoyed high growth rates during the last years. The success story, however, came to a sudden halt after the assassination of former prime minister Benazir

³⁸ Kumar, Praveen: External linkages and internal security: Assessing Bhutan's Operation All Clear. In: Strategic analysis. New Delhi: Routledge, 28 (Jul 2004) 3. pp. 390-410.
<<http://www.idsa.in/publications/strategic-analysis/2004/jul/Praveen%20Kumar.pdf>>, accessed on 2.4.2009.

Bhutto on 27 December 2007, and the fight over power between President General Musharraf, the heirs of Benazir Bhutto (her widower Asif Zardari became President) and the former Prime Minister Nawaz Sharif. The “Nizam-i-Adl” regulation or Swat Peace Accord of February 2009 has virtually imposed Sharia in Swat (a princely state within Pakistan until 1969) and ceded the Malakand Division to the (Pakistani) Taliban.³⁹

That an international intervention would stabilise the country and give its economy a boost, has to be doubted. So far the economy is directly affected by tribal insurgency only in the tribal areas in the western part of the country. Recent terrorist acts in Punjab and Sind, however, are indications that the Al Qaeda and Taliban are eager to destabilise also the majority provinces.

As India, Pakistan, Bangladesh, Nepal, Sri Lanka, Bhutan and the Maldives have set up a South Asian Association for Regional Cooperation (SAARC) in 1985, and later also a South Asian Preferential Trade Area (SAPTA) and a South Asian Free Trade Area (SAFTA) one would expect, that some of the operations could have been also undertaken as joint South Asian actions; after Afghanistan joined SAARC, the organisation even could be active there. SAARC, however, is the only regional association where member states are constantly engaged in border skirmishes; in 1999 and again in 2002 two member-states, India and Pakistan, were on the brink of an open war, which is especially dangerous as both states possess nuclear weapons. In the SAARC Charter for good reasons “bilateral and contentious” issues are ruled out. Despite all regional cooperation India and Pakistan constantly accuse each other of trans-border terrorism.⁴⁰ India had demanded

³⁹ Rahman, Shamim ur: Swat deal to remain intact if peace lasts. In: Dawn, 19 April 2009. <<http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/news/pakistan/sindh/govt-talk-militants-who-lay-down-arms--qs>>, accessed 19.4.2009.

⁴⁰ One examples is seeing the attack on the visiting Sri Lankan cricket team in Lahore in March 2009 as an Indian response to the terrorist attacks in Mumbai in November 2008. “Security agencies had informed the Punjab police chief [...] that the Indian agency RAW could attack the Sri Lankan [cricket] team in Lahore to avenge the

repeatedly that Pakistan be declared a “terrorist state”: Punitive actions and preventive strikes have been discussed in India for years.⁴¹

6 The economic and social effects of an intervention

The economic effects of an intervention very much depends on (i) the situation at the beginning of the intervention, (ii) the type of intervention, (iii) the circumstances accompanying the intervention and – most probably most important – (iv) the acceptance of the intervention by the local citizens. The question is really who intervenes, i.e. whether the intervening powers are a group of states, sanctioned by the United Nations or another international body, or whether it is merely a neighbouring state.

6.1 The initial situation

As has been lined out, the situations at the beginning of an intervention in the past were quite different: The economic situation in Afghanistan was deplorable, but not because of the ruling government: the country had been destroyed during the “Russian” war and even more so (especially Kabul) by the feuding “mujahiddin” war lords. It was the Taliban who ended the civil war in most parts of the country; fighting was restricted to a small area still controlled by the so-called Northern Alliance. Social conditions, especially of women, were alarming, but they were (and still are) alarming in many other countries as well. It was Afghanistan’s policy of providing a safe haven and training ground for international terrorism that led to the intervention after 9/11 in 2001. In Kosovo, the people suffered from the roll back of regional autonomy by the Yugoslav/Serbian, government. Chad suffered from a spill-over of the systematic persecution of segments of the population of neighbouring Sudan who fled to Chad. Cambodia had been physically

Mumbai attack.” Hanif, Intikhab: Home department’s security plan was not followed. In: Dawn. Karachi. 4 March 2009. <<http://www.dawn.com>>, accessed on 4.3.2009.

