

***Économie des guerres civiles*, edited by François Jean and Jean-Christophe Rufin, Hachette, Paris, 1996, 593 pages**

Under a rather eye-catching title that evokes a range of issues much broader than that actually addressed in their book, Jean-Christophe Rufin, François Jean and various other contributors take us into a most fascinating domain: the funding of contemporary conflicts.

Indeed, after the Cold War and its straightforward system of “political godfathers” who by one means or another covered the cost of war, we are now witnessing a type of conflict that is difficult to qualify. The apparent simplicity of the bipolar world has given way to complexity, diversity, heterogeneity, changeability and globalization, and events can no longer be interpreted from a purely ideological perspective. In an attempt to gain a better grasp of the situation the authors started from the very basis, from “the sinews of war”, to see where that would lead. Furthermore, as the title suggests, international wars are becoming rare: where, in the militia struggles of today, are the Ministers of Finance, Defence or Foreign Affairs who, on either side of the front line, were previously able to channel funds into the war effort?

It should again be underlined that the book does not deal with all the economic aspects of war, nor its possible “economic causes”, nor the way in which individuals, both economic players and those affected by their policies, try to survive in wartime. It does, however, look in some detail at the provenance of the funds that make it possible for wars to break out and persist.

*Économie des guerres civiles* is divided into four sections. The preface outlines the issues addressed. The next section establishes a theoretical framework for determining the type of economic dynamics at work in conflict situations. Next comes a series of case studies (Lebanon, Kurdistan, Afghanistan, Cambodia, southern Sudan, Bosnia-Herzegovina, Liberia, Mozambique, and Colombia/Peru), all written by specialists and examining different aspects of the problem. The last part comprises several “horizontal” studies (embargoes and criminalization of

the economy, territories and networks, drugs, humanitarian aid and war economies, etc.).

### **In quest of a theoretical framework**

Wars are financed in five main ways: by using resources made available by another country; by appropriating international aid; by imposing levies on the population; by taking over exportable resources; and, finally, by taking control of all or part of the economic system that is often created by the shortages that go with war situations. The theoretical introduction classifies conflicts in terms of the origin of the system that generates the funds making the war possible. Two principal types of war economy existed side by side during the Cold War. On the one hand there were those referred to as "closed" war economies, in countries or situations where the support of the population was sought rather than foreign support; and on the other the far more common "open" war economies which relied on cross-border sanctuaries. Depending on the case, such sanctuaries — described in detail by J.-C. Rufin in another book (*Le piège humanitaire*, 1985) — were to a greater or lesser extent military or humanitarian, but they all served the same purpose: to keep a channel open for resources intended for the war effort. The authors believe that the end of the Cold War has put paid to such strategies. Yet the crisis of the Rwandan refugees in Zaire and the instability that has consequently prevailed in Rwanda since 1994, with the results that we know only too well, would suggest that the strategy of sanctuaries still has a rosy future. In any event, the "post-Berlin Wall conflicts", which are wars without ideological stakes in the traditional sense, must be fuelled somehow: soldiers must be paid, arms and munitions have to be bought, etc. The protagonists in these conflicts have therefore developed self-financing strategies, most of which already existed but seemed insignificant in comparison with other sources. These are economies based on looting, the misappropriation of international aid, taxation (militia economies), connections with drug trafficking, the development of organized crime networks to control the flow of goods and money, control over natural resources (forests) or mining (precious stones, latex). The authors underline the renewed importance of such economic strategies for the conduct of hostilities, a subject of the greatest topical interest to the ICRC. The policy of looting civilian property, for example, is observed in situations of diffuse guerrilla activity, often relying heavily on terror (the Shining Path in Peru, RENAMO in Mozambique, etc.). If the war is financed by taking over extractable resources, it almost necessarily becomes a struggle for position, that is, for control over mines and plantations, highways and ports. When the war

economy depends on increased drug production, certain areas are declared off-limits and woe betide any humanitarian teams that venture into them! When the primary aim is the appropriation of humanitarian aid, the prize is control over the entry and distribution points, and a levy is exacted from the beneficiaries. Finally, when criminal activity becomes the driving force of the system for financing a conflict, and consequently the basis of the authority and power of its protagonists, the situation rapidly takes on certain specific characteristics and becomes highly dangerous. Novye Atagi is a stark reminder of this. The major difficulty stems from the ease with which these various means of financing a war can coalesce, a process which is dependent on three factors: the fragmentation of armed groups and the territory they control (an internal factor), networks of nationals living abroad and, finally, the globalization of trade and of organized crime.

What is missing from this excellent analysis is a look at the way in which the population and other players respond to these situations. How does the economy work at the grassroots level, and does it afford the population the wherewithal to survive? The case studies offer some new insights in that regard.

