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THE POLITICAL ECONOMY OF PEACE AND CONFLICT

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ABSTRACT
This paper suggests that a 'political economy' approach to conflict has far-reaching implications for relief work. In war there are both 'winners' and 'losers. The vulnerability of losers needs to be understood as a consequence of their powerlessness. A state of war provides and justifies the use of violent means to create or sustain economic profits and political power. A war may have clear 'winners' in the sense that they profit from the war without the war itself being 'won' in the traditional sense. For the losers, such a war is the never-ending accumulation of abuses, fear and frustration. The paper aims to find out how the political economy approach to conflict between peace and conflict. Descriptive method with qualitative approach was used in the study. The paper proposes that by understanding the political economy of war, relief agencies can better assess the, forms of economic violence which threaten livelihoods during wars. Second, analyzing the context and implications of relief work is crucial so as to minimize its negative impact – given that belligerents and foreign states may seek to manipulate a humanitarian presence and misdirect the resources provided by relief. Its further analysis methods of understanding the course of a conflict in terms of political economy can help to identify political and economic interests which impede a transition to peace, and so help avoid the reconstruction of a pre-war economy that may have had much to do with the origin of the conflict.

INTRODUCTION

How far are external agencies dictating the pattern of economic transformation in societies emerging from conflict? From current practice in a variety of situations, and from proposed reforms to peacebuilding and development, the answer seems to be: "as far as the eye can see!" The hubris of peacebuilders keys the political economy of war-torn societies into a map captioned "the liberal peace project;" that, in its economic dimension, requires convergence towards "market liberalization." This became an aggressively promoted orthodoxy, with variations, derived from the late 1990s Washington Consensus on the logically correct path of development for undeveloped states. Perhaps not treated as a high priority in stabilizing peace per se (the vanguard of which has been allocated to fostering security, rule of law and democratic forms), neoliberal economic policies were nevertheless barely-contested assumptions underlying external economic reconstruction assistance and management in war-torn societies (Grasten & Tzouvala, 2018; Kishek, 2012).

This article interrogates the current, and proposed revisions of, political economy as it affects peacebuilding from a critical theory perspective in international relations. This perspective concerns the power of post-industrial capitalism and the agency behind globalization ideology. Certainly, there is considerable disagreement among critical authors about the ontology of so-called market democracy, the power of its non-state networks and agencies vis-à-vis states, and the pre-eminence of a fundamentalist version. The Political

Economy of Peacebuilding of neoliberalism its passing having been identified by (Ralston, 2005). Theorists from rather disparate standpoints have grappled with the problemata of global capitalism (Cox, 2002; Van der Pijl, 1998; Baumann, 2000; Murphy, 2005; Hardt and Negri, 2000). They have in common, however, a concern to construct an inclusive and emancipatory concept of political economy, an approach that can also be applied to peacebuilding. In applying a critical approach, this analysis focuses on the politics of the economic projects within the liberal peace framework, drawing examples from south-east Europe. First, it deals with the orthodox rationale of the political economy of peacebuilding. Next, the article notes the virtual death of the Washington Consensus and identifies a millennial revisionist agenda that emerged internationally during the course of 2004–05. This interrogation, then, allows reflection about the objectification of war-torn societies as well as reflection on the essentialist rationale of the political economy of peacebuilding and its dysfunctional and normative/ethical contradictions. The article contends that, although the depiction of an aggressive, undifferentiated liberal peacebuilding has been refined, the millennial revisionist project ultimately fails to address these contradictions. An inclusive/emancipatory participation of local actors and structural diversity in political economies indicates alternative options to the revisionist ideology that is embedded in a liberal structuring of global political economy. This paper aims to find out how the political economy approach to conflict between peace and conflict.

RESEARCH METHOD

This research used qualitative research method. Moreover, descriptive method with qualitative approach: this method involves the collection of in-depth and detailed data on the phenomena of political economy of peace and conflict. Researchers can use in-depth interview techniques, participatory observation, and document analysis to understand the factors that influence conflict and peace in the context of political economy.

