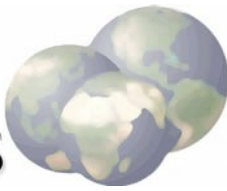


PERSPECTIVES ON GLOBAL ISSUES

Global Citizens Engaging Global Issues

Fall 2011 - Spring 2012 | Volume 6 | Issue 1





FALL 2011 - SPRING 2012 | VOLUME 6 | ISSUE 1

Center for Global Affairs' Student Academic Journal
NYU SCPS Master of Science in Global Affairs

The Center for Global Affairs at New York University's School of Continuing and Professional Studies educates and inspires students to become global citizens capable of identifying and implementing solutions to pressing global challenges. Its flagship is the Master of Science in Global Affairs (MSGA) program.

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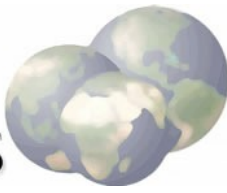


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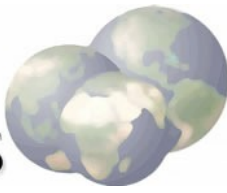
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Letter from the Editor-in-Chief

Since its inception, the Center for Global Affairs (CGA) graduate student journal, *Perspectives on Global Issues (PGI)*, has published two thematic issues each academic year. 2011-2012 has been a year of major progress in the facilitation and support of student research at the CGA through such initiatives as the MSGA Research Fund, the MSGA Concentration Research Fund, the Lysistrata/Women's Initiative Travel Grant, the O'Mara Grant for Innovative Research to name a few. In this vein, the PGI Editorial Board decided it was time to try a fresh and different approach to our student journal.

This issue, comprised of work from the entire academic year, highlights work from each of the MSGA concentrations: International Relations, International Law and Human Rights, Transnational Security, International Development and Humanitarian Assistance, Peacebuilding, the Private Sector, and Energy and the Environment. With the exception of the Energy and the Environment Concentration, each are represented here, and it is our hope that the recipients of the new O'Mara Fellowship in Energy Studies will contribute their work to the 2012-2013 issue of PGI. Moreover, submissions to the journal are now subject to a rigorous blind, peer-review process, to ensure the very best work from the academic year is included and that the journal begins to gain credibility, gravitas, and recognition as a substantive source for articles and op-eds on global affairs.

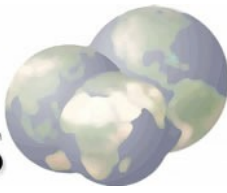
This issue showcases the unique nature of the program's approach to preparing truly global citizens, cutting edge insights from future thought leaders, and a wide variety of topics, styles, and voices.

Happy Reading!

Marisa Tramontano

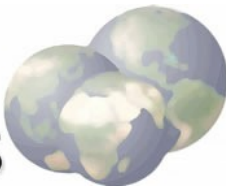
Editor in Chief,

2011-2012 *Perspectives on Global Issues*



Human Rights and International Law





Proposed Policy Memorandum: LGBTQ Human Security and the Ugandan Anti-Homosexual Bill

By | *Ariel Mekler*

Purpose

The purpose of this brief is to inform on the status of the anti-homosexual bill reintroduced into Uganda's parliament on February 7th 2012 and to promote guidance on how it is in U.S. foreign policy's best interest to address this as a human security threat facing both the state of Uganda and its sexual minority population. With the murder of Ugandan gay rights activist David Kato, the deficiency of Ugandan LGBTQ (lesbian, gay, bi-sexual, transgender, queer) human security commanded the awareness of international actors including: international and national LGBTQ activists, international organizations such as the United Nations, international governments including the United States, Canada and United Kingdom, in addition to the executive and legislative powers within the Ugandan government.

Background

The anti-homosexual bill was first presented to the Ugandan parliament in October 2009 by current MP, David Bahati. In January 2010 President Yoweri Museveni finally addressed the bill noting it had become a "foreign policy issue" on account of international attention. He then asked ruling party members to take "foreign policy interests" into account when handling the bill. The bill was held throughout 2010 and in May 2011 the Ugandan Parliament adjourned without bringing it to a vote. It is presumed parliament tabled the bill as a result of the brutal murder of David Kato, a leading Ugandan gay right's activist. Kato's picture appeared in a Ugandan tabloid in October of 2010 where, along with one hundred other alleged gay men, his name and address were displayed with a caption entitled Hang Them All.. The tabloid article, and subsequent murder of Kato on January 26th 2011, reached international audiences and many thought the bill might dissipate on account of international pressure addressing various fundamental human rights of LGBTQ individuals and communities. However, on February 7th 2012 David Bahati reintroduced the anti-homosexual bill into parliament.

The bill claims to be:

An Act to prohibit any form of sexual relations between persons of the same sex; prohibit the promotion or recognition of such relations and to provide for other related matters.

Whereby:

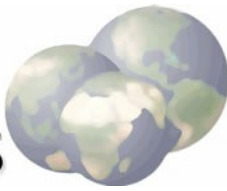
- 1) A person commits the offense of *aggravated homosexuality* where the
 - (a) person against whom the offence is committed is below the age of 18 years;
 - (b) offender is a person living with HIV;
- (2) A person who commits the offence of aggravated homosexuality shall be liable on conviction to suffer death. (clause 3, Part II - Homosexuality and Related Practice)

While also asserting:

- 1) A person who aids, abets, counsels or procures another to engage in acts of homosexuality commits an offence and is liable on conviction to imprisonment for seven years. (clause 7, Part II – Homosexuality and Related Practice)
- 2) Nullification of inconsistent international treaties, protocols, declarations and conventions: Any International legal instrument whose provisions are contradictory to the spirit and provisions enshrined in this Act, are null and void to the extent of their inconsistency. (clause 18, Part V Miscellaneous)

Analysis

The reintroduction of the anti-homosexual bill into the Ugandan Parliament comes at a time when sexual minority rights are gaining international attention. With the first ever United Nations report on human rights violations based on sexual orientation and gender identity published at the end of 2011, the reintroduction of the anti-homosexual bill into Ugandan parliament in February of 2012 brings LGBTQ human security measures to the forefront of Ugandan intra- and inter-state relations. This became apparent when Ugandan President Yoweri Museveni demonstrated a clear understanding of the interconnectivity between the anti-homosexual bill, human security measures, Uganda's fragile state status and international implications back in 2010 when he called upon ruling party members to take into account "foreign policy interests" when examining the initial bill. By addressing the bill in such a manner, Museveni circuitously links Uganda's fragile state existence with human security threats perpetrated against LGBTQ communities within the country.



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According to Foreign Policy Magazine's 2011 failed states index, Uganda teeters between in danger and critical, coming in as the 21st most fragile state out of 177 with a failed state index score of 96.3 out of 120. In requesting the anti-homosexual bill be considered in terms of foreign policy interests, Museveni draws attention to the correlation between his country's foreign policy interests, international aid, and the necessity to address human security elements of LGBTQ individuals within the context of both above mentioned systems: those being international aid and foreign policy. Uganda's reliance on foreign assistance from countries like the United States and United Kingdom demonstrates a direct link to the states in danger and critical existence as defined by Foreign Policy Magazine's failed states index. By framing the situation in such a manner, Museveni brings to the forefront Uganda's dependence on foreign aid as a consequence of its fragile state status. Although this tactic does not directly address Uganda's position towards its LGBTQ population, nor the existing discrimination and human rights violations endured by Ugandan sexual minorities, it does bring attention to the multi-dimensional human security threats Ugandan LGBTQ individuals face in juxtaposition to their states status and policy. In light of this, Uganda cannot provide the necessary provisions for its people as defined by human security measures outlined within the 1994 Human Development Report published by the United Nations Development Programme (UNDP).

The UNDP 1994 *Human Development Report* defined human security as, universal, easier to obtain through preventative measures, interdependent with its various other components, and above all else, people centered. It challenges traditional notions of national security and hard power by focusing on the security of the individual and the individuals right to exist *free from fear*, as defined in terms of safety of person, and *free from want*, as defined in terms of equity and social justice. It further argues that human security is an integrative concept with seven main categories that include: economic security, food security, health security, environmental security, personal security, community security, and political security.

Health Security Analysis

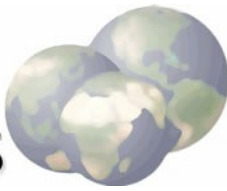
All seven *Human Development Report* human security measures apply to LGBTQ Ugandans simply because they are citizens of the state, however, three out of the seven

directly relate to the security and well-being of LGBTQ individuals on account of their sexual minority status. These measures are *health security, personal security, and political security*. Health security ensures accessible health care and protection from disease for all individuals. The anti-homosexual bill strips away this security by reemphasizing a demoralizing stigma associated with one's HIV/AIDS status. By demarking "aggravated homosexuality" in terms of an offender who is living with HIV, the anti-homosexual bill directly criminalizes one's health status and denies such individuals the right to proper health care. This further exacerbates the HIV/AIDS epidemic and has become one of the major contributors to worsening demographic pressures in Uganda. Additionally, the implementation of abstinence only U.S. aid programs further aggravates the HIV/AIDS epidemic by disrupting ABC (abstinence, be faithful, use condom), programs, which were implemented within Uganda during the 1990's.

Regardless of prevention method for LGBTQ individuals, the stigma associated with HIV/AIDS, in addition to the fear of execution on account of the anti-homosexual bill, increases the probability of such individuals not coming forward to get tested or to receive treatments allocated by the state. This in turn makes their individual security and access to health care completely conditional on the state. If the anti-homosexual bill passes, health care options for sexual minorities will be ignored, thereby compromising the health security of such individuals. Furthermore, this concession of health care displays unequal distribution of state resources as a consequence of institutionalized discrimination presented within the anti-homosexual bill. The health security of sexual minorities becomes directly linked to the state's allocation of resources and directly affected by the constant threat of living in fear.

Personal Security Analysis

Living free from fear is pertinent to the ideological framework of human security whereby, "people can live in security and dignity, free from want and fear, and with equal opportunities to develop their human potential to the full." This ideology is encapsulated within the *personal security* human security measure and, for LGBTQ individuals is perhaps the most critical of all measures. Personal security embodies security of person and bodily autonomy, including the right for an individual to live free from torture, violence



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and bodily harm. The anti-homosexual bill directly violates this clause by including a provision whereby, “A person who commits the offence of aggravated homosexuality shall be liable on conviction to suffer death.” Not only does this deny LGBTQ individuals equal opportunity to develop to their fullest potential but it also deprives such individuals from the right to live with dignity and the right to live without fear. With the eminent threat of execution ever present because of the anti-homosexual bill, Ugandan sexual minorities have zero personal security provided to them by the state.

On a deeper level however, “There appear to be two types of harassment of the Ugandan LGBTI community: human rights violations against this community, as well as failure to provide governmental and non-governmental services to this community.” The anti-homosexual bill directly influences both these clauses. It violates the basic human right to life while simultaneously demonstrating the failures of the Ugandan government to provide governmental and non-governmental services to its sexual minority population. This, once again, calls attention to the multi-dimensional layers linking together the anti-homosexual bill, human security measures, Uganda’s fragile state status and international implications.

According to *Foreign Policy Magazine’s* collaborator organization *Fund For Peace*, human rights’ indicators and group grievances within Uganda showed improvement during 2011, however, despite this improvement the reality of human security threats facing LGBTQ Ugandans are still very prevalent and are directly linked to the critical position the state is in. According to Seth Kaplan, “Fragile states are plagued by two structural problems — political identity fragmentation and weak national institutions.” The weak national government of Uganda makes it a fragile state thereby increasing its dependency on foreign aid in order to maintain internal security and stability, in addition to providing human security measures to its people. The security of sexual minorities in Uganda becomes contingent on the states dependency for aid.

Without foreign aid, Uganda teeters on the line of becoming a failed state. The *Department of State Congressional Budget Justification* request for the 2011 fiscal year for Uganda was 480,302USD, which is at a 23,483USD increase from 2010 fiscal estimate at of 456,819USD. This

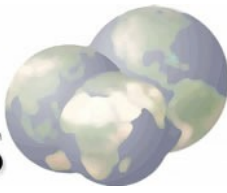
increase in aid along with the vast array of rising demographic pressures, including the high ranking External Intervention demarked at 8.2, demonstrates that the state cannot provide governmental or non-governmental services to its people; including its sexual minority population. If Uganda passes the anti-homosexual bill and donors such as the U.S. cut funding in response to the passing of such a bill, and on account of Uganda’s direct violations against human security measures like self-determination and personal security, then Uganda has the potential of truly becoming a failed state. Although this puts the U.S. in a tricky position, it would be wise for U.S. foreign policy to address the human security violations facing Ugandan sexual minorities in assistance with preventing Uganda from becoming a failed state.

Political Security Analysis

In order to prevent Uganda from becoming a failed state, the political security of its population, especially LGBTQ individuals, is crucial. Having a sense of political security and the freedom to live without oppression creates the personal autonomy and empowerment necessary for security of persons. This security of persons is thereby transcribed onto national security creating a safe and secure environment within intra-state security. The anti-homosexual bill denies sexual minorities the basic right to live without oppression while also denying this basic freedom to the rest of its population by inserting a clause within the bill proclaiming, those who “aid, abet, or counsel” another regarding homosexuality can face prosecution. This guilt by association casts a shadow of oppression across the entire population of Uganda thereby once again calling attention to the state’s inability to secure and empower its own population. This fragile existence experienced by both the population and state structure demonstrates the instability of individual security within Uganda and calls attention to both the political insecurity and human rights abuses particularly impacting the lives of marginalized LGBTQ populations. Uganda’s inability to provide human security measures for its people will only be exacerbated if the anti-homosexual bill passes.

Recommended Course of Action

The human security threats facing sexual minorities in Uganda have a complex multi-dimensional basis linked to the larger security problems facing the state as a whole. Both state and human security challenges are an international concern and require a multi-faceted and integrated approach,



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built on a framework addressing rights-based principles and individual security concerns. The following recommended course of action is suggested in accordance with such requirements:

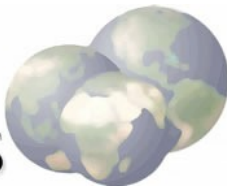
The *Congressional Budget Justification for Foreign Operations* in Uganda is requesting 480,302USD for the 2011 fiscal year. Within its agenda, the Foreign Assistance Program breaks down the allocation of funds and charts a course of action within each division. It is in the best interest of the U.S. foreign policy agenda to incorporate a structure within this framework which implements an educational program addressing topics related to gender identity, sexual orientation, and capacities for understanding as to promote dialogues within the region that call attention to the basic human rights of LGBTQ individuals. By addressing rights-based principles and individual security concerns, including human security agendas relating to freedom from fear, such educational programs, can implement conflict sensitivity practices in response to contentious and hostile attitudes exhibited towards sexual minorities. This can be achieved by implementing multi-lateral educational programs within the preestablished measures of the Foreign Assistance Program as defined by the 2011 Department of State's *Congressional Budget Justification for Foreign Operations*, which include subsets listed as: Peace and Security, Governing Justly and Democratically, and Investing in the People.

Although the Peace and Security allocation deals directly with hard power military security threats facing the country of Uganda, one important factor within this clause falls under the development assistance plan to administer community-based police training in order to build community confidence. Implementing an educational program to teach local police forces how to handle conflict sensitive matters, including threats posed to LGBTQ individuals, would strengthen the capacities of local human security measures thereby increasing the state's security from a bottom-up approach. One way this can be achieved is through the *Congressional Budget Justification for Foreign Operations* strategy enabling, "police work [that] aims to help communities stem gender-based violence." Using the already existing structure, it is recommended that the Peace and Security framework incorporate an educational program which implements a broader definition of gender-base violence to include,

"Violence directed against a person on the basis of gender or sex...targeting women, transgender persons and men because of how they experience and express their genders and sexualities". By broadening the definition of gender-based violence, capacities to increase the security of LGBTQ individuals led by local police would in turn increase the security of community confidence within this vulnerable population.

Under the Governing Justly and Democratically clause of the Congressional Budget Justification for Foreign Operations the development assistant plan calls attention to improving, "the capacity of Parliament to respond to citizens and civil society's demand for more effective oversight [and to] improve the capacity of local governments to deliver services." In order to alleviate the contentious and hostile attitudes towards sexual minorities as displayed in the anti-homosexual bill, and in order to increase the capacity of local governments to respond and deliver services toward civil society's demands, it is recommended that U.S. foreign aid agencies implement educational programs at the executive and judicial level that raise awareness of the link between Uganda's fragile state status and the human security threats facing its sexual minority population. By implementing educational programs at the executive and judicial level addressing gender identity, sexual orientation and human security measures, the development assistant plan can improve Uganda's governmental capacity to provide for its citizens. This in turn would enable local governments to deliver services necessary for maintaining the security of its marginalized and most vulnerable communities.

It is also recommended that this multi-lateral approach consider addressing the International Covenant on Civil and Political Rights and International Covenant on Economic, Social, and Cultural Rights treaties ratified by Uganda on the 21st of January 1987 in an attempt to stress the binding nature of these treaties. The anti-homosexual bill attempts to separate itself from these treaties through the stated provision calling upon the, "nullification of inconsistent international treaties, protocols, declarations and conventions." Although domestic law practices have the authority to supersede international law norms, it is imperative to underscore the responsibility ascribed upon the Ugandan government to uphold and maintain its international obligations towards providing security for its citizens. Additionally, it is



Proposed Policy Memorandum: LGBTQ Human Security and the Ugandan Anti-Homosexual Bill

imperative for Uganda to maintain its credibility at the international level in order to develop a secure state structure in the eyes of the international community on account of its fragile status.

A final recommended course of action for U.S. foreign policy regarding aid allocation within Uganda focuses on the Investing In People framework within the Foreign Assistance Operation structure. Under the established framework, the United States declares its commitment to investing, “heavily in the health and education of Ugandans as a means of promoting the country’s peace, stability, and prosperity.” The main strategy utilized to achieve this is through promotion of basic education related to health and well-being. It is within this framework where educational programs addressing gender identity, sexual orientation, and human security topics can directly reach the population of Uganda. By incorporating these measures into the basic education training already in place by USAID the dialogues addressing rights-based principles and individual security concerns, including health security, personal security, and political security measures, can reach civil society members who make up Uganda’s population. Additionally, this forum would address the right to live free from fear while simultaneously tackling discrimination practices endured by marginalized and vulnerable communities, including LGBTQ populations. By taking a horizontal approach and tackling discrimination practices endured by any marginalized group, including women in relation to men, this tactic would make use of the commonality connectors within Ugandan civil society that might strengthen the capacities for understanding discrimination and abuses endured by sexual minorities. Through strengthening the socio-cultural connectors pertaining to personal security this bottom-up approach would in turn infuse a collective security of person embodied at the individual level all the way up. If such measures became common practice the security of state within Uganda would in turn strengthen over time. This is a long-term approach aimed at the reestablishment of intra-state security, and by extension inter-state security, that would protect people from discrimination such as those articulated by the anti-homosexual bill currently tabled in the Ugandan Parliament.

Concluding Remarks

It is of vital importance that U.S. foreign policy address the human security threats facing Uganda’s LGBTQ

population. The multi-dimensional foundation of this complex issue is directly linked to Uganda’s intra-security problems and if left unaddressed could shift Uganda’s fragile existence into a failed state. Without an integrated approach addressing rights-based principles and individual security Uganda’s sexual minority population will continue to face discriminations affecting their human security while simultaneously being subjected to living in a state of both fear and want. Integrating educational programs addressing gender identity, sexual orientation, and capacities for understanding within the current U.S. Foreign Assistance Operations in Uganda will further the progression of human security measures for LGBTQ individuals. This bottom-up approach would thereby create a safe and secure environment for the people of Uganda while advancing the security of state through this progressive foreign aid tactic.

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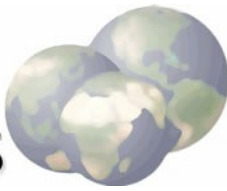
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The International Criminal Tribunal for Rwanda: Barriers to Prosecuting Crimes of the Rwandan Patriotic Front

By | *Angela Deane*

“To insist on the right to justice for all victims...is not to deny the genocide, nor does such an insistence equate war crimes with genocide; it simply asserts that all victims, regardless of their affiliation, regardless of the nature of the crime committed against them, and regardless of the affiliation of the perpetrator, must have equal opportunity to seek redress for the wrongs done them.”—Alison Des Forges (Historian and Human Rights Watch Advisor)

“No State can place itself above its international obligations, and co-operation, even on sensitive issues, must be unconditional.”—Carla Del Ponte (Chief Prosecutor, ICTR)

Introduction

The grisly details of the 1994 genocide in Rwanda are by now well known: in 100 days, as many as three quarters of the Tutsi population were murdered by their Hutu countrymen, and thousands of moderate Hutus opposed to these killings lost their lives as well. The Rwandan genocide was the most efficient mass killing since the atomic bombings of Hiroshima and Nagasaki, and occurred at nearly three times the rate of the killing during the Holocaust. Since the violence that ended 17 years ago, much has been written about Rwanda’s historical background, the civil war and ethnic components of the country, the impact of colonialism, and the coordinated and systematic nature of the killing. Less attention, has been given to the killings undertaken by the ultimately victorious Rwandan Patriotic Front (RPF). While these crimes were not at the same numerical level, as the genocide, RPF soldiers, most of them Tutsi, participated in the killings of an estimated 25,000-45,000 Hutu civilians from April to August 1994.

The genocide prompted the United Nations Security Council, acting under Chapter VII of the its Charter, to create the International Criminal Tribunal for Rwanda (ICTR) in order to prosecute those responsible for genocide and other serious violations of international humanitarian law. To date, the ICTR has completed 69 cases. However, to date, not one RPF member has stood trial – virtually all defendants have been Hutu. This paper explores why the Tribunal has not prosecuted, or even indicted, RPF members and argues that

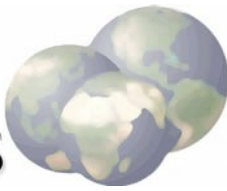
the likelihood of any such prosecutions, at this stage, is low. First, the paper will provide a brief overview of the mandate of the ICTR; next it will describe the specific nature of RPF crimes and how they fall within the mandate; it will then offer two specific explanations as to why these cases have not been brought before the tribunal; finally, it will explore the repercussions of the lack of RPF prosecutions on international justice.

International Criminal Tribunal for Rwanda: Background and Mandate

The Security Council created the ICTR to try crimes of genocide, war crimes and crimes against humanity that took place from January 1, 1994 to December 31, 1994, both in Rwanda and in the territory of neighboring states. The government of Rwanda requested the creation of the tribunal in September of 1994 to try alleged *genocidaires*, though it was ultimately the only country to vote against its creation based on a number of objections. Chief among these were objections to its temporal jurisdiction, the location of the tribunal, primacy over Rwandan domestic courts, and the exclusion of capital punishment from the penalties the tribunal could impose. Despite being overruled in these areas, the government pledged to fully cooperate with its proceedings.

The ICTR shares a nearly identical statute with the International Criminal Tribunal for the Former Yugoslavia (ICTY). Specifically, both are mandated to prosecute “genocide, crimes against humanity, which are violations of Article 3 common to the Geneva Conventions and of Additional Protocol II.” Until 2003 the two *ad hoc* tribunals shared a single Office of the Prosecutor based in The Hague, though the ICTR itself is based in Arusha, Tanzania. They are comprised of three organs: the Chambers and Appeals Chamber; the Office of the Prosecutor; and the Registry. One area of divergence is temporal jurisdiction; as referenced above, the ICTR has jurisdiction only over crimes committed in 1994, while the ICTY has jurisdiction over crimes committed since 1991. Both, however, are mandated to prosecute individual suspects from all sides of an armed conflict, and while the ICTY has fulfilled this mandate, the ICTR has thus far fallen short.

The ICTR opened its first case in 1996. Despite valid criticisms that it has moved slowly, is too costly, and is carrying out “victor’s justice,” the tribunal has made several



The International Criminal Tribunal for Rwanda: Barriers to Prosecuting Crimes of the Rwandan Patriotic Front

contributions to the field of international justice. For example, it was the first international tribunal to hand down a conviction for genocide. Also, in the same case, it was the first time rape was recognized, and prosecuted, as a crime against humanity. It is also the first time that a woman has been charged with the crime of rape. Finally, it is important to note that the ICTR has focused its prosecutions on high-ranking officials responsible for orchestrating the genocide. This differs from the ICTY, which, at least early on, dealt largely with suspects of a minor status.

In July 1994, a Commission of Experts established by the Security Council found that, in addition to the genocide carried out by Hutu authorities and extremists, members of the RPF had committed war crimes and crimes against humanity. As a result of this report, the Commission “strongly recommended” that the Security Council ensure that crimes on all sides be brought to justice, including those committed by the victors. Thus, Security Council resolution 955, which created the ICTR, stated its “grave concern” over the reports of genocide “and other systematic, widespread and flagrant violations of international humanitarian law.”

The mandate of the ICTR, therefore, is to prosecute perpetrators on all sides of the conflict. Carla Del Ponte, former Chief Prosecutor for the ICTR, explains this further:

Thus, the tribunal’s mandate was to investigate war crimes on all sides of the conflict in Rwanda and, if the evidence warranted, prosecute the most responsible individuals on all sides. Its task was also to establish a record of events that would contribute to reconciliation of the Hutu and Tutsi communities. Failure to investigate the RPF would send an unambiguous signal that...they were above the law, that the innocent victims of their violence did not count.

