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The Economics and Political Economy of Conflict in Sub-Saharan Africa

By

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1. Introduction[1]

Until the end of the 1980s development economists showed little interest in the problems of civil war. Yet within the past decade this has changed dramatically, with a rapidly expanding literature on the economics or political economy of conflict, civil war, or so-called complex humanitarian emergencies. Major research programmes have included: UNRISD's War-Torn Societies Project (www.unrisd.org/wsp); Queen Elizabeth House at Oxford (Stewart et al, 1997); a WIDER project on complex humanitarian emergencies (e.g. Nafziger and Auvinen, 1997); the ILO (e.g. Cramer and Weeks, 1997); the World Bank (e.g. Colleta et al, 1996), which in mid-1999 signalled its commitment by opening a dedicated web-site (www.worldbank.org/research/conflict); and the OECD (OECD, 1997). There have also been useful surveys of aspects of the literature, including Carbonnier (1998) and Luckham et al (1999).

This is not just an academic response to empirical developments, since outbreaks of armed conflict of various kinds have long been a common feature of developing countries. Two plausible, and probably only partial, explanations may be as follows. Firstly, until the end of the Cold War many economists considered war to be purely exogenous, a given of global politics, something that occasionally disrupts from time to time more normal conditions under which economic laws apply (Fischer and Schwartz, 1992, 239). However, wars have proliferated after the Cold War and this has encouraged or freed up economists to consider more intimate relations between such conflicts and other variables within their models. Secondly, this has coincided with a growing confidence within the mainstream economics profession that the precepts of economic orthodoxy can be applied to an increasingly wide range of social phenomena. This theme is taken up further in the section below on the causes of conflict.

Whatever the actual mix of reasons, there has been something of a shift within the economics of conflict in developing countries and specifically in Africa. The interest of development economists was at first, in the late 1980s and early 1990s, concentrated on the costs of war (UNICEF, 1989; Green, 1991; Stewart, 1993; and more recently Stewart et al, 1997; Bruck, 1997). During the 1990s, however, there has been increasing economic analysis of the dynamics of wartime (Azam et al, 1994; Chingono, 1995) and, even more, of the economic or political economy origins of conflict (e.g. Nafziger et al, 1999; Collier and Hoeffler, 1996; UNRISD, 1999). Throughout, there has been an interest in the post-conflict role of economics. Post-war rehabilitation analyses can draw on cost-of-war exercises and also on analyses of the causes of war and of wartime economic and social change (e.g. Boyce et al, 1997). Despite the expansion of the literature on these subjects, there remain areas of significant analytical and empirical weakness, and the subject, as part of development economics, is still in its infancy.

As well as a shift from focusing on the consequences of conflicts towards analysing their "root causes", the shift in perspective within the economics of war in poor countries has taken other forms. From treating these conflicts as exogenous events, whose economic effects are then traced through the mechanisms of economic models, economists have increasingly brought the determination of conflicts within the interaction of model variables. At the same time, there has been something of a shift in intellectual confidence as development economists have taken more eagerly to analysing wars. Early exercises might have spoken of the "vacuum" in the political economy of war (Green, 1991) or might have asked modestly whether economic analysis can help to mitigate the costs of conflict (Stewart, 1993). More recently, this tone has shifted to incorporate a more assertive sense that economics is the best-

[1] Paper presented to SCUSA conference

placed discipline for understanding the origins, dynamics and consequences of conflicts in poor countries.

After briefly reviewing the spread of conflicts in Sub-Saharan Africa and emphasising their diversity, this paper focuses chiefly on the literature on the costs of conflict and on the causes of conflict. The main argument of the paper is that conflict directly expresses social, political and economic relations and that therefore it requires analytical tools directly geared towards understanding relations. However, the majority of the literature only addresses conflict via concepts with an indirect grasp of relations at best. So, the majority of the literature is dominated either by structuralist explanations and concepts of stratification (such as ethnicity, income inequality, poverty) or by the non-relational methodological individualism of neo-classical economics. The two are sometimes combined, for example in the expanding amount of cross-sectional large sample statistical or econometric analysis. This methodological distinction is yet to be adequately highlighted and explored in the literature. Research into direct social relations in individual contexts, and their expression through armed conflict in Sub-Saharan Africa, has so far chiefly been confined to case-study material of considerable value.

The literature on conflict in Sub-Saharan Africa and other parts of the world has also become a site of reductionist colonisation by mainstream economics. The paper discusses this, for example, in the light of implicit theories of violence and war assumed by much of the literature. The two most commonly accepted theories are: that violence and conflict are functions of scarcity and that conflict is a function of difference, expressed through measures of inequality or ethnic fragmentation, for example. This paper suggests that, at least, more subtle discussion of underlying theories of violence needs to be made explicit, and introduces one theory of human violence with suggestive links to the problems of late capitalist development. The paper also seeks to escape the constraints of the classical liberal interpretation of war, that it is exclusively and always negative in its consequences; instead, economists should be prepared to explore the conditions under which conflicts, however terrible and destructive, can also play more constructive roles.

2. The prevalence of conflict in Sub-Saharan Africa

If we take a major armed conflict to be one in which at least 5,000 people died, then at a rough estimate there have been some 27 major armed conflicts in Sub-Saharan Africa during the past two decades. Some 17 of these countries have had earlier major conflicts this century too and some eight of the conflicts very obviously have roots going back before independence. Another nine or so countries have experienced conflicts in the past twenty years or so that have had fewer casualties. Conflicts have been especially frequent perhaps during the 1990s. By another measure, in which an armed conflict is defined as a war when more than 1,000 people die per year (Wallensteen and Sollenberg, 1998), between 1989 and 1997 there were fourteen wars in Sub-Saharan Africa.

War Casualties in Selected Sub-Saharan African Countries

	1900-1970	1970-80	1980-90	1990-
Angola	1961-75	1976-95		1998-
Burundi		1972	1988-95	
Cameroon	1955-60			
CAR				1996-7
Chad			1980-94	
DR Congo	1960-65			1993 & 1996
Congo				1993-
Djibouti				1990-96
Eritrea		1974-91		1998-
Ethiopia	1935 1941	1974-79, 1976-83		1998-
Guinea Bissau	1962-74			1998-
Kenya	1954-56			1991-96
Liberia			1985-88	1990-97
Madagascar	1947-48			
Mali			1988-94	
Mozambique	1965-75	1976-92		
Niger				1991-96
Nigeria	1967-70		1980, 1984	1991
Rwanda	1956-65			1990-97
Senegal			1982	
Sierra Leone				1991
Somalia			1988-95	
Sudan	1963-72		1983-	
South Africa	1899-06	1976	1983-94	
Uganda	1966	1970-78	1980-87	1992-
Zambia	1964			
Zimbabwe		1972-79	1983-84	

Togo, Ghana, Gabon, Comoros, Lesotho, Mauritania, Namibia, Western Sahara and Zambia have all experienced minor conflicts with less than 5,000 casualties since independence.

Source: Luckham et al (1999).

Legend:	
	500,000 +
	100-500,000
	50-100,000
	10-50,000
	<10,000

For the most part, these conflicts are what is normally defined as "internal" wars, i.e. not wars between countries, with the exceptions including recent conflict between Eritrea and Ethiopia. However, in virtually every one of these wars there has been external involvement of one kind or another, ranging from huge international support on either side of the MPLA-UNITA conflict in Angola to French military and political support for the Habyarimana regime in Rwanda during the war against the invading Rwandan Patriotic Front (RPF) forces, in the build-up to the genocide of 1994. Other wars have had foreign involvement of a more private, commercial nature, including the contribution of multinationals to political and military feuding in, for example, Sierra Leone and Liberia (Reno, 1998). Traditional notions of a "civil war" are less relevant in a world where the ways that wars are fought reflect international economic integration. International arms markets, the use of external debt or foreign exchange, especially mineral based, to purchase arms, the integration of cross-border weapons and criminal networks, foreign military "aid", are all characteristic of many modern "civil" wars. Furthermore, these wars commonly have spillover effects, humanitarian, economic, and even military: thus, countries like Tanzania or Cote d'Ivoire have been affected by war in surrounding countries.

Wars in Sub-Saharan Africa during the past two decades reflect widespread concerns that the nature of typical armed conflicts has changed (de Waal, 1997). These wars generate huge numbers of civilian casualties rather than being confined to traditional battles between well-defined armies. Clear-cut distinctions between military forces and civilians are often missing in these wars, in which, sometimes, a person may slide between civilian behaviour and militia activity or in which, as in Sierra Leone (Richards, 1996) there are so-called "sobels", government soldiers by day, rebels by night.