⁴¹ So the former foreign secretary of India in a newspaper article: Srinivasan, Krishnan: From rhetoric to realism - Why there should not be an India-Pakistan conflict. In: The Telegraph. Calcutta. 11 February 2009.

<<http://www.telegraphindia.com/archives/archive.html>>, accessed 2.4.2009.

destroyed by US air raids; the population had even more to suffer from the genocide by their own government. Bangladesh suffered a similar fate: The country had been systematically destroyed by the Pakistani Army and Bangladeshi “freedom fighters”. In Sri Lanka, destruction was restricted to the North and East (and at times to Colombo) mostly by government forces. In Iraq there was no physical destruction until the beginning of the war; the government, however, had been repressive, targeting especially Kurds and the Shiite population.

6.2 Type of intervention

The type of intervention was different in all cases and also had a different impact: in Afghanistan a quick victory of the coalition forces made it possible to establish a new government, hold elections and, in particular, allow girls to attend school and women to work. The fighting, however, did not stop until today. In Kosovo the international military intervention was directed against Serbia. By Resolution 1244 the Security Council on 10 June 1999 established the United Nations Interim Administration Mission in Kosovo or UNMIK as the interim civilian administration in Kosovo, under the authority of the United Nations. There has not been any major fighting since then. The Assembly of Kosovo unanimously adopted the declaration of independence on 17 February 2008. However, UN Resolution 1244 is still in force, which means that ultimate responsibility for the administration of Kosovo still lies on the Special Representative. The new state is subjected to a long-lasting political and territorial dispute between the Serbian (and previously, the Yugoslav) government and Kosovo’s largely ethnically Albanian population. While Serbia’s claim to Kosovo is recognised by some in the international community, a clear majority of the province’s population support Kosovo’s independence, together with a majority of European countries.⁴² In Chad UN troops managed to stop raids from Sudan. In Cambodia the Vietnamese army had to fight their way to Phnom Penh; fighting continued for years in remoter areas. In Bangladesh the Indian military intervention lasted a good two weeks and ended with the unconditional surrender of the Pakistan Army in East

⁴² Judah, Tim: Kosovo. What everybody needs to know, op. cit., pp. 140ff.

Pakistan. Fighting stopped; Indian forces withdrew after three months. In Sri Lanka the India Peace Keeping Forces met an increasing armed resistance of the very Tamils they were sent out to protect. They finally had to leave without having achieved anything. In Iraq there was massive destruction inflicted by the coalition forces. The fighting did not stop although the coalition forces in principle control the country. Massive destructions are still going on; public services like water, power or garbage collection still do not function properly; the Iraqi oil production that stopped once the invasion begun is still lower than before the War.

6.3 Circumstances

The circumstances accompanying interventions also differ a lot: Afghanistan already had been targeted by US cruise missiles in response to the terrorist attacks on the US embassies in Kenya and Tanzania in 1998. After the attacks of Al Qaeda on September 11, 2001, the USA initially had the sympathy and support of almost all countries; still major coalition partners found they were unduly pressed into support (“You are either with us or against us”, as Pakistan’s president at that time describes in his autobiography);⁴³ the coalition forces were, however, not everywhere welcome in Afghanistan; after the beginning of the Iraq war, there were too few troops on the ground to control the country; development programmes started late and were not sufficient enough to have the expected impact. In Kosovo and Chad the UN forces were welcome. The Vietnamese intervention in Cambodia, however, lacked recognition and support from the “Western” countries; Vietnam also fell out with China; in 1979 China invaded Vietnam as a kind of punitive action for Vietnam’s invasion into China’s turf, i.e. Cambodia. International support for Vietnam came only slowly. In the case of Bangladesh India had to rely on Soviet support; especially the U.S.A., the Islamic countries and China were slow to recognise the new state; aid started flowing on a larger scale only after Sheikh Mujib ur Rahman, the “father of the nation”, had been assassinated and a Western-oriented military government had taken over in 1975. The Indian operation in Sri

⁴³ Musharraf, Pervez: In the line of fire. A memoir. New York: Free Press 2006. p. 201.