Both the ICTR and ICTY were founded on the principle that all victims of atrocity have a right to justice, setting them apart from the oft-cited “victor’s justice” tribunals at Nuremberg and Tokyo. Each chief prosecutor at the ICTR has approached the RPF question differently, a point that will be elaborated upon further in the paper. Before examining the reasons behind the dearth of RPF prosecutions, it is important to have an understanding of the magnitude of its crimes.

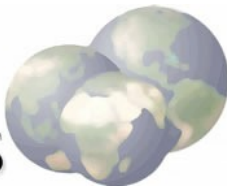
Crimes of the RPF: Widespread and Systematic

The RPF is estimated to have killed tens of thousands of Hutu civilians both during the genocide (April-July 1994) and following its successful takeover of the country. Human Rights Watch puts the number at approximately twenty-five thousand to thirty thousand, while the aforementioned UN Commission of Experts places it at up to forty-five thousand. As a result of this finding, the Security Council mandated the tribunal to prosecute serious violations of international humanitarian law committed by all sides of the conflict – not simply the genocide committed by the Hutu extremists. According to Human Rights Watch, the U.N. High Commissioner for Refugees first heard accounts of RPF massacres in early May 1994 and “became sufficiently concerned” enough to make the allegations public on May 17. The RPF closely monitored movements of foreigners in areas under its control, making it difficult for observers to collect information about its abuses; journalists and representatives rarely talked to ordinary citizens without an RPF official present. Nonetheless, several massacres have indeed been recorded and made public. One of the most notorious of these is the “Kabgayi” case.

The Kabgayi Killings

According to the late Alison Des Forges, who wrote a seminal account for Human Rights Watch, *Leave None to Tell the Story: Genocide in Rwanda*, RPF soldiers engaged in two types of killing: that of unarmed individuals and groups and the execution of individuals selected by their political affiliation or reputation. The killings at Kabgayi represent the former. In early June 1994, four RPF soldiers killed 13 Roman Catholic priests, including the Archbishop of Kigali, and three other bishops just south of Kabgayi Roman Catholic Church. The clergy, along with thousands of Rwandans, both Hutu and Tutsi, had taken refuge in the church during the genocide. Each night, *genocidaires* and Hutu military troops would come into the church to slaughter Tutsis; Catholic priests were among the victims and the perpetrators. On June 2, as the RPF took control of Kabgayi, the aforementioned clergy were arrested (by RPF soldiers) and taken to a different location. Amnesty International describes what transpired, according to witness testimony:

He [a priest who survived the killings] said that the RPF took control of Kabgayi on 2 June, arrested the priests and took them to a mission at Byimana. On 5



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June some of the soldiers who had been guarding the priests entered the room where the priests were being held and opened fire. The surviving priest escaped through a door at the end of the room. The next day he was found by RPA soldiers who told him that the killings had been an accident. The soldiers reportedly detained him, insisting that he accepted the soldiers' version of the killings. He was released when he said he would agree to the RPA's version and he escaped.

The RPF maintained that these acts were carried out by rogue soldiers seeking reprisal for the killings of their families, and that they were unauthorized by a commander. RPF authorities, however, pride themselves on the disciplined nature of their troops. Chief Prosecutor Del Ponte was skeptical that the killings were random acts of reprisal: "These victims, including the highest-ranking churchmen in Rwanda, were held for four days, long enough for high-ranking commanders of a well-disciplined militia to know of their capture and whereabouts, long enough for the killings to have been premeditated or ordered from above".

Killings in northeastern Rwanda

Amnesty International also received numerous reports of deliberate killings in April and May of unarmed civilians in the northeastern part of the country. Amnesty cites that the eyewitness accounts of these killings share a "striking consistency of dates and places." At two locations, RPF soldiers summoned civilians to public meeting places, where they opened fire, threw grenades, and openly slaughtered people. Amnesty reports:

One 36-year old man present told Amnesty International representatives that RPA fighters seemed friendly at first, only to open fire on civilians without warning or provocation...The witness explained that in March the RPA called the first public meetings during which RPF officials told people that they had nothing to fear. At one such meeting in April, the RPA fired a rocket and threw grenades into the crowd. Others were shot and killed, while others sustained severe injuries.

Another Amnesty report states:

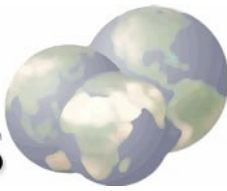
One 56-year-old survivor of the killings [at Gishara and Nyabwishongwezi] narrated how his family and friends were slaughtered by the RPA. He said he and others were summoned to a public meeting on 13 April 1994 at Gishara. He said 'We had been told that men, women and children must attend. They said they would kill hippos for us and needed some representatives from among us to go hunting with the soldiers. Twelve of us were taken behind a house...they asked us to indicate who among us knew how to shoot or was a soldier....All of a sudden we heard a grenade explosion.' He said many people were killed including his wife, his 10-year-old son and 20-year-old daughter.

Politically Motivated Killings

There is also ample evidence of Des Forges' assertion that the second type of killing the RPF engaged in – the deliberate targeting of political opponents or even families of those believed to be political opponents occurred. Amnesty International and Human Rights Watch both describe "screening" centers set up in RPF-controlled zones, where Tutsi genocide survivors were separated from Hutu civilians (or those suspected of being *genocidaires*), and the latter were often summarily executed. Des Forges also states that in some cases if RPF troops came upon a community where anyone was still alive, it was assumed that person was a Hutu. For example, an RPF officer, when replying to a genocide survivor's question of whether anyone in his village was still alive, replied, "When we arrived, we supposed that those still alive were alive because they had collaborated and we killed them all."

Des Forges describes another example of systematic killings related to political affiliation:

On June 11, RPF soldiers directed some 1,500 people...to gather in the sector of Mahembe...where they stayed for about two weeks. During that time Corporal Mandevu and a soldier named Andre Pake [both RPF] were in charge. At one point, the soldiers separated the men from the women. They questioned survivors and others about who had participated in



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the genocide. Based on that information they took away some eighty people who were never seen again.

The Rwandan administration and President Paul Kagame in particular, respond to allegations of RPF crimes by describing them as “revenge killings” and by minimizing the number of casualties. In addition, it tends to charge anyone interested in shedding light on the crimes with genocide denial or ideology, revisionism, or negation, all crimes in Rwanda. In a recent article in the *Fordham International Law Journal*, scholar Lars Waldorf highlights a statement by President Kagame:

While some rogue RPF elements committed crimes against civilians during the civil war after 1990, and during the anti-genocidal campaign, individuals were punished severely...To try to construct a case of moral equivalency between genocide crimes and isolated crimes committed by rogue RPF members is morally bankrupt and an insult to all Rwandans, especially survivors of the genocide. Objective history illustrates the degeneracy of this emerging revisionism.

It is true that abuses and violations by the RPF are nowhere near the scope of the genocide carried out by Hutu troops and *genocidaires*, and this paper does not seek to compare the two. However, the documented killings of anywhere between twenty-five and forty-five thousand civilians certainly implies that these were more than just “isolated crimes” committed by rogue soldiers. Indeed, Alison Des Forges describes them thus:

These killings were widespread, systematic, and involved large numbers of participants and victims. They were too many and too much alike to have been unconnected crimes executed by individual soldiers or low-ranking officers. Given the disciplined nature of the RPF forces and the extent of communication up and down the hierarchy, commanders of this army must have known of and at least tolerated these practices.

While RPF human rights abuses may have been more indiscriminate than those committed by *genocidaires*, they were nonetheless systematic in nature and warrant both scrutiny and accountability, and justice for the victims

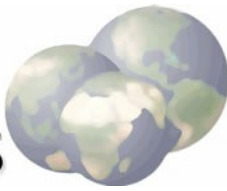
Another oft-heard refrain from the Kagame administration is that RPF soldiers responsible for crimes have been punished and held to account. While it is true that some soldiers have faced justice, it is not commensurate with the scope of the crimes committed, and, as noted above, none has faced trial at the tribunal. Human Rights Watch notes that to date Rwanda has prosecuted 32 soldiers accused of crimes during 1994, fourteen of whom were tried, convicted and imprisoned. However, most were lower-ranking soldiers (of the higher-ranked prosecutions, a lieutenant was brought to trial and was acquitted, and a major who received a life sentence was brought down to six years on appeal) and they received light sentences given the nature of the crimes (the longest sentence was six years). Furthermore, they were prosecuted as violation of Rwandan domestic law, and not as violations of international humanitarian law.

Human Rights Watch and other advocacy organizations have steadfastly argued that the lack of prosecutions under international law of RPF officials is a miscarriage of justice. In a 2009 letter to current Chief Prosecutor Hassan Jallow, executive director Kenneth Roth states that while the tribunal has been effective at bringing *genocidaires* to justice, the failure to address the RPF’s “killing of tens of thousands of civilians will result in serious impunity for grave crimes committed in 1994 and would leave many with a sense of one-sided, or victor’s justice.” Roth goes on to note that he appreciates the need to prosecute substantial genocide cases before prosecuting RPF cases, given the political climate in Rwanda (to be discussed in further detail below) and the need for cooperation from the government. However, given the Completion Strategy being carried out by the tribunal, time is running out to secure justice for the victims.

The introduction of RPF crimes to the tribunal has long been an issue for the four Chief Prosecutors. However, only Carla Del Ponte, Chief Prosecutor from 1999 to 2003, made significant attempts to move forward with the process. The next section explores the barriers to issuing indictments.

Barriers to RPF Prosecution

Since its inception, the ICTR has had four chief prosecutors, the first three sharing their responsibilities with the ICTY. Each was familiar with the mandate to investigate and prosecute all human rights violations, including those taking place outside of the genocide, and each responded to this



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mandate differently. The difficulties faced by the prosecutors and the tribunal, particularly in the early stages, were sizeable.

They (and it) were viewed skeptically at best by the Rwandan government from the outset, given the decisions to house the tribunal in Arusha and to limit the jurisdiction to 1994 alone, among other factors noted earlier. Furthermore, the resources with which the body had to operate were minimal. According to a several-hundred page report compiled by the International Panel of Eminent Personalities to Investigate the 1994 Genocide in Rwanda and Surrounding Events (IPEP), a body created by the Organization of African Unity, in early 1998 the court was functioning with 50 investigators, compared to the two thousand working on the Nuremberg trials. Given the enormity of the task of investigating and prosecuting top-level genocidaires, and facing an already skeptical government, it is unsurprising, if not understandable that the prosecutors' first priority was not to tackle alleged RPF crimes, documented though they were. This section addresses two primary barriers to RPF prosecution –namely the lack of cooperation by the Rwandan government and the inaction of the Security Council –as well as the prosecutors' approaches to broaching this issue.

The Rwandan Government and the ICTR: Approaches by the Prosecutors

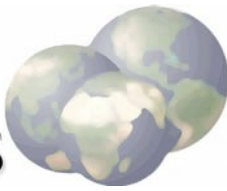
The tribunal's first prosecutor, Richard Goldstone, made no attempt to investigate RPF abuses, or even to raise the issue with the government. Given the tense relationship between the government and the tribunal, he focused his efforts on securing their cooperation, which was critical in the earliest days of the court. Unlike the ICTY, which operates in several countries and works with different governments, the ICTR is uniquely at the mercy of the Rwandan government. Goldstone understood that Rwanda had the capacity, and likely the will, to bring all court proceedings to a halt, and so he worked to win the trust of the state. It should also be noted that while Goldstone affirmed his belief that all crimes should be investigated for human rights violations in armed conflict, he has stated that RPF crimes do not meet the gravity threshold to warrant prosecution.

Louise Arbour succeeded Goldstone as prosecutor and was equally aware of the unique power balance between Rwanda and the tribunal. While she quietly explored the potential of RPF investigations, in an interview with Canadian journalist

Carol Off she stated, "How could we investigate and prosecute the RPF while we [the prosecutor's investigators] were based in that country? It was never going to happen. They would shut us down." It wasn't until Carla Del Ponte arrived in The Hague in 1999, five years after the creation of the tribunal, that the question of whether to prosecute RPF crimes was publicly raised.

In her memoir, Del Ponte states when she arrived at the tribunal, it was facing criticism for its one-sidedness and potential for rendering victor's justice, the slow pace of the trials, and the view that it was becoming "little more than a means for the international community to absolve itself of its responsibilities for failing to act to prevent or limit the genocide." As further evidence of the Rwandan government's power to control the workings of the tribunal, she faced a particularly difficult challenge at her arrival: a genocide suspect, Jean-Bosco Barayagwiza, had just been released by the ICTR Appeals Chamber based on a violation of his due process rights, and Rwandans were outraged. Consequently, the government suspended all cooperation with the tribunal, bringing proceedings to a halt, and refused Del Ponte a visa to enter the country. Ultimately, the decision was reversed and Barayagwiza stood trial, but the incident made clear that the Rwandan government could, and would, restrict its cooperation with the tribunal if it saw fit.

Del Ponte first met with Paul Kagame (then still Vice President, though by all accounts very much in charge) in early 2000, and he pledged his full support to the tribunal. Over the course of the next several months, she and her investigators began receiving more reports of RPF crimes committed during and after the genocide, within the timeframe of the tribunal's mandate. Ultimately, she decided to move forward with what she called the "Special Investigation," and informed Kagame (who by now had been elected President) of this at a meeting in December of that same year. Del Ponte told Kagame that she would need the files of the investigation that Rwandan military officials had conducted on RPF crimes; surprisingly, he agreed, and referred her to his chief military prosecutor. In an effort to publicly tie Kagame to his statements, Del Ponte held a press conference announcing the Special Investigations, stating that:



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We [Del Ponte and President Kagame] talked about investigations into massacres committed by the other side, that is, by soldiers from the [RPF]. I am completely satisfied....Without the help of [Rwanda], we will have results in these investigations....Let's be realistic: without cooperation I'll get nowhere. I'm moving forward, step by step. I work from facts.

Unfortunately, Del Ponte never received the documents she requested, despite repeated attempts. Furthermore, the government launched a smear campaign against the tribunal within Rwanda and created new travel requirements that all but precluded any witnesses, primarily genocide survivors, from traveling to Arusha to testify. As a result, the judges were forced to adjourn for several months. As Del Ponte noted: "The Tutsi-dominated Rwandan government was effectively blackmailing the tribunal, sabotaging its trials of accused Hutu *genocidaires* in order to halt the....Special Investigation crimes allegedly committed by the Tutsi-dominated Rwandan Patriotic Front in 1994."

In what was to be her final meeting with President Kagame in 2002, where she hoped to resolve the issue of the stalled trials, Del Ponte again asked for the military files. Kagame responded by ordering her to stop the investigation. Del Ponte describes the exchange in her memoir:

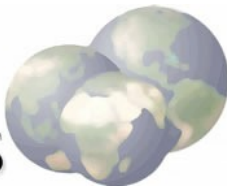
He instructed me that the tribunal must not investigate the Tutsi militia, the militia he had commanded, the militia that had metamorphosed into Rwanda's army. 'You are destroying Rwanda,' Kagame charged... 'You will disrupt the reconstruction of the nation...If you investigate, people will believe there were two genocides....Stop the investigation.'

Del Ponte then informed the Security Council that the Rwandan government was preventing her from doing her job to prosecute genocide suspects, stating that there is "no genuine political will on the part of the Rwandan Authorities to provide assistance in an area of work that they interpret to be political in nature..." In addition, the president of the tribunal (and now UN High Commissioner for Human Rights), Judge Navanethem Pillay of South Africa, formally reported Rwanda's failure to cooperate, despite its legal obligation to do so.

The Security Council took several months to respond to these communiqués, though Del Ponte acknowledges that the United States did put quiet pressure on Kigali to cooperate with the tribunal. Eventually, Rwanda eased the travel restrictions and the genocide trials resumed, though Kigali had made its point. Undeterred, Del Ponte continued to push for RPF prosecutions. The situation came to a head, however, when United States Ambassador for War Crimes directly asked Del Ponte to forgo RPF investigations and allow Rwanda to try her "Special Investigation" cases in Kigali. Del Ponte refused, and Prosper responded by announcing that the Security Council was considering breaking the joint Office of the Prosecutor for the ICTY and ICTR, a thinly veiled threat on her job security.

As it turned out, the threat was not without substance. In 2003, just before her mandate as prosecutor for the ICTR and ICTY was up for renewal, the Security Council passed Resolution 1503, which created separate chief prosecuting officers for the two tribunals. According to Del Ponte, she requested to remain as Chief Prosecutor at the ICTR but was told by Secretary General Kofi Annan that she would remain with the ICTY. The "Special Investigations" had effectively come to an end.

Hassan Bubacar Jallow succeeded Del Ponte as Chief Prosecutor and has taken a more conciliatory position with the government of Rwanda. Contrary to Del Ponte's position, Jallow has shown little interest in pushing the issue of RPF prosecutions since becoming prosecutor in 2003. The change in tone at the Office of the Prosecutor (OTP) has not gone unnoticed by the government of Rwanda. Indeed, at a 2006 Conference on Challenging Impunity, hosted by the ICTR in Kigali, Rwandan Minister of Justice Tharcisse Karugarama stated: "Our [the Rwandan government] relationship with ICTR is now at its best." Jallow is also viewed by some to be partial to Rwandan government assertions that because it stopped the genocide, the actions of the RPF are above reproach. As noted by scholar Luc Reydam, Prosecutor Jallow, in an article in the *Journal of International Criminal Justice*, referred to the RPF having waged a "war of liberation." Reydam argues convincingly that this term is alarming, given the importance of impartiality in Jallow's role.



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The ICTR Completion Strategy stipulates that all trials be completed by the end of 2011, with appeals to be completed in 2013. Jallow has argued that, given this short time frame, he must use his prosecutorial discretion to concentrate only on the most “serious” cases. Unfortunately, the systematic killing of nearly 50,000 people by the RPF does not seem to meet Jallow’s “gravity” threshold. In a 2009 letter to Human Rights Watch, Jallow acknowledged the responsibility of the OTP to investigate these crimes, but maintains that his “decision to indict will be based solely on the availability of credible evidence.” Given the well documented evidence of systematic human rights crimes by the RPF by such varied organizations as Human Rights Watch, Amnesty International, IPEP, and a UN Commission of Experts, among others, it seems implausible that the reason Jallow has not moved forward with any indictments is a result of a lack of “credible evidence.”

Finally, in a move that further suggests his pattern of capitulation to the Rwandan government, Jallow carried out the plan originally suggested by Ambassador Prosper to Prosecutor Del Ponte and referred the RPF suspects in the aforementioned Kabgayi case from the ICTR to Rwanda to stand domestic trial. Even more alarming was the timing – at the time of this decision, the Chamber had just denied two requests to transfer genocide suspects to stand trial in Rwanda, citing the likelihood of unfair trials as the reason. The genocide suspects are much less politically sensitive than the Kabgayi defendants, yet the tribunal was still unconvinced that they would receive a fair trial in Kigali. How then, could Rwandan courts be expected to adequately adjudicate these suspects? Defending this decision, Jallow responded that his office would closely follow the proceedings, and that it would assert the tribunal’s primacy over the case if necessary. In the end, as addressed earlier in this paper, none of the suspects were tried for war crimes, and the sentences (six years imprisonment being the longest among them) cannot be seen as commensurate to the gravity of the crimes. That Jallow was satisfied with the verdicts of these trials further illustrates his reluctance to press the Rwandan government to prosecute crimes it considers politically untenable.

As previously mentioned, the state of Rwanda has a unique power over the proceedings at the ICTR. Because it has determined that RPF crimes do not warrant prosecution under international law, the government has refused to cooperate

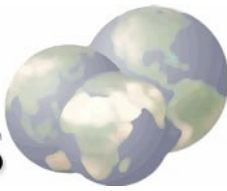
with the tribunal despite its years of work prosecuting high-ranking *genocidaires* and architects of the genocide. President Kagame and his administration have an agenda in building a post-genocide Rwanda, and that agenda will very likely lead to an international tribunal, created with the intent to avoid “victor’s justice”, dispensing just that.

While the politics in Rwanda have played a large role in shaping the ICTR, it is the Security Council that created the tribunal from the outset, and that body has the power to press the hand of Rwanda. The fact that it has chosen not to do so is the subject of the next section of this paper.

The Security Council: An Abdication of Responsibility

The Security Council has from the beginning been aware of RPF crimes. Though the genocide was the catalyst for initiating the ICTR, Resolution 955, which created the tribunal, included clear signals that it intended the investigations to extend to crimes committed outside of the genocide. First, the resolution was enacted following reports by the Commission of Experts and the U.N. special rapporteur for Rwanda that the (pre-1994) Rwandan authorities had committed genocide and the RPF had participated in violations of international law. Moreover, the tribunal’s temporal jurisdiction – the calendar year of 1994 – implies that the Security Council intended the OTP to investigate crimes other than the genocide. Rwandan authorities argued for jurisdiction to begin in 1990 and to end with their takeover of Kigali in mid-July 1994. RPF troops effectively stopped the genocide when they reached the capital city; therefore, crimes of genocide had ceased, or at the very least were minimal, at that stage. And finally, following the decision of the Rwandan government to institute travel restrictions on tribunal witnesses, precluding them from testifying in Arusha, Prosecutor Del Ponte directly informed the Council of the lack of cooperation by the government and urged them to press Rwandan authorities to cooperate.

Given all of the above, it is clear that awareness and understanding of the tribunal’s mandate has not been the issue; rather it is what the Security Council has done, or failed to do, in response to the information. Several factors underscore the inability, or lack of will, on behalf of the Council to require, or even encourage, the Rwandan government to assist the ICTR in fulfilling its mandate by prosecuting all sides of the conflict. First, the international



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community had a guilty conscience following its inaction in the face of the genocide. This guilt very likely played a role in its tepid response to reports of RPF crimes and its reluctance to take any substantial action to address them.

Toward this end, scholar Filip Reyntjens wrote: “From the first days after the RPF’s victory, abuse was covered by a conspiracy of silence, induced in part by an international feeling of guilt over the genocide and a comfortable ‘good guys-bad guys’ dichotomy.” And Des Forges noted along the same lines:

Faced with full and horrifying information about a genocide where the moral and legal imperative to act was overwhelming, major actors at the U.N. and in various national governments had failed to intervene. Burdened with the guilt of this failure, they confronted a more complex situation when Gersony [see below section] revealed the apparent extent of RPF killings.

Second, and closely linked to the above, is the political nature of the relationship between the Council and the ICTR. Ostensibly, one of the primary advantages of the *ad hoc* tribunals over the tribunals at Nuremberg and Tokyo, and even over the International Criminal Court is its primacy over domestic courts and its ability to call on the Security Council to enforce state cooperation. The flip side of this, however, is that in order to operate, the tribunal has to rely on two basic assumptions: first, that the State in question will cooperate with its proceedings; and second, that in a case where said State is either unwilling or unable to cooperate, the Security Council will intervene. Unlike its counterpart, the ICTY, where if one State refuses to cooperate, prosecutors and investigators can leverage the engagement of other States, the ICTR has dealt with a government whose cooperation has been contingent on its political advantage, and a Security Council that has supported the tribunal reluctantly at best. To underscore this point, Lars Waldorf quotes Ralph Zacklin, former U.N. Assistant Secretary General for Legal Affairs: “The reality is that the ICTY and the [ICTR] were established more as acts of political contrition, because of egregious failures to swiftly confront the situations in the former Yugoslavia and Rwanda, than as part of a deliberate policy [of] promoting international justice.” Waldorf notes that given this approach, it is unsurprising that the Security Council’s

response to Rwanda’s lack of cooperation was “political rather than principled.” Three specific examples highlight the Council’s abdication: the first is the so-called “Gersony Report”; the second is the Security Council’s response to Prosecutor Del Ponte’s reports; and the third is the Council’s response to Prosecutor Jallow’s use of his prosecutorial mandate.

The Gersony Report

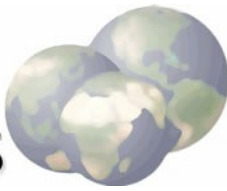
As an RPF victory became inevitable in July 1994, hundreds of thousands of Rwandans, mostly Hutu and many among them *genocidaires*, fled, with most seeking refuge in neighboring Zaire (now the Democratic Republic of the Congo). Shortly after the victory, a team of UNHCR personnel entered Rwanda to assess the practicality of repatriating the refugees, a priority of the new Rwandan government. The mission, led by Robert Gersony, began on August 1, 1994 and concluded on September 5. The group had more access than any other outside group during this time period and was able to travel freely by the RPF, which Human Rights Watch attributes to government’s likely notion that their work would support their repatriation efforts.

The group began its work with no intention of investigating RPF crimes, and Gersony himself had a high regard for RPF forces:

Gersony remarked that he had begun the work with high regard for the RPF, which he believed to be the most highly disciplined force he had encountered in years of fieldwork in Africa. Its communications system functioned very efficiently, more efficiently than that of UNAMIR [the United Nations Mission in Rwanda] itself, he was told by UNAMIR officers, and orders passed down the chain of command were well executed.

Given Gersony’s assessment, it is even more unlikely that Kagame and other high-ranking RPF authorities were unaware of the killings taking place, as were claimed.

Following his investigation, Gersony personally estimated that that RPF had killed between twenty-five thousand and forty-five thousand civilians between April and August. He reported these findings to his superiors at the U.N., where the information reached Secretary General Boutros Boutros-



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Ghali. U.N. officials brought the findings to the attention of the Rwandan authorities, who admitted that killings had taken place but denied their systematicity and high number.