RESULTS AND DISCUSSION

The Economic Peacebuilding Rationale

The rationale for determining rules and frameworks for the development of societies that will release them from so-called “conflict traps” (Collier, 2003) attributes economic dysfunctional to societies, in their pre-conflict, conflict and post conflict stages, rather than to any dysfunctional economic precepts, structures and conditionalities generated by expressions of capitalist power and “global governance.”1 A key aspect of the “liberal peace” thus promotes a form of economic control and regulation to establish market correctives in societies that have been resistant to conventional marketisation imperatives (Paris, 1997; Duffield, 2001; Richmond, 2005). Although its modern version derives from the 1989 Washington Consensus (to which Kofi Annan subsequently acceded on behalf of the United Nations) the project has not been revolutionary. Its antecedents can be traced to Camdenite teachings concerning the peaceful benefits of free trade, though it was not so much “free” as imposed by the hegemon, the UK and its powerful navy. Nevertheless, the ideology survived the First World War, and only in the Second did it give way to a system of international management on Keynesian lines. Even so, poverty reduction was conceived as serving the security interests of the most powerful. Robert McNamara’s “war on poverty” at the World Bank in 1972 was driven by the notion that the poor went communist (George, 1994). Subsequent pressure on the US dollar in the Vietnam War and the collapse of trade proposals in the New International Economic Order (NIEO) that would have assisted the poor countries cemented the rise of neoliberalism. In historical terms, then, one can legitimately argue that the liberal peace has been a fluid response

to the logic of industrial and post-industrial capitalism (Murphy, 2005). In its most modern manifestation, the liberal project has gained enormous strength, less perhaps from the economics of profiteering and driving down costs of production than from the rationale of globalization. The future vision has been constructed as economics without borders. State and international regulation should survive mainly to preserve fair competition and guard against fraudulence or the worst excesses of environmental degradation – less to ensure that people make a living. The liberal peace has promoted transformation through macro-economic stability, reduction of the role of the state, the squeezing of collective and public space, a quest for private affluence, and a reliance on privatization and on exports and foreign investment to stimulate economic growth. Concerns about large (often corrupt and wasteful) state-run infrastructure projects in developing countries may also have had an effect on donor policy. For instance, the European Bank for Reconstruction and Development (EBRD) did not fund state infrastructure reconstruction in Bosnia (EBRD: 1997); though when normal commercial circumstances apply, these concerns are generally brushed aside. Nevertheless, the "small state" rationale appears to have worked for the wealthiest postindustrial societies, and so it must also work for the poorest and most disrupted. Indeed, the US State Department's Coordinator for Reconstruction and Stabilization has a mission to help post-conflict societies to install market economies (Office of the Coordinator for Reconstruction and Stabilization, 2004). However, there is plentiful evidence that choices made for war-torn societies are serve to maintain wealth imbalances and poorly implemented. The liberal project not only ignores the socio-economic problems confronting war-torn societies, it makes it more interesting for the vulnerability of sectors of populations to poverty and does little either to alleviate people's engagement in shadow economies or to give them a say in economic reconstruction. As Balakrishnan Rajagopal (2006) contends, development interventions have been socially costly and divisive, with: forced privatization of key national industries and increased unemployment, speculative bubbles in international finance transactions that have massive impact on real estate and housing markets, displacements of vast populations, great waves of migrations including to urban areas, elimination of subsidies for food and services and the introduction of user fees. War results in destabilizing changes in employment, production and "[t]he ensuing collapse of market entitlements for large groups of people makes it highly dangerous to rely exclusively on the market to allocate resources, set prices and fix factor incomes" (Nafziger, 1996). Prices alone cannot correct injustice.

The Political Economy of Peacebuilding Justification

Together with the interim Iraq constitution perhaps the most striking example of external imposition has been in Kosovo, in spite of its status as a province of Serbia in the state of Serbia–Montenegro. Although varying in their degrees of enforcement and consensus, both Iraq and Kosovo have experienced top-down, military-backed impositions. External actors determined Kosovo's framework constitution, its international status, and its official economic development. Indeed, the North Atlantic Treaty Organization (NATO) came armed with an economic vision that its most powerful members had already inserted into the Ram booklet ultimatum of 23 February 1999 (before the war). This diktat stated that "the economy of Kosovo shall function in accordance with free market principles," and became integral to the NATO war aim of securing the territory from Serb authority Interim Agreement. Article II specified the reallocation of ownership and resources of government-owned assets, pensions and social insurance, revenues and any other matters relating to economic relations (Interim Agreement for Peace and Self-Government in Kosovo, 1999). The economic principles were only sketched out at Rambouillet, but it was assumed that they were valid and should be imposed. Security Council resolution 1244 of 10 June 1999 was less presumptuous but

supported economic development through the Balkan Stability Pact, which in turn specified free market economies throughout the region of south-east Europe.