Lanka was internationally welcomed; that it failed had mostly to do with the complicated political set-up in Sri Lanka and India's unpreparedness for such actions.

6.4 Acceptance

The acceptance of the intervention in the target country also differed: the fact that the Taliban enjoyed substantial support in Afghanistan is not really understood outside of the country. One has to remember that they had managed to get control of almost the whole country without much fighting in a short period of time. Once the fighting stopped, the people could travel again. For a short while the Taliban even managed to effectively restrict the poppy cultivation.⁴⁴ That they were less popular in Kabul and the north has to do with their very rural and Pakhtun background. The coalition forces relied more on the northern alliance of Tajiks and Uzbeks. Hamid Karzai, Afghanistan's president since 2001 is a Pakhtun but relied to quite an extent on non-Pakhtuns. Traditionally, Afghanistan was ruled centrally from Kabul, but the rulers at the same time were prudent enough to restrict their rule to matters of national importance and leave the rest to the tribes. In Kosovo and Chad intervention obviously has been more accepted, as was also the case in Cambodia and certainly in Bangladesh, where the intervening power left quickly. In Sri Lanka the Indians had to learn that they had misread the situation and that they soon had to defend themselves.

The case studies presented show that an intervention that is aimed at improving the situation has to be ready to meet unforeseen obstacles that can jeopardise the mission. In cases like Sri Lanka they can even worsen the situation. In all other cases, one is under a mixed impression. A popular argument in favour of the intervention in Afghanistan is the fact that millions of girls are going to school and many other restrictions imposed on the society by the Taliban and their interpretation of the

⁴⁴ In 2001 the poppy production fell to by more than ninety percent. Chawla, Sandeep et al.: *The Opium economy in Afghanistan. An international problem.* New York / Vienna: United Nations, Office on Drugs and Crime. 2003.
<http://www.unodc.org/pdf/publications/afg_opium_economy_www.pdf>, accessed 2.2.2009, p. 6.

Koran are no longer effective. What often is overlooked is that some of these rules have been tradition in Afghanistan, like the segregation of the sexes, the veil, or arranged and even forced marriages. These customs also live on. But these customs were not the reason for the intervention of the coalition forces, as has not been development. It is Al Qaeda's fighting and its international terrorist activities. Very differently in Kosovo and Chad it was the protection of the local population and/or of refugees, and to some extent to end local wars that could gather momentum and threaten whole regions. In Cambodia people of Vietnamese origin were affected, the East Pakistan crisis and the millions of refugees had become a serious problem in India's east. It provided also the perfect opportunity to dismember and weaken India's arch enemy. Sri Lanka seemed to prove another opportunity to establish India as the prime regional power. None of the cases were of immediate and direct economic importance. Development was nowhere a prime objective.

7 Reconstructing state and economy

Two things have been stated that are seemingly contradictory, i.e. that the process of state failing is characterised by a disintegration of the economy, but not necessarily by mass destruction and a totally dysfunctional economy. Fund for Peace, an independent Washington, D.C.-based, non-profit research and educational organisation⁴⁵ uses a compound index of twelve indicators (4 social, 2 economic and 6 political) to quantify state failure and to rank the states according to their index value. The indicators are highly correlated, but if the states are ranked according to the values of the individual indicators rankings can differ considerably. The Fund attests Pakistan a better economic performance than the states on the top of the failed states list; Myanmar and Bangladesh are suffering less from foreign intervention: the fact that Myanmar sees less chronic and sustained human flight, however, may be just because of lack of opportunity. Interestingly, the Fund for Peace

⁴⁵ Fund for Peace: Failed state index 2008, op. cit. – See also: The failed state index 2008. In: Foreign policy. July/August 2008. <http://www.foreignpolicy.com/story/cms.php?story_id=4350>, accessed on 9.4.2009.

obviously does not regard mass destruction and lack of infrastructure as essential as there are no such indicators on their list.