What transpired was an effort on behalf of the United Nations and the Rwandan government, with the full knowledge and complicity of the United States and the Security Council, to suppress Gersony's information and to minimize its impact. According to Des Forges, Kofi Annan, then at the Department of Peacekeeping Operations, at the request of Boutros-Ghali, informed the Rwandan Prime Minister that the U.N. would "do its best to minimize the attention given to Gersony's findings because the international community understood the difficult context which the new government was operating." American officials supported the decision to keep the information quiet, and Boutros-Ghali directed Gersony and his team to speak with no one about their report, and ensured that it did not exist in written form; indeed when various organizations have attempted to gain access to the information, they have been told that the report *does not exist*.

Des Forges notes that while U.N. members were indeed troubled by the Gersony report, they nonetheless felt politically compelled to support the new Rwandan government. She quotes one U.S. policymaker: "We have three choices. Support the former genocidal government. That is impossible. Support the RPF. That is possible. Support neither. That is unacceptable because it might result in those responsible for the genocide coming back to win." Disturbingly, yet decidedly unsurprising given previous (in)action, the option to put pressure on the Rwandan government, a much smaller and less powerful country dependent on the international community for virtually everything at this nascent stage, to bring RPF perpetrators to justice, was simply not on the table.

Prosecutor Del Ponte and Resolution 1503

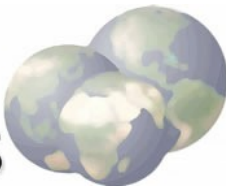
As aforementioned, Prosecutor Carla Del Ponte addressed the Security Council in 2002, where she reported the Rwandan government's refusal to cooperate with the tribunal. Del Ponte argued that while the Rwandans interpreted her "Special Investigation" to be political in nature, "obviously, the prosecutor limits herself to the technical implementation of her judicial mandate." Shortly after her report, Human Rights Watch executive director Roth wrote to Ambassador John Negroponte, President of the Security Council, urging the

Council to "demonstrate its commitment to the equitable justice essential for long-term peace in Central Africa by calling on Rwanda to cooperate fully with the tribunal." Roth goes on to state that the credibility of the tribunal "hangs on the full implementation of its mandate as established by the Security Council in 1994" and that by urging Rwandan officials' cooperation, the Council "will fulfill its original intention of contributing to justice as the basis for peace and reconciliation in the region."

In October of that same year, Prosecutor Del Ponte made another appeal to the Security Council, arguing that no state is above its international commitments. After waiting nearly one year to respond, the Security Council, in Resolution 1503, called on "all States, especially Rwanda, Kenya, the Democratic Republic of the Congo, and the Republic of the Congo, to intensify cooperation with and render all necessary assistance to the ICTR, including on investigations of the Rwandan Patriotic Army..." This was hardly a forceful statement that would likely bring about a change by the Rwandan government, and made clear that Rwanda still had the upper hand. Furthermore, Resolution 1503 also created two Offices of the Prosecution, one for the ICTY and the other for the ICTR. Del Ponte's term was not renewed as Chief Prosecutor for the Rwandan Tribunal. As she noted on the day the Resolution passed: "I do not see any serious reasons for separation of the positions except for political ones. I know very well why the government of Rwanda and others support separation. It is all about my Special Investigation. Who else but the United Nations Security Council will support the prosecutor in this respect?"

Prosecutor Jallow and Prosecutorial Discretion

Article 17(1) of the ICTR statute gives the prosecutor discretion in choosing which investigations to undertake and paragraph four of the same article grants discretion over which investigations should lead to indictments. The decision whether to indict is subject to judicial review, however, while the decision to undertake an investigation is solely at the discretion of the prosecutor. In other words, the Trial Chamber cannot implore the prosecutor to investigate specific crimes, even if the investigations have produced significant evidence to bring about an indictment. Prosecutor Jallow has reportedly continued the "Special Investigation" started by Prosecutor Del Ponte; however, none of these investigations



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have led to indictments, despite ample evidence of systematic killing by the RPF.

In response to allegations that he has abused his prosecutorial discretion through “selective prosecutions,” Jallow makes several arguments, some of which were noted in an earlier section of this paper. First, he asserts that given the limited financial and human resources of the tribunal, the OTP “cannot realistically be expected to prosecute every offender who may fall within the strict terms of its [the ICTR] jurisdiction.” Second, Jallow asserts that the tribunal was created to try the gravest of crimes during 1994, which he evidently takes to mean the crimes of genocide. Both of these points are fair enough on the surface, but they fail to adequately address, and respond to, the nature of the RPF crimes. As Kenneth Roth noted in a 2009 letter to Jallow, “the reported killing of 30,000 people by RPF soldiers, as documented by the United Nations High Commission for Refugees, is by any standard sufficiently serious to merit prosecution.”

As referenced above, Jallow also effectively referred to the RPF as liberators fighting the genocidal regime. He also notes, alarmingly, that prosecutorial activity has *tended* to concentrate on the genocide – with the result that the accused persons have so far *tended* to be Hutu, an interesting statement given that virtually every defendant at the tribunal has in fact been Hutu.

In June of 2008, Jallow informed the Security Council that Rwanda was going to prosecute the Kabgayi case, and that his office would closely monitor the proceedings and reassert the tribunal’s primacy if necessary. Of his decision to transfer the case to Rwanda, Jallow remarked:

The Rwandans wanted to be given the opportunity to prosecute the case, and I did agree with that position. Essentially, on the basis that if the Rwandan government can be made to indict and prosecute and effectively and fairly prosecute people who are seen to be as part of its establishment, it has the potential to make a bigger contribution to national reconciliation if the cases can be dealt with effectively at that level.

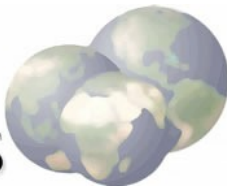
To bolster the above argument, Jallow wrote in a letter to Kenneth Roth that his office did not possess evidence supporting the notion that the Kabgayi killings were a planned military operation, a charge Human Rights Watch vigorously objects to. He also claimed that the OTP oversaw every proceeding during the case, another charge HRW refutes.

These points, coupled with the outcome of the prosecutions (two officers confessed to the killings and received eight years, and two higher-level officers were acquitted altogether) and the decision by the Appeals Chamber not to transfer less politically sensitive cases, can effectively make the argument that this was a case where Jallow should have asserted primacy over the proceedings. Surprisingly, however, the prosecutor remained silent for four months upon the judgment in the Kabgayi case until he was questioned by the Security Council, arguing that the trials had been fair, and that “it’s not really the outcome which is the critical factor [in trial proceedings]. It’s the process.” Although a fair statement, as acquittals do not always translate into unfair trials, every indicator points to this decision, while having the pretense of being fair, as a “whitewash.”

The Security Council, eager to hasten the progress of the tribunal as per its Completion Strategy did not press the matter, and Jallow indicated that he would not bring any RPF indictments to the tribunal. It is therefore highly unlikely that the Council will become more engaged than it currently is.

Conclusion

The international community failed to respond to the genocide in Rwanda, allowing hundreds of thousands of people to die at the hands of a genocidal regime. As a result, the Rwandan genocide will likely be remembered as one of the bloodiest periods in history and a testament to what can happen when the world averts its gaze from atrocities. Many world leaders have apologized or otherwise expressed remorse to the victims for their inaction, and the creation of the ICTR was an attempt to bring the perpetrators to account for their crimes. What is ironic is that the same guilt that fueled the quick creation of the tribunal is now also responsible for allowing perpetrators on the “other side” to evade justice. The field of international justice has come a long way since the tribunals at Nuremberg and Tokyo – the ICTR and ICTY, the hybrid courts for Sierra Leone and Lebanon, the Extraordinary Chambers in the Courts of Cambodia and now the



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International Criminal Court aim to send a signal to would-be human rights abusers that impunity no longer stands. However, this noble step must include perpetrators of all violations of international humanitarian law, not just those it is politically expedient to prosecute. The tribunals have made important contributions, to be sure, but until States and the Security Council acknowledge that all victims deserve the right to justice, the field will be able to progress no further.

It is appropriate to end here with a quote from Des Forges, who dedicated her life to seeking justice for *all* Rwandans, no matter Hutu or Tutsi, and who was an ardent supporter of international justice:

There must be justice for the genocide, political murders, and other violations of human rights in Rwanda in 1994. The guilty must be punished and prevented from inflicting further harm. The innocent must be freed from unjust assumptions about their culpability and, if they are jailed, they must be released. Demanding justice is morally and legally right and it is also politically sound. Without justice, there can be no peace in Rwanda...

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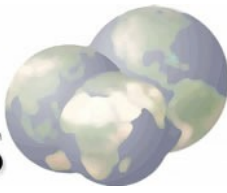
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International Development and Humanitarian Assistance





Women's Empowerment through Economic Development: Gujarat, India

By | *Hetal Shah*

Neo-liberal Critique

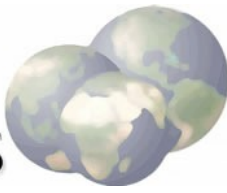
Neo-liberalism prioritizes preserving private property rights, promoting free markets, and ensuring entrepreneurial freedoms are present in society (David, 2006). "It assumes that accumulation of private profit is the highest social good that governments ought to promote and that the benefits of the markets will trickle down to all people (Meera, 2011)." As India started opening up its economy in the 1990s, there was renewed hope that perhaps neo-liberalism was the key to eliminating the shackles of a low Hindu growth rate. It was supposed to be the catalyst for growth that decades of Prime Minister Jawaharlal Nehru's socialist policies had failed to bring about. Advocates of neo-liberalism assumed the rising tide of growth would lift all boats, including that of rampant poverty and inequality. Yet despite a sustained growth rate around 7 percent, skewed macro priorities for the economy as a result of neo-liberalism have undermined the effectiveness of achieving certain social goals, the most pressing of which is women's empowerment. Despite being one of the world's economic powerhouses, India's gender inequality index (GII) ranks 129 out of 187 countries as of 2011. It has a GII value of 0.6.17 where 0 means perfect equality and 1 means total inequality. This number is up from previous years as a result of increased disparity in reproductive health, labor force participation, and empowerment as a whole. Gender discrimination in India is higher than all other South Asian countries and China as well (Economic Survey, 2011-12). Neo-liberalism is thus a flawed theoretical construction, which has had negative implications for the development of women in India.

Shoma Sen explains how neo-liberalism actually benefits from patriarchy so that when growth occurs women still remain in the private sphere limited to housework and childcare. She claims efforts to empower women have merely been symbolic (Sanhati, 2011). Similarly, Vandana Shiva has said the era of structural reforms and globalization has brought with it a "feminization of poverty." I assert that a feminization of poverty has occurred in Gujarat, and it is increasing as a result of counter-productive industrialization. As the state with the third highest growth rate, Gujarat, a state on the northwest coast of India, is a relevant case to study the effects of neo-liberalism and how it continues to detract from women's development.

This paper is composed of seven sections: The first section will deal with the relationship between income and human development to show that a direct association does not exist between the two as is typically implied in the neo-liberal framework. The second section uncovers a deteriorating social fabric for women in the most industrialized district of Gujarat, Kachchh, as evident through one of the lowest female to male sex-ratios in the world. This silent form of discrimination is masked by improved literacy and education conditions. The third section shows how neo-liberal policies have decreased women's security in the labor force. The fourth section highlights environmental degradation and decreased women's empowerment - another negative externality related to the type of industries pushed by neo-liberal policies after the reforms. The fifth section reveals why collective organizing has not worked for women as a mechanism for empowerment and increasing women's agency. Solutions to the existing weaknesses in Kachchh, as observed through field work in the district are outlined in the sixth and seventh sections, to suggest that the state will have to forge strong partnerships with local NGOs that allow women to challenge existing social norms through employment in sustainable industries. Ultimately, this will allow them to not only benefit themselves but their communities as well.

The Relationship between Income and Human Development

According to the Census of India 2011, Gujarat has had a growth rate of over 10 percent since 2004. Yet the state's gender development index (GDI) ranking has dropped 4 places from 18 to 22 relative to other states in the country. Gender discrimination has increased from 0.559 in 1996 to 0.624 in 2006 (Annual Report, 2010-11). Though some gains have been seen in education, health and social security, these human development gains have not been as high as gains in State Domestic Production (SDP) (Mahatma Gandhi Labour Institute, 2011). These gains have also been decelerating since the 1990s calling into question the success of neo-liberal policies which may have weakened the relationship between income poverty and human poverty (Ibid). This begs the question, "Is this [situation] an outcome of economic growth or is it that economic growth does not bring about improvement in the status of women? (Ibid)" According to Archana Dholakia, human development gains should be seen as per capita incomes increase in a region.



Women's Empowerment through Economic Development: Gujarat, India

In fact, Saurashtra and Kachchh, as a region, have the lowest incidence of poverty in the state (Ibid). Yet they also rank the lowest in terms of human development. As is the case with Kachchh, high income levels can be deceiving. In this case, they are the result of remittances from migrant workers. Taking into account per capita bank deposits, Kachchh has the highest income. It is a “money order economy” with high deposits from relatives outside of the district sending money in. The district has created artificial wealth, which does not benefit all of society. It explains why Kachchh is still one of the worst districts in terms of gender equality and environmental sustainability.

Environmental Degradation

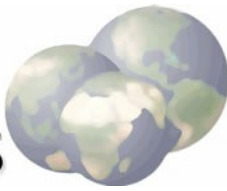
Kachchh is an arid district on the Northwest coast of Gujarat bordering Pakistan. Following the reforms, industrial investment increased dramatically in the coastal regions of Gujarat. A devastating earthquake in 2001 offered an opportunity to rebuild, which the government took advantage of to bring industry and investment into the region. In Saurashtra and Kachchh alone, investment increased from 2.6 to 47.5 percent as a share of total industrial investment in the state. This economic environment has been conducive to unrestricted capital inflow, but it has not been as helpful in improving the state of human development. Human development has been a weakness in the district according to the analysis by Dholakia. The industries that have come into Kachchh have only exacerbated the problem. The investment increase predominantly went to capital intensive industries, more so than in any other previous period (Ibid). Besides the drawbacks of capital intensive industries, the problem in Kachchh is that these industries are also prone to pollution. Pollution-prone industries are not only harmful to the environment. They are also harmful to women's development efforts, especially in developing countries like India. 65 percent of industrial investment goes to pollution-prone industries which discharge effluents, pollute the air, and use up scarce resources (Ibid).

The environmental situation of Kachchh is already a weakness. Out of all the districts in Gujarat, Kachchh has the most degraded area, which limits agricultural production and threatens environmental protection. It is true that the greatest portion of this area comes exclusively from saline soils as found in the Salt Desert unique to Kachchh, but it also has the greatest proportion of mining and industrial waste in the

State (Indian Council of Agricultural Research, 2012). The environmental degradation combined with poor infrastructure and few opportunities for employment compound the problems in Kachchh. These industries actually augment the inequality women face, because a damaged environment creates more work for women by increasing the hours it takes to collect common property resources such as wood for fuel, water, and fodder for cattle (Mahatma Gandhi Labour Institute, 2011). These chores are already a disproportionate burden on women and also children. This results in increased drudgery for women (Ibid). It is also more difficult for women to secure jobs in industries which favor men over women. Yet instead of creating policies and incentives to force industries to comply with environmentally sustainable practices, the state is allowing this environmental degradation to continue.

Government resources are misallocated when they go towards promoting these types of industries. They were initially promoted through large concessions and tax subsidies until the government of India banned them, and now they are promoted through infrastructural subsidies and other incentives. After the 2001 earthquake, there was a five year exemption for industries from both excise duty and sales tax as part of the recovery. In fact, over 5 trillion rupees in gross tax revenue were foregone by industries investing in Kachchh and other regions of India in 2007 through 2008 (Sanhati, 2011). Such concessions to industry provided by the state and central government are not market friendly in the way neo-liberals espouse (Mahatma Gandhi Labour Institute, 2011). In fact, those resources would be better utilized working to improve human development and gender development indicators in the district.

Kerala is an often idealized state for its high level of human development with nearly universal literacy rate, but it also has a low level of income and high unemployment rate. Gujarat is the opposite, but to be sure both human development and income gains are necessary components of women's empowerment. There is not one strategy to achieve both. Neo-liberalism, in the Indian context, is flawed in its logic that a set of policies encouraging free markets and privatization will address both. By focusing on income gains as Gujarat has been doing, factor market distortions have taken shape which prevent the benefits of prosperity from trickling down to the masses (Ibid). These distortions have



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led to the predominance of polluting industries, which in the long run do more harm than good. These industries have been encouraged through state policies and subsidies which act as incentives to pollute. Environmental degradation impacts the entire population, but it specifically impacts women the most. Among women, there is a subsection of women who are increasingly vulnerable to environmental degradation.

Gendered Education Gap and Sex-Ratio

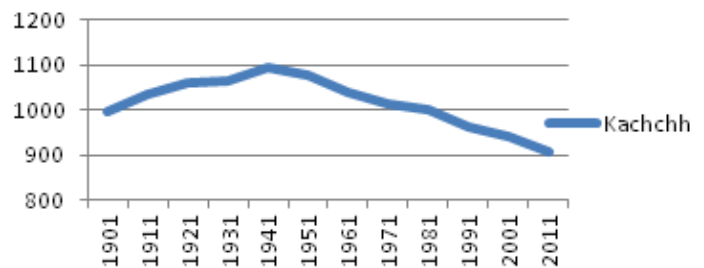
In 2001, the literacy rate in Gujarat was 80.50 for males and only 58.60 for females (National Institute of Public Cooperation and Child Development, 2011). As of 2011, there is 87.2 percent literacy rate for males and 70.7 percent literacy rate for females. This is the first time the census has revealed female literacy rates increasing faster than males', but it is still below the average literacy rate of 79.3 percent throughout the country. Regional and district disparities still remain as well. In Kachchh from 2001 to 2011, the female literacy rate increased only from 48.6 percent to 61.6 percent and still trailing behind the literacy rates at the state and all-India levels (Government of India, 2011). However, increased literacy has a complicated history in Gujarat. When the riots broke out in 2002, it was the most literate communities that were most likely to participate in the communal violence (Shani, 2007). What is more disturbing is that in the case of Gujarat, the districts that are most industrialized with the highest per-capita income and highest female literacy rates are also the districts with the lowest sex-ratios. It seems that increasing education and literacy by itself is not a solution. Social norms are more firmly embedded than income or literacy can shake. While I am not making a correlation between literacy and sex-ratios, I am highlighting the large discrepancy that exists between the two to show more research needs to be done in Gujarat to explain why improvements in both education and income do not create concurrent improvements in women's development. The districts with the three lowest sex ratios in 2011 were Kachchh followed by Ahmedabad and then Surat with sex-ratios of 907, 903, and a startling 788, respectively. It is important to note that Surat and Ahmedabad have the highest female literacy rates in the district and even high when compared to all-India levels at 81 and 80 percent, respectively. Kachchh went from being ranked 10th to 24th in terms of its sex-ratio within the last decade by dropping down from the initial 942 females to every 1,000 males. Kachchh has dropped down in its ranking more than any other district in

the state.

Neo-liberalism can not be blamed for causing an unequal sex-ratio, because numerous countries that follow varying patterns of economic governance have higher sex ratios than India. This includes African countries which have sex ratios above 1,000 to East Asian countries and even all other South Asian countries. But in Gujarat the sex-ratio is far lower; it is far lower still in Kachchh where it seems neo-liberal policies have worsened the process. Looking at Table 1 it is clear that the sex-ratio in Kachchh started decreasing in the

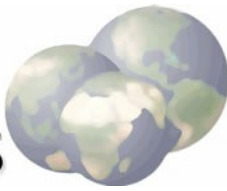
1940s far earlier than the reforms, but neo-liberal economic policies have made no difference in its deceleration process.

Table 1: Sex-Ratio



Source: Census of India 2011

One of the targets for women and children in the Eleventh Five Year Plan was to raise the sex ratio from 927 in 2001 to 935 by 2011-12 for the 0-6 age group (Ministry of Women and Child Development, 2011). Meanwhile, in Gujarat in 2001, the sex ratio was far lower at 878 for the 0-6 age group (National Institute of Public Cooperation and Child Development, 2011). This is perhaps a result of the higher social pressure to have a girl in the state compared to the rest of the country. Inaccuracies in sex-ratio data are common for heavily industrializing and urbanizing regions due to the immigration of males to the region. To avoid this, researchers measure the juvenile sex-ratio for the 0-6 age group. In many parts of Gujarat in 2001, the juvenile sex ratio is actually lower than the composite sex ratio. This means that the sex ratio will continue to decline. It also means the low sex ratio is a result of a combination of factors including: high female mortality rates, high maternal mortality rates, sex selective abortions, female infanticide, and/or neglecting girls and women in terms of health and nutrition (Mahatma Ghandi



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Labour Institute, 2011). This does not bode well for the future of Gujarat.

Jean Dreze and Amartya Sen view the sex-ratio as a, “good indicator of gender inequality and [it] throws interesting light on several important aspects of gender relations such as, intra-household disparities that reflect preference of males over females (Ibid).” India’s reservations to CEDAW (more on this later) have shown it does not see the issue of male preference as one it has the right to address. This issue is seen as one meant to be dealt with by the communities themselves. Though the government does place targets to improve the sex-ratio, it is often assumed that as incomes increase such instances of gender discrimination will decrease automatically. Within this is also the assumption that as families accumulate wealth, that wealth will be more evenly distributed. However, this has not been the case in Gujarat. Dreze and Sen have argued gender development will occur by improving women’s agency rather than furthering economic development (Ibid).

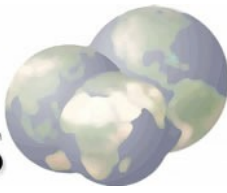
The 2004 *Human Development Report* takes a stand on how to solve the problem. “Only female education will ensure all the three: child survival, female child survival and reduction in TFR [total fertility rate] (Ibid).” Yet data from the 2011 census has shown dramatic improvements in female literacy in Kachchh and Gujarat as a whole while sex-ratios have continued to drop. Just as improvements in income poverty is not a solution by itself, neither is education or literacy. Women’s agency and their ability to question and challenge social norms and make informed decisions about their lives needs to be present as well.

The situation of Gujarat makes it clear that economic growth coupled with higher school enrollment rates or higher literacy rates does not lead to women’s development. A closer look reveals it is not illiteracy alone that is a detriment to women’s empowerment. Rather, it is the lack of the freedom to choose education over housework, education over child marriage, education over child rearing, etc. This decision making ability determines women’s agency – a key component of empowerment. It explains why in the 15-16 year age range, there is a spike in the school drop out rate among girls where 24.5 percent of girls have either dropped out or were never enrolled to begin with (Pratham, 2011). The best analysis of what prevents women’s development involves studying the

social norms that limit their freedoms. Furthermore, school enrollment is also not the best way to determine if the gender education gap is getting smaller or increasing. After all, education through mainstream government schooling has not been proven to help women make informed decisions about their lives. The public education system in India is grounded in rote learning, and thus does not encourage independent thought or alter women’s decision making abilities concerning their own lives, including their ability to reason, independent of socially constructed norms, what is best for themselves and their community.

In *The Argumentative Indian*, Amartya Sen recognizes that women’s agency does not occur in a vacuum. For example, the decision to abort female fetuses comes from women most often, because they are acting in accordance with societal norms. 22.7 percent of women want more sons than daughters in Gujarat while only 20 percent of men want more sons (National Institute of Public Cooperation and Child Development, 2011). It is clear that patriarchy works not because it is imposed on women by men, but because it is a system that many internalize including women (Subramaniam, 2006). This is a more deeply rooted problem than can be fixed by education alone. Patriarchy is taught before children even reach school, and is therefore more difficult to unlearn. This indicates that education alone will not necessarily lead women to make educated decisions that benefit themselves and their communities. The pressures of social norms on women in Gujarat can not be underestimated in this highly patriarchal society. Social norms are so constricting for women that suicide is the top killer of females in Gujarat in the reproductive age group of 15-44 years. It accounts for 13.1 percent of all deaths (Ibid).

Gujarat is a unique case where the rise in education and literacy has been linked with many negative correlations. There is a trend, more significant with post-primary education, but with primary education as well, where education reduces the likelihood of employment for women. This relationship is weakest when analyzing the effects of primary education on SC women. Since Schedule Caste (SC) women were until recently were so behind in terms of their education and are finally seeing their education levels rise, this implies that there is a certain level of education at which education starts to limit freedoms. In this case, it is a freedom of mobility and entry into the labor force (Das, Bordia, and



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Desai, 2012).

A lack of educational opportunities that create independent women, a preference of the boy child over the girl, and a poor job market post-schooling contribute to the disempowerment of women in Gujarat. For a holistic understanding of the situation of women in Gujarat, I will analyze the status of women in the labor force and the opportunities or lack thereof created through women's collective organizing. It would be useful to also analyze data related to the freedom of choice women have and their position within the household, but this is difficult to gather and quantify. The following reflects the status of women within the household in 2000: "45% of Gujarati women need permission to go to the market and 49% to visit friends and relatives; 29% are not involved in decisions even about their own health and 10% about what to cook; only one quarter have access to household money (Enarson, 2012)." Such statistics do not reflect the spectrum of freedom that exists between categories. Therefore, I will begin by focusing on the status of women in the labor force to see how the quality and quantity of their employment can be improved to empower more women.