In contradiction to numerous declarations that Kosovo was to be governed in accordance with democratic principles, economic policy has been determined by the European Union (EU), the international financial institutions, and national aid agencies. Under the constitutional framework, the peoples of Kosovo are entitled to protect them ethnic, cultural, religious, and linguistic identities, and to be free from economic discrimination; however, they are not entitled to determine their own economic future if they want reconstruction aid (Pugh, 2005). Virtual Death of the Neoliberal Consensus Critical analysis of the links between neoliberalism and unrest (Chua, 2004) and the construction of lessons to be learned from the failures of economic transformation in general and in conflict areas such as Sierra Leone, Bosnia, Afghanistan and Iraq in particular has led to reassessments of the liberal peace. Resistance to the power of neoliberalism as a framework for sustainable development and peacebuilding have also apparently been influential. These include in the present case: pressures for "fair trade", fulfilment of the Millennium Development Goals (MDGs), debt reduction, demands for social protection for the poor, and abandonment of aid conditionality. This has a historical provenance in the agency of system building noted by Craig Murphy (2005) many of the ideas for moving capitalism onwards have originated with the various resistances to the impacts of global capital. Such pressures have also affected the introduction of development policies in war-torn societies under the aegis of peacebuilding. Preliminary work by Oliver Richmond (2005) provides a nuanced typology of liberal peace that disaggregates it into several modes. At one extreme a non-consensual, hyper-conservative model attempt to maintain peace through military superiority. At the other extreme an emancipatory model combines top-down and bottom-up peacebuilding, focuses on a range of actors, and emphasizes social justice. In between, conservative models have been attempted in Kosovo and East Timor respectively. In practice, in spite of the economic diktat of Kosovo's constitution, for example, neoliberalism was modified in Kosovo, in the light of experience in Bosnia. The United Nations Mission in Kosovo (UNMIK) learned the necessity of tackling shadow economies from experience in Bosnia and Herzegovina, where anti-crime measures and institutions had been established slowly. UNMIK Customs was the first public body to be set up and together with European Union (EU) Customs Assistance Mission reformed the collection system, tripling revenues between 1999 and 2003 (Caplan, 2004).

The neoliberal credo of Rambouillet and the constitutional framework have been tempered in rhetoric and practice by programmers of social protection. Thus, the EU's 2002 Action Programmer gave priority to the delivery of public services, institution building, public administration and socially-oriented projects (European Agency for Reconstruction, 2003). The United Nations Development programmer (UNDP) emphasized employment generation through training programmers and social justice projects for ending ethnic and gender discrimination (UNDP, 2003a). The World Bank provided significant sums for social and public welfare and for poverty reduction through a Trust Fund, and its Bank's Post-conflict Reconstruction Unit has produced pro-poor diagnostics and appears to accept that a linear model of transition is generally unviable (World Bank, 1998 and 2002). Together with the UNDP, the Bank also supported community initiatives for infrastructure rehabilitation and attempted to strengthen the income generation capacity of vulnerable rural families. Even the International Monetary Fund (IMF) proposed reform to facilitate long-term planning and stressed the need for investment in education, health, and social policy (IMF, 2003). In Kosovo, therefore, several partners in economic restructuring have acknowledged the importance of social justice and have undertaken investment in poverty reduction and public services. Even here, however, in spite of slackening growth, rising unemployment and falling purchasing

power in 2002–03, the IMF welcomed curbs on spending and advised further controls on wages, social welfare, public sector employment, and compensation for workers thrown out of work by privatization (IMF, 2003). Deficit financing was not part of its lexicon, even in conditions of social distress. In the last quarter of 2001, an estimated 50 per cent of the population lived in poverty and 12 per cent in extreme poverty (USAID, 2001).

In the first quarter of 2003 the unemployment rate was estimated at between 49 and 57 per cent (70 per cent among 16-24-year old's); about 25 per cent of the labor force was registered as job seekers (UNDP, 2001; UNDP, 2003b: 11, tab 2.1) Not surprisingly, opinion surveys ranked unemployment and poverty among the greatest problems facing Kosovo (UNDP, 2003b: 31, tabA10). These were not, however, the top priorities of the external agencies. Debates on peacebuilding have paralleled debates on development. As Murphy (2005) argues, the development project has been essential to capitalism for its promise of global stability. Weak states and weak development have not only been held up as catalysts of conflict, war has also had devastating impacts on development. War-torn societies have thus tended to be treated as particular, and sometimes acute, cases of under- or disrupted development. The debate on development in general has evolved to the point that the Washington Consensus has been declared "dead" except as an inaccurate term of abuse (Maxwell, 2005; Ritzen, 2005). Certainly, the neoliberal agenda is now contested more seriously than in the 1990s; consequently, it has ceased to be an unquestioned "common sense", ideology or doxa. Revisionists in the mainstream of international thought have recognized the chill of failure evident in neoliberalism – though without challenging the fundamentals of an ideology that, in the words of Günter Grass (2005), "sees mankind as nothing more than something which consumes and produces." A salient example was the report by an International Commission on the Balkans: chaired by former Italian Prime Minister, Giuliano Amato, comprised almost entirely of serving and former politicians of impeccably conservative and (apparently) masculine credentials (only two of the 18 were women), smart suited in the group photograph, and presenting an appearance of conventional authority (International Commission on the Balkans, 2005).