One of the major difficulties that compromises the precision of economic analysis – particularly at the level of cross-country comparisons – is that of defining wars. There are two main parts to this difficulty. One is that it is often hard accurately to distinguish the beginning, and indeed sometimes the end also, of a period to be defined as a war. The other is that all wars are not alike. This goes for their causes, and it goes too for their intensity, their geographical spread, their duration, their military characteristics, etc.[2] Indeed, in the growing literature there are differing definitions of what constitutes a war for the purposes of empirical analysis. In a country like Angola, warfare is written into the whole fabric of social relations and the majority of the population have lived their whole lives in a context of war; in others, such as Sudan, war has also been protracted, but it has arguably been more intermittent and more geographically concentrated, though its economic, political and social effects are widespread if not always so direct. In still others, such as Burundi or Nigeria, armed conflict has been more brief. Yet these examples reveal another problem for analysis, in that the distinction between war and other forms of violence or other forms of social conflict are not always hard and fast. One example might be South Africa. There was a form of civil war that principally affected what is now KwaZulu/Natal Province and that had a satellite conflict in the townships of the Pretoria-Witwatersrand-Vereeniging (PWV) industrial heartland. However, in another sense, South Africa could be described as a war economy for a much longer period, given the political conflict over the apartheid system, a prolonged if not immensely effective guerrilla campaign by the armed wing of the ANC (Umkhonto we Sizwe – Spear of the Nation), and the substantial military expenditure and efforts to destabilise much of the Southern African region by the apartheid regime. Further, to the extent that violence and political conflict undermine economic performance by, for example, the disincentive to investment, arguably post-apartheid violence has weakened the distinction between war and violence.[3]

The next major problem is the unreliability of data. Socio-economic data for much of Sub-Saharan Africa are notoriously unreliable in non-conflict periods. This point can be made for various different sectors (see Yeats, 1989, on trade statistics; Riddell, 1990, on manufacturing data; de Haan and Koch, 1997, on labour market data; and Svedberg, 1990, on

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[2] Stewart (1998, 2) argues that there can be no simple generalisations and it should no longer be possible "to state – as many do – that conflict is inevitable because of primordial ethnic divisions, nor that it is the outcome of underdevelopment and that policies to combat low incomes and poverty will also automatically reduce the risk of conflict".

[3] Violent crime cannot always be clearly distinguished from political violence either, as, again, in the case of South Africa and the involvement of political groups in apparently "criminal" violence (Ellis, 1999). On the other hand, some forms of investment may be relatively immune to political violence, as in the oil sector in Angola (see also, on Nigeria, Frynas, 1998).

nutrition and agricultural data). War exacerbates this problem in a variety of ways. Even if data collection agencies remain well-staffed, the collection of data in many areas can become to perilous. It is likely that there is a significant increase in most internal wars in the degree to which economic activity is unenumerated, partly because enumeration efforts decline and partly because normal marketing channels either break down or are evaded. This can make it difficult, for example, to quantify with any confidence the effect of conflict on agricultural output (Cramer and Weeks, forthcoming). Brown et al (1992) suggest that in the Horn of Africa, for example, the share of subsistence agriculture in total output has increased during war, and growing informal or underground activities have pushed much economic activity outside the coverage of national accounts. Furthermore, it is difficult at times to know when to attribute observed outcomes in the form of economic data to war or to other, separate or inter-related developments. That unreliable data weaken the economic analysis of war-affected countries is widely acknowledged. Nonetheless, this has not stopped many observers attempting to quantify the costs of conflict or to pull confident analytical inferences out of cross-country statistical analysis of war economies. At the case-study level, a good example is the international response to conflict and genocide in Rwanda. In the immediate aftermath of the genocide sweeping and misleading judgements were made about the imminence of famine and the impact of conflict on the country's seed stock. These estimates were generated partly by external assumptions and partly by the new government in Rwanda, most of whose members had little recent knowledge or experience of the agriculture sector in the country (Pottier, 1996).

3. Mortgag'd States, Wasted Nations[4] - assessing the costs of conflict

This section first highlights in broad brushstrokes the developmental impact of internally fought wars in Africa, then discusses formal analytical and quantitative models of the economic impact of war, and lastly focuses on a number of problematic issues opened up by the recent literature. The discussion highlights the role in recent literature played by applying Sen's entitlements approach and draws attention to the influence of the classical liberal interpretation of the economic impact of war, i.e. the idea that war is exclusively a loss in economic terms.

3.1 Pervasive effects

The economic effects of wars in Africa are felt throughout society; the costs are particularly high as a result of wars being internally fought and because of their integration into international economic (and political) relations. Resources are at least potentially diverted from social and economic investment and recurrent spending towards the war effort.[5] Wars are frequently financed by inflation, since in a civil war in a low-income country the scope for paying for a war out of increased wartime production and employment (à la Keynes's *How to Pay for the War*) are negligible. Productive investment is deflected by wartime conditions (Azam et al, 1994). Wartime insecurity reduces competition and, for example in trading, creates monopoly rents or a war tax with negative consequences for consumers.[6] The trading infrastructure is commonly disrupted partly by direct damage to roads, bridges, irrigation networks and power lines, and partly by the diversion of vehicles to the military.

[4] See Samuel Johnson's imitation of Juvenal's tenth Satire:
"Yet Reason frowns on War's unequal Game,
Where Wasted Nations raise a single Name,
And mortag'd States their Grandsires' Wreaths regret,
From Age to Age in everlasting Debt"
(in Milward, 1984, 10).

[5] Stewart (1993) makes it clear that such "meso-level" spending diversions are not always evident: e.g. in some countries health spending is stable or rises while military expenditure increases sharply.

[6] On the war tax in Mozambique, see, e.g., Castel-Branco and Cramer (forthcoming).

Agricultural production is affected in a number of ways: marketed output is typically reduced by the impossibility or soaring cost of transport; foreign exchange shortage and military absorption reduce the availability of agricultural marketed inputs; migrant labour sources dry up; the agricultural labour force shrinks thanks to casualties, flight and military recruitment; fighting and the sowing of landmines has a direct effect on cultivation. In Rwanda, for example, a "year's tea and coffee harvests had been lost, and vandals had left all the tea factories and about seventy percent of the country's coffee-depulping machines inoperable" (Gourevitch, 1999, 229). Over 28 years, 1970-97, conflict-related losses to agricultural production in Sub-Saharan Africa amounted to a total of some \$52bn (in 1995 dollars), according to one estimate (Cramer and Weeks, forthcoming). This represented some 30 per cent of the agricultural output of affected countries during conflict years. In extreme cases such as Angola, with virtually continuous warfare since before 1970, empirical estimates suggest that agricultural output at the end of the 1990s was well below half what it would have been in the absence of war. Other countries with conflict effects on agricultural production almost as severe were Ethiopia, Mozambique and Sudan.

According to a World Bank report: "In Central and Eastern Africa alone, about 22 million people are displaced…Natural disasters and famine used to be the root of human suffering and displacement in Africa; now, internal conflict is the leading cause of emergencies in many countries" (World Bank, 1996, p.v). The effects of conflict on the poor are potentially considerable. For Messer et al (1998, 1), armed conflicts constitute a significant cause of deteriorating food scenarios in developing countries. Luckham et al (1999, 4) argue more forthrightly that armed conflict has "become the single most important determinant of poverty in Africa".

3.2 Modelling the costs of conflict

A number of sectoral, macroeconomic, and comprehensive economic analyses (drawing, for example, on Sen's entitlements approach) have attempted to formalise and quantify the economic costs of war in Africa and elsewhere. Many of these share a distinction between direct war damage and indirect developmental costs of war, including an argument (Stewart, 1993) that the indirect costs are larger and longer-lasting than the direct costs. These exercises in assessing the costs of war began with efforts by SADCC (1986), UNICEF (1989), and Green (1991) to establish the developmental effects of war in Africa, particularly focusing on Southern Africa and the effects of the South African apartheid regime's destabilising activities in the region. UNICEF (1989), for example, argued that the cost of destabilisation in Angola and Mozambique between 1980 and 1988 amounted to close to \$47bn while losses for the remaining seven (at the time) SADCC member states amounted to about \$17bn, though these figures were based on somewhat nonchalant counterfactuals.

During the 1990s Stewart (starting with Stewart, 1993) has been at the forefront of formalising this analytical framework. Stewart et al (1997) analyse a sample of 16 countries in which more than 0.5 per cent of the population died due to direct and indirect war effects during the 1970s and 1980s: of these, <> were in Sub-Saharan Africa. Broadly, the findings of this analysis are:

- That indirect effects have more significant long-run developmental effects than immediate, direct effects. For example, social, cultural and institutional degeneration have consequences for economic production and transactions and generate lasting negative multiplier effects on investment;
- That war costs are more severe where conflict is geographically pervasive and where state collapse is manifest in the loss of core revenue collecting and public good provision capacities;
- That international wars are less harmful than civil wars;

- That the considerable variations in the economic consequences of war that are observed may be affected by variations in the duration, intensity and geographical spread of conflict, whether or not international trade embargoes are imposed, public sector collapse, and the availability or otherwise of non-state social support networks;
- That the costs of war also are affected by pre-war features of the economic structure, including the import dependence ratio, the level of subsistence production and the incidence of poverty.