Insecurity in the Labor Force

Nobel Prize winning economist Gary Becker and his theories behind the gender division of labor shed light on the historical inequalities between men and women. Initially, he reasons that men and women began playing different roles within the household as a way of, "utilizing individual human capital more effectively." This gender division of labor is simply a form of specialization, which allows households to have increased returns. Yet over the years, the gender division of labor has created social norms which serve as constraints to women's empowerment (Becker, 1991). The gender division of labor was not meant to make one sex inferior over another, but this is precisely what the perception has become. Even global treaties on the advancement of women like the Convention of All Forms of Discrimination Against Women (CEDAW) cannot be signed without an agreement to uphold the gender status quo.

India's reservations make it clear that addressing social and cultural patterns like patriarchy are seen as outside the scope of interference in a neo-liberal state. Without laws and regulations these patterns are not likely to change. In addition to laws, the labor force needs to be organized. Minimum

employment rights are easily avoided through the unorganized sector. In fact, the Constitution of India gives states the right to secure livelihoods for men and women that provide equal pay for equal work (National Institute of Public Cooperatoin and Child Development, 2011). Loopholes, corruption and a lack of oversight prevent such standards from taking shape in the organized sector much less the unorganized sector.

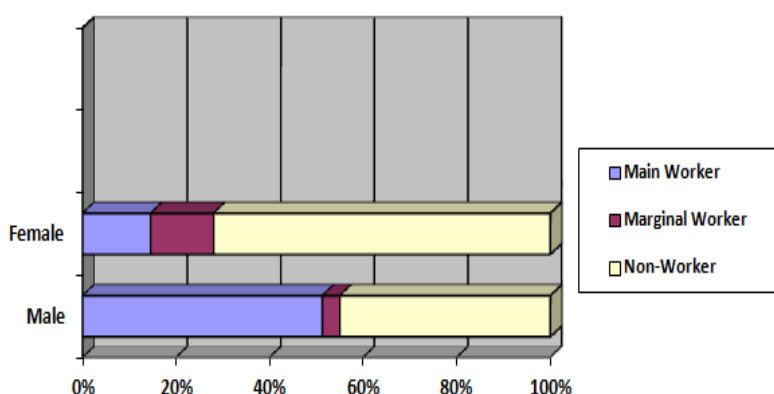
Even neo-liberal institutions like the World Bank acknowledge that, "economic growth alone will not eliminate gender differences in agency (World Bank, 2012)." Social norms do not change merely with economic growth, financial incentives, or in the case of Gujarat, education. In the labor force, the social norm is that women are seen as inferior, which means that women are more likely to be employed doing manual unskilled labor if they are lucky enough to find work at all. Government intervention in the free market is necessary to ensure women reap the benefits of a rapidly industrialized state.

Women's employment has not changed drastically in the private and public spheres. There were 55.12, 55.8, and 58.58 lakh women employed in 2008, 2009, and 2010, respectively (Economic Survey, 2011-12). The composition of main and marginal workers in Gujarat shown in Table 2 is highly skewed in favor of men. A main worker is one that has worked more than 183 days a year, while a marginal worker has worked less. Less than 25 percent of the female population in the state is considered a worker to begin with, and out of that percentage only slightly more than half are considered main workers. In urban areas, 35.6 percent of male workers and 24.7 percent of female workers are regularly employed. In rural areas, the number is disturbingly low for both men and women at 9.7 percent and 1.8 percent, respectively.



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Table 2: Work Participation Rate in Gujarat by Sex, 2001
(Percentage) Source: Statistics on Women in India 2010



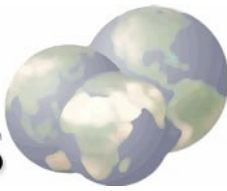
This data has a glaring omission though. It simply labels non-workers, but this does not capture women's productive but unpaid work. Comparing the hours spent doing economic work to domestic work reveals the disadvantage women face in moving ahead in the labor force. Women spend an average of 17.6 hours on economic work while spending about 39.1 hours on domestic work. Meanwhile, men spend an average of 43.6 hours and 3.2 hours, respectively. "The estimated economic value of this [women's] work in the state comes to Rs. 21,922.21 crore, which is 21.45 per cent of the SDP (Mahatma Gandhi Labour Institute, 2011). In other words, unpaid work (85 per cent of which is performed by women) contributes 21.45 per cent of total SDP." This projected economic value is much higher than the social value for the unpaid work, which leads to the further degradation of the status of women.

Furthermore, female employment in both regular and casual work peaked from 1987-1988 in both rural and urban areas. The only exception was for casually employed women in urban areas where employment peaked from 1993-1994, but this can be due to a lag in the effects of neo-liberal policies (Ibid). Either way this shows how neo-liberal policies have contributed to a decline in women's labor force security. The 1987-1988 period where women's self-employment had been increasing was because they were being ousted from the labor market and forced to find employment on their own without any social security provisions. In all cases, except the self-employed category, the data shows an overwhelming preference for employing males. Whether this is a question

of supply or demand, it cannot be dismissed. In either case this indicates there are structural inequalities that need to be addressed immediately. It is important to note, also, that men have faced the same issues of decreased regular and casual employment and increased self-employment after 1993-1994 as a result of neo-liberal policies. Neo-liberalism has been detrimental to the labor force irrespective of gender in that it has decreased the opportunity for secure employment. Yet increases in female unemployment and spending cuts in the social sector have hurt women's development disproportionately and economic progress in Gujarat.

While increasing women's workforce participation is important, it is necessary to be cautious about the type of employment acquired. Sometimes women are preferred as workers, because their wages are seen as supplemental household income, and they can therefore be paid lower wages (Tickner, 2004, 15-23). Safeguards need to be in place to ensure the constitutional right of equal pay for equal work is upheld.

In addition, improving women's labor force participation in Gujarat will require not only more jobs, but it will require a concurrent improvement in the status of women in the labor market. "This calls for improved access to (a) skill training and human capital formation, (b) credit, market, power, and all infrastructural facilities, (c) improved opportunities for employment (d) social protection and (e) services for child care (Ibid)." The closest form of employment which has any resemblance of these factors for an ideal work environment are found in the organized sector. However, only 10 percent of the women in the workforce in India are in the organized sector according to data from the Ministry of Labour. This means they are protected by laws, which the remaining 90 percent of women in the unorganized sector do not enjoy (Nair, 1993). Some efforts have been made to make social security available in the unorganized sector, but these efforts have largely been ineffective. In 2008, there was legislation being debated about working women with the Domestic Workers (Registration, Social Security and Welfare) Act, but again it fell short of addressing the social security needs of all women in the workforce by focusing solely on domestic workers (National Institute of Public Cooperation and Child Development, 2011). The newly passed Unorganised Workers' Social Security Act, 2008 was also recognition of the fact that 93 percent of the workforce in India lacks welfare



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provisions because they work in the unorganized sector. However, the act failed to address issues such as: the gender wage gap, childcare facilities, non-payment, sexual harassment, and other work safety issues as they relate to women (Ghosh, 2009).

Future projections show the size of the labor force in Gujarat is only going to increase and more jobs need to be created as a result. In 2006, only 241,750 women were employed in the organized sector in Gujarat, and it is unlikely employment in the organized sector will increase significantly in the future (Ibid). Therefore, it is necessary to start looking into ways to provide social security for the unorganized sector and specifically the most vulnerable within that segment, women. Despite various child care, pension, and insurance schemes meant to appease demands from the unorganized sector, the government policies are either too corrupt or not aggressive enough to create secure employment for women.

Collective Organizing Without Increasing Agency

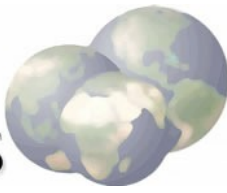
A common solution to address the lack of women's rights in the labor force has been to form women's collectives. SHGs were formed by the National Bank for Agriculture and Rural Development (NABARD) to minimize the gap in financial savings and lending associated with women. NABARD created bank linkages with these groups to ensure they had access to lower interest rates. 76 percent of these groups are exclusively women (Economic Survey, 2011-12). Until March 2003, there were 32,613 SHGs formed in Gujarat or 37 percent of all SHGs formed (Mahatma Gandhi Labour Institute, 2011). Gujarat has relied on these groups to further women's empowerment through economic development. This is an easy solution, which does not do enough to alter social norms. While controlling economic resources within the family can be empowering, this newfound control over money can also have negative externalities which are unaccounted for as well such as an increase in the incidence of domestic violence. Contrary to the goal, gender norms get reinforced. This is especially true when the locus of power resides with male field officers who harass and sometimes threaten women to ensure loans are repaid.

Another major problem with collective organizing is the bureaucratic red tape and constant restructuring, which diverts from the primary goal of empowering the vulnerable. In addition to NABARD, SHGs came under the purview of the

Sampoorna or Swarnjayanti Gram Swarojagar Yojana (SGSY) self-employment scheme. SGSY targeted the most vulnerable groups in rural areas. Therefore, SC and STs constituted at least half of the beneficiaries while women constituted 40 percent (Economic Survey, 2011-12). The SGSY program was restructured again, and it now falls under the National Rural Livelihoods Mission (NRLM) (Ibid). The objectives are similar: to provide access to self-employment opportunities. Yet the mechanism to achieve this is counter-productive, because it aims to bring, "at least one member from each identified rural poor household, preferably a woman, ... under the SHG network in a time-bound manner (Ibid)." The goal is to have complete coverage among BPL families. Below Poverty Line (BPL) and Above Poverty Line (APL) refer to the identification by the government to determine eligibility for welfare schemes. These identifications are rarely accurate, and corrupt practices mean both the wealthy and the poor fall into the BPL category. The benefits of many employment schemes are simply seen on paper as talatis or village accountants siphon off the money from the schemes by paying off "beneficiaries." This gives such schemes a bad reputation, which leads many villagers to overlook the potential benefits associated with such schemes.

It is clear that government schemes targeted toward the poor, by their design, do not reach them. Similarly, even the Planning Commission recognized that the Public Distribution System (PDS) works best for the not so poor, especially since many of these restrictions are bypassed by bribing corrupt bureaucrats for BPL cards. Kachchh was also one of the first districts to benefit from the Reproductive and Child Health Programme – II. Once again, the scheme's beneficiaries were pregnant women from BPL families, meaning the benefits did not always go to those most in need. The scheme also has not acknowledged the increasing problem associated with female infanticide in the state, though it does list reducing infant mortality as a target. However, this only addresses part of the problem without acknowledging gender imbalance. By targeting only BPL families, these schemes are guaranteed to fail as they will not reach the most vulnerable.

There is also a lot of literature that exaggerates the benefits of women's groups as a poverty alleviation tool. Mangala Subramaniam at least acknowledges the difference between an active and a passive group member, which is a key



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determinant of a group's success. Forming a women's group does not automatically erase customary inhibitions. The structure of the group by itself does not guarantee high loan repayment rates, constructive discussions on gender stereotypes, or successful business plans. She recognizes development plans need to target women as vulnerable members within the family structure in order to work.

Collectives have increasingly been seen as the immediate answer for solving issues of poverty and women's development concurrently. It has become a mechanical process, which does nothing to question the traditional neo-liberal assumptions, which prevent development from progressing in the first place. Ideally women's groups are supposed to serve as safe spaces where women can discuss and make sense of social issues that affect their lives. More often than not, these groups barely scratch the surface of these important issues since they are started to fill quotas instead of alleviating the gender imbalance. These collectives are too concerned with starting microfinance activities such as internal lending and savings without building up the necessary skills and training required to ensure not only successful repayment but sustainable entrepreneurship as well.

Furthermore, women's agency can not be improved when so many schemes for women emerge through the Department of Women and Child. The department funds schemes based on the philosophy that women's welfare is an area of concern due to its link with children's welfare. While it is true that women's development is more likely to improve the lives of children, this perspective prevents women from receiving the funding necessary for schemes concerning gender equity. Schemes oriented through the women and child approach do not do justice to either women or children. Funding and policies for both need to be separated to effectively address both.

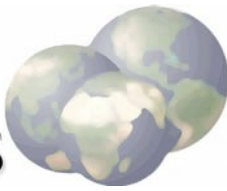
The Mahila Samakhya Karnataka (MSK) in the southern state of Karnataka provides an alternative system of collective organizing that should be used in Gujarat. MSK created a unique "quasi-collective" initiative by, "building collectives at the community level, to promote women's empowerment, and forges a link with the more formal level of the program organization and the state bureaucracy (Subramaniam, 2006)." Relevant to the case of Gujarat is the fact that MSK is not funded through the Department for Women and Child

Welfare or the Department of Rural Development meaning it is not a typical top-down program with specific beneficiary targets that focus on the household as a way of addressing women's needs. Rather its success is determined by evaluations from the women in the program themselves. Measuring success in a qualitative over quantitative manner has the advantage of ensuring the program is evaluated based on its ability to improve human development indicators instead of simply its reach in the state. It also functions more like an independent organization than a government agency which gives it more flexibility to adapt to changing needs and circumstances.

While MSK focused primarily on education, it also had a self-initiated savings and credit component. This was successful, because the women themselves (sanghs or groups) had decision making power over the structure including savings rates, how much interest would be charged, repayment schedules and more. This type of collective organizing is also more empowering. "As the sangha women begin to make 'connections between their personal experiences of oppression and universal questions of women's rights, between the personal and the political' the role of the facilitator is taken over by the sangha women." Sahayoginis or trained staff who play the role of community worker in these groups are then replaced by members themselves as they reach a new level of consciousness regarding their own agency as women. Subramaniam says in the course of her field work only two sanghas reached this stage (Ibid). This quasi-collective form may be difficult to achieve, but it is the only this type of organizing that can truly empower women in Gujarat by increasing their agency. Subramaniam says, "A specific emphasis on the social, rather than solely on the economic basis of change is necessary for addressing caste-related power, prejudices, and discrimination (Ibid)." The following section shows how challenging social norms through employment can have numerous positive externalities which increase women's agency.

Credit and Social Security

A rural NGO in Gujarat called Khamir has recently begun experimenting with the possibility of providing social security measures to traditional craft artisans in Kachchh. The historical background regarding Kachchh's industrial evolution shows how human development can deteriorate if safeguards are not in place and if incentives for sustainable



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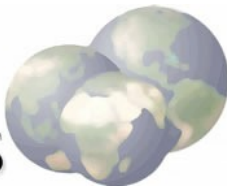
growth are not provided. The study results from field work completed from July 2010 to July 2011 offer a glimpse into the possible solutions to address the existing weaknesses faced by SC women in Kachchh, Gujarat. The weaknesses plaguing women in Kachchh include: increased literacy and school enrollment rates without a concurrent improvement in women's agency, a low sex-ratio, a deteriorating status in the labor market, a degraded environment detrimental to their own development, and ineffective forms of collective organizing to solve these problems.

The evidence is clear that industrialization propelled through neo-liberal policies created growth in Kachchh that has not translated into human development. Khamir has been working to preserve and promote craft industries. Small scale industries (SSI) and cottage industries have been, "related to the national heritage and local creativity," in Gujarat (Mahatma Gandhi Labour Institute, 2011). They have also been important as places of production and employment (Ibid). In fact, even though its prevalence has diminished since the reform period, SSI is the highest employer in the state following agriculture. Unfortunately jobs in the SSI have been less attractive, because they do not provide the same social security to workers. These jobs are slowly being diminished mainly as a result of this and problems related to access to credit, poor infrastructure and insufficient market linkages (Ibid). The focus of my field work with Khamir was to assess the credit and social security needs of traditional artisans to see how to reverse the trend of artisans leaving their crafts to join unsustainable capital intensive industries. After all, the capital intensive industrial sector will not be able to accommodate the expected increase in the labor force by itself.

During field work with Khamir, a series of questionnaires, Focus Group Discussions (FGDs), and interviews were compiled to assess their credit and social security needs of traditional artisans in the district. Most artisans came from the SC category, and thus already in a vulnerable position in society. While the artisans were utilizing various public and private social security schemes, key gaps emerged indicating their needs were not adequately addressed. Recurrent health problems, a lack of bonuses when needed (especially in such a seasonal occupation), and no pension plans created a sense of insecurity with the artisans. The most significant gap that

emerged through the *Credit and Social Security Needs of Traditional Artisans of 7 Craft of Kachchh* study was the lack of women artisans in each craft. Although the study did not analyze the credit and social security study based along gender lines, key findings determined that women have an unequal status within the craft communities of Kachchh. The study acknowledges that women play a 50 percent role in craft production, yet it does not delve into how women can get 50 percent of the benefits that employment in craft can potentially provide. Even if the credit and social security problems of artisans were addressed the problem would remain as women would still be excluded from the benefits of the plan. The main artisans in Kachchh are men, and women are seen as non-workers under this categorization because they are not actually employed in the craft. They work for a few hours while doing domestic work. They are unpaid, and their contribution to the craft unrecognized. Efforts need to be made to provide more secure jobs within the SSI for women.

This increase in employment in the SSI whether it is in craft or otherwise would still need to solve the problem of minimal access to the appropriate credit mechanisms for production, which all artisans in Kachchh face. Artisans have tried organizing themselves into collectives to avail of benefits they would not enjoy as individuals. From the sample population, 28.6 percent of artisans were found to be organized into SHGs, 1 percent into JLGs, and 2.5 percent into cooperatives. Yet often women join SHGs not as a way to become financially and socially independent. Often women join SHGs, because they have a greater chance of getting a loan than their husband. Through my field work, I came across many blacklisted villages that had to resort to this tactic. One particular FGDs conducted in the potter community of Gundiyaali. revealed the fact that the women had a better record of getting loans from the bank than the men. At a 2 percent interest rate and with a maximum loan of 5,000 rupees, though, this achievement was too minimal to gain any respect from the men in the village. By contrast, in Lodia, the women participated in a savings mechanism cum lottery called *veecce*, where regular savings were distributed yearly to one lucky group member through a draw. It seems even when women participate in collective organizations the control over finances still lies with men. Men do not necessarily need to join such groups, because they can simply



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have their wives or sisters join and still maintain control over the money.

The study also found that there was no SHG for artisans exclusively. Perhaps this is due to the fact that SHGs cannot support the credit needs of artisans, especially their production related needs. The SHGs operate on too small a scale. The SHGs are effective at establishing savings habits and providing basic knowledge about finance including how to sign one's name instead of the disempowering act of signing by thumb print to which many women are accustomed. They are also effective at providing small consumption loans, but this is not enough to invest into a business or craft. SHGs are not effective for sustaining businesses. The plight of female artisans was not the focus of the study, but the following was a recommendation of the study: "The capacity building of women artisans (women members of artisan households) through organizing them into the format of SHGs/JLGs to ensure regular savings. Along with empowerment of women artisans, this will take care of small household level credit needs (KHAMIR, 2011)." However, if women are to improve their status in the labor market, they need to be seen as capable of attracting credit not only for consumption needs but for production as well.

It is perhaps the failure of SHGs to support livelihoods, which led NABARD, the government agency which started the SHG movement in India, to start promoting Joint Liability Groups (JLGs). JLGs are meant to finance livelihoods. Members from similar occupations are encouraged to form a group. Although operating through the same group pressure mechanism, it can allow artisans the financing they need during off season periods. It is too new to determine whether this is a more appropriate group formation to encourage female artisans or entrepreneurs, but it will be important to assess its success to see if it can be scaled up as a mechanism for women's development in the future.

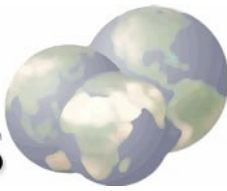
When looking for solutions to women's development in Kachchh, it is important to take into account the realities of women. Women are more likely to be home-based workers due to familial responsibilities. In Gujarat, women are also more likely to be self-employed. This generally limits women's ability to ensure their rights as workers are protected. "Homeworkers generally have no networks or other organizational basis for bargaining for improved

conditions and higher wages (Tickner, 2004, 15-23)." SEWA, the Ahmedabad based NGO, was created to organize self-employed and home-based female workers. The NGO provides many diverse programs such as: leadership training, child-care facilities, insurance schemes, women's banks and producers' cooperatives. Unfortunately, SEWA has a limited reach in Kachchh and especially with artisans since it is a predominantly male based occupation (besides embroidery). Local NGOs are in a position to encourage new female artisans in Kachchh. The employment scheme MGREGA does exist in Kachchh, but neo-liberal institutions like the World Bank are unwilling to fund such schemes under the belief that development should occur in urban centers not rural. NGOs like KHAMIR can work to ensure that sustainable employment exists in rural Gujarat through industries that are not degrading the environment.

Industries that operate taking into account the wellbeing of the surrounding environment are typically more employment intensive. Also, "synergy of environment and economic growth tends to strengthen the linkages between economic growth and human development (Mahatma Gandhi Labour Institute, 2011)." Therefore, not only do women have a greater chance in being employed in such industries, it also benefits them in the long term by reducing drudgery in the region.

Recycling Plastic and Changing Social Norms

The government initiative under Nirmal Gujarat has the potential to solve the weaknesses that exist in the state if sustainable partnerships are created through local NGOs which would ensure security within the labor force for women. Under Nirmal Gujarat, women can gain employment through door-to-door garbage collection and finding alternatives to recycle small plastic bags. This addresses the problem of environmental degradation and women's employment. Kachchh Mahila Vikas Sangathan (KMVS) has already organized women's groups into Sakhi Mandals loosely translated as "groups of female friends (General Administration Department Planning Division, 2010-11)." Essentially, these women earn a living through recycling. Khamir has created its own program out of this state led initiative. It has started a recycled plastic weaving program, which turns the recycled plastic collected by the Sakhi Mandal in Bhuj, an urban center and capital of Kachchh, into sustainable products including: shopping bags, file folders,



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purses, wallets, etc. This switch to training and employing women weavers has the ability to increase not only women's income generation ability but their agency as well. The latter goes farther in sustaining women's empowerment.

There is a disproportionate number of men that are weavers in Kachchh. Women do contribute to the craft, but it is mostly in the form of pre-loom and post-loom activities like preparing the warp and weft and tying the fringes and mirrors onto final products as part of the post weaving finishing. This is both a time consuming and tedious task. Yet this work is not considered when it comes to costing, which then devalues the role of women in the craft. This is not to say there are no female handloom weavers in the region. In 2004, 2 percent of the weavers in Kachchh (24 in total) were women. Today, the number has decreased further, and there are an estimated 10 women weavers left (CARE, 2004). The general consensus in Kachchh is that women have separate role in weaving compared to men, but this does not mean this can not or should not change as the craft continues to evolve over time (Mahatma Gandhi Labour Institute, 2011). Further, as more men leave the craft for jobs at polluting industries there needs to be an environmentally friendly alternative. This alternative questions social norms regarding the role of women, which is necessary for the slow task of women's development in this highly patriarchal state. Another key component of this program is that it has the overall goal of creating women leaders in these projects, and having them run the programs themselves. Just like

MSK in Karnataka, this will empower women as they gain control over their own agency. Empowerment through these types of programs will slowly raise the status of women in society and the labor force, which may lead to an increase in the sex-ratio again.

The role of the local NGO capable of adapting to the needs of vulnerable women is instrumental for this solution to work. Women's collectives and other self-employment schemes can not stand on their own without adequate backward and forward market linkages. NGOs can provide these linkages. NGOs like SEWA and Khamir have started offering social security schemes to their clients ranging from insurance for home-based workers to emergency loans in times of need. Their influence allows them to create employment

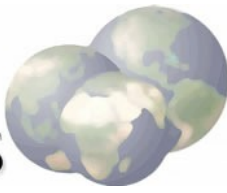
opportunities for vulnerable women with the safeguards found in the organized sector. If implemented correctly and with support from the state, local NGOs can step in to fill the gap that exists for social security in the unorganized sector. This recycled plastic weaving project would not have been possible to start without initial support from KMVS and Khamir assisting with organizing women, sourcing the plastic, and subsequently finding the appropriate markets to sell products in. In an interview with Laila Tyabji, Chairperson of Dastkar, she discussed what it takes to overcome the social norms preventing women from doing non-traditional work such as weaving.

In the North East there are now many women's weaving coops, societies and NGOs – some of whom are very successful. In other areas, where women weaving is not a traditionally accepted occupation, there would need to be an NGO to support and finance such an initiative.

It is clear that industries left to their own accord and under the framework of a free market will not be motivated to pursue environmentally sustainable practices. Policy regulation and more importantly enforcement for natural resource management must come from the state. But if the state is staunchly neo-liberal in its outlook, an alternative solution is to have the responsibility of managing natural resources delegated to the third sector comprised of capable non-profit and for-profit organizations. The Planning Commission acknowledges there are programs led by NGOs which address human development concerns through natural resource management. However, it acknowledges there are too few of these programs, and the ones that exist need to be scaled up. Such an expansion requires commitment on the part of the state to prioritize natural resource management as a mechanism to address human development (Ibid). Collaboration with local NGOs that can invest time, money, and energy into providing oversight and tailoring government policies to meet the local needs of vulnerable women will help the neo-liberal state not only fight income poverty but human poverty as well.

The Way Forward

As part of its rhetoric, neo-liberalism defines success as “a marked increase in general welfare.” Therefore, success in Gujarat has not been achieved, because human development and gender development has not progressed. Tickner shows



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how the neo-liberal paradigm often perpetuates the status quo in society by institutionalizing gender inequality intentionally and unintentionally.

The dominance of the neoliberal economic paradigm in international financial and development institutions, such as the IMF and the World Bank, as well as institutional resistance and lack of funding, are significant barriers against the types of transformational changes that would be required to eliminate the kind of structural gender hierarchies that, “serve as an obstacle to women’s empowerment. The issue remains whether women’s groups should seek equality of women within existing frameworks or seek to challenge frameworks such as those upon which the gendered constructions of the meaning of labor... are based (Tickner, 2004, 15-23).”