Reintegrating of the economy, reestablishment of the rule of law, reintroduction of sound state finances, funded by taxes and fees, and subsidiarity in practice should be considered essential factors in the reestablishment of statehood.

7.1 Emergency programmes

As long as markets are disintegrated, disconnected and segmented even small emergency programmes can have unexpected and unwanted side effects. Blankets, tents, medicine and basic foodstuff may be in demand after natural calamities like earthquakes, floods, draughts or tsunamis, but not necessarily in situations where an international intervention is regarded to be needed. In the latest case where an international humanitarian intervention was proposed, i.e. in Myanmar after the cyclone of 2008, the greatest hindrance to effective help was the fact that the Government of Myanmar lacked cooperation and refused to let relief workers enter the country and work in the affected areas. Money would not have helped much either if distributed among the victims of the catastrophe as long as much-needed goods would not be available in the area. It is different where refugees invade a neighbouring country that is in no position to control the situation and to support them, like in Chad. In Pakistan it is the spilling over of the war in Afghanistan and military action of the army against the tribal population of the border area that uprooted the people in the tribal areas: Hundreds of thousands of refugees (“internally displaced persons”) have moved within the tribal areas and into the “settled areas”.⁴⁶

Where intervention forces bring in “tradable” goods like food stuff or building material, they increase the supply on the local markets and if

⁴⁶ 800,000 of the 1.8 million inhabitants of Swat are reported to be displaced. Cf. Pakistan: origin of the violence in Swat. In: Irin, 19 April.2009. Nairobi / Geneva / New York: UN Office for the Coordination of Humanitarian Affairs. <<http://www.irinnews.org/Report.aspx?ReportId=83105>>, accessed on 19.4.2009.

these are small, prices can fall to below-normal levels to the benefit of the consumers and to the damage of local producers, like farmers, craftsmen and local industry. At the same time they will increase the demand for “non-tradable goods” like labour and housing (see above). Lucrative wages of the lucky few who work for the intervention forces and their administration and high rents for accommodation, offices and warehouses are beneficial to local supply and detrimental to local demand. Under conditions of widespread unemployment most of the population remains unaffected. Only large scale operations will have a multiplier effect that will work for the uplift of large segments of the population.

Economically it should be the extent of the intervention and not the number of members of the intervening party that determine the impact. Therefore, a number of neighbourly interventions have been discussed above. It is also possible, that the number of countries that bear the costs of an intervention is much larger than the number of states that actually take part in the fighting as we have seen in the Kuwait-War. One could imagine that a similar construction will emerge as an attempt for the solution for the piracy problem in the Indian Ocean, because only few countries have a navy suited for such a task but all trading, not only seafaring, countries would benefit. The latter would also not be made responsible for any “collateral” damage caused by the intervention troops, a problem that is alienating partners and can lead, when not resolved, to the end of an intervention.

7.2 The interventionist’s tool box

Intervention for obvious reasons remains a tool that is used only if everything else fails. The Fund for Peace is conducting an internet poll where visitors of their web-page are asked:

“What should the world do about failing states like Burma and Zimbabwe?”

The following options were discussed:

- Provide aid to these governments for them to distribute as they wish;
- Launch diplomatic offensives to get governments to reverse decision;
- Undertake airdrops of aid despite government opposition;
- Censure the governments at the UN Security Council;
- Increase sanctions against the top leaders;
- Indict government officials for gross violation of human rights;
- Military intervention to provide humanitarian assistance;
- Military intervention to overthrow the current regime.