The methodology adopted in Stewart et al (1997) is to compare social and economic performance indicators in conflict-affected countries with both the pre-war period and with non-conflict countries in the same region as conflict-affected countries; and to combine this empirical analysis with an application of Sen's entitlements conceptual framework to guide a disaggregated assessment of which groups are affected in different ways by the effects of war.[7] The original idea of entitlements based in legal production and market exchange is broadened to consider public entitlements, civil entitlements and non-legal acquisition or loss of assets and income during war. Luckham et al (1999) offer a matrix of the mechanisms through which wars affect economies and societies, distinguishing between entitlements versus needs, and direct and indirect (macro, meso and micro level) channels. Within this framework, it is then possible to consider the macro and disaggregated effects of, for example, the tendency in wartime to shift economic activities towards more short-term and consumption based types (Collier and Gunning, 1995; Bruck, ; Addison, 1998) as well as to trace through the impact of conflict on health and education service delivery, market segmentation and regional price differentials and the disruption of rural livelihoods.

Besides these approaches there have been formal attempts to model the impact of war on food production and total agricultural output. Messer et al (1998, 16-21) conduct with-without investigation of actual and "peace-adjusted" food production in Sub-Saharan Africa. Firstly, the difference between mean annual food production per capita in war and non-war years is calculated, as a percentage of non-war production means. Secondly, the same procedure is followed for mean rates of growth of food production. Then, using both the mean production and rate of growth approaches, estimates are made of what food output might have been in the absence of war and contrasted with actual trends. The findings suggest that in 13 out of 14 countries food production was lower in war years, with drops ranging from 3.4 per cent in Kenya to 44.5 per cent in Angola, around an average annual wartime decline in food production of 12.3 per cent. Food production growth rates in the 1970-93 period captured in this analysis declined by as little as 0.3 per cent in Chad and as much as 8.1 per cent in Liberia, with an average decline of 2.9 per cent. Chad and Uganda present anomalies since food production appears to rise during war years in both.

Cramer and Weeks (forthcoming) estimate direct agricultural output losses due to war, with no attempt to include capital losses or indirect effects, for major conflict-affected regions. This is done by specifying a simple model in which the level of agricultural output in the absence of war is determined by relative prices and a trend variable capturing, respectively, short-run farmer decisions and the growth of the labour force together with technical change. Conflict losses are then estimated by including a dummy variable taking the value of one in conflict years. This model generates, as mentioned above, an estimate of total agricultural loss due to war in the 1970-97 period, in Sub-Saharan Africa, of $52bn in 1995 dollars. Both the level and trend of estimated losses rose after the early 1980s, despite the return to peace in the early 1990s of Ethiopia (a qualified peace) and Mozambique. For the 24 years for which this estimation method and that applied to food production by Messer et al (1998) overlap, the food production approach gives an estimated average loss of 2.8 per cent of total food production, while Cramer and Weeks estimate losses of an average 4 per cent of total agricultural production across all Sub-Saharan African countries. Given the difference

[7] For a case-study approach see O'Sullivan (1997) on Sri Lanka.

between food and total agricultural production, these two estimates are fairly consistent in the overall pattern observed. Both, however, are cautious not to claim more than a very rough indication of losses due to conflict in agriculture, thanks to extreme data unreliability, the difficulty in separating conflict effects from those of the weather, health trends (e.g. HIV), and volatile commodity price trends, and the difficulties of separating the effects of conflict on agriculture from the effects of agricultural decline or crisis on the origins of conflict.

Most of the war-costing exercises reviewed above do acknowledge the significance of data weaknesses in undermining the accuracy of their estimates. These weaknesses need highlighting, not as an aside but as central to the analytical problem. Brown et al (1992, 200) point out that "the figures we usually use in analysing and measuring the severity of the crisis…are so hopelessly inadequate that they cannot provide a full account of the actual situation and in some cases give a totally wrong impression". Indeed, the most sensible approach is that taken by Luckham et al (1999), who suggest that they do not intend "to portray what we know already, which is far too little, but to highlight some of the relationships that deserve more investigation if we are to fill the gaps in our understanding" (p.15).

3.3 Critical concerns about war-costing

It seems reasonable to expect a growth industry in research attempting to fill out with greater and more disaggregated empirical detail the analytical framework developed in these war-costing exercises. But there remain some significant analytical question marks over this approach. One way to explore a more critical perspective on cost-of-war assessments is to recollect the history of their precursors in the nineteenth and early twentieth centuries. These earlier war-costing exercises have been characterised as the classical liberal interpretation of war (Milward, 1984) as exclusively negative in its social and economic consequences: "Since war was a loss, the best way its effects on the economy could be finally expressed was to calculate that loss as accurately as possible" (ibid., 11). However, these analyses came under a sharp critical spotlight. Wherever any lingering assumption of full employment is dropped, it is very difficult to assess the economic loss of an individual war casualty. The effect of war on growth is complicated further by the reality of changing technology during a war, as well as changing institutions and shifting social relations. Both direct and indirect costs proved, for example during the First World War, exceedingly difficult to measure –in terms of human and other forms of capital. Increasingly, it became clear that the social and institutional changes wrought during war weakened the depiction of war as simply a loss. And there was evidence that some part at least of the extra expenditure (and the diversion of expenditure) on the war effort could be beneficial in generating income by stimulating new employment and production. One example was agriculture in Britain during the First World War, in which both farmers and farm labourers – though the former to a greater degree – benefited from wartime price guarantees and other interventions designed to reverse the previous decline in the role of agriculture in the British economy.

Present day poor countries fighting civil or internal wars are not the same as industrialised countries fighting international conflicts. Expenditures are diverted to war, war is typically financed by borrowing and by inflation, but there is less productive effort geared to the war – in terms of provisioning the military or replacing imported food by domestically produced food. The differences are greater where internal conflict takes place in a context of state collapse, as for example in Somalia; though further research would be needed to assess the organisation of production in Somaliland. The import and foreign aid dependence of the economy are likely to rise in developing countries at war. Therefore, there are some grounds for thinking that the classical liberal interpretation of the economic impact of war is more appropriate in these wars.

However, firstly, there remain the difficulties of quantifying accurately the costs of conflict – because of the complications of assuming average life expectancies reflecting the social composition of war casualties, because of difficulties in measuring unemployment and/or underemployment in poor countries, because of straightforward data lacunae, etc. Secondly, at this stage extremely little research has actually been done on some aspects of the economics of war in LDCs. There is little empirical detail on the role of war in stimulating production increases and changes in the technology and/or organisation of production in some sectors of LDCs. Indeed, even in a civil war certain rural areas, with military protection, may undergo productive stimulus just as others fall idle (this goes for areas under control of both sides). And there is little knowledge about the role of war in the emergence of a national capitalist class. Thirdly, little is known about how civil wars affect social relations. This effect is of course variable, within two extremes: one characterised by Sorokin's idea that disaster, including war, was a favourable ground "for the emergence of radically different social forms" (1942, 120, cited in Milward, 1984, 44); and the other by the impulse to a "return to normalcy" (Form and Loomis, 1956, in Milward, 1984, 44). The former effect is commonly associated with the experience of conflict and post-conflict change in, for example, South Korea. The latter is more in line with the assumption in much of the recent literature on conflict in Sub-Saharan Africa that conflict becomes central to socio-economic path dependence, and hence the inclusion of "history of conflict" variables in some models (e.g. Nafziger and Auvinen, 1997; Collier and Hoeffler, 1996). Fourthly, what is the appropriate counterfactual non-conflict scenario against which war losses are to be measured? For example, it might not always be clear that economic losses due to war are more than in the absence of a war where there may yet be militarisation of the society and economy. And what presumptions can be made about the direction and effectiveness of policy in the absence of war?

The main difficulties in cost-of-war exercises are that they presume implicitly a static world in which one can clearly identify benchmarks for measuring loss, and that their accounting framework neglects the economic implications of complex shifts in social relations during a conflict. There is also a problem with choosing the appropriate time dimension for analysis. Despite Stewart's (1993) suggestion that the long-run costs of conflict endure after the end of a war, there is also scope for socio-economic changes during war – however unpalatable at the time – to have longer run progressive consequences. An example might concern the so-called "war tax". After a war, when some monopoly trading rent has dissipated, wartime speculators and entrepreneurs may provide a source of productive investment.[8] Evidence suggests, for example, that the post-war national bourgeoisie in Mozambique that bought privatised enterprises from the state accumulated by the successful exploitation of war-rent (personal interviews). It is also possible that post-conflict infrastructure rehabilitation creates a faster and more comprehensive replacement and upgrading of infrastructure stock than would have occurred otherwise. Further, the liberal interpretation of the economic impact of war implicitly assumes that many war costs derive from market distortions. However, here as in other economic areas it is unwise to presume that discrepancy from an idealised benchmark of market perfection has exclusively negative implications. Amsden (1997) points out that, contrary to the common assumption that development is a movement closer and closer towards market perfection, development is often driven partly by the construction of market imperfections where these are value-enhancing and favourable to investment and innovation. Wartime "distortions" in the form of a war tax and monopoly rents to entrepreneurs may, within this perspective, be part of a process that, if channelled effectively after the end of conflict, contributes to development. Therefore, the post-war management of such wartime economic developments becomes indistinct from the assessment of the economic effects of war.