In spite of the huge scale and intrusive scope of international intervention in Southeast Europe, the Commission announced that the returns had been meagre and that the region was becoming a marginalized black hole. This remarkable document reiterated points made by individuals such as General Fabio Mini commander of UNMIK (who categorically announced after the ethnic cleansing of Serbs in March 1994, that the mission had failed) and of critical think tanks such as Human Rights Watch (Human Rights Watch, 2004: 3; Mini, 2005). According to Human Rights Watch (2004), "The international community appears to be in absolute denial about its own failings in Kosovo. While international actors have been universally – and accurately – critical of the failures of the Kosovo Albanian leadership during and after the crisis, the dismal performance of the international community has escaped similar critical scrutiny." But the Amato report's provenance among interested political leaders served to undermine the many scripts by international interventionist that claimed they were achieve ng success. The Commission on the Balkans (2005) concluded that the alternatives for the region was either integration with Europe or an even more exacting neo-colonialism, the two being regarded in this exercise as antithetical. The Commission argued that EU expansion to the region would solve its problems – a widely-supported solution even by critics of external intervention (Steil & Woodward, 1999). But recognition that protectorate power and weak economies in southeast Europe were marks of failure did not mean that the ideological goals, or the fundamental principles for generating homo economicus, were flawed. Rather, the process for getting there was all wrong. Integration with the EU and new political perspectives (Kosovo's independence, for example), were required. In effect, the Balkan Commission's

report not only treated the region as a referent, and threatening, object, for which "Balkan" was the operative signifier of fragmented chaos, it relied heavily on a "common-sense" renewal of economic neoliberalism through European integration. Indeed, the evolving debate marks out dynamics in the liberal peace project that protect and reproduce its core assumptions. The old-style unthinking Washington Consensus about development may be merely a virtual death, with a liberal peace redivivus emerging from the ashes. Moreover, the linkage between post-conflict reconstruction, development, and human security has been made explicit in a series of reports that appear to be setting the framework for proport debates in mid-decade.

Utopian Reassessment: A New York Consensus?

One of the most prominent, and influential, revisionist programs has come from the Millennium Project Report to the UN Secretary-General, Investing in Development, released in February 2005. Indeed, the Millennium Project analysis provided the nucleus of the first half of the UN Secretary-General's subsequent UN reform programs. (United Nations, 2005). The Millennium Project was conducted by economists headed by Jeffrey D. Sachs of Columbia University. A special adviser to Kofi Annan, he had been a chief architect of structural adjustment and a proponent of "short sharp shock treatment", which had devastating consequences for vulnerable sectors of society in the Russian Federation. Sachs, however, is one in a line of economists who have experienced a Damascene conversion. George Soros and Joseph Stiglitz have been there before (Soros, 1998; Stiglitz & Pike, 2004). Punctuated by such stirring phrases as "scaling-up success", Investing in Development was remarkable for its commitment to pro-poor and social protection economics. Its springboard was the measurement of uneven and halting progress towards the achievement of the MDGs by the target date of 2015. These include ten items:

1) reduction of extreme poverty and hunger by 50%;
2) universal primary education;
3) equal primary and secondary enrolment for girls, literacy parity for men and women, equal representation of women in parliaments;
4) a two-thirds reduction in mortality among the under-fives;
5) measles immunization;
6) A 75% reduction in maternal mortality; The Political Economy of Peacebuilding
7) A halt to and reversal of the spread of HIV/AIDS, malaria and tuberculosis;
8) A 50% reduction in those without improved drinking water and sanitation;
9) improvement in the lives of slum dwellers;
10) reversal of deforestation.