At the outset it has to be stated that accepting any aid may be perceived as the proof of one's own shortcomings and inabilities and that aid always comes with "strings attached", as, donors want to have some say how funds are spent even if they are granted for free. As donors have been frustrated with aid giving over decades, they have found out that monitoring aid always is difficult and often impossible; donors, therefore, have turned to setting conditions, "conditionality's" in the aid speak, i.e. to management by objectives: funds from support programmes are released in installments, subject to a measurable progress. Of course, accepting aid brings about a loss of sovereignty and, therefore, is much less popular among the recipients as donors would believe. The Pakistan Enduring Assistance and Cooperative Enhancement (PEACE) Act of 2009, laid before the US Congress in April 2009 (H.R. 1866) can be seen as an attempt of the US Government to buy out Pakistan's foreign policy on granting an annual assistance to the tune of US\$ 1.5 bn. Among the many strings attached is a clause that Pakistan is expected "not to support any person or group that conducts

violence, sabotage or other activities meant to instill fear or terror in India” (sec.4(6)J).⁴⁷

There is an ongoing debate about the effectiveness of sanctions. Sanctions were especially popular (but ineffective) during the times of the Cold War since governments always had the option of taking refuge in one of the two feuding camps, i.e. either the West with the USA and NATO or the East with the Soviet Union and the Warsaw Pact. Both parties came to the rescue of undemocratic and unpopular governments all over the world; some of those states are now listed as failing and failed states. The only case where sanctions are held to have worked to some extent at least is South Africa. In all other cases, governments were taking their own people as hostages, the latest and most imminent case is that of Zimbabwe. In Somalia there even is no government that could be sanctioned.

7.3 Beyond intervention

Overthrowing the regime is generally the beginning of an arduous process rather than just the end of civil war and/or bad governance. Seven years after the beginning of the “American” Afghanistan War and almost six years after the beginning of the war in Iraq “low intensity warfare” is still going on and many areas in both countries are “no go” for development workers. Originally it was expected that troops would be welcome, new civilian governments would be elected and be accepted and troops were expected to be pulled out, at least most of them, after a short time. Now it appears, that old conflicts flare up again and that those who have lost power or had hoped for power in vain mobilise sentiments against the intervention forces that are not seen as liberators but as occupying forces and oppressors.

Looking back at seven years of intervention in Afghanistan the authors of a report to members of the European Parliament conclude: “In

⁴⁷ For the full text of the bill see <<http://hcfa.house.gov/111/PakistanHR1886.pdf>>, another source is: <<http://thomas.loc.gov/cgi-bin/query/z?c111:H.R.1886.IH:>>, both accessed on 19.4.2009.

hindsight it might come as a surprise to some that they did not favour a large-scale military intervention or state building operation but endorsed rather soft measures in order to help the Afghans: In their recommendations, improving education for the Afghans ranked first.”⁴⁸

The central problem is that intervention, like aid, is always delivered “from above” and “from outside”. Legitimising intervention is difficult, although intervention as such may be the outcome of a decision made by the democratically legitimised government and sometimes, as in the case of the Indian intervention in Sri Lanka (1987-1990), the intervention forces came on the invitation of the democratically legitimised government of Sri Lanka. In this case, the main opposition group, the LTTE, had not been made party to the Indo-Sri Lankan Accord of 1987. They initially agreed to surrender their arms to the “Indian Peace Keeping Force” (IPKF), if only reluctantly. Within a few months however, this flared into an active confrontation. As long as governments have the greatest difficulties to establish their rule under the protection of the intervention forces, a truly democratically legitimised government cannot be established. For a weak government it is even more difficult to put a policy of devolution and decentralisation into practice.

