

Globalisation's Shadow: Political Violence in a Global Era

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September 11 revealed most dramatically that globalisation has a shadow. While many of the world's citizens enjoy the benefits globalisation brings, some seek to put globalisation to their own politically violent purposes. If the terrible events of September 11 demonstrated anything, it is that globalisation can as readily facilitate violence as it can produce peace, prosperity and order. This wasn't something that was immediately obvious until the Twin Towers were demolished and thousands killed.

In fact, the precise nature of the relationship between globalisation and political violence, however, remains largely unstudied. Most attention, understandably, focuses on the rise of new information and communication technologies and their transformative effects on states and markets. In general, it is the economic dimensions of globalisation that have been widely discussed and analysed, particularly the globalisation of production and finance.

One of the most notable features of globalisation is the rise of transnational corporations (TNCs). Although corporations have traded across national boundaries and continents for centuries, the volume, velocity and global reach of their transactions today are unprecedented. They account for two-thirds of world trade. Now that the world's largest corporations have built global production and distribution networks, one-third of the world's trade is *intra*-firm trade. This has fuelled the impression that TNCs are 'footloose and fancy free', willing and able to move shop in the search for better infrastructure, wage-levels, efficiency and profitability anywhere on the planet. Though often exaggerated, TNCs do have a capacity to relocate production and services and do exercise limited influence over governments seeking to lure foreign investment. Given that the annual revenue of the

largest TNCs exceeds the gross domestic product of many mid-sized economies, this should be unsurprising.

Instrumental to the globalisation of production wrought by TNCs is the rise of global financial markets. Massive amounts of financial capital flows like quicksilver across the planet today. Foreign direct investment, international bank lending and international bonds, equities, derivatives and currency markets have grown in their volume and intensity since the Bretton Woods system broke down in the 1970s. Foreign currency markets are perhaps the most indicative of globalisation's impact. Over a trillion US dollars is traded daily in this digital economic space, mostly through the financial capitals of London, New York and Tokyo. The digital character of capital today means that governments and their central banks are increasingly unable (or unwilling) to control capital flows across state borders.

This is why so much attention has been paid to the relationship between states and markets. The pressure on states to compete internationally has led them to liberalise and deregulate their national economies, opening them up to global forces and market disciplines. The rise of credit-rating agencies and international commercial arbitration has also created a system of private global regulators who exert influence over how states manage their economies. Policy debates now take place within narrowing parameters. OECD countries in particular are relinquishing their power and authority over cross-border financial and economic transactions to private corporations and global regulators in order to reduce frictions and costs. In the process, local economies are increasingly 'denationalised' and embedded in globally integrated markets. This has led some commentators to speak of the nation-state's demise in the face of a 'borderless world'. While there can be little doubt that economic globalisation is tremendously powerful, it is wrong to assume that nation-states are dying. Rather, they are 'downsizing' and transforming; relinquishing certain economic roles and functions while retaining others. This is true for the wealthy industrialised countries anyway.

The story for developing countries is very different. They too are touched by globalisation, but in different ways. More often than not, they are passive subjects of

globalisation rather than 'globalisers'. It may be true, as some have argued, that the only thing worse than being globalised is not to be globalised, but this is cold comfort for countries who feel forced to trade off public health and education, poverty alleviation and environmental protection against fiscal discipline. Critics of the neoliberal or Washington consensus, as it is called, argue that governments too often divert financial resources away from welfare in order to satisfy global economic actors and institutions. This may be a viable if painful option in many developed countries but it can have disastrous effects on developing ones. The end result is to reinforce the maldistribution of wealth that defines the North-South divide and widens the gap between the world's richest and poorest nation-states.

A point made by many critics of globalisation is that multilateral economic institutions like the WTO, IMF and World Bank do little to ameliorate the situation. Instead, they reproduce the economic inequality or 'structural violence' as Marxists sometimes used to call it. The 'anti-globalisation' protests that sprung up across the planet in the late 1990s were largely driven by concerns that the emerging structures of global economic governance were simply exacerbating the economic inequality. All or most of the benefits seemed to be reserved for the North, they argued.