[8] See also Collier and Gunning (1995) on the portfolio preferences of wartime accumulators.

Towards the end of the 1990s, the literature on the economic consequences and costs of conflict in Africa and elsewhere reflected a shift. On the one hand, some analyses have remained under the influence of the basic assumptions of the classical liberal interpretation of war. On the other hand, elements of the critique of this interpretation have begun to be addressed. The insight that some people do well out of a war has been incorporated into analysis of the impact of war. One exploration of this is Collier and Gunning's (1995) work on the portfolio preferences of those with wartime savings and on the post-conflict policy options for influencing the re-allocation of such savings towards productive investment in, for example, export-oriented manufacturing. Another manifestation of this same observation – that there are economic winners as well as losers from internal conflict – is possible through the application of an entitlements framework, which allows for exploration of the uneven consequences of conflict. This acknowledgement of wartime accumulation has been influenced by work on the political economy of "asset transfers" during conflicts and of the role of war in creating famines (Duffield, 1991, 1994; de Waal, 1998; Keen, 1995). These analyses tend to be focused on case-study analysis rather than large sample cross-country statistical analysis. They also tend to prioritise the analysis of context-specific social relations and consequently to understand economic developments as embedded in these historically shaped social relations, rather than to prioritise economic models whose assumptions and methodology ultimately is constructed on neo-classical foundations.

To sum up, there analytical and methodological tensions in the literature on the economic consequences of conflict in Africa. Assumptions rooted in the classical liberal interpretation of the economic impact of war do not fit comfortably alongside acknowledgement of the economic beneficiaries of conflict and the possibility of some long-run positive economic change arising from the experience of conflict. Applying the entitlements framework may help in that it enables a disaggregation of the economic consequences of conflict (Stewart et al, 1997; Luckham et al, 1999). However, the entitlements framework itself is compromised by a tension between neo-classical assumptions of methodological individualism and greater openness to the primacy of social relations (Fine, 1997).

Tensions could be resolved either by foregoing the political economy approach and relying consistently on orthodox assumptions, or by attempting to build on political economy approaches and to shed the orthodox methodologies. This latter approach may, for example, lead to more research into changes in institutions and in social relations or class formation and, for example, to research into the contribution of wartime accumulation to the post-conflict development of the private sector, including changes in organisation within firms. Overall, it would appear that there has been considerable progress during the past decade in developing analytical frameworks for the assessment of the economic impact of conflicts. Nonetheless, there remains considerable scope for further inquiry, partly to add to the level of empirical knowledge about relationships between conflict and economic outcomes and partly to refine analytical approaches. While war clearly does affect the economy in many ways, understanding the relationship between war and economy becomes even more complex once it is acknowledged that both the war and economic developments may be jointly determined by other structural, historical and political factors.

4. Theories of violence and the origins of conflict in economics and political economy

In much of the recent literature on war in Africa there is little discussion of underlying theories of violence and conflict. This section briefly reviews earlier strands in development theory regarding conflict and then locates recent analyses, with their focus on scarcity and difference as propagators of conflict, within this theoretical context. It is argued that the majority of recent work on the subject is either "structuralist" or is rooted in the individualist, rational choice presumptions of neo-classical economics. Both traditions support cross-section, multi-country statistical analysis of conflict and its correlates, in which, it is argued, the significance of context and social relations is air-brushed out of the analysis. After reviewing briefly some major contributions to this search for empirical regularities, the section goes on to discuss the emerging emphasis on the role of economic agendas in the origin of conflicts in Africa. Next, there is a discussion of the treatment in the literature of major manifestations of difference, i.e. ethnicity and inequality. Following this, the discussion opens up some alternative ideas about the origins of violence and conflict, and considers their relevance to the problems of understanding war in Africa, with particular reference to Rwanda.

4.1 "Development" and conflict

Within the broad schools of development theory since the 1950s, there have been a number of ideas about the sources of social violence, conflict, or civil war. Although there are contrasts between some of these ideas, they mostly share a sense of conflict arising from friction in social relations, and of this friction being generated by processes of development, snags and contradictions in development, and/or the social upheavals brought about by capitalist development. Individual economic motivations – greed for some, survival for others – are typically understood within these theories as bound by, embedded in or flowing from larger social processes and tensions.

Commentators such as Olson (1963) and Huntington (1968) came to see the process of "modernisation" as itself almost inevitably accompanied by conflict, because of the social upheavals that development created.[9] For example, social grievances arose from the disruption to traditional ways of life, disruptions that were characterised, for example, by commercialisation of consumption goods and labour. Dependency theorists explained conflicts in terms of the arrested development that was imposed on peripheral societies by the core capitalist nations, and in terms of the "proxy" conflict between core powers, fought out on the terrain of the periphery. Another kind of explanation of conflict was influenced particularly by Tilly's (1975) ideas about the tensions that typically arise from the efforts of central authorities to mobilise resources towards the ends of constructing nation-states. If there is always a reaction against such mobilisation, whether or not this generates armed conflict will depend on the ways in which the central state manages the mobilisation of resources (in an exclusive or more reciprocal manner) and the way that it manages the reactions provoked.[10] Within this framework, the relationship between democratic institutions and the propensity for conflict is interesting but never straightforward (c.f. Stewart and O'Sullivan, 1997). Finally, "moral economy" analyses of peasant societies disrupted by the introduction and spread of capitalism have generated explanations of peasant radicalism, some focusing more on the internal factors generating crisis and conflict, others more on external provocations (Scott, 1976, 1985; Wolf, 1969; Moore, 1966). Within this framework, Wolf (1969), for example, stressed the role of the group economic interests of middle peasantries in conflict, since they had most to gain from capturing material benefits previously denied them within a particular social structure, but least to lose (compared with poorer peasants) from the costs of conflict.

4.2 Scarcity, difference and shock

More recent analyses of conflict in developing countries, including those in Sub-Saharan Africa, have tended to stress two underlying causes of conflict – scarcity and difference – and their combination. Scarcity is revealed either in stagnation and/or poverty, or

[9] A lengthier review of the ideas of development theory on conflict is in PRIO (1999).
[10] For an analysis of the origins of war in Angola and Mozambique drawing on this approach, see Cramer (1994).

in direct resource scarcity, e.g. food production, environmental resource degradation and scarcity (Homer-Dixon and Blitt, 1998), or water shortages (Starr, 1991). Difference is typically analysed through either or both of ethnic (or more broadly identity) difference or inequality in the distribution of assets and income. These theories owe much to Gurr's theory of relative deprivation (Carbonnier, 1998). These underlying theories of conflict are structuralist, in that they focus only indirectly on relations between groups, via structural representations or attributes of differentiation and relative deprivation. These structural representations include, for example, use of the Gini coefficient to capture inequality and use of an ethno-linguistic index of collective identity fragmentation, cohesion or polarisation. The more these structural concepts of the social background to conflict are appealed to, the less the real content of specific social relations can be central to the analysis. A consequence is that it then becomes easier to lift such concepts as inequality or ethnicity out of their actual context, out of "effective reality", and to append them as capturing the "social" to non-social methodologies.

With a picture of susceptibility to conflict, or "latent social cleavages" apparently revealed by structural measures, it is then possible to consider the effect on such a system of a major change, e.g. an external shock or a shift in policy direction. In the case of Rwanda, for example, the most obvious external shock was the collapse of international prices for the main export commodities (coffee, tea and tin) during the second half of the 1980s. Rodrik (1998) expands on this idea, analysing the differential impact of external shocks on economic growth under variable measures of latent social conflict and of institutional capacity for conflict management. He finds that external shocks do generate conflict where underlying proclivity for conflict is strong at the same time as the institutions of conflict management are weak. The model proxies for latent social conflict with measures of inequality, ethnic and linguistic fragmentation, and social trust, and for institutional capacity to manage distributional conflict by measures of civil liberties and political rights, the quality of government institutions, the rule of law, competitiveness of political participation, and public spending on social insurance.

Besides external terms of trade or other economic shocks, structurally conflictual societies may be thrown into actual conflict by the effects upon the given social structure of shifts in policy, such as structural adjustment. There have been various attempts to explore whether structural adjustment policies have an in-built tendency to raise the likelihood of conflict (Morrison et al, 1994; Nafziger and Auvinen, 1997; Cramer and Weeks, 1998; Woodward, 1996; Storey,1999). Their findings vary but it is clear that there is no outstandingly clear direct causal effect of structural adjustment leading to conflict. Arguably, nonetheless, there are ways in which structural adjustment policies might raise the potential for conflict. This could happen if sudden and dramatic effects, including devaluation and capital account liberalisation, plunged an already frail society sharply into economic crisis. It could also happen if the effects of stabilisation and adjustment included a shift of material power between either classes or collective identity groups. Hence, there is a common argument that privatisation has the potential to increase political instability by shifting resources from a public sector with a particular ethnic character and a private sector dominated by a different ethnic mix (Mkandawaire, 1994).