By the time that this manuscript has been revised for publication, i.e. in spring 2009, the Indian government successfully managed to keep out of Sri Lanka, despite mounting pressure from regional parties in Tamil Nadu on the Indian government to come to the rescue of ten of thousands of Tamil civilians trapped in the last LTTE strongholds. With the Indian elections under way in May 2009 the Indian government will soon be relieved of any compulsion to intervene in the Sri Lankan civil

⁴⁸ Daxner, Michael / Free, Jan H.: Civil reconstruction in Afghanistan. A report from The Greens / European Free Alliance in the European Parliament. Oldenburg: Arbeitsstelle Interventionskultur, Universität Oldenburg 2008.
<http://boris-barschow.de/modules/uploadmanager11/admin/index.php?action=file_download&file_id=25>, accessed 2.4.2009, p. 75.

war.⁴⁹ At the same time voices become louder, demanding that India intervene in neighbouring Pakistan to stop trans-border terrorism once and for all. India already has been engaged in Afghanistan, and Pakistan very much feels to be encircled by India. More likely is international intervention in Somalia as piracy in the Arabian Sea has become a real threat for international sea trade.

⁴⁹ On the current situation see: Development assistance and conflict in Sri Lanka: Lessons from the Eastern Province. Asia Report no. 165. Colombo/Brussels: International Crisis Group 2009.
<http://www.crisisgroup.org/library/documents/asia/south_asia/sri_lanka/ance_and_conflict_in_sri_lanka__lessons_from_the_eastern_province.pdf>, accessed on 29.5.2009, pp. 19ff.

8 The need to compromise

Although the need to compromise is evident after years of internal strife, the feuding parties in Afghanistan, Pakistan or Sri Lanka cannot be expected to be ready for it.⁵⁰ There are, however, examples that such compromises are possible, as the case of Cambodia shows. As “top down - bottom up” is not possible, governments must be in a position to devolve some of their powers to other tiers of government without having to fear to be overturned.

Development projects can work in the direction that mutual trust is increased and the political system is stabilised, provided that the process of re-establishing national security is not endangered.

⁵⁰ [...] noticeable is a “dramatic shift in the location of HCTB [High Casualty Terrorist Bombing] events: there are substantial increases in the use of these tactics in Afghanistan, Pakistan and Sri Lanka.” Marshall, Monty G. / Cole, Benjamin R.: Global report on conflict, governance and state fragility 2008. In: Foreign Policy Bulletin. Winter 2008. pp. 3-21.

<<http://www.systemicpeace.org/Global%20Report%202008.pdf>>, accessed 9.4.2009, p. 8.

Bibliography

Ahmar, Moonis (ed.): The challenge of rebuilding Afghanistan. Second edition. Program on Peace Studies and Conflict Resolution, Department of International Relations, University of Karachi and the Hanns Seidel Foundation, Islamabad 2006 (2005).

Baden-Powell, B. H.: The land-systems of British India. 4 vols. London: Oxford 1892 (Reprint: Delhi: Oriental 1974, 3 vols.).

Bhaumik, Subir: Ethnicity, ideology and religion: Separatist movements in India's Northeast. In: Limaye, Satu / Wirsing, Robert / Malik, Mohan (eds.): Religious radicalism and security in South Asia. Honolulu: Asia-Pacific Centre for Security Studies 2004, pp. 219-244.

<<http://www.apcss.org/Publications/Edited%20Volumes/ReligiousRadicalism/PagesfromReligiousRadicalismAndSecurityinSouthAsiach10.pdf>>, accessed 9.4.2009.

Caroe, (Sir) Olaf Kirkpatrick: The Pathans, 550 B.C. - A.D. 1957. Karachi: Oxford UP 1976 reprinted (London: Macmillan 1958).

Chawla, Sandeep et al.: The Opium economy in Afghanistan. An international problem. New York / Vienna: United Nations, Office on Drugs and Crime. 2003.

<http://www.unodc.org/pdf/publications/afg_opium_economy_www.pdf>, accessed 2.2.2009, p. 6.