The globalisation of production and finance together with the affects of cultural globalisation ('coca-colanisation') mean that human social relations are increasingly detached from the geographical territory of the nation-state. Something like a 'supra-territorial' space outside and beyond the state is coming into being and reshaping the way human societies function and connect with each other. Some of the more zealous proponents of globalisation believe it is inaugurating a 'global village' and sweeping away international war through complex entanglements of interdependence. By contrast, the harshest critics believe it is more likely to enhance the prospects of conflict and 'global pillaging' rather than peace.

One might well ask, however, what does time-space compression and all this economic activity have to do with political violence? On the surface it may appear that it has almost nothing to do with it. Yes, it might be conceded, economic

inequality or 'structural violence' may be exacerbated by globalisation, but how is globalisation complicit with acts and structures of political violence?

To begin with, we might note the way that traditional issues of war and peace have been reshaped by globalisation. One of the most distinctive features of international relations after World War Two is the way that Western countries have re-ordered the hierarchy of issues. International war has declined dramatically among Western countries and among the great powers in general. It might be premature to speculate on the obsolescence of war among major powers, but there is plenty of evidence to suggest that international war is unlikely to bring developed or 'satisfied' countries the benefits they are looking for: political order and economic prosperity.

Globalisation generates extensive interconnections among states that mean old-fashioned war is too costly in human and economic terms. Needless to say there are plenty of dissatisfied states who will not be dissuaded from war to improve their situation.

The example of Iraq's 1990 invasion of Kuwait stands as a classic example of the way war fails to deliver the kind of booty it did in the past. For various reasons of state and commerce, Saddam Hussein decided to annex Kuwait. He believed capturing this oil rich land would quickly translate into further economic and military power. Not only did he misjudge the international community's reaction, he also misunderstood the slippery nature of contemporary finance. As soon as his tanks crossed the border, Kuwait's massive wealth was electronically transferred out of the country like quicksilver. He may have been able to take possession of Rolls Royces, jet aircraft and other material assets, but the vast majority of Kuwait's wealth was little more than a blip on the screen by the time he reached downtown Kuwait City.

Many of the wars that broke in the 1990s, however, were civil wars. Just because these wars took place within nation-states does not mean economic globalisation played no part. In the case of Yugoslavia's disintegration, for example, globalisation's neoliberal economic agenda is often identified as a source of the conflict. The austerity measures introduced in the 1980s under Western pressure to stimulate economic recovery are commonly remarked upon as fuelling socio-economic

dislocation and most importantly political disintegration. IMF intervention did little to improve the situation and, if anything, probably intensified strains between the various republics and contributed to the expansion of the black market. By 1989 inflation in Yugoslavia had spiralled out of control to 2,500 percent, unemployment averaged 14 percent and national debt rose to US\$20 billion. Politicians and political elites not only failed to fight against the growing criminalisation of the economy, they actively exploited it and depended on it.

Other cases of civil war, for example, Liberia, Sierra Leone, the Democratic Republic of Congo (DRC) and Angola demonstrate how warlords and other participants in war have a vested interest in sustaining the violence to better exploit abundant natural resources. Oil and diamonds in Angola and Sierra Leone; diamonds, copper, cobalt and gold in DRC; and diamonds, gold, iron ore and timber in Liberia, were all transferred out of war zones in exchange for money and arms. After all, AK-47s, Ray-Ban sunglasses and BMWs – the signatures of many modern warlords – have to be imported. In several cases, most prominently Somalia, warlords even fought against United Nations (UN) peacekeepers who were on the ground to ensure delivery of humanitarian assistance. Instead of food and urgent supplies being delivered to the neediest civilians, warlords were syphoning off foreign aid for their own purposes.