The Sachs team's review showed that by 2004 many of the goals were nowhere near being achieved and were even further away from the benchmarks in some cases, for example tuberculosis in sub-Saharan Africa had increased. Investing in Development (Lesotho, 2005) acknowledged that the shock of market therapy would not work for Africa, and recommended a bold revision of international strategy Its key components were as follows:

1) developing countries should adopt MDG-based, poverty-reduction strategies, to be in place by 2006;
2) MDG strategies should anchor the scaling up of public investment, capacity building, resource mobilization, and development assistance to strengthen governance, human rights, civil society, and promote the private sector;
3) strategies should be transparent and inclusive;
4) donors should fast-track a dozen or more countries to scale-up good governance;
5) partners should launch Quick Win actions for economic growth (such as the distribution of anti-mosquito nets);

6) developing countries should align national strategies with regional initiatives such as New Partnership for Africa's Development and the Caribbean Community;
7) Overseas Development Aid should increase (from 0.25% of GNP in 2003 to 0.44% in 2006 and 0.7% in 2015) with improved quality of aid and more generous debt relief;
8) high-income countries should open their markets to developing country exports and raise their export competitiveness through investment;
9) scientific research should be mobilized to address the needs of the poor;
10) the UN should be strengthened at various levels to support the MDGs.

There seems little doubt that such a program has considerable appeal because it is a significant step towards managing the crisis of capitalism in a way that benefits the poor and vulnerable populations of the world. Massive reduction in the number of deaths from structural violence (though the report never uses that term) can only please supporters of pro-poor causes, from debt relief to the provision of cheap, life-saving drugs to human security ideals. Nevertheless, embedded in the text of Investing in Development (Lesotho, 2005) are assumptions that, taken as a whole, indicate that the liberal peace project is alive and well, even if the Washington Consensus itself is moribund. The main features of what might be called Sachs 2 can be summarized as follows:

1) its consumerist teleology frames the problem of development in terms of convergence and integration into the world trading system;
2) entrepreneurial zeal is what drives human beings: homo economicus is reified without taking into account the human values outlined in the "Millennium Declaration" of the General Assembly (UN General Assembly, 2000);
3) there is a common solution: "Whatever one's motivation for attacking the crisis of extreme poverty… the solutions are the same. All that is needed is action" (Millennium Project, 2005: 1);
4) responsibility for failures (e.g. corruption and bad governance) lie with "them" and the poor need to be changed because they deplete the environment, for example;
5) "sound economic policy" is a matter of rationality; rational economic management works;
6) public investment should be used to establish market reforms: in other words, public funds for private enterprise;
7) The MDGs can be met without dirigisme in politics and state command over the economy;
8) progress can be achieved through Quick Win fixes.

The merger of development and peacebuilding had already been made explicit in the High-level Panel Report (HLP), A More Secure World: Our Responsibility which also carried the burden, and sway, of UN's sponsorship (HLP, 2004). The UN Secretary-general's reform program of 2005, In Larger Freedom, was largely a composite of the Sachs team's review, Investing in Development, and the HLP Report. Development and peacebuilding revisionism can be said to have staked a claim in the UN Secretariat as the foundation for the developmental dynamic in human security, and Sachs 2 seems to be supported by various other countries. Among member states, the UK's pro-poor document, Fighting Poverty to Build a Safer World, produced by Department for International Development (DFID), also merges security, development, crime, terrorism and economic growth. The UK Government supports in general terms the UN Secretary-General's reform program and specifically encourages the international financial institutions to engage in security issues, so that the IMF for example incorporates conflict analysis into Emergency Post Conflict Assistance agreements (DFID, 2005). The DFID document conforms to the Sachsen line in several respects: that crime hinders growth, foreign direct investment is the engine of growth, and problems are significantly rooted in issues of governance as well as poverty. The High-level Panel and the Secretary-General placed great store by the establishment of a voluntary standing fund of US$250 million for

peacebuilding and the creation of a Peacebuilding Commission and a UN Peacebuilding Support Office. They also recommended the involvement of economic agencies such as the World Bank at early stage in peace processes. In principle, this could present an opportunity to institutionalize lessons learned from past experiences in the transformation of political economies from war to peace. However, the new structure will be answerable to the Security Council, where the power lies, rather than to the Economic and Social Council and the General Assembly. Moreover, without wholesale change to the policies and program of the International Financial Institutions (IFIs), the participation of international economic institutions in peace processes will likely reinforce aspects of the liberal peace. Furthermore, in the light of disagreements at the September 2005 UN summit, it is unlikely that the revisionist program or a variant will forge a broad "New York Consensus". In particular, the project was jeopardized by the Bush Administration's determination to contest the summit agenda, as antithetical to US foreign policy, to the point that mention of the MDGs was eliminated from the summit declaration, thereby downgrading the revisionist program to a contested aspiration (Borger, 2005; Pugh, 2005).