Tickner opens up the dialogue to acknowledge that real change towards women’s empowerment may not even be possible within the neo-liberal framework, which values economic growth (maximizing profits by removing barriers) without regard to growing gaps between the rich and the poor and/or men and women. However, she goes on to say: States are also the only institutions that have the power to implement international norms... Increasingly, states are being seen as potential buffers against the detrimental effects of neoliberalism and global capitalism; it has often been the case that women have gained more power through the state than through the market. Jane Jaquette has claimed that, in order to be effective, women’s organizations must work with governments and explore ways to make bureaucracies more responsive to women’s concerns (Ibid).

On the one end, it is the state that has chosen a neo-liberal framework as its means to economic growth, which does not prioritize women’s development sufficiently and in some sense makes it counter-productive to work towards women’s development from. But it is also only by working through the states that women’s development can be addressed, because the state has the resources and influential reach other actors do not.

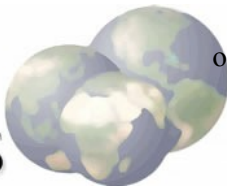
It is simply a matter of utilizing this influence to prioritize human development and women’s development as much as income growth is prioritized. The contradictions to Gujarat’s

growth are worrying. Increases in per capita income have been multiplied with numerous development problems.

Though overall employment has increased, regular employment has declined. Marginal employment, as we have seen, provides little in terms of social security. This is an alarming trend that needs to be corrected. The industries that have emerged in Gujarat are not creating the type of employment needed to raise human development indicators and assist in the process of women’s development. Government policies are not working on behalf of laborers. What the neo-liberals really want, according to Aijaz Ahmad is, “a state that is weak in relation to labor but strong on behalf of capital (Nanda, 2011).” This is the inevitable side-effect of unrestricted capital. India’s growth has focused heavily on its manufacturing sector, but since it has been mainly capital and knowledge intensive it has failed to provide jobs for the masses. In *The India Model*, Gurchand Das compares this situation to China where the labor intensive manufacturing sector has been able to make drastic reductions in poverty. He stresses the importance of labor intensive manufacturing to increase employment in the country (Das, 2006). In fact, the most underutilized factor of endowment is labor in Gujarat, and more specifically the most underutilized segment within labor is women. Another threat that occurs as states become more capital intensive in their production is that demand for women in the labor force decreases (Tickner, 2004, 15-23).

Dholakia notes that in order to achieve welfare objectives, the state needs to invest in human development over physical capital. The former has increasing returns, while the latter has diminishing returns (Dholakia, 2004). The problem in Gujarat is it still favors investment in physical capital as its growth is a result of its industrial achievements. It has aggressively pursued industrial expansion through power, ports, and other forms of infrastructure, but has taken a more docile approach to gender development. By focusing on the neo-liberal economic agenda, other issues related to human and gender development have been ignored or de-prioritized.

This is why Gujarat is also slipping in terms of its sex-ratio, which means gender discrimination is actually increasing in society. Even as literacy and school enrollment rates continue to rise for both girls and boys the preference for the boy child remains. This is clearly also the case in the labor market



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where women are forced to seek out self-employment opportunities without any social security. Meanwhile, men continue to earn higher wages as main workers. Their share of secure jobs within industry is also increasing. Women's development is further hindered as polluting industries continue to hurt the environment. This is especially harmful in rural areas where livelihoods are often earned off the land. Collective organizing and SHGs supported by the government in addition to employment schemes have not been beneficial, because they have not addressed the main weaknesses in Gujarat. Bureaucratic red tape and corruption when qualifying beneficiaries for schemes have reduced their benefits and left them with a bad reputation. The main reason most of these initiatives have not succeeded is because they failed to increase women's agency or their decision making ability over their lives.

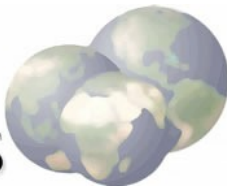
As a welfare issue, women's development has been prioritized differently on a theoretical level and a practical level. Since the Ninth Five Year Plan, the Planning Commission of the Government of India made a conscious decision to focus on women's development over women's welfare. The former focus is one that views women as agents of change in society whereas the latter focuses on women as recipients of government aid. Yet the neo-liberal policies in place in Gujarat make it clear that the shift has not completely taken shape. Yet these weaknesses can still be addressed through NGO partnerships like the one with Khamir to encourage women to seek employment in non-polluting industries. Though the benefits of education have not clearly been seen yet in Gujarat, vocational training in weaving for example can be an empowering form of education. It creates opportunities for women to earn a living off a previously male dominated occupation. This has the ability to reverse trends where women are seen at a lower status within the labor force. However, it is up to the state to encourage such job opportunities as a way of ensuring the growing labor force has sustainable jobs.

It is important to see that there are always two sides to a story. While women's development has been on the agenda for the government of Gujarat, many women have benefited from the schemes that have allowed them the opportunity for employment and a chance to lift themselves and their families out of poverty. While the quality of women's workforce participation is important in ensuring women continue to gain

opportunities for economic advancement, sometimes having a job is better than no job at all. But Gujarat can not become complacent by merely having women in the workforce. It can not become complacent by merely have more educated women. Women are currently still disenfranchised in Gujarat due to the neo-liberal economic order that does not prioritize women's role in development. The goal to change this outlook can not be sidetracked because some positive changes are occurring. The demographic shift that will occur in India and Gujarat in the coming decades will only exacerbate the current weaknesses. It is necessary to address issues of women's agency which encompass education, gender discrimination (through female infanticide), the quality and quantity of women's workforce participation, and worsening environmental standards through initiatives that challenge the neo-liberal status quo.

Acronyms

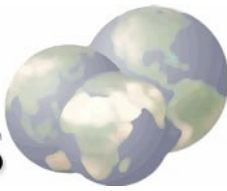
- Crone. A unit in the South Asian numbering system equal to ten million
- GDI. Gender Development Index
- GDP. Gross Domestic Product
- GII. Gender Inequality Index
- HDI. Human Development Index
- JLG. Joint Liability Group
- Lakh. A unit in the South Asian numbering system equal to one hundred thousand
- MGREGA. Mahatma Gandhi National Rural Employment Guarantee Act
- MSK. Mahila Samakhya Karnataka
- NABARD. National Agriculture Bank for Agriculture and Rural Development
- NGO. Non-governmental Organization
- NRLM. National Rural Livelihoods Mission
- OBC. Other Backwards Castes
- PDS. Public Distribution System
- SC. Scheduled Castes
- SDP. State Domestic Product
- SGSY. Swarnjayanti Gram Swarajgar Yojana
- SHG. Self Help Groups
- SSI. Small Scale Industries
- ST. Scheduled Tribes



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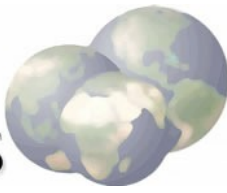
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Physiocracy as a Way of Seeing

By | Erica Mukherjee

“The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist.” – John Maynard Keynes

Keynes was right. We are nothing more than the slaves of “some defunct economist.” Even though they are gone, the ideas of the defunct economists, as well as the images used to illustrate them, continue to resonate in the collective Western conscious. Because of Adam Smith, we know that the division of labor into easily replicated tasks is the most efficient way to manufacture a pin. Karl Marx uses the coat off his back to illustrate that we value objects only at the moment of their exchange. Milton Friedman’s pencil has become the standard-bearer of the neo-liberal dream of peace through free markets. Even though it is safe to say that the average person has not read Smith or Marx, their ideas of the invisible hand and commodity fetishism, respectively, continue to shape decision-making behavior at both the personal and policy levels.

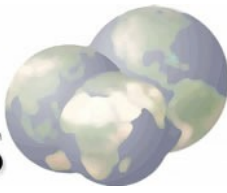
Adam Smith is generally considered to be the founding father of the defunct economists; in the 225 years since the publication of *The Wealth of Nations*, politicians and economists of every persuasion have fought to be seen as the true inheritors of his legacy. Smith is credited as the first Enlightened man to step out of the feudal and mercantilist miasma and see the economy for what it really was: a collection of men engaging in productive labor to create goods and services according to the immutable laws of supply and demand (Heilbroner, 71-73). While it is impossible to deny the influence of Adam Smith on modern economic thought, he was not the first modern economist. That laurel should be given to François Quesnay and the physiocrats. Quesnay and the other physiocrats – de Mirabeau, de la Rivière, Dupont, and Turgot – are not only defunct but largely forgotten. This oversight needs to be remedied. They deserve recognition as the progenitors of a long line of economic thinkers. Physiocracy, meaning “the rule of nature,” is the first school of economics to systematically explore the origins and circulation of wealth (Gudeman, 71). Additionally, parts

of the physiocratic doctrine are still applicable today, most notably its seminal axiom that “the earth is the mother of all our goods” (Quesnay, 13). Building on that premise, this paper will argue that incorporating physiocracy as a way of seeing into the canon of defunct economists may lead to a more ready adoption of sustainable development practices. Joseph Schumpeter prefaces his *History of Economic Analysis* with the idea of “preanalytic vision.” He says that “analytic work begins with the material provided by our vision of things, and this vision is ideological almost by definition” (40). To combine both Schumpeter and Keynes, one’s preanalytic way of seeing is, in part, formed by the ideas of the “defunct economists.” This is why the defunct economists wield so much power: while reasoned analysis may be molded by the facts at hand, one’s preanalytic vision is akin to ideology, a way of thinking notoriously difficult to alter. The concept of preanalytic vision is necessary both for understanding the origins of physiocratic thought as well as how it can help to change the gaze of sustainable development in the future. Before delving into the latter, this paper will first look at the former by peering into the world that shaped the doctrine of the physiocrats.

The World of the Physiocrats

Eighteenth century France was known for both its opulence and its misery. While the aristocrats flocked to the decadence of courtly life at Versailles, the peasants were shackled with suffocating taxes, *corvée* labor obligations, and a declining population. One of the most hated aspects of the *ancien régime* was the *taille*, a direct tax imposed on the visible wealth of the common people. The nobility and clergy were exempt from this tax due to a feudal legislative hangover which stated that the First and Second Estates owed only personal service to their sovereign. This meant that the rich not only had the unfettered means to get richer but could also display their wealth without fear of having it taxed away. The people, on the other hand, were in a precarious fiscal position not unlike “a man walking in a pond with water up to his chin; the least dip in the ground, the least ripple, and he loses footing, goes under, and suffocates” (Higgs, 10).

Until 1758, when François Quesnay’s *Economical Table* inaugurated the physiocratic school, those who concerned themselves with the generation of wealth thought along mercantilist lines. Though never a formal school, the mercantilists did share some general principles. They sought



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“a favorable balance of trade, wealth, and the indefinite accumulation of precious metals” (Viner, 2). The unraveling of the feudal system led to increased trade to meet the needs and wants of previously self-sufficient manors. The Age of the Exploration expanded the horizons and variety of trade goods available to the Europeans. Merchants and traders became the paramount economic actors and therefore were at the center of mercantilist thought. National wealth was gained and national security assured through a zero-sum game of trade and accumulation of specie, specifically gold and silver. This, to the mercantilists, was the source of all riches (Warlow, 70).

Mercantilist thought began to wane as the study of the rural economy became popular in France during the middle of the 18th century. The peasantry was suffering, yes, but so was the royal purse. At the death of Louis XIV in 1715, France was over 3 billion francs in debt. The burden grew in the ensuing decades from extravagance at home and unsuccessful military campaigns abroad. While losing her martial prowess, France also lost her ability to profit from the extractive colonial trade which formed the heart of the mercantilist doctrine (Higgs, 5). A new source of wealth, and new economic theory to describe it, was needed. It was here that Quesnay created the first systematized study of wealth which situated its source in agricultural production.

The Physiocratic Doctrine

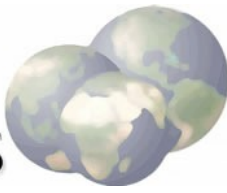
Unlike many other schools of thought, the ideas of the physiocrats’ acknowledged intellectual leader, François Quesnay, were closely mirrored by his disciples. While this makes for a monolithic set of principles, it also means these principles can all be learned through the study of Quesnay’s seminal work, the *Economical Table*. The *Table* itself was all but worshiped by the other physiocrats. It received breathless praise from de Mirabeau: “There have been since the world began, three great inventions which have principally given stability to political societies, independent of many other inventions which have enriched and adorned them. The first is the invention of writing... The second is the invention of money... The third is this economical table, the result of the other two; the great discovery of our age, but of which our posterity will reap the benefit” (Higgs, 39).

While its relative contemporary obscurity might call the intellectual impact of the *Table* into question, no one can

doubt it was a thorough document. The detailed diagram describing the flow of wealth among the three classes was accompanied by over 200 pages of explanation divided into 14 sections. It is through this exhaustive explanation that the basic themes of the physiocratic doctrine are laid out. They are the natural order, net product, the circulation of wealth, trade, the role of the state, and taxation. Though not all of these ideas are worthy of including in a modern physiocratic gaze, it is necessary to first understand the entire doctrine before recognizing the parts that have the power to strengthen a preanalytic vision which favors sustainable development. The idea of the natural order is the first way in which seeing like a physiocrat may have the power to refashion modern development practices. Quesnay saw natural order as a direct contrast to the current oppressive orders of the *ancien régime* and mercantilism. Through reasoned observation he constructed a new system of living which was “divine in its origins” and “universal in its scope” (Gide & Rist, 29). Quesnay was a devout Catholic who humbly saw the hand of God ordering the world for the overall happiness of mankind (Beer, 110). Not only was nature divinely ordered, but so was society. Property, security, and liberty were all created and maintained through the natural order (Gide & Rist, 29). “Man can no more create laws than he can create himself. He is only the bearer of laws, not their author” (Beer, 111). The role of the physiocrat was not, then, to design the natural order, but rather to discover its workings through reasoned observation.

While natural order is the foundation on which physiocratic thought rests, net product is the cornerstone of its theoretical edifice. Net product comes from the “physical point of riches” (Quesnay, 17), agricultural production. According to the physiocrats, of all the activities in which man might engage to earn his living, only those who till the soil produce more than they consume on an annual basis. The difference between agricultural production and consumption becomes the net product.

A good crop, such as may be expected from a good cultivation, should yield, first, a reimbursement of the annual advances, in order to enable the husbandman to prepare in time for, and lay the foundations, as it were, of the next year’s crop. Secondly, the interest of his primitive and annual advances, that is, a decent profit on the funds employed by him in machines, cattle, manures, etc. Thirdly, a further return



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which the husbandman may sell or barter. It is this last portion of the annual produce, which we call income: it is the only portion that can be called riches, the rest being indispensably requisite to keep agoing the economical machine (Quesnay, 14-15).

The farmer, over the course of a year, produces from the land enough crops to cover the maintenance of himself, his family, and his farm, his annual advances, and to make payments on his primitive advances, or start-up capital. Once these expenses are met, any additional production becomes the net product, the source of all new wealth in the economy. Because the mainstay of physiocracy is that “the earth is the mother of all our goods,” only those who work the earth, the farmers, belong to the productive class. Merchants and artisans, though they also engage in labor, are not productive and therefore belong to the sterile class. Though they do produce goods and provide services, any profit they generate is essentially a living wage that covers the cost of their food, clothing, shelter, and other expenses incurred while they create their new product. For instance, even though a lace maker takes a few pennies worth of wool and turns it into a product costing hundreds of francs, the increase in the price of the finished product represents only the expenses of the artisan, not any increase in the inherent value of the raw wool. To the physiocrat, value and profit can only be generated through material agricultural produce (Gide & Rist, 32-3).

While the singular agrarian origins of the net product is what best connects physiocracy to sustainable development, the concept has received much criticism. Economists Smith and Ricardo renamed it rent and condemned the landowning classes for taking the lion’s share of the net product without doing anything to earn it. Ricardo argued that the amount of net product flowing from the tillers to the landowners was damaging commerce, which he identified as the main source of value production (Beer, 174). Much later, Marx, though admiring the physiocrats for their materialism, still passed judgment on them because they saw value as something bound up in physical agricultural substances, not something generated by labor (Gudeman, 73). This is why they said, unlike Marx, that a lace maker produced no new value. Instead, to a physiocrat, value can only be generated through the physical output of the land. The exclusivity of the idea, though erroneous, refocuses the economic gaze on the

products of the land and their ability to continue to produce value if properly husbanded.

Together, the natural order and the net product determine the circulation of wealth. Both the *Table* and a large portion of Quesnay’s explanation are devoted to describing this flow of value. It is a “distributive order, in which the immediate productions of the earth are consumed by the several classes” (Quesnay, 37). Briefly, the physiocratic circulation of wealth works in the following manner: In any given year, the productive class grows five milliard francs worth of goods. They retain two milliards to cover their living expenses and invest in next year’s crop. Of the remaining three milliards, two are sold to the landowning class. The final milliard is sold to the sterile class who consumes those agricultural goods as they produce their artisanal goods, which they then sell back to the productive class. Through the consumption of the landowning and sterile classes, all five milliards eventually make it back into the hands of the agriculturalists who then plough their profits back into the soil, as it were (Gide & Rist, 39). Though the physiocratic system accommodates commerce and exchange, the doctrine of the circulation of wealth allows it no further role. Value is not created, as Marx would have it, at the moment of exchange. Rural production, not urban consumption, is the largest driver of the physiocratic economy.

Since trade was a sterile activity unable to create any economic value, the physiocrats saw it as inconsequential and largely left it alone. They were, in a sense, the first *laissez-faire* free traders. Quesnay said that “a landed nation should favour the exportation of the immediate fruits of the earth, by the importation of manufactures which she can turn to advantage from foreigners” (173). In order to maintain a steady net product that can continue to circulate on an annual basis, the state must take care “that no part of the income is exported without an adequate return in money or goods... That the nation loses nothing by its foreign commerce, which may very well happen, notwithstanding the great profits made by private traders, in selling goods imported by them to their fellow-subjects... [and] That the balance of the gold and silver passing and repassing between the nation and foreigners, is not made the standard of their commerce” (Quesnay, 84-5). In direct contrast to the mercantilists who thought that wealth and power could only come from a zero sum game of trade and bullion accumulation, the physiocrats were acknowledged



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the presence of trade but considered it subsidiary to wealth-generating power of agricultural production.

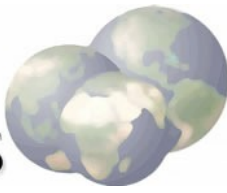
As with trade, the physiocrats took a *laissez-faire* approach to the role of the state. This is primarily because of their belief in the natural order. The natural order produced a set of natural laws, which, if left to themselves, created a system of governance designed to generate the greatest amount of happiness for the greatest amount of people. In a famous exchange between Quesnay and the Dauphin, “the Dauphin once bemoaned to Quesnay the difficulty of the kingly office... ‘I do not see,’ said Quesnay, ‘that it is so troublesome.’ – ‘What then,’ asked the Dauphin, ‘would you do if you were king?’ – ‘Nothing.’ – ‘Then who would govern?’ and the laconic answer was, ‘The law.’” (Higgs, 45). The law was to be embodied in the person of the sovereign. Part of the natural order was a natural hierarchy headed by an all-powerful king. A government of democratic checks and balances was too cumbersome to provide swift justice and security, the two main features of the state, according to the physiocrats (Gide & Rist, 53). Additionally, a sovereign hereditary authority also implied guaranteed hereditary property rights. Since only land could produce wealth, maintaining hereditary property rights was akin to maintaining a steady income stream, a concept very important to the physiocrats who were, to the man, landowners (54).

Though the natural order protected the property rights of the landowning class and a significant portion of the net product was reserved for them each year, they were also the only class that Quesnay believed should bear the burden of taxation. The tax was to come out of the two milliard francs of net product the landowners received annually (Gide & Rist, 59). This system, if properly implemented, would, first of all, solve the problem of the gap between imposition and impost. Quesnay explains the difference: “By imposition then, I mean the whole batch intended for the prince; and by impost, that portion of it which comes into his hands, clear of all the expenses which attend the kneading of it” (50). Taxing only the much smaller landowning class decreases the costs of collection. It also reduces the misery of the peasantry as they are no longer subject to the oppressive *taille* or *corvée* labor obligations. Here, the physiocrats attempted to use economic policy to eradicate what they believed was the source of social injustice.

In sum, the physiocratic doctrine is structured by the natural order, a divine, immutable hierarchy of both nature and society. Within the natural order there three classes: the productive tillers, the landowners, and the sterile merchants. Only the tillers of the soil are capable of generating new wealth from their labor because land is the source of all productive value. The sum of all annual production, less the consumptive needs of the farmers, is the net product. The net product circulates between the tillers, landowners, and merchants, but only the productive class can increase the net product over time. The circulation of wealth through trade is to remain unfettered so long as it doesn’t affect the annual generation of net product. The same applies to governance. The role of the sovereign is to provide justice and security so that production can continue unhindered. Thankfully, because of the natural order, natural laws will fulfill that duty if left largely alone. One of the few areas in which the state must interfere in the natural order is through the collection of taxes from the landowning class. The physiocrats believed their doctrine was an ethical way to reorder society along the lines of reason and justice.

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There are, of course, many flaws inherent in the physiocratic doctrine, but, as Hector Denis says, its “imperfections are easily demonstrated, but... we seldom recognize its incomparable greatness” (Gide & Rist, 22). In terms of imperfections, their complete decoupling of labor and value creation leaves the majority of the modern workforce unable to productively contribute to economic growth and denies mankind, as a whole, a creative role in the economy (Gudeman, 77). Abbé de Mably rightly criticizes their sanctification of landed property despite its demonstrated linkage to “unequal fortunes and all their attendant vices of wealth and poverty, the rich despising the poor, injustice, tyranny, and oppression” (Higgs, 106). Advocating for the elimination of democratic checks and balances on the sovereign power of a nation is another one of their errors. While it may occasionally bring about the rule of an enlightened despot, most of the time the ruler will be merely despotic (109). Though some thinkers, such as Voltaire, have written volumes on the defects of the physiocrats, the abovementioned errors in their thinking are enough to show that a wholesale adoption of physiocratic principles in the 21st century is impractical and irresponsible. Instead, like many of the other defunct economists, only the broad strokes of



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their doctrine should be used. Incorporating the physiocratic gaze into the preanalytic vision of those engaged in the sustainable development debate may help to strengthen the call for environmentally friendly economic practices overall.

Sustainable development, according to noted ecological economist Herman Daly, is a way of seeing the economy as a subsystem within an all-encompassing global ecosystem. This preanalytic way of seeing ensures that his analysis of development practices will start from the assumption of an ecologically embedded economy with finite limits to growth. Few other economists, however, share Daly's view. Instead, their preanalytic vision is shaped by Keynes' model of the circular flow of value, the economy as an independent system, and the desire for indefinite, sustainable growth (Daly, 7). Inserting the physiocratic gaze into the debate may help to shift traditional economists' ideas of development practices toward a more sustainable, ecological model.

The portion of the physiocratic vision most applicable to advocating for modern sustainable development practices is their first axiom that "the earth is the mother of all goods" and that from the earth comes an annual net product. While this author does not suggest that we divorce labor from value creation, if we see the world more like a physiocrat, then the ecological limits on economic growth become apparent. Each year, a finite amount of wealth is generated by the tillers of the soil. In this sense, that which is grown from the earth determines the amount of economic growth. If this viewpoint can be internalized into the preanalytic vision the same way that the theories of the other defunct economists are, then Daly's call for seeing the economy as ecologically embedded is easier to understand.

The physiocratic vision of annual net product can also contribute to Janet Abramovitz's pro-conservation argument that the purportedly "free" services of nature, ranging from timber to pollination to pollution sinks, should be assigned a monetary value consistent with their use value (19). Abramovitz argues that "the problem is that in normal practice, many of us don't assign such value to nature until it is converted to something man-made" (ibid.). This practice arises from our association of labor with value creation. Yes, labor does create value, but, through the eyes of the physiocrats, the natural products of the earth also hold an inherent monetary value. With this concept as the foundation,

assigning a price to clean water or standing old-growth forests no longer seems far-fetched.

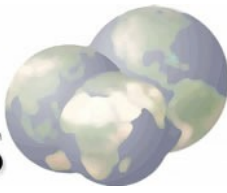
If a preanalytic vision can be fashioned from Quesnay's annual net product and J.S. Mill's *homo economicus*, a rationally based argument can be devised for sustainable development. Mill's rational economic man is "a being who desires to possess wealth, and who is capable of judging of the comparative efficacy of means for obtaining that end" (v.38). If *homo economicus* sees his wealth as springing annually from the soil, it therefore becomes rational to preserve the productive capacity of the earth at a very low rate of discount so that a steady income stream is realized into perpetuity. The physiocrats used this argument as the *raison d'être* for the continuation of an unproductive, hereditary landowning class. In the 21st century we can use it as a call for the necessity of the collective husbandry of the global commons.

Conclusion

Of the defunct economists, Quesnay and the physiocrats are some of the least accessible. Their doctrine sought to remedy the social ills of pre-Revolutionary France. It elevates agriculture to the apex of the economy and reinforces a social hierarchy developed in the Middle Ages. It would be inappropriate to call for the wholesale revival of the principles espoused by the *Economical Table*, but there is no reason why the physiocrats should not take their place in the canon of the defunct economists. It is there that their ideas have the potential to shape the preanalytic vision of today's politicians and economists. If parts of the physiocratic doctrine, especially the ability of nature to generate wealth independently of human intervention, could be folded into our modern preanalytic vision of the relationship between the economy and the environment, when sustainable development practices come up for debate they may stand a better chance of being not only understood, but also of being made into policy.