4.3 The search for regular patterns across countries

As we have argued, analytical attempts to capture the propensity to warfare via measures of structural attributes and difference in a society lend themselves well to multi-country statistical comparison. A number of attempts have been made in recent years to find regular patterns relating the behaviour of certain variables derived from such measures to outcomes of conflict or complex humanitarian emergencies. Some of these are relatively eclectic in their modelling approach (e.g. Nafziger and Auvinen, 1997), while others (e.g. Collier and Hoeffler, 1996) are built on tighter explanatory models. In a quest for causal uniformity, these exercises deprive their subjects of context. Nonetheless, they have generated influential findings, at times at odds with each other. For example, Nafziger and Auvinen (1997) focus chiefly on the links between their dependent variables (measures of conflict and complex humanitarian emergencies) and low income (poverty), low growth and food output per capita (stagnation and scarcity), the Gini coefficient (inequality), high inflation, high military expenditure and a history of conflict variable. These are the main variables that do seem to predispose – by correlation – a country to conflict. However, they also make it clear that together these variables only account for a small proportion of the variance observed in the data. Collier and Hoeffler (1996) also conduct econometric analysis in the hope of isolating variables that will predict civil war. Their results confirm the expectations of their underlying model. This model states that civil war is the outcome of a cost-benefit analysis conducted by would-be rebels against a government. Utility is maximised by starting a rebellion if the gains from victory outweigh the costs of coordinating a rebellion and the likelihood that the government will be able to sustain a massive military effort to contain or put down rebellion. These deciding factors are proxied by strictly economic measurements, except for the cost of coordination, which is measured by means of an index of ethnic fragmentation.

While like most models of civil war this one finds that poverty is significant in the background to conflict, there are certain outstanding features of this model. In treating difference, via ethnicity, as a predictor of conflict, Collier and Hoeffler argue that a high degree of ethnic fragmentation, by raising coordination costs, is likely to represent a low risk of civil war in a country; on the other hand, a sharp polarisation, say between two ethnic groups, clearly predisposes a country to civil war. [11] The other treatment of difference, or relative deprivation, concerns the role that inequality plays in this model. Contrary to assumptions made in much of the literature on conflict in developing countries, Collier and Hoeffler propose that greater inequality reduces the risk of war. The reason for this does not lie in any social theory of differentiation and conflict, but in a public policy framework. Greater inequality indicates the presence of an elite that would allow the government to raise taxes on its income for a war effort that, if successful, would also preserve the status quo on which the elite thrives.

A number of critical quibbles could be raised about this model and its empirical basis, not least the questionable presumption that armed conflict in developing countries begins with rebellion against the government. The simplicity of this assumption derives from a common idea that violence and conflict involve an aggressor and a victim, the two being more or less separate, rather than being tied together in a mutual and escalating process of violence. However, there are two particularly striking features of this approach worth highlighting here. The first is that the model is more explicitly than most built on the foundations of methodological individualism and rational choice that drive most mainstream economic analysis. The methodological implications of this are considered further below. The second is that the authors are resolutely unmoved by common traditional assumptions that conflict is a function of relative deprivation, grievance, or inequity. Instead, they propose that conflict is a function of the same basic human motivation that dominates mainstream economic notions of human behaviour, i.e. individual greed.

[11] One of the more notorious outings for this ethno-linguistic fragmentation index is in Easterly and Levine (1997), where the ethno-linguistic variable, ETHN, is strongly correlated with public policy variables including the black market premium, poor financial development, poor infrastructure and low education, and combined with a small direct ethnicity effect, combined the ethnic-related variables account for half the difference in growth rates between Africa and East Asia. Besides a range of analytical problems with this model, it could be pointed out that among the nine Sub-Saharan African countries that count as monolingual on the judgement that 90 per cent plus of the population speaks one language, are countries typically associated with ethnically fuelled war – including Somalia, Burundi and Rwanda (McIlwham, 1998).

4.4 Economic agendas in the origins of conflict in Africa

Indeed, there has been an increasing emphasis, in the recent literature, upon the leading role of economic factors in the origins of conflict – such as poverty and inequality – and also the role of economic motivations as the prime cause of war. This theme, however, has been treated in slightly different ways, not all necessarily relying so heavily on neo-classical economics. There is a widespread argument that war in Africa has become increasingly apolitical (PRIO, 1999) and that politics, ideology, ethnicity, etc. have been replaced by straightforward power contests motivated chiefly by the pursuit of economic agendas. Some, such as Keen (1995), Duffield (1994) and Reno (1998), have stressed the role of civil war in enabling "asset transfers" and monopoly over mineral resources, as well as in enabling basic survival for many, but have done so within specific historical, political and socio-economic contexts. These tend analytically to focus on specific and shifting contexts of social relations between identity groups, political groups, and classes. From this perspective it is possible to assess why qualitative breaks occur in the historical record, i.e. why wars have broken out at a particular moment in certain countries.

A related analysis is that of Collier (1999), which again ties the insight that there are economic factors involved in the origins of and motivations for conflict to a rigorous neo-classical framework. Arguably, what this analysis gains in the elegance of its formal model it loses in social understanding. Collier states that wars in developing countries have become less ideological and are principally fuelled not by grievance but by greed, the root individualist assumption of all orthodox economics. This is contrary to arguments such as those of Wolf (1969) or Homer-Dixon (1991, 1995) that stress grievance arising from the mix of resource scarcity with social inequality and human rights abuses, but that argue that "violent struggles arise as much from *perceptions* of unfairness as from absolute shortages" (Messer et al, 1998: my emphasis).[12] Collier's finding is that "group grievances beneath which inter-group hatreds lurk, often traced back through history" (1999, 1) are not a good predictor of conflicts. Instead, economic agendas are important and economic opportunities are far more likely than social or group grievances to cause wars.

The model designed to capture this distinction in motivation proxies economic agendas through measures of the share of primary commodities in GDP, the proportion of young men in the population, and the average years of education. Primary commodities signal economic opportunities chiefly because they are readily "lootable" or liable to predatory taxation. The more prevalent are young men in a society, the lower the cost of recruiting rebels. And this cost is lowered also if there are few peaceful income-earning opportunities for these young men, which may be captured by the educational attainment proxy. Grievances may be captured – similarly to Rodrik's (1998) model of the effects of external shocks on growth in the presence of latent social conflicts – by indices of ethnic and religious fragmentation, inequality in land ownership, an index of political rights, and the rate of growth of per capita income. Collier's statistical results suggest that some societies are much more prone to conflict "simply because they offer more inviting economic prospects for rebellion" (p.5). On the other hand, inequality does not matter at all, and political repression and a high degree of ethnic and religious fragmentation have the opposite to their predicted effects.

Collier argues in support of his findings that since justice, revenge and relief from grievance are public goods, they are subject to free-rider problems that are a disincentive to rebellion. Further, people are unwilling to fight for a cause unless they are convinced that the rebellion will succeed, hence initially rebellions face a co-ordination problem. There is also a time-consistency problem in that potential recruits can recognise that a leader promising to

[12] On perceptions of inequity as opposed to just objective measures of inequity see also Stewart (1998, 28/29).

assuage grievances may, once in power, turn out not to deliver. Yet a greed-motivated rebellion, by restricting the benefits to the participants, avoids free-rider problems; by enabling the sporadic or territorially restricted predatory taxation of primary commodities, such rebellions avoid the need to assume final victory; and for the same reason, rebel recruits can be paid off from primary commodity rents instantly, so escaping the time-consistency problem (p.7). For good or ill, in this approach clearly the social is explained purely on the basis of market theory, explicitly in the case, for example, of free rider problems, and implicitly in the assumption that wars emerge from the aggregation of individuals' rational utility maximising choices.

There is little sense that conflicts may feed on both self-interest and concern for the public good at the same time, nor an acknowledgement that the complexity of cause and motivation cannot adequately be captured by the "grievance" variables, which, as empirically questionable measures of attributes of difference or stratification, are crude tools for capturing social relations in their diversity. Furthermore, as Keen (1998) suggests, some economic motivations for participating in conflict, and indeed for perpetuating conflict, may only become significant once a conflict has already begun rather than being the prior deciding factor in starting a rebellion. Nor is it easy to separate motivations or short-term interests that pull people together behind a programme of violence: money, food or clothing represents one form of interest, but is probably tied closely to coercion and fear (Stewart, 1998, 29). Further, in contrast both to Collier (1999) and to Reno (1998) and others, it can be argued that politics has not been abandoned by all concerned, even in the most extreme cases of apparent privatisation and depoliticisation of war. Atkinson (1996), for example, argues that it is necessary when analysing Liberia to distinguish between different time periods of conflict and also between different warring factions. Further, Atkinson suggests that for some groups, in particular Taylor's NPFL, combined successful exploitation of war economy conditions with a genuine political agenda and pursuit of legitimacy. Indeed, not even the organisation of the war economy has been particularly different from pre-conflict informal and formal trading activities, in many cases. There is, therefore, a danger that the insight into economic motivations becomes too reductionist, and simply replaces one simplification – the tribal or cultural explanation, as e.g. in Kaplan (1994) – with another, the economic opportunism explanation.