Protecting the Liberal Peace

This analysis now draws out some of the underlying assumptions of revisionism from a critical perspective under five headings: the silence surrounding of structural violence; economics as natural law; the objectification of war-torn societies; squeezing public goods; and global integration.

The Silence Surrounding Structural Violence

First, the hubris that pervades the revisionist view is part of a familiar critique of weak regulation, such as that in Breaking the Conflict Trap (Collier, 2003). The Collier critique calls for tough controls, regulation and monitoring of parties in zones of conflict, and an end to "bad governance" by corrupt, undemocratic elites in developing countries. Malfeasance, abuse, torture, and even genocidal operations are certainly conducted by elites, rebels, and followers against fellow inhabitants in the South. Most casualties are perpetrated by governments against citizens; and there is an ethical imperative to prevent this. Setting ethical standards for state behavior and intervention are, to be sure, exceptionally difficult to establish without reinforcing the hubris of powerful states. Although this is not the focus of this essay, from a critical theory, and particularly a Habermasian, perspective, a key to the problem of such universal discourses lies in dialogue with local civil societies. But the millennial critique has also consistently maintained a silence around structural victimization and policies that have emanated from the zones of peace and probity (and the financial agencies that they dominate). The asymmetry of external pressure on state-welfare economies, protected economies, co-operative organization, and collective production denies communities economic options and can produce a politics of victimhood that stratifies and omnifies others, as occurred in Rwanda (Azar and Farah,1981; Nafziger and Auvinen, 2003; Uvin, 1998). The divide between rich and poor is, by definition, the precondition for having MDGs in the first place, but the Collier team's agenda for international action contains one paragraph of barely ten lines recommending a re-examination of the development and trade policies by the Organization for Economic Development and the removal of subsidies to its producers and traders (Collier, 2003). In similar vein Investing in Development (The Millennium Project, 2005) contains a single bullet point that fires the equivalent of a blank at the way capitalist cores are themselves protected from competition and the need for reform of the World Trade Organization (WTO) and IFIs (Millennium Project). In a less brutal way, perhaps, the revisionists of this decade may be replicating suppression by the Reagan administration in the 1980s of the South's demands for a New International Economic

Order (NIEO) that might foster alternatives to economic fundamentalism. Silence surrounds the role of intervention ARY core capitalism in perpetuating poverty through discriminatory policies that structure the global economy.

Economics as Natural Law

Second, the revisionism still takes economics as largely independent of politics and social values. It results, as Robert Cox (2002) has suggested, in the de-politicization of economic issues, as if a natural law or a primordial economic equivalent of the sex drive, rather than powerful interests, were guiding economic activity. Consequently, there is only one solution to all inadequately developed societies, whether East Timor or Haiti, and it is a solution based in the economic rationalism of (capitalistic) entrepreneurship. The article is completely transparent in its notion that public monies, whether from revenues raised in developing countries or from aid derived from the public purse in the donor countries, should be used to provide profit-seeking business with a leg up. Unsurprisingly, the contradiction inherent in this so-called 'rationalism' is not addressed by the revisionists, though it is of acute concern to societies in the process of transformation from war to peace. Notoriously, aid often privileges the purchase of donor goods and expertise rather than local products and employment. Privatization has been pursued at the expense of public goods and public space – where public goods are defined as accessible to all, non-exclusive, and whose value for one consumer does not diminish their value for others (Kaul, 2005). Values other than those of economic rationalism are neglected, including the freedom to decide how markets are conducted, even though they figure in the UN "Millennium Declaration" (2000) and have been espoused by, among others, Amartya Sen (Sen, 1999). Inequalities and nonphysiologically needs are considered more significant than either absolute poverty or, beyond a survival point, physiological needs. This means that provided people are not destitute (which might be equated to the deep poverty scale of the UNDP); they may choose to live humbly in order to feel fulfilled. Such an approach recognizes that the paths to modernization may not be convergent at all, and the marginalized peoples of the world is entitled to choose the extent to which, and how, they integrate in the global economy.