Not only do these resources fund the war effort they also build massive wealth for those who can seize and control them. These ‘war entrepreneurs’ opportunistically precipitate and exploit the breakdown of state power and authority to enhance their personal wealth and political power. But to benefit fully from state failure they need access to regional and global economies, whether of a legitimate or illegitimate kind. Regional and global trading networks in arms, drugs and other contraband are made possible not just by state collapse, but by the improved communication technology and capital mobility that globalisation brings.

The rise and proliferation of failed states has led to a spate of humanitarian interventions in the 1990s. Failed states are not a new phenomena in themselves. It is just that in the post-Cold War era the major powers are more alert to their destabilising effects on world order and, in the absence of ideological division, more

likely to reach agreement about what should be done. The conflicts generated by failed states not only inflict violence on the local civilian population, they also produce large refugee crises for neighbouring states. This in itself is a source of humanitarian concern, but perhaps the greater worry in Western capitals is that failed states foment unconventional security threats that have ramifications far beyond the localised borders. There is a fear that in the breakdown of state power and authority will create breeding grounds for criminality and terrorism. The reasoning here is that failed states offer sanctuary to terrorists who can prepare their violent acts with impunity. While there may be some truth to this, it is also true that complete state breakdown creates a fairly inhospitable context in which to operate. More hospitable are poorly governed, corrupt or sympathetic states like Afghanistan under the Taliban, Yemen and Kenya, but also Pakistan and Indonesia among others.

The above cases suggest that globalisation has uneven impacts and consequences. If the more familiar side of globalisation involves the growing and intensifying networks of production and finance in OECD countries, there is also a significant deepening of international aid and development networks linking the developed world with the unstable zones of world order. In an effort to bring peace to these unstable edges of world order the United Nations (UN) has thus granted Western states, non-governmental organisations (NGOs), and other corporations such as private security firms unprecedented access and authority in these failed states. Interestingly, humanitarianism seems to be bringing the security agenda of Western countries into convergence with the socio-economic agenda of aid agencies. Aid is being used as part of a broader system of global governance; the internationalisation of public policy designed to establish functioning market economies and democratic societies. To borrow from the Bush government, the goal is 'regime change'. Regardless of the desirability of these visions, the real political questions relate to their viability. Nevertheless, the globalisation of humanitarian aid is intimately tied up with the spread of political violence in what Zygmunt Bauman calls the 'global frontierland'.

Without doubt, the highest profile players in this global frontierland are global terrorist networks like al-Qaeda. September 11 showed the world how globalisation sets up conditions that terrorist groups can exploit to devastating effect. Despite the

anti-modern rhetoric of al-Qaeda, they are deeply implicated in the high modern process of globalisation. Their activities depend on taking full advantage of the technologies afforded by modern industrialised societies including travel, communications, information and global finance. So the same conditions that enable individuals, multinational corporations and NGOs to move relatively freely across state borders also allow terrorists to do the same. Wilfully defying the laws and borders of states, these mobile and elusive 'extra-territorial' actors have learned how to make full use of globalisation and modernity, even if their main aim is to redirect modernity's forces back upon itself.

Globalisation not only enables the formal global economy to flourish, it also gives rise to an informal one made up of transnational criminal networks (TCNs) in people-smuggling, global prostitution rackets, arms and drugs trading. Flowing across state boundaries, TCNs adopt the *modus operandi* of transnational corporations to pursue their private interests, but do so without legitimacy. They exist in a global 'frontierland' where alternative systems of power, profit and protection thrive. This is the dark underside of globalisation that is too frequently ignored.

Globalisation has changed the world. It has opened untold political and economic possibilities, but it has simultaneously cast a dark shadow. The conditions enabling global communication, instantaneous real-time news coverage and global financial markets are the same that make it possible for men to inflict novel and highly destructive forms of violence. It creates the perfect setting for men to inflict novel and highly destructive forms of violence. September 11 makes it imperative for us to think more seriously about the changing character and intensity of violence under conditions of globalisation. Though rarely discussed, this may turn out to be the most significant feature of globalisation.