### **A detailed analysis of complex situations**

In accordance with a didactic method that has been tried and tested (by *Médecins sans frontières* among others, and in the collection entitled *Populations en danger* edited by François Jean, one of the two editors of *Économie des guerres civiles*), a series of case studies is used to illustrate the themes outlined in the theoretical part. The cases selected cover five regions (Africa, Asia, the Middle East, Europe and Latin America); the only regret is that the former Soviet Union is not included. Each case sheds light on at least one of the topics outlined in the introduction. The study on Lebanon, for example, offers a particularly detailed description of the breakdown of State structures, the emergence of militia-controlled economies and the upsurge in drug-related activities. Kurdistan illustrates more specifically the dynamics of the process whereby loyalty is secured through dependency and of the appropriation of international aid. In Liberia, apart from the regular looting of humanitarian logistic resources, the conflict is financed through the sale of latex to major companies such as Firestone. The case of Afghanistan provides a telling example of the influence exerted by regional economic factors on the evolution of an internal conflict: in this case the godfathers are no longer motivated by ideological considerations but simply by the desire to amass wealth, and

warfare has become a means of redrawing the “commercial map”. The methods available to combatants in the chosen camp to fund the war effort include direct financing, the provision of facilities for drug production and processing networks, and the opportunity to engage in trafficking of all sorts. The case of Cambodia draws attention to the fact that although certain political and military forces continue to indulge in hard-line ideological rhetoric and even try to make political capital out of the government’s economic muddle, this does not prevent them from exploiting their own country’s resources; and it is the forests of northern and western Cambodia that are paying the price.

### **A view from another angle**

The work very fittingly concludes with four “horizontal” studies, which are rather inappropriately entitled “Facteurs généraux” (general factors). The first seeks to clarify the link between embargoes and criminality. An initial look at some 20 cases of embargo shows the ultimate weakness of this tool of international politics. It is really effective only when the stakes are not very high and the country concerned is already weak. When a strong country is targeted, or even a weak one with abundant resources within its borders, the embargo is ineffective. The means used by the State concerned or by its neighbours to circumvent the embargo have one simple result: the emergence of parallel supply networks, which soon become criminal. Embargoes invariably have four consequences: the general impoverishment of the population (especially the most vulnerable groups); the deterioration of State structures; the enrichment of a very small number of people; and the development of organized crime. This is an alarming observation. It is this examination of embargoes that offers the best analysis of the war economy as it operates on a day-to-day basis, as compared with the war economy in the traditional sense. It ranges from the soldiers’ mess to the warlord’s treasury, from the orderly development of production and exchange rates to the dynamics of inflation and hyperinflation, from savings strategies to the pursuit of “safe” investments (dollars, gold, etc.). The approach is still largely macro-economic, however, and the student of crisis situations wonders where are the micro-economic references relating to the everyday struggle for survival: the expansion of the retail sale sector, the appearance of new or deseasonalized activities, the gradual decapitalization of production systems, etc.

The second study looks at the increasingly obvious link between internal conflicts and international drug-trafficking networks. This system

was already used to some extent during the Cold War, especially by the CIA to finance its irregulars in the mountains of Vietnam and Laos. The practice has only increased with the demise of political sponsors, which left the way clear for drug barons to come into their own. When a warring faction needs to raise easy money in large amounts and, for reasons of logistics, in a highly mobile form, it must be able to sell products with a high value per unit of weight. As not everyone has diamonds like UNITA or the RUF, some turn to poppies, coca or cannabis. From Peru (see case study) to the mountains of China, via the Middle East and Afghanistan, all factions have a finger in the pie and the end result is the large-scale international narcotics trade.

The next study, on the part played by nationals resident abroad in financing conflicts, is extremely well-documented. The pattern established, which takes a broad range of factors (ethnic, historical, economic, organizational, cultural, etc.) into account, can be applied to cases other than those included in the study and makes it possible to analyse them and to gain a better understanding of their internal dynamics and the role of particular elements in the conflict concerned. This study is thus a veritable operational tool. Finally, the last study, while undoubtedly interesting, deals with a topic already examined (at greater length by the two editors of *Économie des guerres civiles*, among others): Are conflicts prolonged by humanitarian aid? The authors issue a salutary call for vigilance. In this as in so many other spheres, there is no place for naiveté when it comes to crises.

## **Conclusion**

This admirable work, in which theoretical reflection on various matters (such as the study of war, economics, geography or quite simply politics) is tested against a wide variety of real situations (the case studies), brings out the great diversity of such situations and prompts the reader to make a greater effort to distinguish causes from effects. Even though in some cases economic factors may have played a decisive role in triggering hostilities, in most others they have remained subordinate to other objectives, whether political, social or ethnic, or to considerations of security. In these cases the economy does no more than “fuel” the conflict. It would therefore be mistaken and even dangerous to believe — and even more so to say — that all combatants are motivated only by desire for gain. But it would be no less dangerous, for the ICRC and others working in conflict zones, if studies such as this were to overlook the fact that the “sins of war” are multifarious and omnipresent, and that their pursuit can lead to acts of appalling barbarity.

We must be aware that organized crime, the habit of making a quick profit at the point of a Kalashnikov and para-State systems for trafficking or diverting resources, all spawned during the conflict, will cast an ominous shadow over the post-war period.

Finally, it will be clear to the reader that although wars must be financed, civil war economies go beyond the mere dynamics of funding the war effort: thousands of women and men struggle to survive from one day to the next and in so doing create “another economy within the civil war”. This is a vast and fascinating subject which remains largely unexplored, but that is another matter.

In any event, *Économie des guerres civiles* should be available to everyone involved in humanitarian work.

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