Objectifying War-Torn Societies

Third, the discursive trope of imperial peacebuilding pathologises populations in war-torn societies as if suffering from congenital incapacities that needs treatment through forms of therapeutic governance. In their critique of the psychosocial treatment of states as "failed service providers run amok," Caroline Hughes and Vanessa Pupavac (2005) note that political processes divorced from the depiction of problems of conflict, oppression and poverty has opened the way for therapeutic approaches to intervention. Archived as congenitally incapable of governance and statehood, these societies require forms of trusteeship that inevitably reflect the priorities of the trustees.

The Mantra of Global Economic Integration

Fourth, the revisionists continue to regard development, at least rhetorically, as a matter of convergence and integration. Although the Sachs report (Millennium Project, 2005) does subscribe to fairer, if not fair, trade, it regards replication of an economic system, advanced in New York as the goal of development. Whether this is an ideal that pervades economic representations to give hope to the undeveloped, when in practice policy makers sometimes act as though there are parallel and even divergent economic development(s), or whether the convergence/replication program is a matter of self-delusion is less important than its role in reinforcing a particular model of sustainable development. Similarly, the integration and

participation in the global trade fetish, manifest in the Balkan Commission's Report, learns nothing from research on development by Kamal Malhotra's team (Malhotra, 2012) for the UNDP and from critical work on the political economy of peacebuilding. Inverting the neoliberal/Sachsen mantra that integration produces trade and growth, the critical perspectives that map both historical and current transformations demonstrate that integration follows growth, which follows protectionist policies, much as the UK, United States and EU protected, and continue to protect vital economic interests while promoting freer trade. The vulnerable, it might be legitimately argued, need to be protected from the risks of integration.

Squeezing Public Goods

Fifth, a significant deficit in all strands of revisionism, however, concerns public goods. Recovery generation and poverty reduction is constructed as a matter requiring physical security, state building, therapeutic governance, private (therefore largely foreign) direct investment, and welfare pluralism. In the economics of social policy, for example, "welfare pluralism" remains the order of the day. In addition to residual state supply and community/civil society provision for such basic services as health, education, and water, market mechanisms and the private sector have been integral to development (World Bank, 2004). Indeed, economies have been opened up to liberalization; public goods have been poor quality; and budget deficits have deprived governments of resources (Carbonnier, 2004; Hilary, 2005). Detailed analysis indicates, however, the absence of intrinsic benefits from the process: This welfare pluralism takes the clock back to an earlier historical era when social advances and capabilities enhancement proceeded at a much slower pace than during the decades of state-led welfare provision…. [yet] there is no reason to believe that developing countries should already embark on a path of extensive privatization in social services, especially as large part of their populations are still not covered by the most basic education and health services (Mehrotra & Delamonica, 2005).

Alternative Options

Other straws in the wind, however, indicate a more substantial departure from the old liberal orthodoxy. The Department for International Development (DFID), for example, denies that aid should be placed at the service of global security, and the institution is itself committed to refocusing its work on governance to include more direct support for the security of the poor (DFID, 2005: 13, 24). This not only entails therapeutic governance to establish accountable political systems, combating crime and promoting transparency in the management of resources and public finance. It also proposes more emphasis on the provision of basic services such as health and education, security and justice. DFID even bawls into the silence surrounding the adverse impacts of structural adjustment, citing the role of the IMF in precipitating the crisis in former Yugoslavia (DFID, 2005: 9). Furthermore, the UK claimed to relax its aid conditionality in March 2005. Aid would continue to be linked to poverty reduction, human rights military spending levels, and misuse of aid but would no longer be tied to global security goals. The UK would also cease demanding specific commitments from aid recipients to privatize state industries and liberalize trade, and would urge the World Bank and others to follow (Foreign and Commonwealth Office and DFID, 2005; Beattie and Daneshku, 2005). Whether the proposals are simply part of an internal debate and whether, if activated, they will carry weight in either UK or international politics might be doubted. The 2005 G8 summit in Scotland promised much, but – as indicated by the inclusion of debt relief in the aid figures and relief limited to repayment write-offs for 18 countries for only three years – claims for an historic deal for Africa reflected the interests of donors 36 The Political Economy of Peacebuilding under pressure rather than the Africans seeking justice (Monbiot, 2005). DFID

itself has spent huge sums on consultancy firms to advise on privatization in developing countries; firms whose own analytical frameworks reflect the privileging of investor interests. For example, the, pro-privatization Adam Smith Institute (International) received over £34million from the UK aid budget in 1998–2003, and £700,000 of £3m British aid to Malawi was spent on US consultants (War on Want, 2004; Hilary, 2005; Hencke, 2005). Others have challenged some of the tenets of the liberal peace in a more fundamental way. James Boyce, for example, not only calls for substantial abandonment of conditionality but also for reform of the aid donation system and for support to state economic direction. While rampant inflation can lead to social unrest, so can vicious austerity, and thus the current priorities may be ill-suited to societies emerging from conflict (Boyce, 2013).