The constitution of the Islamic republic of Pakistan. Islamabad: Law and Justice Commission of Pakistan.

<<http://www.ljcp.gov.pk/Menu%20Items/1973%20Constitution/constitution.htm>>, accessed on 2.4.2009.

Cooley, John K.: Unholy wars: Afghanistan, America and international terrorism. London: Pluto 1999.

Cordovez, Diego / Harrison, Selig S.: Out of Afghanistan: the inside story of the Soviet withdrawal. New York, NY: Oxford UP 1995.

Daxner, Michael / Free, Jan H.: Civil reconstruction in Afghanistan. A report from the Greens / European Free Alliance in the European Parliament. Oldenburg: Arbeitsstelle Interventionskultur,

Universität Oldenburg 2008.

<http://borisbaschow.de/modules/uploadmanager11/admin/index.php?action=file_download&file_id=25> accessed 2.4.2009.

Development assistance and conflict in Sri Lanka: Lessons from the Eastern Province. Asia Report no. 165. Colombo/Brussels: International Crisis Group 2009.

<http://www.crisisgroup.org/library/documents/asia/south_asia/sri_lanka/ance_and_conflict_in_sri_lanka__lessons_from_the_eastern_province.pdf>, accessed on 29.5.2009, pp. 19ff.

Dhakal, D. N. S. / Strawn, Christopher: Bhutan: a movement in exile. Jaipur: Nirala 1994.

Drèze, Jean: Famine prevention in India. In: Drèze, Jean / Sen, Amartya / Husain, Athar (eds.): The political economy of hunger. New Delhi: Oxford UP 1999 (London: Clarendon 1995). pp. 69-178.

Faaland, Just / Parkinson, Jack R.: Bangladesh. The test case of development. London: Hurst 1976.

The failed state index 2008. In: Foreign policy. July/August 2008. <http://www.foreignpolicy.com/story/cms.php?story_id=4350>, accessed on 9.4.2009.

Failed state index 2008. Washington, D.C.: Fund for Peace. 2008. <http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=99&Itemid=140>, accessed on 9.4.2009.

Gauster, Markus: Provincial reconstruction teams in Afghanistan. An innovative instrument of international crisis management being put to the test. Occasional Paper Series. Garmisch-Partenkirchen: George C. Marshall European Center for Security Studies. No. 16 (January 2008).

Goldstone, Jack / Haughton, Jonathan / Soltan, Karol / Zinnes, Clifford: Strategy framework for the assessment and treatment of fragile states. Executive summary (revised). Washington, D.C.: University of Maryland 2004.

Gregoire, Joseph (ed.): Stabilisation and economic growth workshop. Interim report. Washington, D.C.: CNA 2009.

<<https://pksoi.army.mil/Docs/Governance/Stabilisation%20and%20Economic%20Growth%20032509.pdf>>, accessed on 9.4.2009.

Hanif, Intikhab: Home department's security plan was not followed. In: Dawn. Karachi. 4 March 2009. <<http://www.dawn.com>>, accessed on 4.3.2009.

Hazarika, Sanjoy: Indian troops end coup in Maldives. In: The New York Times, 5 November 1988.

Henderson, John W. et al.: Area handbook for Malaysia. Washington, D.C.: American University 1970.

H.R. 1866 PEACE Act of 2009 (introduced in House). Washington: House of Representatives. 2009. <<http://thomas.loc.gov/cgi-bin/query/z?c111:H.R.1886.IH:>>, accessed on 19.4.2009.

Human development report 2007/2008. Published for the United Nations Development Programme (UNDP). New York: Palgrave Macmillan 2007.

<http://hdr.undp.org/en/media/HDR_20072008_EN_Complete.pdf>, accessed on 2.4.2009.

Jahan, Rounaq: Pakistan. Failure in national integration. New York: Columbia UP 1972.

Judah, Tim: Kosovo. What everybody needs to know. Oxford: Oxford UP 2008.