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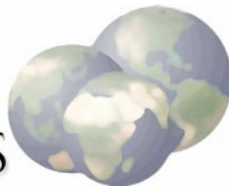
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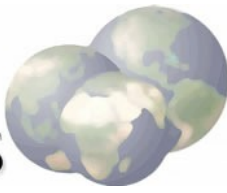
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International Relations





Continuity and Change: Hegemonic Governance in International Relations

By | *Anna Cornelia Beyer (PhD)*

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Anna Cornelia Beyer (PhD) is a lecturer in politics at the University of Hull, UK. She has studied US counterterrorism for more than a decade and has published widely in this area. Her publications include: *Violent Globalisms: Conflict in Response to Empire*; *Effectively Countering Terrorism: The Challenges of Prevention, Preparedness and Response*; *Counterterrorism and International Power Relations: The EU, ASEAN and Hegemonic Global Governance*. Before joining the University of Hull in 2007, she held an academic post at the University of Tuebingen, Germany.

The study I want to present here involved work on the motivations of two regional actors – the EU and ASEAN – for the decision to engage in the US-led Global War on Terrorism (Beyer 2010). The overall argument that this study put forward promoted an understanding of global governance in the area of counterterrorism as showing features of hegemonic leadership. I therefore spoke of hegemonic governance in my writing.

I want to reflect on the implications of this research in a bit broader way, and utilize the results to pose sort of a challenge, or critique, to the mainstream literature on global governance. The main argument will be that I believe among the three models of global governance – the world state, governance without government, and hegemonic governance – the latter seems the most empirically appropriate model to understand the current configuration of global governance. While the model of the world state obviously is the most radically normative model and not widely discussed, the mainstream literature focuses on the second model: governance without government. While this is understandable as long as this discourse is understood to be still very normative in nature, I believe this model would misguide us if we take it as an empirically valid model of current global governance arrangements and processes.

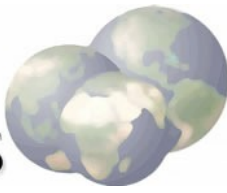
Two points I want to make for this purpose. First, I think the continuing dominant role of the state is largely underestimated

in the mainstream literature on global governance. In contradiction to the literature, my study found evidence for the states being still the most important recipients and actors in global governance. Second, I believe that the implicit or explicit assumption of heterarchy in global governance is misleading us to neglect the importance of hegemonic leadership and agenda setting powers of strong states in global governance.

And summing the former two arguments up, I believe that the current discourse on global governance underestimates the systemic forces which are in place in shaping the behaviors of states and influencing their decisions to cooperate or to abstain from cooperation in global governance.

Let me explain these points to a bit more detail. The continuing importance of the state. Much of the literature on global governance proposes that the role of the state is declining, or at least transforming. This is a central theme in the discourse, utilized by writers such as Khagram, Niekerk and David Held. The main argument here usually involves the issues of functions shifting to other actors, the state being sandwiched between new political powers above and below, and the overall growth in numbers and following that political participation of new, non-state actors, both on the sub-national and supranational level.

Walters confirms the impression that the role of the state is viewed in a very – shall I say optimistic? – manner in most of the literature, and he asks us to take these arguments with caution. There seems to be little evidence from historically comparative studies to really confirm what is presented as a fact: that the state is withdrawing and ceding ever more functions to other actors. I cannot provide with such research myself, but looking at the results from my study on counterterrorism, I would be inclined to support the opposing argument, that the state remains the strongest actor in global governance. In the field of counterterrorism, activities of coordination and cooperation largely took place on a bilateral level. Not the interregional level showed most importance, not the cooperation in international organizations and, of course, (in the field of counterterrorism) not the transnational interaction between states and private actors. Counterterrorism obviously is a security issue, and in this area of politics states usually are reluctant to cede sovereign powers to other actors. Nonetheless, the observations from



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this study would confirm the impression that interstate relations still matter most, even in global governance. Counterterrorism happened mostly on the bilateral interstate level. In addition, if we look at international organizations, for example, we see clearly that their memberships still comprise entirely states. It is states who engage with each other in international organizations. Even the EU, as the most state-like entity of that sort, only has an observer status in the UN. And this is the region with most international acceptance as an actor in its own right. Also, private actors are not very fully integrated in international organizations, something which we should expect if the assumption of a recession of the state would really hold true. But I think that looking at the issue of hierarchy and power this might become even clearer.

The neglect of hierarchy in global governance is exemplified by statements such as Khagram's normative call for greater equalization of interstate authority. As mentioned, Khagram takes a highly normative view on global governance. However, the assumption of heterarchy is even present in more empirically oriented writings on global governance, such as in Niekerk. "Consequently, globalisation does prefigure a historic power shift from national governments to evolving systems of regional and global economic governance. ... the contemporary world order might best be described as a heterarchy." (Niekerk 2010: p. 43).

Global governance, I argue here, much more than being a heterarchic undertaking should be understood as hegemonic governance to account for these inequalities in power. Hegemonic governance would take note of the factual configurations of the international system and integrate therefore a more realist inspired worldview with a perspective on global governance. While the term would not stand for a description of global governance solely controlled by the hegemon, it would nonetheless argue that the hegemon, as well as probably other major (Western) powers, has/have an uneven share of power to set agendas and influence other states behaviors.

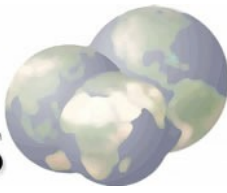
The study indicated in one of its most important findings that dominance and power in various forms were the main cause for participation in this specific form of global governance. While absolute power differentials in themselves are arguably a reason for states to collaborate with the hegemon, as a form of bandwagoning under hegemony, States collaborated with

the hegemon for several – and diverse – additional reasons. In the first case, the EU, it was mostly the perception of the hegemon as a legitimate leader as well as a shared discourse and understanding of the need to engage in a Global War on Terrorism that seemed to explain participation. Other potential factors, such as dependence on, or pressure from, the hegemon were found to be not important.

The second study on ASEAN, conversely, indicated that economic interdependencies were of immense importance and influencing decisions to cooperate. A shared discourse was found to be present, but had less importance for cooperation than in the case of the EU. Pressure was exercised in some cases and the role of the US as a hegemon was supported and accepted. These variables can be linked to hegemony, even though we have to combine the Realist understanding here with critical perspective, for example, to be able to account for power in the form of discourse. In both cases, it has to be mentioned that the dominance of the US and their authority were also stated as a reason to participate.

In addition, hegemonic leadership and power exercise was found to be present in global governance more widely. Several authors present arguments for the dominance of United States agenda setting powers in many international organizations, specifically the UN, economic organizations, and NATO. In fact, it had been argued that the United States bring their dominant power to bear in every organization they belong to.

Finally, I would like to conclude with a word on how the findings from this study do influence my understanding of the current configuration of the international system. I have argued for what I termed hegemonic governance. This term for me implies a mixture of systems on the international level. At the one hand, in my view there is still unipolarity, with some major powers emerging but one dominant state. This unipolarity is exercised actively in a hegemonic manner, with the attempt to order international affairs according to the preferences of the hegemon. Effects of such hegemonic ordering activities are manifold and well known (liberalism, democratization etc); a recent one has been the spread of global cooperation in counterterrorism. In addition, global governance arrangements are present and are working in part relatively independently from the hegemon. Oftentimes, and



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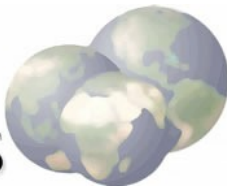
where and whenever it is in the interest of the hegemony, though, the hegemony uses its power to exercise leadership within these global governance arrangements. That leads me to conclude that neither do we already have a fully autonomous global governance sphere set apart from the traditional world of states, nor do states and states' power count less in current affairs. I therefore argue we have to combine a realist-inspired understanding, which I think must even be combined with some critical literature, of world politics with the more normative accounts on global governance to come to a correct interpretation of current affairs.

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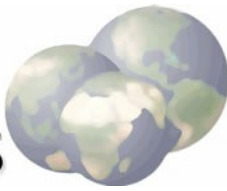
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Peacebuilding





Policy Coherence for Burma's Opium Economy: Seeking the Nexus of Peacebuilding, Statebuilding, Development, and Counternarcotics

By | *Talia Hagerty*

Introduction

Currently, as the largest producing country of methamphetamines and the second largest of opium, Burma is the largest narcotics producing country in the world (Thornton 2012). Unsurprisingly, Burma's illegal economy is an entrenched feature in the context of autocracy, human rights abuses, and ethnic conflict. Increasingly, as narcotics production has risen since the mid-2000s, Burma's opium economy poses a threat to peace and development in the fragile country and the surrounding region. But recently, although some violence has reemerged, media freedom, political participation, international openness, and humanitarian space are improving in what has been one of the most isolated, repressive places on the planet (AlertNet 2012). Scholars and organizations have been pessimistic about the effects of the ceasefires, poppy crop eradication, and alternative development efforts, but increased openness provides the opportunity to improve counternarcotics strategy with a foundation of peacebuilding and development.

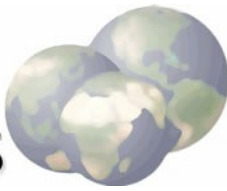
This paper presents background information on Burma's opium economy, the ethno-political conflict it is intimately bound in, the associated peacebuilding and development challenges, policy efforts, and recommendations for improving this work. Using a framework for policy coherence between peacebuilding and counternarcotics, I argue that the lack of legitimate peacebuilding and development efforts and the absence of a legitimate government (as opposed to the existing, repressive government) undermine attempts to dissolve the opium economy in Burma. For the sake of scope, this paper focuses solely on opium; methamphetamine production is also increasing, partially due to eradication of poppy crops, and requires a complementary analysis. Bound up in political relationships, ethnic conflict, and the persistence of poverty, Burma's opium economy is more than a few actors engaging in illegal activity that can be halted by law enforcement. While there is certainly a circular effect, with the drug economy funding the current regime, a number of factors predict that peacebuilding, statebuilding, and development will need to precede effective counternarcotics policy. Therefore, this moment of opening presents an opportunity: although counternarcotics is typically left to states as a matter of law enforcement, the people of Burma need peacebuilding and development approaches integrated

with these efforts to support a movement away from opium production. The international community has not been available to them, but it may be soon and a well-planned, coherent strategy can prove transformative.

Background: Ethnic Conflict and Development of the Opium Economy

Burma's drug economy has been intertwined with its political power structures since independence from the British in 1948 (Lintner 1999). The year prior, Burma's budding democracy was destroyed when the diverse ethnic groups in the hills to the north of the British-appointed capital of Rangoon "lost perhaps the only Burman political leader they had ever trusted" with the assassination of General Aung San (Lintner 1999: xiv). Distinct from the term Burmese, which refers to all citizens of Burma, the Burman are the most populous and politically dominant ethnic group; the Chin, Karen, Karenni, Shan, Wa, Pa-O, Palaung, Kokang, and other ethnic groups (the government identifies as many as 135) have been consistently politically and economically marginalized (Lintner and Black 2009, Karenni Homeland 2005, Kramer 2009: 4). The political boundaries of the Burmese state are a result of British intervention in the region, and many of these groups consider themselves autonomous from, or even occupied by, the central Burmese government (Lintner 1999, Lintner and Black 2009, Karenni Homeland 2005). Aung San had been building unity among Burma's many groups, but without his leadership the fragile trust and alliances deteriorated and ethnic tension has been a source of multiple, on-going conflicts since 1948.

In the first year of independence, political and military power coalesced on two opposing sides: the state in the southern, low-land capital of Rangoon and various armed groups, dominated by the Communist Party of Burma (CPB), in the northern hills (Lintner 1999). Over the next forty years, the CPB, its allies and constituent villages, and other ethnic-minority groups developed entrenched political and economic systems of autonomy, increasingly earning revenue from the international sale of opium and heroin (Lintner 1999, Lintner and Black 2009, Kramer 2009). The central government maintained a short period of democracy, but a military coup in 1962 escalated clashes. This was followed by General Ne Win's "Burmese Way to Socialism," which nationalized the entire economy and created a boon for traffickers uniquely equipped to alleviate scarcity by trading opium for smuggled



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Thai goods (Linter and Black 2009: 55, Meehan 2011).

In 1988-89, the country again erupted in political turmoil as democracy activists rose up in the capital to demand an end to the military dictatorship and a (separate) mutiny was staged against the CPB in the hills. Both movements demanded freedom from entrenched and repressive ideology. The CPB collapsed, but the military met the 1988 democracy movement with violent and bloody repression. The 1989 mutiny in the CPB was partially a reaction to the leadership's decision to outlaw the drug trade in its territory. "For decades opium had been the main cash crop in the CPB's area and the party had levied a 10 percent tax on growers and traders," write Lintner and Black (18). But various factors had alienated party leadership from locals, and the decision to cut off this source of revenue helped bring down the fragile organization (Kramer 2009). Simultaneously, thousands of pro-democracy activists fled the urban centers for the hills on the Thai border, and power and alliances were rearranged throughout the country (Kramer 2009, Linter and Black 2009). As unrest and conflict shifted, "alliances of convenience were forged between Burma's military authorities and various groups of mutineers" (Lintner and Black 2009: 25). Unofficial allegiances allowed CPB groups "to engage in any kind of business to sustain themselves – which in Burma's remote and underdeveloped hill areas inevitably meant opium production" (Lintner and Black 2009: 25).

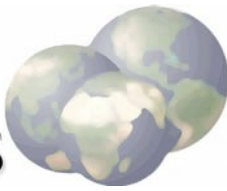
From 1989 through the mid-1990s the government worked to establish a number of cease-fire agreements with the various groups – former CPB groups, independent ethnic armies, and members of other coalitions. These agreements mostly maintain, and did quell a significant amount of violence. Yet, in some key ways, they have only created stability and not peace. First, the cease-fire agreements are mainly verbal and undocumented, and solely military; they do not address the political or other grievances at play (Kramer 2009). Second, some agreements include the condition that groups expel or even target other rebels (Kramer 2009, Lintner and Black 2009, Meehan 2011). Lintner and Black describe this as an economic reality in an impoverished country as well as an arrangement that serves the state: with little funding to support a sustained counterinsurgency campaign, "the government granted the former "King of Heroin" access to all roads in his region in exchange for his fighting the rebels (25). This arrangement

was made in 1963 when the rebels in question were the CPB; in 1989 the government made similar arrangements with former CPB groups to fight pro-democracy rebels, demonstrating a pattern of collaborating with drug-economy actors and inciting violence in order to maintain power. Third, the military's policy of self-support exacerbates economic dependence on the opium trade for both ethnic minorities and certain units of the Burmese army. "It's part of the ceasefire deals," states Ball, "on one hand you accept the control of the government and on the other hand you are free to engage in drugs (quoted in Thorton 2012)." The army units are also expected to be self-sufficient, and so by protecting the drug trade they are able to tax it, in some cases grow poppy themselves, and to see revenues invested in the licit economy to everyone's benefit (Lintner and Black 2009: 96).

Scholars and international organizations alike find that the ceasefires have been a major factor in the growth of the drug economy in the past twenty years (Lintner and Black 2009, Kramer 2009, Thorton 2012). Lintner describes legally traded opium in the late 19th century as a medium of exchange for many of the undeveloped hillside economies in the Southeast Asian region (1999: 61). In the 19th and 20th centuries, opium was a profitable means for both impoverished farmers and power-seeking warlords to bring cash to remote areas (Lintner and Black 2009). And so at the time of the ceasefire agreements, without sufficient alternative agricultural or development assistance, the people of Burma's rural regions find themselves with some stability but dependent on an economy that most of the world's governments are trying to eradicate. Citing U.S. government estimates, Lintner and Black report that opium harvests increased from 836 tons in 1987 to 2,340 in 1995; cultivation increased from 92,300 to 154,000 hectares over the same period; and 17 new heroin refineries opened in one region as a result of increased ability to import precursor chemicals, "making drugs the impoverished and mismanaged country's only growth industry (27-28)."

Eradication Efforts and the Need for Development

Currently, the major efforts to end opium cultivation and trade come from the government of Burma's Central Committee for Drug Abuse Control (CCDAC), in partnership with the United Nations Office on Drugs and Crime (UNODC), and from regional-group authorities. It is difficult to find English-language and remotely accessible information



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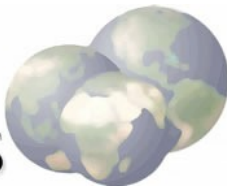
from the government of Burma on their direct efforts to reduce opium cultivation, trafficking, and use. However the U.S. Department of State summarizes government efforts in the 2008 International Narcotics Control Strategy Report, and UNODC reports government efforts and findings in its annual Opium Survey for the region. The primary method for reducing opium movement, consistent with the international counternarcotics regime, is eradication, or the destruction of the poppy crop. The role of the international community is more indirect in this case, due to international sanctions and counterterrorism regimes, the limited access available to foreigners, and the conventional frameworks that view drug activity as a law enforcement issue (rather than an opportunity for peacebuilding and development).

Meehan reports that opium production fell significantly after the early 1990s boom (2011: 383). Additionally, two of the (internal) regional armies instituted bans on opium production in their territory: the Myanmar National Democratic Alliance Army in 2002 and the United Wa State Army (UWSA) in 2005. Both of these groups control territory in the Shan State on the Thai border, where the most and best opium is traditionally produced (Meehan 2011, Linter and Black 1999). Nevertheless, there is significant skepticism about opium-related data, government reports of eradication, and the sustainability of prohibition policies.

The eradication data presented in the UNODC's Opium Survey is based solely on figures from CCDAC, and is not verified by independent auditors (2011: 67). Village surveys used to gather data on opium yield and socioeconomic indicators for the UNODC's 2011 survey were "supervised and implemented" by the CCDAC, with the UN providing support (2011: 73). And although UNODC includes the finding from law enforcement agencies that the Special Regions under control of the armed groups "remained poppy free," the document also states that "No rapid assessment survey or assessment of the opium ban in Shan Special Region 2 (Wa) was implemented directly by UNODC/ICMP/CCDAC since Wa local authorities [UWSA] did not allow any authorization (2011: 73)." Additionally, a number of authors point out that poppy fields may be eradicated after the opium has been extracted, and argue this may happen either because eradication comes late in the season or because the government is collaborating with poppy farmers (Winn 2012, Marshall 2012, Linter and Black 1999).

Nonetheless, the story that UNODC/CCDAC figures tell is not implausible, even if imprecise. Both the UNODC and the U.S. Drug Enforcement Agency (DEA) use satellite images to monitor opium cultivation in Burma, and neither publish challenges to CCDAC's eradication data. The socioeconomic surveys report that revenues from poppy cultivation constitute 54 percent of household income, but that poppy-growing households remain poorer than non-growing households (UNODC 2011: 43). As Burma's citizens have very little access to aid and assistance – the country received an average of only 4USD in international aid per capita in 2007, and a significant portion of Burma-directed aid actually goes to organizations in Thailand – there is little reward for village leaders who exaggerate poverty rates (RI 2009, RI 2012). Similarly, the CCDAC reported that only 7,058 hectares of poppy cultivation were eradicated in 2010-2011, compared to 48,268 the previous year. At a moment of increased international attention, it seems counterintuitive to dishonestly report *reduced* eradication, as the current incentives are to report what is typically considered progress in exchange for international carrots (aid, trade, prestige, etc.). What seems more likely is that state involvement in the opium economy is decentralized, as individuals and small groups respond to incentives to abet transport of harvested opium or allow a harvest before eradicating a field.

Unreliable data and the inability to monitor and evaluate programming make progress difficult, but not impossible. More seriously undermining the sustainability of counternarcotics efforts in Burma is the lack of peace and development that drives the opium economy in the first place. Ball estimates that 40 percent of Burma's foreign exchange comes from trade in drugs, and CCDAC/UNODC reports that 60 percent of farmers growing opium do so because of food insecurity. Referring to international anti-narcotics pressure, which comes from China, Thailand, ASEAN, and the U.S., Transnational Institute reports "hundreds of thousands of people ... who depended on the opium economy, have been sacrificed in an effort to comply with international pressures about drug-free deadlines" (TNI 2012). Meehan finds that the opium bans implemented by the autonomous groups "appear to have become unsustainable in light of the region's extreme poverty, households' heavy reliance on the revenue derived from opium cultivation and the inadequacy of alternative development programmes ... (383)." Meehan's overall assessment is that the drug economy in Burma has played a



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significant role in the development of the current politics and power structures and that as such, an emphasis on law enforcement without a solution to Burma's deep political wounds will fail.

Policy Coherence and Incentives

Based on the consensus from a workshop of experts, Rubin and Guáqueta have published a framework for "policy coherence" between counternarcotics and peacebuilding that provides valuable insight for Burma's opium economy. Although the report mostly addresses Colombia and Afghanistan, their assessment of counternarcotics efforts in conflict settings and how peacebuilding and counternarcotics interact is consistent with other research on the Burmese context. They integrate concepts of peacebuilding, statebuilding, counternarcotics, counterinsurgency, transitional justice and development to inform what they call conflict-sensitive and transitional counternarcotics policy.

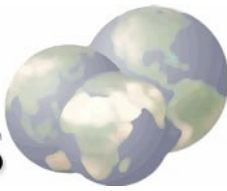
The authors emphasize sequencing and prioritizing, noting that "drug control, peacebuilding, and counterinsurgency may have contradictory as well as complementary policy implications," and that as such they need to be coordinated efforts (14). For example, *counternarcotics* emphasizes reduction of consumption, production, and trafficking, primarily via law enforcement. *Counterinsurgency* emphasizes the demobilization and reintegration of "illegal armed groups," via law enforcement, political processes, economic sanctions, military campaigns, and related efforts. *Peacebuilding* works toward "the right set of socioeconomic, political and security conditions," via reintegration, reform, institution building, justice, humanitarian assistance, development, etc. (14). Framed thus, these processes could conflict, especially elements like law enforcement and building justice or economic sanctions and economic development. In Burma's case, considering these challenges as well as the depth and longevity of conflict, peacebuilding will need to be the priority in order for other elements to be effective.

Citing feedback from conference participants, Rubin and Guáqueta stress that the development of illicit economies is related to more than the typical comparative advantages – labor, agriculture, etc. – that build licit ones. It is also dependent on "comparative advantages in producing of illegality" ... Illegality, or more precisely, the lack of

institutions and law enforcement, is typically a necessary condition for large drug economies to emerge; it is also a cause of conflict (10)." In this statement, as in their analysis, legality is highly related to legitimacy. The illegitimacy of the state in Burma is the (long-standing) issue that underscores the opium economy.

Further emphasizing the need for a legitimate regime is the authors' finding that "ending violent conflict *and* strengthening legitimate state capacities [are] necessary preconditions to the implementation of effective counternarcotics policies (18; emphasis mine)." Stability in the form of the ceasefires has increased drug trading rather than resulted in effective counternarcotics efforts. This is related to the need Rubin and Guáqueta identify for the alliance of drug policy and political imperatives. In the case of the government of Burma, political imperatives have been to maintain control of the state, and this has incentivized turning a blind eye to groups engaging in drug trafficking but willing to maintain or even enforce government power. As such, peacebuilding and legitimate statebuilding will be necessary precursors to effective counternarcotics. Burma's ethnic conflicts require a political solution, supported by economic development; without these, ethnic-minority communities will not be drawn into a licit economy because of their political rejection of the current state as well as poverty and dependence on opium as a cash crop.

Counternarcotics efforts centered primarily on law enforcement do not take into account economic development, conflict and human insecurity, and government corruption (Meehan 2011, Linter and Black 2009, Rubin and Guáqueta 2007). In order to dissolve the drug industry, policy makers must approach the problem from multiple and coordinated perspectives. One conceptual frame that can help align these perspectives is an incentives-based approach. In general, and certainly in ongoing conflicts like those in Burma, monetary incentives will not be the only drivers of violence or peace. However, incentives, broadly defined, will exist in the political and social realms as well as the economic. Indeed, the moral or cultural incentive to provide for one's family exists alongside self-interest and utility. For the opium farmer in Burma – the group which makes up the base for the opium economy's triangular hierarchy – the choices may be few and the costs many. The UNODC reports that opium cultivation tends to replace rice as a cash crop, with the opportunity cost



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of growing rice instead of poppies currently at 9 to 1. “This ratio increases 15 fold for rice cultivated in the highlands” (UNODC 2011: 61). Simultaneously, sentences for prohibited economic activity will act as disincentives, as prison or death costs a household more than money. In juxtaposition, and with few means for satisfying the first, this trade-off becomes difficult. But in the context of many sets of incentives for communities and individuals, it may be possible to negotiate one side of the scale using a variety of means. In economies with high rates of poverty, law enforcement actors are likely to face the same incentive, creating an opportunity for bribery. Alternatively or simultaneously, the state’s monopoly on violence may be weak due to either lack of capacity or support for power among non-state actors. This makes it possible to use violence to offset the cost of prohibition, which may be financially cheaper for the individual or group, politically driven, and/or the result of the comparative advantage of armed groups (World Bank 2011: 221, 224-225). Furthermore, in areas that lack access to legitimate state institutions or large legal business organization(s), poppy farmers may act as sharecroppers for armed groups (UNODC 2011: 61). These situations may even combine to make law enforcement officers safer from retaliation when they are willing to take a bribe than when they are not.