Similarly, Simon Maxwell suggests that social protection should be a high priority and pro-poor growth needs to be complemented by distributive measures. Although Maxwell assumes a common destination for developing countries, pursued at different speeds, he contends that they should not be suddenly exposed to liberalization without safety netting for vulnerable sectors. Furthermore, international "governance reform" should be a precondition of more money going through the World Bank (Maxwell, 2005). Investment in public goods, infrastructure, social welfare systems, and public employment may be necessary to help redress a situation in which a few individuals flaunt obscene affluence, but public facilities are often squalid. Such dirigisme may entail controls and a degree of political authoritarianism every bit as irksome as that employed by international civil administrations in post-conflict societies. But a strong and active state role in planning and implementation (Ballentine & Sherman, 2003) with expansionist policies to increase employment, income generation, and consumption power to wean vulnerable people off illegal activities through investment in public services and social protection, may be less dysfunctional than the orthodox neoliberal model. Specifically, the statist measures might include these aspects:

1) production generated by import controls and protection of critical sectors, especially agriculture;
2) high taxes on luxury items and rationing or subsidies for basic foodstuffs;
3) government intervention to boost re-training, employment and public services;
4) maintenance of public sector salaries;
5) increased purchasing power through public works;
6) deficit financing;
7) controls on donor corruption;
8) reduction in tied aid.

On the other hand, the emphasis on state building in the liberal peace project has only lately paid attention to the political economy of grass-roots levels. In particular collective and cooperative production and marketing, whether part of the formal or informal economy, are often viable mechanisms for economic organization. This is not invariably the case. Many African co-ops are not so much member-owned, as financed by, and accountable to, governments which have used them as channels for implementing economic policy (International Co-operative Information Centre, 1994). However, independent, self-help co-operatives have been important in war-torn societies where central economic authority has been weak. They have been especially important to women (from Rwanda to Bosnia), for whom they have been vehicles of empowerment as well as economic survival. Similarly, credit unions have emancipated people from centralized banking and insurance companies. For people who have limited access to towns, who are penalized by traditional bank profiling and charges – or who need to receive remittances from diasporas abroad – credit unions serve various needs. Over £2 billion is estimated to be sent from Britain to other countries in this way, and other estimates indicate that over US$200 billion is transmitted globally through such informal

channels. Credit unions number 40,000 worldwide (the largest number in the United States) with an aggregate membership of over 136 million. The world coordinating body, with support from USAID, opened two unions in Afghanistan, which in the first two years attracted 2,000 members (World Council of Credit Unions, 2004a; 2004b.) Both co-ops and credit unions appear to have alliances and linkages with aid organizations and are given credence in the UN system, especially in the International Labor Organization and the Food and Agriculture Organization.

CONCLUSION

In conclusion, there have certainly been notable shifts in the development and peacebuilding debates. There is now a potential institutional merger of the two through UN reform. The liberal peace has come under sustained pressure as a consequence of critiques and failures in practice. Pragmatic shifts, to some extent towards pro-poor and emancipatory engagement with local populations, have occurred. But we are still entitled to ask the critical question: who is peacebuilding for, and what purposes does it serve? The means for achieving the good life are constructions that emerge from the discourse and policy frameworks dominated by specific capitalist interests – represented as shared, inevitable, commonsensical or the only available option when they correspond to the prevailing mode of ownership. Economic wisdom resides with the powerful. As Murphy (2005: 18) notes, political inequality leaves many with no control over the major decisions that affect their lives. For Cox, too, "whereas the right of self-assertion is celebrated, in a social and economic context the individual's capacity to exert control over the systemic factors that determine its implementation is removed. Consequently, just as in one-party, authoritarian regimes, politics is about depoliticizing people, by removing the economic determinants of everyday conditions from political control" (Cox, 1992). The millennial revisionism represents a significant shift. But ultimately it may perpetuate asymmetries that maintain the liberal peace, albeit in less orthodox forms. Indeed, the revisionism may intensify the grip of capitalist-dominated financial and trade institutions. The recommendations of the 2004 UN High Level Panel's report on boosting the UN's attention to peacebuilding activities includes provision for international financial institutions to be more actively involved in peace processes. However, without transformation of the IFIs, and the liberal agenda itself.

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