Karlekar, Hiranmay: Bangladesh, The next Afghanistan? New Delhi: Sage 2005.

Khan, Hamid: Constitutional and political history of Pakistan. Karachi: Oxford UP 2001.

Kumar, Praveen: External linkages and internal security: Assessing Bhutan's Operation All Clear. In: Strategic analysis. New Delhi: Routledge, 28 (July 2004) 3. pp. 390-410.
<<http://www.idsa.in/publications/strategic-analysis/2004/jul/Praveen%20Kumar.pdf>>, accessed on 2.4.2009.

Lamb, Alastair: Incomplete partition: the genesis of the Kashmir Dispute 1947-1948. Karachi: Oxford UP 2002 (Hertingfordbury: Roxford 1997).

Manzar, A. M.: Red clouds over Afghanistan. Islamabad: Institute of Political Studies 1980.

Marshall, Monty G. / Cole, Benjamin R.: Global report on conflict, governance and state fragility 2008. In: Foreign Policy Bulletin. Winter 2008. pp. 3-21.

<<http://www.systemicpeace.org/Global%20Report%202008.pdf>>, accessed 9.4.2009.

Musharraf, Pervez: In the line of fire. A memoir. New York: Free Press 2006.

Myrdal, Gunnar: Asian drama. An inquiry into the poverty of nations. 3 vols. New York: Pantheon 1968.

Pakistan: Origin of the violence in Swat. In: Irin, 19 April 2009. Nairobi / Geneva / New York: UN Office for the Coordination of Humanitarian Affairs <<http://www.irinnews.org/Report.aspx?ReportId=83105>>, accessed on 19.4.2009.

Rahman, Shamim ur: Swat deal to remain intact if peace lasts. In: Dawn, 19 April 2009. <<http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/news/pakistan/sindh/govt-talk-militants-who-lay-down-arms--qs>>, accessed 19.4.2009.

Rashid, Ahmed: Islam, oil and the new great game in Central Asia. London: Tauris 2000.

Rushbrook Williams, L. F.: The East Pakistan tragedy. London: Tom Stacey 1972.

Sen, Amartya: Poverty and famines: an essay on entitlement and deprivation. New Delhi: Oxford UP 1994 (1982).

Singh, D. K.: V. N. Shukla's constitution of India. Seventh edition. Lucknow: Eastern 1988 (1950).

Singh, Prakash: The Naxalite Movement in India. New Delhi: Rupa 1995.

Srinivasan, Krishnan: From rhetoric to realism - Why there should not be an India-Pakistan conflict. In: The Telegraph. Calcutta. 11 February

2009. <<http://www.telegraphindia.com/archives/archive.html>>, accessed 2.4.2009.

The United States Strategic Bombing Survey.
<<http://www.anesi.com/ussbs02.htm>>, accessed on 9.4.2009.

Transparency International: Corruption Perceptions Index 2008.
<http://transparency.org/policy_research/surveys_indices/cpi/2008>, accessed 2.4.2009.

Visaria, Leela / Visaria, Pravin: Population (1757-1947). In: Kumar, Dharma / Desai, Meghnad (eds.): The Cambridge economic history of India. Vol 2: c. 1757 - c. 1970. New Delhi: Orient Longman 1991 (Cambridge UP, 1982), pp. 463-532.

Webster's encyclopedic unabridged dictionary of the English language. New York: Portland House 1989.

Whitaker, Donald P. et. al.: Area handbook for the Khmer Republic (Cambodia). Washington, D.C.: American University 1973.

Winning or losing. A special report on al-Qaeda. In: The Economist. 19 July 2008, pp. 1-12.

World development report 2009: Part II: Shaping economic geography. Washington, D.C.: The World Bank 2009.
<http://siteresources.worldbank.org/INTWDR2009/Resources/4231006-1225840759068/WDR09_bookweb_2.pdf>, accessed on 9.4.2009.