4.5 Accommodating the social

There is a tension in much of the literature between the rational and the irrational, or the rational and the social, centred on the role of ethnicity or, more broadly, collective identities. On the one hand, there is a notion that modern conflicts manifest in Africa pre-modern, ancient ethnic rivalries – a view commonly held of the Tutsi-Hutu relationship in Rwanda, for example. On the other hand, ethnic differences are brought into "rationalist" economic models, typically on the assumption that ethnic fragmentation or polarisation is a structurally functional sign of animosity, rivalry, and weak social trust or social capital. For Stewart, for example, structural attributes of difference in a society do matter in the origin of conflicts, but less so the horizontal differences captured by measures such as the Gini coefficient, while more important are vertical inequalities such as religious or ethnic distinction (Stewart, 1998).[13] The tension partly reveals a methodological problem. Most orthodox analysis of the political economy of conflict in Africa is based on methodological individualism, but at the same time assumes the significance of collective groupings such as ethnic identities, without fully working through the ways in which this might be incorporated into individualist rationality.[14] To put this another way, most of the economic and political

[13] The same idea has been put forward by the Ugandan president, Yoweri Museveni, as reported in Gourevitch (1999, 330).

[14] More generally, as Storey (1999, 43-44) argues, there is little consensus about the relationship between economic and ethnic factors. Horowitz (1998) argues that ethnic division of labour may, by reducing direct ethnic competition, work as a 'shield' against ethnic conflict rather than a 'sword'

economy literature suggests that war in Africa makes sense, but it is not clear exactly what form of rationality, or making sense, is at work. In some of these models, notably in Collier and Hoeffler (1996) and Collier (1999), the social – manifest in forms of collective identity – is introduced into the model but excluded from the underlying assumptions of the model, which are neo-classical and individualist. What emerges is a combination of neo-classical utility maximisation assumptions with social concepts, e.g. ethnicity, stripped altogether of their history and context. This analytical development is common to much recent orthodox work in economics, for example in the explosion of work on "social capital", and is arguably a facet of the increasing colonisation by mainstream economics of the social sciences (Fine, 1999a and b).

Given the analytical and methodological tensions in this approach to the economics of conflict, future work may go down two different directions. One direction would be signposted by the asymmetric information paradigm that has guided much recent work on social capital, institutions and growth theory puzzles and that owes much to the work of Stiglitz (1994). If this route is taken then future work on the economics of conflict in Africa and elsewhere may show attempts to construct theories of ethnicity and collective identity that are derived from individual rationality in the presence of multiple information asymmetries and gaps. Arguably, work in this vein might also provide a means of investigating the aggregation of different kinds of motivation into an active military force. For one of the weaknesses of much of the literature on war in Africa is the lack of understanding of relations between those organising a rebel or state military effort and those, with highly variable degrees of "choice", joining the war effort.

The alternative direction for economic or political economy analysis of conflict would be to abandon analytical frameworks that begin with the individualist, non-social assumptions of neo-classical economics and that consequently consider the economic and the social as separable spheres. Instead, there could be greater commitment to the premise that economic relations, behaviour and performance are organically embedded in the social and the political.[15] From this perspective, scarcity, poverty, and economic or environmental crisis are themselves to be understood as social events. In this vein, Messer et al (1998, 10-11) review succinctly a variety of resource conflicts embedded in ideological contests in different regions of the world. On the case-study level, Keen (1995), for example, argues against the economism of Sen's entitlements approach to understanding famine and shows how power relations and war generated and exploited famine in Southern Sudan.[16]

What the majority of mainstream economic analysis of conflict in Africa has in common is a functionalist framework. Given structural attributes of difference such as a particular ethno-linguistic index score, or a particularly high Gini coefficient, a propensity to conflict can be more or less read off, when combined with the effects of measures of institutional development and trends in economic performance variables such as GDP growth, terms of trade shocks, etc. Such an approach fits closely the work done in recent years that has tried to link the so-called new political economy with endogenous growth theory, generating cross-country sample-based arguments about the relationship between political

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sharpening such conflict. Others suggest that ethnic distinctions in the division of labour, e.g. the distribution of employment in the public and private sectors, may make a society vulnerable to conflict when a shock or policy change (such as privatisation) has sectorally differentiated consequences ('Bayo Adekanye, 1995, in Storey, 1999; Mkandawire, 1994, 209-210).

[15] On the contrast between external and internal relations or between atomism and organicism in conceptions of the nature of social reality, see Lawson (1997, 166). According to external/atomistic concepts, reality consists of externally related entities so that all things exist and act in ways that are quite independent of any relationships in which they stand; while concept of internally or organically related social reality have in mind that the essential aspects of any particular entity can only be determined from a knowledge of the relationships in which it stands.

[16] See also Richards (1996) and Reno (1998) on Sierra Leone.

instability and growth (e.g. Alesina and Perotti, 1993) or income inequality and growth (Alesina and Rodrik, 1994). The most obvious problem with such an approach stems from the neglect of relations pertaining or evolving in specific historical contexts. Thus the descriptive measure of difference is taken to have causal powers irrespective of the actual social relations that generate and sustain such outward observations of difference. Ethnicity in Africa, for example, has very different social and historical meanings, and precise definitions of ethnic difference, with comparable value across the region, are elusive (McIlwham, 1998). Similarly, aside from the descriptive difficulties in measuring inequality precisely in Sub-Saharan Africa, little in the literature has been influenced by Sen's (1992) argument that a descriptive measure of a category like inequality can have very different social significance in different contexts. As a result, analyses stressing the role of such difference-attributes in the origin of conflict may pick up something, but only indirectly, and cannot, for example, account for where in a continuum of stratification difference begins to produce a qualitative break in terms of causal impact (Wood, 1995, 76).

This approach, inferring the potential for war from functional attributes of difference or indicators of scarcity, is particularly suitable to cross-country comparison and the methodological predilection in economics for probabilistic prediction. However, this analytical framework suggests that wars in Africa, or in developing countries generally, have the same causes. Yet a cursory return to one of the themes of section 2 - the diversity of war experiences and types in Africa – suggests that it is not necessarily sensible to assume that we are comparing like events. As Tolstoy wrote: "The deeper we delve in search of these causes the more of them we discover, and each single cause or series of causes appears to us equally valid in itself, and equally false by its insignificance compared to the magnitude of the event" (quoted in Ehrenreich (1997, 4).

4.6 Re-thinking violence and conflict

It is possible that further research into the origins of violence and armed conflict in the region – and elsewhere – will open up new avenues of economic analysis suitable, perhaps, to methodologies less pinned down to the axioms of neo-classical economics. Here, rather than claiming a superior or complete theory of violence and war, it is worth at least introducing ideas that lead in a slightly different direction from the simple assumptions that scarcity and difference are functional generators of conflict. The work of Girard (1977, 1996) is particularly suggestive and, though based on the history of early societies and the role, particularly, of religion in containing violent relations between people within a society, it may have some bearing on studies of development and conflict. In particular, Girard challenges the conventional assumptions of violence rooted in deprivation and difference, as well as challenging the "myth of the individual" (in his case with reference to pyschoanalytical theory). Briefly, at the core of Girard's work is the argument that the mimetic impulse, the need to copy a model other, is fundamental to human behaviour. This impulse leads to the need to own or appropriate those attributes and objects associated with the model, setting up an inherent potential for rivalry and conflict and generating complex reciprocal relations and the scope for mimetic escalation that can, of course, become violent (Girard, 1996). Conflict then arises not from the happenstance clash of two or more people with independent needs for a given object, but directly out of social relationships; and scarcity itself is then a product of the way that these relationships are framed. Social institutions – for example, religion or modern legal systems, and social hierarchical distinctions – work to contain the scope for violent conflict within this framework: partly by restricting the scope for appropriation and partly by displacement of violence, often onto scapegoating rituals that act as a legitimising vent for violence and a unifying institution.[17] Ehrenreich (1997) complements this idea with

[17] Girard argues that religions historically, through sacrifice, created a socially useful distinction between 'good' and 'bad' violence. While it is common to view mass human violence – such as the Nazi genocidal violence against Jews, or the Rwandan genocide of the 1990s – as a sign of a

her argument that the social significance of war lies in the roots of human fears of predation, and in the historically entrenched ability of war or organised, legitimised violence to unite societies. These ideas are efforts to acknowledge underlying tendencies that may commonly be at work in human societies, but they do not generate laws in the sense of predictable event-regularities. Rather the degree and forms in which they emerge in observable outcomes will clearly vary with particular historical contexts and developments. A further point, in Girard, is that social differences and distinctions themselves do not inevitably produce violent conflict but that, to the contrary, the collapse of established differences, distinctions or hierarchies is a more common spur to violent conflict. Within Girard's analytical framework this is because the erosion of differences releases the scope for uncontained mimetic rivalry and conflict.