Burma’s current process of democratization and reintegration into the international community includes shifting incentives, especially for the state. Economic openness and increased aid, among other changes, will bring material and intangible benefits, and will increase with the dismantling of sanctions that is likely to follow improved democratization and legitimacy. With a coherent strategy – both across policy areas and among decision makers – the international community is currently in a position to help properly align incentives for all of Burma’s drug economy actors.

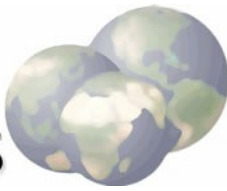
Recommendations

Based on the analysis above, what follows are recommendations for domestic, international, state, and non-state decision makers. It is important to note that the scope of this paper does not allow for a nuanced analysis of human rights, governance, and economic development outside of the opium economy, or any number of other critical factors in peacebuilding and development in Burma, nor does the Background section replace a full conflict assessment. The principle of coherence is equally important when

implementing these strategies with those targeted at other drugs, human development, conflict resolution, capacity building, and gender issues, to name a few.

Burma’s case may best be viewed as one of transition. A transitional approach implies incrementalism, and this will likely prove especially necessary to heal the depths of the conflicts in Burma. Therefore, to balance the needs of ending prohibited activity and establishing political “buy-in” for a legitimate state, decision makers should acknowledge that individuals who participate in prohibited activity are likely to have constituents, and some degree of allegiance from them (Meehan 2011, Rubin and Guáqueta 2007). In some cases, local authority figures involved in the drug trade have been incorporated into state-level governments. Civil society actors in Shan State are critical of this, arguing that it creates opportunity for corruption (Shan Drug Watch). Reports suggest these elected officials came to position by promising impunity for opium cultivation, which is consistent with the assumption of constituent allegiance. However, the deviant actors that law enforcement officers will be charged with targeting may not be engaging in socially deviant activities in the eyes of their communities, given the long standing conditions of conflict and poverty (Rubin and Guáqueta 2007). Thus patience and compromise in implementing the following will be key.

- *Transition to Human Security priorities:* Citizen security, justice, and jobs, as outlined by the World Bank, must be made a priority for all people in Burma.
- *Transitions for farmers:* Ending dependence on a cash crop requires development assistance, but over time it can be done. Thailand was successful by providing assistance for fifteen years prior to eradication (Rubin and Guáqueta 2007: 22). In Burma’s case especially, organizations providing assistance will need trust and cooperation between the government and local populations. For these reasons, a long-term strategy will be most sustainable, but one with planned, publicly announced phase-outs so that a new dependency does not replace the old. Additionally, this should be as extensive as possible in order to avoid further centralization and solidification of the comparative advantage of armed groups.



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- *Transitions for traffickers, protectors, and other armed actors:* Using the analogy of transitional justice, help for armed actors can be provided by likening the illicit economy (because of its causes) to a situation of violent conflict: “it is not possible to rectify wrongs committed during a period of extraordinary violence by applying peacetime norms retroactively” (Rubin and Guáqueta 2007). Planning for all armed actors should be forward-looking while new norms are established.
- *Transition of illegal economies:* Rubin and Guáqueta advise legalizing the nonviolent, nondrug economic activity that may have been created to launder money or cover other illicit activity, and allowing disarmed and demobilized actors to staff it. As Lintner and Black report, this is likely to be nearly all of the economic activity in Burma's hills. Capacity building for this type of transition will be necessary.
- *Written ceasefire agreements:* Agreements need to be formalized and legitimized, with binding timelines (and possibly frameworks) for addressing political grievances and including minority groups in governance (or the further formalization of autonomy, where applicable). There is likely a role for neutral international mediation here.
- *Targeting corruption:* Mechanisms should be established and implemented fairly quickly, although the principles of *transitions for protectors* may be applicable.
- *Security Sector Reform and Disarmament, Demobilization, and Reintegration:* Given the current state of ceasefire, as well as its fragility, SSR and DDR may be most effective after trust, justice, and legitimacy have been built between groups.
- *Justice:* Although complicated because of the transitional nature, justice is critical for victims of and members of armed forces, especially the military, that have committed human rights abuses and sexual violence. This is essential in its own right and in building state legitimacy.

Conclusion

Civil society and the press are highly restricted in Burma, but nascent nonetheless. And so, to draw upon their voices, I conclude with this statement from the Shan Herald News

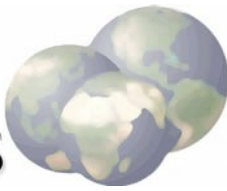
Agency, commenting on the Shan Drug Watch 2011 Report. It is a statement that informs the analysis and perspective above, and one that should be heard by all actors in Burma in this moment of opportunity:

The only way out of [the drug economy] will be a national reconciliation built on the trust of the people, especially the non-Burmans ... autonomy in internal affairs, human rights and democracy must be fulfilled. Only this will assure there will be no more war and hence no more need for a large army and paramilitaries. This will in turn keep out hungry investors who are looking for havens, where they can make more money through drugs (SHAN 2011).

If government progress proves genuine, a peaceful economy for Burma may be within reach. The best work of the international community can help this become a reality.

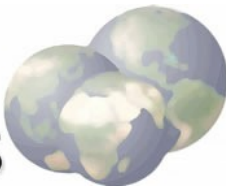
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UNOLIB: Proposal for a New Peace Mission in Libya

By | *Jacob Kennedy*

Introduction

The sweeping trend of revolutionary movements of the 2011 Arab Spring has brought unpredictable, unprecedented change across the Middle East. However, the democratic fervor, unity, and justice that seemed so vibrant among the national movements have not so easily translated into strong, representative governments. The combination of an unstable environment, a politically inexperienced population, and a fragile transitional government threatens the future of the Libyan state.

In support of the United Nations Support Mission in Libya (UNSMIL), I propose that the United Nations (UN) establish a two-phased, peacekeeping and peacebuilding security mission in Libya, officially titled UN Operations in Libya (UNOLIB), which would be tasked to undertake peacekeeping security operations and aid in peacebuilding processes. The UNOLIB mission would reinforce the UN's multi-dimensional approach to peacekeeping and peacebuilding. Employing *peacekeeping* operations would "create a secure and stable environment while strengthening [Libya's] ability to provide security." Subsequently, the longer-term implementation of "*peacebuilding* involves a range of measures targeted to reduce the risk of lapsing or relapsing into conflict by strengthening national capacities at all levels for conflict management, and to lay the foundations for sustainable peace and development." It is within this conceptual framework that UNOLIB would operate in order to ensure the development of an effective, manageable path toward peace.

I argue that UNOLIB, a coalition-led mission, would help provide the necessary protected environment in Libya to increase the potential for successful, nonviolent political and social development. I will draw on historical precedent, specifically the model of the US-led task force in Somalia that was successful in creating a protected environment, as well as provide insight into how Provincial Reconstruction Teams (PRTs) such as those currently utilized in Afghanistan may be aptly applied to the proposed mission in Libya. Components of these interventions have had significant success in areas of peacekeeping and peacebuilding that are central to UNOLIB's objectives. Furthermore, I will draw on how the social-psychological theory of interactive problem solving can be utilized in the peacebuilding mission to help

facilitate the integration of local communities in the new emerging political system of Libya. This represents a critical element to successful peacebuilding operations that must be incorporated into the political and social developments of Libya's transition.

The following proposal proceeds in four sections. The first section briefly establishes the backdrop against which UNOLIB will operate and identifies why the current situation in Libya is appropriate for such an intervention. The second section outlines the mission of UNOLIB, the implementation of Phase I, the applicability and usefulness of the Somalia case, and the introduction of the interactive problem solving approach as a segue to Phase II. The third section lays out Phase II of the intervention, applies the model of PRTs, and expands on the utility of the interactive problem solving framework. Finally, section four reflects on the intervention and provides insights into the future of Libya.

The Current Situation: Problems and Impact

First and foremost, it must be recognized that physical security is the lifeblood to Libya's future. Herbert Kelman asserts that "unfulfilled needs, especially for identity and security, and existential fears typically drive the conflict and create barriers to its resolution." Achieving long-term objectives involves an all-encompassing process, one in which a growing perception of "unfulfilled needs" can materialize rapidly and is difficult to reverse. This is often a major contributor to escalating fears and instability that can be substantially destabilizing among a demanding post-revolutionary population.

The fragility of the new interim government under Prime Minister Abdurrahim el-Keib is a major factor in the security situation currently developing in Libya. Violent clashes among "poorly trained and only moderately organized militias" have posed a major problem for the developing government. Consequently, the interim government has had little success in controlling these armed factions. Moreover, deep tribal divisions embedded in the system during Gaddafi's reign have hardened tribal identities making national reconciliation all the more difficult. Creating an open space for cross-tribal discussions and debates about the future is an important step toward deemphasizing tribal differences and promoting national unity. The interim government has



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shown little effort or capacity to facilitate this kind of interaction among local communities or tribal factions.

With the government and the Libyan people in the developmental stages of political and social growth, state and civil institutions lack the enforcement capabilities to effectively address domestic issues. However, the nascent stages of Libya's development provide unique opportunities for parallel growth that mutually promotes the participation of the people in the formation of a new government and the representation of the government in the construction of a new Libyan national identity. Furthermore, support for continued international assistance has been recently expressed by Libyan authorities. From this perspective, UNOLIB can provide the enhanced security and community-driven development assistance required to facilitate a peaceful transition and ensure that the Libyan government and its people are equipped with the necessary tools to overcome the barriers to social and political transformation.

A New Mission: UNOLIB Phase I

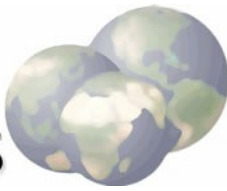
The mandate of UNOLIB shall be to assist and support national efforts in Libya to:

- (a) provide and assist in securing a safe and stable environment in Libya;
- (b) reduce the sources of violent conflict;
- (c) increase the legitimacy of the developing Libyan government, including through assisting in the building, training, equipping, and mentoring of national security and police forces;
- (d) promote cross-tribal, civilian and military engagement, including through the use of Provincial Reconstruction Teams (PRTs) designed to formalize civil-military relations;
- (e) deliver necessary humanitarian efforts and supplies, including water, food, technical support, training, and other related materiel as needed;
- (f) promote national reconciliation and opportunities for open, interest-based dialogue among all members of Libyan society;
- (g) encourage growing national unity, including through coordinating and initiating social development projects.

The proposed intervention involves two phases: Phase I is designed to address the security issues through peacekeeping

operations for an initial period of six months. Phase II then implements a series of peacebuilding operations in the form of PRT projects for an extended period of one year. Phase I of UNOLIB will be carried out by an UN-led coalition force of 28,000 personnel consisting of a 20,000 multinational military personnel force, a 5,000 multinational police personnel force, and 3,000 civilian political and tribal leaders. Supporting nations of the former NATO military intervention in Libya will contribute significantly to the legitimacy and public acceptance of this large force. Under the coordination and guidance of a Special Representative to the Secretary General, Phase I proposes that allied-nation officials work with the Libyan authorities through diplomatic channels to effectively establish a ceasefire between rivaling factions in the country. The ceasefire is to be conveyed to the militias as a necessary precondition to the safe transportation of UN forces to the country as well as to ensure the safe delivery of humanitarian relief supplies.

In Somalia in early 1992, Robert B. Oakley succeeded in establishing a ceasefire during a time of intense violence among Somali factions. The demand for humanitarian aid in Somalia was mutually expressed among the various warring factions and too high to refuse commitment to a ceasefire. Similarly, the humanitarian situation inside Libya has been strained by extremely high unemployment and poverty rates, deepened by the destructive violence of the civil war. As a result, the prospects for concluding a ceasefire in areas where living conditions are severe or deteriorating become higher with aid incentives. The short pause in factional violence was crucial and ultimately created a secure enough environment for the Somalia operation to begin. Where the U.S.-led intervention in Somalia did not have a functioning government with which to cooperate, UNOLIB forces will be able to effectively communicate and coordinate with Prime Minister el-Keib and his administration, many of whom represent various tribes throughout the country. The objectives of Phase I of UNOLIB operations are founded in the establishment of a relationship-based presence from the outset, an essential feature of the UNOLIB mission. The composition of the Phase I coalition force is designed to wield a military force capable of carrying out the security objectives but also serves to incorporate a foundation of civilian participation in the operations. Areas of civilian inclusion in the Somalia intervention were virtually nonexistent and ultimately led to a break down in security. Phase I operations



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seek to guard against the threat of post-intervention relapse into violence and serves to acquaint Libyan civilian political and tribal leaders with the core processes of security enforcement. In doing so, the civilian population immediately becomes a part of the developing process and at this point, the interactive problem-solving approach becomes embedded in the direction and implementation of the intervention. This lays the groundwork for the theoretical perspective that drives the UNOLIB mission. More importantly, it brings to the table the idea that “by pushing behind the parties” incompatible positions and exploring the identity and security concerns that underlie them, it often becomes possible to develop mutually satisfactory solutions, since conflicts about identity, security, and other psychological needs are not inherently zero sum. This is a core concept central to the interactive problem-solving approach that exists interminably throughout the peacekeeping and peacebuilding operations of UNOLIB.

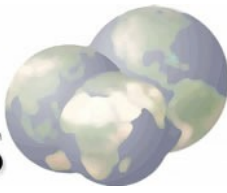
For operational purposes, the coalition force is broken up into provincial battalions proportionate to population figures. The first and most important objective for UNOLIB forces is to secure a safe and stable environment in Libya. This will be achieved through policies of non-coercive disarmament and demilitarization of remaining Gaddafi-era military bases and facilities. Police forces and participating civilian leaders in each province will seek to collect heavy weapons, explosives, missiles, Rocket Propelled Grenades (RPGs), and any related arms with the explicit purpose of redistributing them, at a later time, to equip a nationally constituted military and police force. Similarly in the past, the task force in Somalia engaged in voluntary disarmament policies and military operations to secure weapons storage sites. According to then UN Secretary-General Boutros-Boutros Ghali, “the presence and operations of UNITAF had a positive impact on the security situation in Somalia.”

Purposefully, these policies are actively based around the interests of the civilians who recognize weapons to be their only means to security. Local military council members have expressed the “need to stay armed until a new constitution is ratified because they do not trust the weak provisional government to steer Libya to democracy on its own.” Coercively disarming civilians would only serve to escalate public tensions on the ground and increase insecurity. Therefore, UNOLIB Phase I objectives will involve securing patrol outposts at airports, roads and oil refinery sites to help

guard against local disputes turning violent. The authorization to use military force is strictly limited to self-defense and the military presence of coalition forces is meant to convey peaceful, positive, and cooperative intentions, such as the impact achieved by UNITAF forces in Somalia. Additional objectives include securing abandoned weapons warehouses, former military bases and facilities, and missing weapons and explosives to further diminish the available sources of armed violent conflict.

In conducting Phase I operations, it must be understood that voluntary disarmament and surrendering of controlled territory by local militias will be frequently resisted. However, the conduct of UNOLIB operations is non-confrontational and opportunities to promote national unity and cooperation efforts can and should be pursued indirectly. For example, relations between military personnel, civilian leaders, and tribal leaders are non-hierarchical in structure for the purpose of conveying equality, cooperation, and understanding. Non-violent interactions with resisting militias can be beneficial and exemplary. Experts on interactive conflict resolution have “[demonstrated] that third-party consultants have been able to build a positive climate of interaction which allows participants from antagonistic groups...to learn more about each other and their relationship.” UNOLIB Phase I operations are specifically designed to help provide stability, security and a protected environment in Libya. This goes hand-in-hand with problem-solving mechanisms that seek “to contribute to mutual reassurance by helping the parties develop a nonthreatening, deescalatory language, and a *shared* vision of a desirable future.”

In addition to the non-coercive disarmament and demilitarization policies, provincial battalions will be tasked to build compounds and training facilities. Those willing to lay down their arms will be integrated into their appropriate provincial battalion as a civilian leader and will also receive small arms weapons training and education in security enforcement areas such as self-defense and basic military and police training. Thus, construction of these compounds serves multiple purposes. Firstly, they provide militarily controlled sites for confiscated weapons. Secondly, they provide an incentive for armed civilians to engage in voluntary disarmament for training and education. Thirdly, they offer structured training environments for the preliminary development of a national military force and police force.



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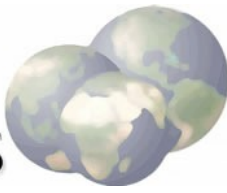
Fourthly, they facilitate inter-tribal interactions in a safe environment. Finally, from a logistics perspective, they provide the facilities and work space necessary for a smooth operational transition to Phase II. The completion of Phase I does not end operations or terminate Phase I objectives but rather recognizes an improved security environment on which longer-term peacebuilding operations of Phase II can be built.

UNOLIB Phase II

Phase II of the UNOLIB intervention is designed to promote the active participation of local communities around the country. The interactive problem solving approach constitutes the theoretical underpinning of Phase II operations that drives the purpose and significance of PRT projects in the context of Libya's state transformation. During Phase II, interactive problem-solving becomes the mechanism through which members of Libyan society, militiamen and civilians alike, can seek to define their own roles in the emerging political and civil society. The value of Phase II relies on the argument that "the greatest strength of this approach is its potential contribution to transforming the relationship between the conflicting parties." All too frequently, this is an essential element to peacebuilding interventions that is unrealized due to the problematic concept of "post-conflict" efforts. Presupposing a post-conflict environment results in overlooking the underlying sources of the conflict and current relationships are reinforced rather than transformed. Failing to address the sources of conflict because it is perceived to have ended is often why violence reemerges in conflict-prone environments. The mentality unleashed by the concept of a post-conflict situation fundamentally blinds peace missions and national efforts to rebuild as it allows all parties involved to operate on the assumption that the sources of violence have been eradicated from the conflict. Phase II seeks to transcend this notion by placing local communities at the center of its operations. Major current and past peacekeeping and peacebuilding missions have been largely restricted in their success due to a failure to wholly integrate the local population in the peace process. As a result, this represents the main objective of the UNOLIB intervention. Negotiating with the local population and giving them a sense of "voice" is insufficient. Thus, it requires some formalization of interactions not only between peacebuilders and the local people but also between members of the communities themselves. PRT projects are especially tailored to engage

local communities through existing structures and institutions that are recognizable, accepted, and influential among the local population. In Afghanistan, for example, PRTs are tasked to work with other development actors "to actively engage and help develop the capacity of the Shuras," local community meetings that have significant influence in Islamic society. Phase II operations to promote these types of consultations in Libya will be a main focus, "by which community or even national affairs would be conducted through mutual consultation in which the views of all citizens were exchanged." Thus PRT projects are an important element of Phase II of the intervention because they promote community-level engagement. In reference to the PRT Guiding Principles, mentoring, teaching, training, supporting operational planning, and contributing to the development of national security forces are all activities currently performed by PRTs. Functioning as "fully integrated military-civilian organizations," PRTs undertake projects at the provincial level such as training and mentoring local security forces, reconstruction, and coordinating meetings and events between government officials and the civilian population. Operating at the provincial level is an extremely important feature of PRTs in contributing to the UNOLIB mission and offers the opportunity for ideas and actions to influence the minds of Libyan society at the individual level.

The objectives of Phase II operations are designed to build on the secured environment created by Phase I and to further expand and strengthen local institutions and mechanisms that will concurrently grow with the future development of a new constitution and elected government. Phase II's emphasis on peacebuilding and development assistance involves a reduction in the military presence represented within each PRT; this coincides with an increase in military advisors and experts to replace weapon-bearing security troops. Additionally, this represents a shift in focus from primarily security operations to a more future-oriented perspective of building long-lasting peace. The implementation of Phase II operations seeks to develop trust, relationship-building, civil affairs, local institutions, and training and mentoring programs in military and police operations, whilst emphasizing leadership roles. These operations will be performed through PRT projects, headed by UNOLIB forces, in a way that promotes participation and assumption of responsibilities on behalf of the civilian population. In order to successfully accomplish this, PRT projects are modeled



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after Kelman's problem-solving workshops. The value of the workshops is derived from the interactive problem solving theory and has significant impact on the effectiveness of the UNOLIB intervention. According to Kelman, "workshops are designed to enable the parties to explore each other's perspective and, through a joint process of creative problem-solving, to generate new ideas for mutually satisfactory solutions to their conflict." Over the course of Phase II, a series of workshops, training exercises, and educational seminars will be implemented that are designed to bring to the front lines of the intervention the mutual interests, concerns, and priorities among different groups. The compounds built during Phase I provide the physical space for individuals to come together and peacefully engage one another. The workshops, training exercises, and seminars are initiated and directed by the PRTs. The leadership role of UNOLIB forces in this context is largely nominal and serves only to provide direction, advice, and an added sense of security.

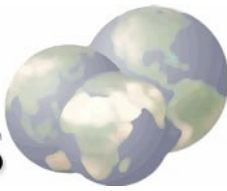
Educational seminars are held by leading diplomats and political figures to educate Libyan citizens in the political and electoral process. Experience in these realms was significantly suppressed by the Gaddafi regime and providing education and insight into these processes will allow flourishing political parties to organize ideas and interests around mutual goals and objectives for the future. These seminars represent intense meetings and debates between members of local communities who are or want to be politically involved in Libya's future.

Public workshops serve to promote an open dialogue of new ideas, thoughts, and creativity regarding the future of Libyan civilian life. As outlined by the interactive problem-solving framework, workshops serve "to maximize the likelihood that the new insights, ideas, and proposals developed are fed back into the political debate within each community." UNOLIB operates with the same purpose and the workshops, training exercises, and seminars are designed to directly complement the development of civil society organizations, political parties and foundations for a united military and national police.

In addition to the workshops and seminars, small military and policing units comprised of UNOLIB forces within each PRT are deployed with training units of Libyan militiamen and civilians to go on patrol exercises designed to teach the basic

fundamentals in military tactics and policing enforcement training. The purpose of these training exercises is to provide the necessary security skills and knowledge to members of Libyan society that can be easily transferred to the formation and development of a unified national military and police force. As interests, ideas, and perspectives coalesce, individuals will be able to better understand and conceptualize their desired role in society whether it be pursuing electoral candidacy or participating in a small civil society organization that works to improve education standards.

Creating a platform for members of local communities to engage in political and social development is a crucial step in the peace process. The workshops, seminars, and training exercises outlined above serve to contribute to the creation of an environment that stimulates and promotes joint thinking processes, a central concept in the interactive problem solving theory. Recruiting individuals to participate in these workshops is the most important, and possibly the most difficult, responsibility of the intervening force. During Phase II, the potential recruitment problem is addressed through the relationships forged between UNOLIB officials and the Libyan authorities. While Prime Minister el-Keib and his administration have been criticized for succumbing to the pressures of local militia groups seeking immediate political representation, there is a positive side. Osama al-Juwali, head of the military council in the Zintan Province, was appointed Defense Minister and another militia leader from Misurata, Fawzi Abdelal, was appointed as Interior Minister. Integration of different militias in the developing government is already beginning to take place and this provides an opportunity for UNOLIB officials to work with leaders like al-Juwali and Adbelal, who now have the unique ability to appeal to different militia groups while representing the national government. These politically influential figures will play an important part in recruiting individuals from their constituent tribes, as well as contributing to improving the public's perception of the government's growing strength and legitimacy. From this perspective, UNOLIB officials within PRTs play an essential liaison role between provincial government leaders, who represent top-level officials, and the civilians. This highlights another main functional role of PRTs; to provide an open space to facilitate interactions and discussions between military, civilian, and local political leaders. Furthermore, establishing an environment of joint



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thinking promotes the flow of new ideas that are specific to the needs and interests of individuals.

Reconstruction projects of Phase II also involve UNOLIB forces providing funding and technical support for the building of schools, mosques, roads, and medical facilities. The primary purpose of these infrastructural projects is largely to assist in the rebuilding process of Libyan society. Another important motivating factor is that these projects will be carried out by the PRTs, which are comprised of a combination of UNOLIB personnel, civilians, and tribal leaders. Furthermore, these projects' timelines purposefully extend beyond the end of UNOLIB operations and their continued development is set in motion to be sustained in the future by the population. Encouraging the responsibility and cooperation of individuals during these projects is a crucial psychological element to UNOLIB's mission. The projects and training exercises represent points in the rebuilding process "at which the cognitions, emotions, and intentions of individuals and the interactions between [them] can play a direct role in determining outcomes." It further provides opportunities for dialogue and problem-solving techniques to develop naturally through the interactions and cooperative behaviors required to carry out the projects. As these development projects continue on through Phase II, UNOLIB forces increasingly assume advisory roles and diminished responsibility in the coordination and implementation of new projects. Slowly phasing out UNOLIB forces will require the local population to become more intensely involved and will prepare them to sustain these projects, and initiate new ones, in the future.

Conclusion

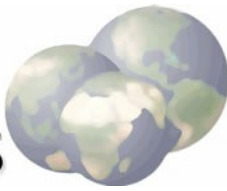
The main goal of UNOLIB, in accordance with the growing international conceptual understanding of peacekeeping and peacebuilding, is to emphasize "the link between security and development and a long-term perspective to achieve sustainable peace." The position of the UNOLIB mission is oriented toward building and fostering this "long-term perspective" so the Libyan people can continue working toward achieving a sustainable peace in the future. Sustainable peace, therefore, is a concept that UNOLIB seeks to embed in the minds of the Libyan people. It is not to be conveyed in a sense that post-intervention evaluation can, or should seek to, determine whether or not "achieving a sustainable peace" was a completed success or failure. Rather,

more appropriate and accurate measurements of progress should reflect the outcomes of meaningful forthcoming events such as the holding of national assembly elections scheduled to take place by mid-2012.