Translated to modern societies and the development literature, this may have some relevance. Mimesis is central nationally and internationally to Gerschenkron's (1963) argument about the significance of lateness in industrialisation, since in late industrialisation there is a tension between the observable benefits of industrialisation and the obstacles to securing these benefits. Mimesis is equally central to Anderson's (1993) argument about how the nation-state became a model for political legitimacy internationally. Furthermore, Girard's focus on the erasure of difference and not difference itself as producing violent conflict fits the observation that the spread of capitalist relations, and of social change generally, is associated with the breakdown of prevailing social structures and hierarchies and, indeed, with conflict.[18] This is closer to the arguments reviewed above in the earlier development theory literature, suggesting that conflict may be integrally tied to the processes of capitalist development and their implications for social upheaval and change, whether or not that change is progressive.

However unpalatable, and against the grain of late twentieth century notions of harmonious, inclusive development (Sen, 1997; Wolfensohn, 1999) and the idea that instability is bad for development, it may be that conflict commonly accompanies progressive change, that much that human societies hold dear, as Girard puts it, is founded in violence. His stress is on deeply repressed original violence in pre-modern societies. The most renowned version of this idea is Heraclitus's remark that war is the father of all things. Most modern societies have emerged from violent conflict, too. The literature on convergence of growth rates, for example (Pritchett, 1997; Jones, 1997; UNCTAD, 1997), tends to start with data on the first industrialising nations from the 1870s and tends to neglect the precursor of conflict to such take-offs – e.g. the Prussian war and the process of German unification, and the American civil war. As Gourevitch notes (1999, 331), Yoweri Museveni is "a student of how the great democracies emerged from political turmoil, and he recognised that it did not happen quickly, or elegantly, or without staggering setbacks and agonising contradictions along the way…". More recently still, countries that have, since 1950, managed rapid industrialisation combined with reasonably low economic inequality have been characterised by violent conflicts unleashed by the possibility of changing highly unequal social structures in South Korea, Taiwan and Greece, for example (Bowman, 1997).

To put this another way, in contrast to institutional functionalism that presumes a given form of institution will work across all contexts, it could be argued that effective

'dysfunctional' society, in some ways these forms of violence would not have been possible without their leaders' succeeding in convincing the perpetrators or functionaries of mass murder that this was somehow 'good' violence. In both genocidal cases, there is an obvious element of unifying scapegoating, and it is significant that for Girard a good scapegoat combines the qualities of similarity to and difference from the core society for the violence against the scapegoat to be institutionally effective.

[18] Violent conflict can also offer a means of escaping prevailing hierarchies – for example, see Kriger (1992) on the way that joining the liberation struggle in Zimbabwe was often an attractive means of escaping the oppressive stagnation and rule by elders in rural society, rather than some straightforward motivation of greed or the expectation of the gains from victory.

conflict-management institutions are unlikely to emerge in any society without the experience of conflict of one kind or another.[19] As Hirschman argues (1995), social conflict is inevitable, every change throws up new conflicts, and the mark of successful societies is their management of conflicts rather than the lack of them. Of course, conflict does not always generate progressive institutional and political developments, but it is equally clear that having a history of conflict does not inevitably consign a country to perpetual repetition of violence. Hirschman (1995) reviews the intellectual history – from Hesiod and Heraclitus through to twentieth century sociologists and political scientists – of the idea that conflict can have progressive social consequences. In particular, he stresses the argument that democracy (as one set of conflict-management or conflict tending institutions) does not appear from a prior universal acceptance of "basic norms" but often only after lengthy periods during which different groups have been at each others' throats and eventually recognise that unilateral dominance cannot be secured by either. In Sub-Saharan Africa, if the recent history of Angola and Rwanda is one of face-off and the belief in total domination, there are nonetheless signs of this emergence of greater democracy from the experience of conflict. One example is Mozambique, where there was no democratic tradition but where parliamentary democracy has fared reasonably successfully since the end of war in 1992 and elections in 1994. Amongst the greatest challenges for further research into the political economy of conflict in Sub-Saharan Africa is this need to investigate the diverse experiences of institutional change in the wake of war. Now that the classical liberal interpretation of war – with its assumptions of war as exogenous and wholly negative in its socio-economic effects – has been overtaken by more nuanced analyses of the dynamics of wartime economies and societies, it may well be that this area of research will expand productively in coming years.

4.7 Rwanda as a brief illustration

Some of the ideas discussed above may be illustrated by the recent experiences of Rwanda. It is well known by now that in Rwanda the ethno-linguistic differences between Hutus and Tutsis are exceedingly difficult to pin down, even, ethnographically, non-existent (Austin, 1996; Gourevitch, 1999). At the same time, conventional economic measures of inequality suggest a society with a low Gini coefficient. The empirical facts of ethnically distinct advantages in access to education and public service employment do not support the idea that the Tutsi minority had unequal access to such opportunities (Storey, 1999). There were serious economic shocks in the late 1980s and early 1990s. World prices for Rwanda's main export crops declined sharply, in particular for coffee (though this was offset partially by a 40 per cent increase in output). Structural adjustment policies in the 1990s included a 40 per cent devaluation in November 1990 (Storey, 1999, 47). These shocks were serious but by themselves not probably more extreme than in many other economies, by no means all of which have slid into conflict. When the genocide did take place, it was far from a battle to overturn grand inequities: the vast amount of violence was conducted at the level of very slight, if any, material differences. Certainly, from the perspective of Collier (1999) some of the rent from genocide was collectable instantly in the form of occupying a neighbour's land or home. However, it is questionable whether this economic outcome can be separated neatly from the ideology of grievance sustained by many Hutus. If the two can be analytically separated it is not clear that the economic outcome proves that economic motives – hived off from social and historical context – were prior to ideological influences and the power of authorities (and the fear that they induced). Even if the narrative of grievance that was propagated by the Hutu Power extremists was at some level the product of false consciousness, or a misleading narrative, as Collier suggests it typically is, most detailed research on Rwanda suggests that it was just as powerful as, if not more so than, economic motivations.

[19] For a critique of functionalism in the new institutionalist economics, see Khan (1995) and, for example, on the difficulties in defining and measuring corruption, Khan (1999).

One of the crucial developments in the lead-up to the genocide was the civil war that began in 1990. It is not entirely clear that the invading Rwandan Patriotic Front (RPF) force from Uganda was motivated purely by the expected material gains from victory or by the scope for predatory taxation during war of Rwanda's main primary commodity exports (coffee, tin and tea). Indeed, some suggest (e.g. Austin, 1996) a different kind of cost-benefit calculation, by which the opportunity cost of not invading to return to Rwanda was raised sharply by political developments within Uganda after Museveni's own military victory there (i.e. there was push as well as pull; c.f. Prunier, 1995). And this invasion was one of the factors in the slide towards the genocide of 1994. Arguably, a politically and historically developed ideology of difference had been the bedrock of Rwandan social relations for a long time, rooted in the myth of Tutsis' Hamitic origins, formalised during Belgian colonialism, and reproduced in an inverted form by the Hutu Revolution of 1959, during and after which the violent expression of the disruption of established social distinctions became institutionalised. In some ways the pervasive ideology of exclusion obviously contained some possibility of instability, yet it was also a means of state-building, in which for the majority of the population one could argue that social capital was substantial. Certainly, the organisation of the genocide revealed an astonishingly effective degree of social and political cohesion among much of the population. The degree of organisation and social control of the genocide, and the top-down management from a core of Hutu Power extremists associated with the assassinated President Habyarimana's widow through a network of district officials, would seem to confirm that this was a strongly political event rather than a purely greed-induced, individualist exercise in group murder.[20] Commentators confirm a society in which conformity was of the utmost significance. Indeed, it is possible to read the Rwandan experience of the 1990s very much in terms of the collapse, or threatened collapse, of differences and a process of displacement and scapegoating.[21] The major spurs to this threat of social change and the collapse of difference were the invasion from Uganda by the RPF, the Arusha peace agreement of 1993 that promised power-sharing, and the international pressure to "democratise". Co-ordination of the genocide also involved a displacement of the economic failure of the Habyarimana regime to provide a way out of the economic pressures of high population density and primary commodity dependence.[22] The Tutsi minority represented very well the qualities identified by Girard as characteristic of an ideal scapegoat: they were clearly similar to the Hutu majority ethnographically, but at the same time just as clearly defined as different through historical experience and the institutionalised myth of their Hamitic origins.

A brief examination of the build-up to the Rwandan genocide suggests that the mainstream orthodox and liberal economic literature on war in Africa and other developing regions has only so far developed rough analytical tools. There remain conflicts in interpretation and analytical approach. The Rwandan case, like others, suggests considerable challenges for post-conflict economic policy design. It also suggests that there is a need for far more research and analytical experiment in the economics of conflict.

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[20] The activities of the interahamwe Hutu Power extremists in "refugee" camps inside Zaire after 1994, and the evolution of conflict in Zaire/DRC since then, drawing in interests throughout much of Central, Eastern and Southern Africa adds further weight to the argument that formal politics is alive and well in the African conflicts of the 1990s.

[21] The term scapegoating is explicitly used in Uvin's (1996) analysis of Rwanda.

[22] In Collier's (1999) model, potential recruits to a rebellion are conveniently and speculatively endowed with rational expectations and a canny sense of the time-consistency problem. In the Rwandan case, it seems that many Hutus who joined in the genocide suspended their rational reservations – reservations that they might have been expected to sustain, given that the genocide was instigated by associates of the regime that had ruled, in their name, for decades since independence. Time consistency problems probably pall when one is confronted by coercion and fear.

5. Conclusions and Policy Considerations

The literature on the economics and political economy of conflict in Africa has bloomed during the past decade. This literature has shown that the disciplines of economics and political economy are highly relevant to efforts to understand, respond to and even possibly prevent outbreaks of armed conflict that are debilitating in humanitarian and economic terms. There have been considerable advances, through this increase in activity, in our understanding of the ways in which conflict pervades an economy and society. There have been advances in our understanding of the differential experience of internal war, including the increasing focus on those who are the economic (and not just political) beneficiaries of conflict. This paper, however, has argued that there is not a consensus in the literature, and that there is a vital need for much more research and analytical work. There are two aspects to this need. Firstly, we still do not know nearly enough about the origins and dynamics of conflict and, even more important, about the diversity of conflict origins, experiences and effects across Sub-Saharan Africa. The single greatest need here is for further individual and comparative case-study research. Secondly, this paper has argued that the literature under review abounds with methodological tensions that are not sufficiently exposed and confronted. There is therefore a need for more work at the methodological level in terms of framing coherent analyses, generating alternative frameworks, etc.

The different methodologies, analytical assumptions and research emphases throughout the literature feed into the wide range of policy implications considered in the literature. Basically, what goes into a conflict analysis by way of assumptions and theory tends to come out the other end in policy implications. For example, Stewart (1998) is concerned to show that horizontal inequality is especially important in the cause of war and, as a result, recommends that the IMF and the World Bank pay more attention than they do to the implications of their reform programmes for horizontal inequality. In particular, she argues that IMF/World Bank programmes should not obsessively focus on cutting back state resources and spending, since these are a critical means of increasing horizontal equality. On the other hand, Collier (1999) builds on his assumptions about the nefarious effects of market distortions in providing benefits for wartime speculators and recommends that an effective way to prevent wars and in their aftermath to weaken the hand of those with a stake in perpetual conflict is to reduce monopoly profits, through market deregulation. More broadly, the literature is often divided between those that consider standard IMF/World Bank policy reforms theoretically sound and those that consider them fundamentally flawed and especially inappropriate to conflict-prone or post-conflict scenarios. Nonetheless, there are areas where analyses constructed on different assumptions generate more or less equivalent policy recommendations. For example, many conflict analyses focus on poverty or under-development as a cause of conflict and therefore seek to prevent conflict by accelerating structural change and broad or inclusive economic growth. This would include diversification from traditional concentration on raw primary commodity exports. For those approaching the subject from a different angle, much the same conclusion might be made. Thus, for example, Collier (1999) argues that conflicts are especially associated with a high proportion of primary commodities in total exports and that, as a result, conflict prevention should include policies to advance diversification of exports.

Most analyses distinguish in policy terms between:

- policies aimed at prevention of conflict by tackling the “underlying causes” of conflicts,
- policies reducing the vulnerability to conflict by avoiding pressure on potential “trigger” or “permissive” elements or policies,
- policies focused on post-conflict recovery, including the methods for re-absorption of refugees and demobilised soldiers and the question of whether or not these should include “targeting” policies or more non-discriminatory, inclusive support programmes (Cramer and Weeks, 1997),
- policies to reduce the individual incentives to lead or participate in a rebellion,

- and policies at the international level to provide political backbone to peace settlements, to reduce the resourcing of wars, or to reduce the scope for international aid to fuel conflict.

One of the most common concerns of policy recommendations in this literature is the with the need for early-warning systems capable of increasing awareness of the potential for imminent conflict. There are difficulties here though. An early-warning system presumes understanding of the causes of conflict. To the extent that our knowledge of the causes of conflict remains fuzzy, such prediction systems may be rather unrefined and imperfect. Further, to the extent that the causes of conflict vary enormously, there is a danger in building international, institutionalised early-warning systems that have a tendency to favour a particular set of causes as more or less common to all conflicts. Further, there may be a danger of a "cry wolf" syndrome emerging: since, arguably, countries in internal conflict are not massively different from others but are exaggerated reflections of the tensions and social conflicts common to virtually all developing countries, characterised by late industrialisation and fragile "nation-ness", then a conflict early-warning system might go off like an inner city car alarm, at the slightest rumble or whiff of wind. There is also an international governance or institutional issue here: for the tangle of prediction failure, standard external agendas and international politics that helped allow the Rwandan genocide to happen makes it clear that international sensitivity to the potential for conflict needs to be managed in as open and politically independent a manner as possible.[23] Finally, there is a tension here that is more broadly relevant throughout the literature and its policy implications. This is the tension between the quest for generalised statements and quantitative event-regularities and the preference for what Luckham et al (1999) call more differentiated and contextual conflict analysis.

Most of the literature favours, for obvious reasons, fairly general political or institutional reforms to make Sub-Saharan African countries more democratic. For some, the emphasis needs to be on the role of external guarantors of peace settlements, to help entrench democratic compromise (e.g. Collier, 1999, or Boyce, 1997 on "peace conditionalities"). For others, it is important to recognise that representative majority democracy may not be the most effective institution for "inclusive" politics, and that varieties of proportional representation and power-sharing might be more effective in countries where the institutionalised exclusion or repression of minorities has been important to the origins of conflict (Stewart, 1998). Perhaps it could also be argued that international bodies should resist the temptation to foist their own preferred institutional settlement on a country, and instead should acknowledge that the most effective conflict-management institutions will be those that are designed precisely by parties that have been in conflict and that are relevant to the particular context.

The literature has focused to an increasing extent on the economic agendas that support or perpetuate conflict and on the way that conflict can become socially and institutionally entrenched. Consequently, there is considerable attention to policies that might help prevent this or bring it to a close. These policies range from rehabilitation of the judiciary, to power-sharing and pay-offs for demobilised soldiers, to the promotion of more competitive markets that offer less monopoly profit attraction to would-be warlords, and recommendations that international measures be taken to stop the flow of resources that fund war efforts, including diamonds (Angola and Sierra Leone), from illegitimate trading networks into the more centralised, legitimate networks. More awkwardly, there may be a need to accept that monopoly is not always developmentally unsound, and that the critical issue after a conflict, in which wartime accumulation via monopoly has taken place, is not necessarily to evaporate monopoly profits but to manage the state-private sector relationship so as to harness, in some cases, the socially progressive potential latent in monopolies.

[23] See the Joint Evaluation of Emergency Assistance to Rwanda (1996).

There are three points that may be made in brief to conclude this review. Firstly, for analytical and policy purposes, there is an urgent need for far more research, and research conducted through the application of various different methodologies, into the origins, dynamics and effects of conflict in Sub-Saharan Africa. In particular, it is important to focus on institutional change arising from social tension or conflict in Africa: research should explore this in the context of the management of conflicts before they become armed warfare as well as where there have been relatively successful transitions to peace and where there appear to have been failures of institutional development. Secondly, this paper has suggested that it is not just difference or differentiation per se that is significant in the build-up to conflict, but the particular economic and social relations underpinning outward attributes of difference and also the end or threatened end of a given social structure of differentiation. Many conflicts in Africa have been associated with the end of a social system that has opened up greater possibilities than existed before for what we have termed mimetic rivalry, with the potential for escalation into conflict. External pressure for democratisation in Rwanda, the looming possibility of the end of Portuguese colonialism in Angola and Mozambique, and the end of a Cold War international legitimisation and funding of the regime in Liberia provide some examples. In each, international agencies are critically important. While the roots and pattern of conflict are intimately internal to social structures in Africa, it is therefore very important for the so-called international community to pay more attention to this aspect of the origins of conflict. Finally, again at the international level, helping to prevent wars in Africa may involve extraordinarily difficult political judgements, given the implications for virtually any aid programme for the balance of political and material interests in a country. These judgements should not be shirked, avoided partially in the rhetoric of even-handedness; rather, they should be acknowledged and thought through as openly as possible.

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