With the assistance from the UNOLIB mission, the Libyan people have a unique opportunity to coincide their social and political development with the creation of a new government. The cumulative effect of Phase I and Phase II ensures that violence does not undermine the political developments and psychologically motivates rivaling militias away from conflict and toward increasing awareness that Libyans can actively partake in the process of forming a new state. While freedom and democracy are the themes of debate concerning Libya's future, positive political and social change will require commitment to and acceptance of the intensive processes of state transformation. UNOLIB provides the necessary protected environment and peacebuilding capacities that put the fate of Libya's future in the hands of its people.

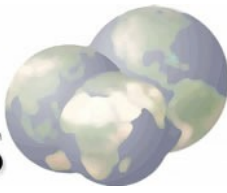
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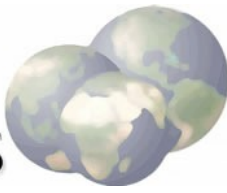
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Private Sector





The Investment Environment of China and India

By | *Richard Ro*

There is no doubt that the rest of the world is rising, with emerging markets taking the lead. An emerging market is usually defined as a country with middle income status that is increasingly opening its markets and experiencing high rates of economic growth. The BRIC acronym, which consists of Brazil, Russia, India and China, was created referring to the significance of these four countries in changing the landscape of the global economy. China and India are important as their potential market opportunity is significant with both countries having populations over one billion and a growing middle class. Many experts are forecasting that both countries will become leaders in the global economy in the decades to come. A detailed analysis of their political and business structure would help to understand how each country presents a unique investment opportunity.

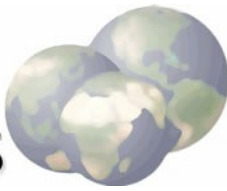
China's strong economic fundamentals, such as high savings rates and large labor force, have attracted Western investors as they look to gain a larger market share in the country. Since market reforms began in 1978 under Deng Xiaoping, China has developed at a rapid pace with real GDP growth averaging nearly 10% per year, recently becoming the world's second largest economy. Gross domestic product is the market value of all goods and services produced within a country in a given period. With the government controlling most investment projects through the power in issuing long-term bank credit and granting land-use rights, state-owned enterprises dominate major industries from banking to transportation to energy. However, entrepreneurship is growing as enterprises that are not majority-owned by the state make up 70% of China's GDP, with registered private businesses growing over 30% a year from 2000-2009, which can be a positive development for investors. Nonetheless, China's business cycle has been largely driven by Beijing as the government sets national priorities in every Five Year Plan.

Foreign direct investment, which is the net capital inflows into a country in order to acquire a majority interest, is a large part of China's economic takeoff as FDI has averaged \$40 billion, or 5.5% of GDP during the early 2000s. Although there are restrictions on internal capital mobility, the government has focused on attracting capital and technology

abroad through policies such as permitting joint ventures with domestic firms and tax incentives. These foreign investments widely vary from minority stakes of Chinese state-controlled banks by multinational financial institutions to manufacturers building plants. As a result, technology spillovers occur as foreign firms train labor and management and as higher quality standards are imposed on domestic firms in doing business with foreign enterprises. Foreign direct investment has had a positive impact on China's economy as it has enabled the country to move production from low-tech, labor-intensive goods to advanced industries such as automobiles. Yet, in the wake of the recent global recession, Beijing has become persuaded that Western policies of free trade and open markets do not work as well as previously thought and that new industrial policies should be considered. Foreign executives complain that policies have become increasingly nationalistic and protectionist, giving domestic firms an edge. In industries like green technology, Chinese firms have a clear advantage as state-controlled banks provide near-zero interest rate loans while foreign-owned companies building wind farms in China are banned from selling carbon-emission credits to businesses in Europe. In response to these complaints, the government announced a more open stance toward foreign investment in some high-tech industries and in poorer regions.

China has been able to defy the popular norm that democracy and capitalism go together as the one party regime controls every aspect of politics and the economy. Citizens are not able to elect their president while coordination goods, which consist of political and civil rights, are suppressed as media and Internet access is restricted. Vast inequalities between the coastal areas, which received 88% of all FDI flows in China, and the hinterlands of China exist, which if unaddressed, can further the social divide. However, the party has been able to maintain its legitimacy through high economic growth rates, resulting in improved welfare of its citizens.

India's growth story is different. After experiencing dismal growth for over four decades after independence, economic reforms began in 1991. Under Manmohan Singh's guidance, trade barriers were lowered, industrial licensing was scrapped, tax rates were reduced and India was open to foreign investments. Rather than adopting the classic Asian export-driven model, India relied on domestic consumption



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more than exports and foreign investments, with consumption accounting for 64% of India's GDP compared to 42% for China. Its development has not been led by labor-intensive industries, but by services, which account for more than half of India's GDP. The entrepreneur is at the center of the country's economic success as they have received 80% of all loans, compared to 10% of the credit that goes to the private sector in China. India's economy has been able to grow without much assistance from the state, as it has highly competitive private companies and a modern financial sector.

Economic liberalization and integration with the global economy is essential in order for India to realize higher economic growth. Investors are attracted to India because of rising incomes in its 200 to 250 million people middle class and nearly 9% a year growth rates. Foreign direct investment has poured in from multinational companies worldwide as mutual funds and banks have invested in over 1,000 Indian companies through the stock market. The purchase of existing shares by foreign investors has contributed greatly to FDI inflows, consisting of nearly 40% of total inflows from 2005-2007. One hundred and twenty-five companies from the Fortune 500 now have research and development bases in India, showing its strength in human capital. India has adopted a very liberal foreign investment policy as inflows subject to government approval have declined from 62% in 2001 to 14% in 2010. Much of foreign investment is automatically approved without seeking permission from the Reserve Bank of India, with 100% of foreign equity allowed under the automatic route in most industries. FDI has helped India to achieve its level of economic growth and created jobs at the same time for its citizens.

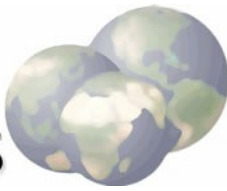
Despite India's liberal FDI policies and attractive economic prospects, there is a general trend that foreigners are concerned about their ability to conduct business in the country, with FDI dropping more than 31% in 2010 to \$24 billion. A highly publicized government corruption scandal over awarding wireless communications licenses and a tax battle between Indian officials and Vodafone in India's Supreme Court recently are cause for concern. Firms like MetLife and Wal-Mart have been eager to invest or expand, waiting for years for policymakers to grant them permission. Even Indians believe bureaucracy has become the biggest obstacle to development that has blocked, instead of supported economic reforms. The government recently

passed a finance bill that would tax the indirect transfer of assets to a certain threshold, making India less attractive to investors. The public sector has become a major drag on growth and employment with strict labor laws making it impossible to lay off workers. The government has not been able to provide fundamental public services such as comprehensive education, healthcare and sanitation.

India's greatest achievement is its modern institutional framework as it held the world's most diverse country in relative peace for over a half century. Free and fair elections are held without interruption as the party or coalition that wins will run the government. The voting trend in India is not the norm where the lower an individual is in the caste system or hereditary social class the more likely that person will vote. Although India's strong rule of law encourages firm innovation supported by copyright laws, democracy has helped to slow economic reforms. With a large portion of India's population not benefitting from liberalization policies, many view reforms as change that is not for them. However, transitions have become institutionalized in India, making long-term political stability likely.

The policies that both China and India implemented during the recent global recession can provide further insights into how these economies differ. The world praised China for its leadership and decisive economic policies during the crisis as it helped to restart economic growth and lifted the Asian region out of a downturn. China's \$585 billion stimulus package was one of the world's most significant stimulus programs to date, holding up growth even as exports dropped 16% in 2009. However, Beijing mostly counted on massive credit growth to boost the economy, with new loans in 2009 representing nearly 30% of GDP. With the credit boom creating worries about the country's banking system, it is expected that 20% of new lending in 2009 and 10% of the amount in 2010 will default in the next three to five years. Not only do policy makers have this to worry about, but they are also currently attempting to fight inflation and cool down the housing market by restricting lending.

The Indian economy has been mostly insulated from global fluctuations as it relies primarily on domestic consumption. India has used conventional methods of cutting interest rates, increasing government spending and offering tax breaks in fighting the recession. Government stimulus



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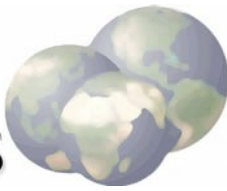
was just 3% of GDP for India, compared to 6% of GDP of China. In addition, credit growth decreased as India's banking sector has remained conservative during the downturn and has not been put at risk. However, the central bank is fighting inflation currently at 8.2% and rising, which is not reassuring to foreign investors as higher price levels can erode potential earnings.

The rise of China and India has large implications for the global economy. As the middle class in both countries grow in size, consumer demand for goods and services will continue to evolve and become more sophisticated. China and India, along with other rapidly growing developing countries, will gain a larger share of global trade. China is expected to surpass the United States and become the world's largest economy by 2041. India's growth rate is expected to remain above 5% for several decades, with its economy surpassing Japan's by 2032, yet still significantly lower than China's by 2050. China has already shifted global energy markets as national firms have traveled the world for deposits of natural resources in order to meet growing domestic demand. According to the U.S. Energy Information Administration, China and India will account for nearly half of the world's energy use. The largest amount of growth is expected to come from developing countries in Asia, increasing by 91% from 2010 to 2035. It is expected that the emerging middle class worldwide will nearly triple their purchasing power by 2030, with 40% coming from Asia. Investors are looking to this emerging middle class for growth and returns on investment as advanced countries struggle with staggering levels of debt and lackluster economic growth.

In comparing China and India, we see two different growth stories. Although China has become the favorite, there are significant political and economic risks. The economy is heavily dependent on exports with an increasingly fragile banking system. If the Communist Party does not sustain economic growth, China can face political turmoil from growing social unrest. On the other hand, India seems to be politically and economically sustainable. Despite less stellar growth and at times poor governance, India is less susceptible to asset bubbles and has a strong banking sector. India's political stability can be ensured by its strong democratic institutions. In conclusion, the governments in these two countries will implement all the necessary policies to ensure that their respective growth stories continue.

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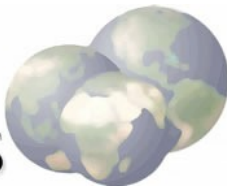
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The Petroleum Economy in East Timor: How to Break the Resource Curse?

By | *Guillaume Kroll*

*Quando o petroleo dormia
No nosso tempo de infancia
Paz e amor sempre existia
Pobreza nao tinha importancia*

*Agora liquido infernal
Que acordaste em terra minha
Trouxeste grande vendaval
Matando o amor que a gente tinha*
— *Minarai (2007)*

*While the oil lay dormant
When we were still just kids
Poverty was not so significant
Love and peace always existed*

*Now infernal liquid mess
That you awoke in my home
You brought a great tempest
Killing the love that we'd grown*

Introduction

With presidential and parliamentary elections in March and July, a 10-year celebration of independence in May, and the withdrawal of the UN Peacekeeping Mission at the Indonesian border in December, 2012 seems to be the year of all challenges for the small Republic of East Timor. Another issue that has received less attention however – yet potentially more damaging – is the heavy dependence of the country's economy on the petroleum resources from the Timor Sea. In this paper, I examine the risks raised by the overemphasis on the oil-economy in East Timor. After a brief introduction to the historical context, I present the Timorese government's struggle to secure access to its offshore petroleum resources lying between its coasts and Australia's. I expose the phenomenon of the "resource curse" and its devastating consequences for resource-rich countries. Then, I examine the vulnerability of the Timorese economy vis-à-vis this curse, and present the government's response. I analyze the successes and failures of the country's sovereign wealth fund – the Petroleum Fund – established to guarantee the wise management of the oil resources and protect the long-term interests of the country. Finally, I advocate for a new development policy seeking economic diversification – especially through rural sector development – to ensure East Timor's future prosperity.

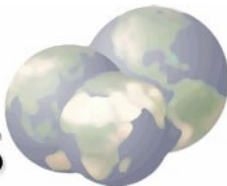
Portuguese explorers discovered the island of Timor in the mid-16th century, and started to colonize it in the late 18th century. The skirmish with the Dutch in the region resulted in an 1859 treaty establishing a definitive border between the Portuguese colonized eastern half of the island and the Dutch

colonized western half. In 1974, the decolonization process that followed the Carnation Revolution spurred the Portuguese to abandon their colony in Timor. However, only nine days after the Portuguese withdrawal, Indonesia launched an invasion of East Timor, and auto-declared the territory as its 27th provinces in 1976. Violence and brutality followed over the next two decades, with East Timorese fighting the Indonesian occupation and claiming their right to independence. In 1999, in a UN-supervised referendum, a large majority of East Timorese expressed their urge for independence, and the United Nations Transitional Administration in East Timor (UNTAET) subsequently took over the administration of the territory. On May 20, 2002, the official independence of the country was formally recognized, and former militant Xanana Gusmão was sworn in as East Timor's first president.

Figure 1: Map of the Democratic Republic of East Timor



The successful outcome of decades of fighting for independence did not, however, mark the end of violence in East Timor. In 2006, in the build up to the country's first presidential elections, growing internal tensions escalated into various outbreaks of violence and factional fighting. The breakdown of law and order resulted in unprecedented flows of Internally Displaced Persons (IDPs), with as many as 15% of the country's population – 155,000 persons – forced to flee their homes (UNDP, 2010). The situation was later brought under control with the

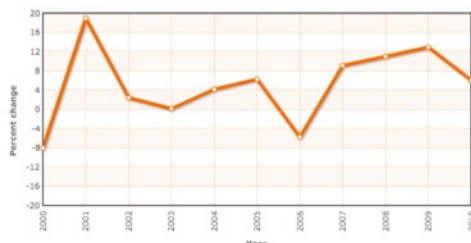


The Petroleum Economy in East Timor: How to Break the Resource Curse?

deployment of the United Nations Integrated Mission in Timor-Leste (UNMIT) and an Australian/New-Zealand co-led International Stabilization Force (ISF). In 2008, a group of rebels led by political opponent Alfredo Reinado sought to overthrow the regime and to assassinate President Jose Ramos-Horta and Prime Minister Xanana Gusmão. The coup attempt failed, and the government, with the help of the UN police and ISF troops, managed to keep order in East Timor. The fact that the failed assassination did not escalate into violence was a first sign that the political actors and the state institutions of East Timor were gradually gaining maturity, with an increased desire to resort to peaceful and democratic mechanisms to solve conflicts in the country.

When Indonesian troops left East Timor in late 1999, they left behind a country in ruins, devastated by decades of violence. It is believed that about 70% of the country's economic infrastructure – its homes, schools and farms, its water supply and irrigation systems, its power grid, etc. – were then destroyed as result of the ongoing conflict (Schenk, 2004). When the UN took over East Timorese administration, the necessity to put the country's economy back on track and embrace the path to development was thus a formidable challenge. With an enormous inflow of Official Development Assistance (ODA) injected in the country's economy, the Gross Domestic Product (GDP) recovered quickly and posted two consecutive annual gains of more than 15% (Zone A – Figure 2). After independence, donors started to scale down their activities, and growth consequently slowed down, remaining positive, however (Zone B – Figure 2). With the return to conflict in early 2006, along with a period of severe drought, economic activity throughout East Timor was once again brought to a halt, both in the capital Dili and in the countryside, where agriculture and transportation were severely disrupted (USAID, 2008). The economy contracted and GDP dropped to nearly minus 6% that year (Zone C – Figure 2).

Figure 2:
Evolution of the GDP Growth at Constant Price in East Timor

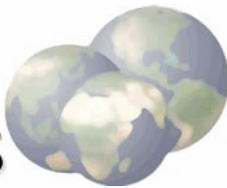


Since 2006, with the return to a more stable environment, the Timorese economy seems to have adopted more sustainable patterns of growth (Zone D – Figure 2) and double-digit numbers have been forecasted for the years to come (NDAE, 2011). Nevertheless, East Timor remains a poor country, with a GDP per capita at Purchasing Power Parity of \$928, making it the 9th poorest country on earth. Similarly, 50% of the one million inhabitants of the island still live under the national poverty line of \$0.88 a day (Strachan, 2009) and the country ranks 147th out of 187 countries in the Human Development Index. Investments in infrastructure and education are desperately needed before extreme poverty can be tackled (Williamson, 2008). However, the major development issue for East Timor today seems to result from the configuration of its economy, which is highly dependent on the country's oil and gas offshore resources.

Oil and Gas in the Timor Sea

The Timor Sea, which spreads roughly from the Island of Timor on the North to the coasts of Australia on the South, is a relatively shallow sea known for its important hydrocarbon reserves. When East Timor achieved independence in 2002, it did not inherit any permanent maritime boundaries. Seeking to take advantage of the high potential revenues that oil and gas offshore resources could generate, the government of East Timor started to negotiate access to underwater hydrocarbon fields in the Timor Sea with neighboring Australia. The two governments eventually forged an agreement, resulting in the Timor Sea Treaty on May 20, 2002. The treaty, entered into force approximately one year later, delimited each country's territoriality in terms of exploitation of the resources, and – since the maritime boundaries of East Timor were still unclear – established a Joint Petroleum Development Area (JPDA), granting East Timor and Australia respectively 90% and 10% of the revenues derived from the JPDA (Australian Department of Foreign Affairs and Trade, 2003).

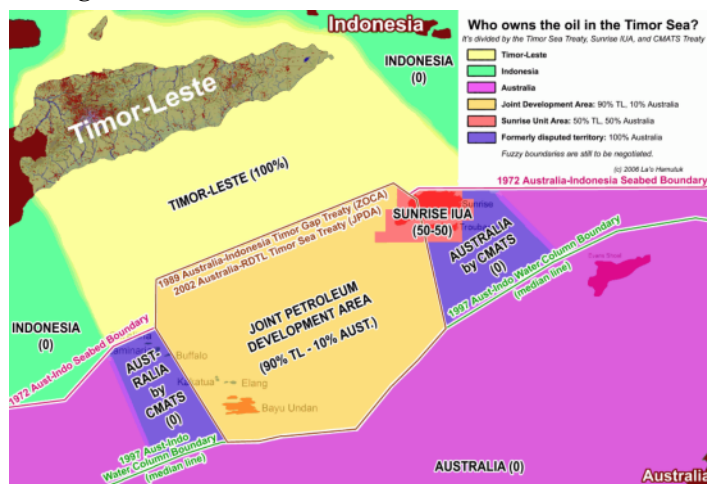
Today, East Timor is sometimes labeled as the most oil-dependent nation in the world, because its petroleum resources – though relatively modest from a global perspective – are massive compared to its small and underdeveloped economy (IMF, 2009). The income stream that generates now amounts to more than \$100 million



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per month, and about 95% of the government revenues derive directly from oil and gas profits. At the same time, the petroleum economy has largely outcompeted the other industries, accounting for 240% compared to non-petroleum GDP (USAID, 2008). The exploitation of oil and gas resources is a central element of the Timorese government's development plan, and the country is still engaged in a fierce dispute over its maritime boundaries with Australia, especially with regards to the Greater Sunrise field (Red Zone – Figure 3). This convoluted issue – which involves a broad array of stakeholders (from governments to NGOs to large multinational oil corporations) – has seen East Timor claiming a greater share of the revenues derived from the disputed underwater oil field; what could potentially triple the country's current income stream from petroleum resources (Molnar, 2005).

Figure 3: East Timor's Access to Oil Resources in the Timor Sea following the Timor Sea Treaty and Other Regional Arrangements



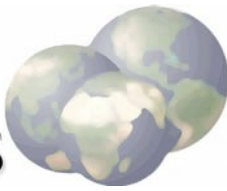
East Timor's Prime Minister, Xanana Gusmão, summed up these expectations in a 2009 speech, declaring that if the country's petroleum was wisely and transparently managed, "it will allow us, as a sovereign nation, to use our own resources to improve our infrastructure, invest in health and education and grow our economy so that we can build our country and provide a brighter future for our children." While it is largely understandable that a poor developing nation seeks to take advantage of the vast natural resources that lie in its soil, the current configuration of the Timorese economy and the overemphasis on oil and gas resources in development

plans raise several threats with regards to East Timor's social, economic, and security future.

The Paradox of Plenty in Resource-Rich Countries

As Oxford economist Paul Collier (2007) points out, the discovery of natural resources in a poor country can have devastating consequences on its economy. While this may seem paradoxical, Collier explains that countries with large resource discoveries are particularly inclined to fall into a "poverty trap," where they end up poorer over time as the lost growth is largely offsetting the one-off gain in income provided by the resource rents. This phenomenon is known as "the resource curse." The conventional explanation is twofold. First, the resource exports cause the country's currency to rise in value compared to other currencies. In turn, this makes other export activities less competitive, even though they might be fostering technological progress and development in the country. This mechanism – coined as the "Dutch Disease" after the effects of North Sea gas on the Dutch economy in the 1960s – damages the growth process by jeopardizing export activities that otherwise would have had the potential to grow rapidly. Second, natural resource revenues are volatile in nature and difficult to manage, increasing the risks of shocks and crises in the economy.

Collier presents further explanations with regards to the resource curse. First, resource revenues seem to worsen governance and leading to democracy malfunction. Not only does the abundance of resource rents foster the politics of patronage by altering the electoral competition process and creating incentives for corruption, but it also lowers the accountability of the government. One reason is obvious: big profits from natural resources substantially reduce the need for the government to tax its population. As a result, citizens are not challenged to scrutinize how their taxes are spent, and the accountability mechanism of democratic regimes is broken. As Scheiner (2004) points out, even non-corrupt governments in resource-rich countries tend to make development decisions against their people's long-term interests, such as neglecting other industries or embarking on expensive spending programs. Moreover, as the experience has demonstrated – in countries such as Chad, Iraq or Angola – abundant natural resources can also be a driver of conflict.



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This is easy to understand: domestic and international actors are attracted by the potential profits that might be generated from the resources and will be ready, in some cases, to resort to violence to access the treasure-trove. For these reasons, in poor nations without well-established governments, long democratic traditions, or diversified economies, the discovery of natural resources can often do more harm than good.

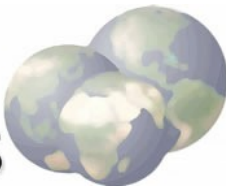
East Timor and the Resource Curse

While East Timor adopted the US dollar as its national currency and is thus not exposed to over-appreciation, there are several reasons to be concerned about the country's ability to deal with its vast natural resources. East Timor's high dependency on oil and gas profits has turned the country into what scholars call a "rentier economy" – in which the state generates its revenues from the exploitation of natural resources instead of taxation. As explained above, this situation can undermine the relationship between the government and its citizens, as people are less likely to demand accountability from their officials. This is definitely not a hypothetical scenario for East Timor. Being a newly independent nation, the country has virtually no tradition of public involvement in policy-making and little experience with democratic mechanisms. As Scheiner (2004) points out: "The Portuguese colonial bureaucracy was famous for inefficiency and arbitrariness, and the Indonesian military and civil service raised corruption and brutality to record levels." The young nation's officials are trying to break these customs, but they are largely inexperienced and have very few examples to learn from. Under Indonesian rule, virtually no East Timorese were occupying high-level decision-making positions, whether in the public or private sector. As Scheiner further explains, the country has "so few experienced managers or public officials, [...] and there are [therefore] a number of potential conflicts of interest and people serving dual roles, which could reduce East Timor's chances of making the best decisions possible." For both citizens and civil servants, there is a solid lack of understanding of what is acceptable and what is not.

Furthermore, the risk of corruption involving high officials and oil companies remains high in East Timor given the huge income flows derived from the oil economy and the relatively weak oversight mechanisms. Despite promising steps in recent years (creation of a parliamentary sub-commission on corruption, adoption of a new criminal code that no longer

includes libel, and creation of both a Civil Service Commission and an Anti-Corruption Commission with investigatory powers), much remains to be done before corruption can be eradicated from the island – while a small ruling elite of rich families is believed to worsen the problem (USAID, 2009). The statistics tally: the country scores only 2.4 on a scale of 10 at the Corruption Perception Index, and is ranked 143rd out of 182 countries. East Timor's justice system has also little experience, and both the functioning of the courts and the legal procedures do not seem to work properly yet (USAID, 2008). This could be another issue if corrupted government officials or oil tycoons end up slipping through the justice net. Establishing a tradition of honesty, transparency and accountability will obviously take time in East Timor.

While the country's current level of peace and stability is a considerable achievement in itself, the numerous outbreaks of violence experienced by East Timor throughout its history are still deeply felt among the population. Domestically, several social tensions remain, which have been challenging peacebuilding and development efforts in recent years. The East-West divide – which was at the origin of the 2006 unrest – is a potential vector for future conflict, with social resentments still present toward returned IDPs (UNDP, 2010). Another divide occurs between the urban population, in the capital Dili, where the main development initiatives take place, and the rural populations in the countryside (NDAE, 2011). Youth unemployment, which accounts for 43% of the population under the age of 24, is another array of contention (USAID, 2008). Such domestic social issues must be tackled as early as possible. At the international level, besides the ongoing conflict with Australia around the petroleum resources in the Timor Sea, the relationship with former ruler Indonesia on the other side of the island remains highly contentious. UN peacekeepers and Australian troops have been stationed at the border since 2006, where thousands of refugees and militias are also present. A recent study shows that a continued fear of aggression by the Indonesian Defense Forces (TNI) or by the militias (that are perceived to be supported by the TNI) is still present among the East Timorese population, which view the future UN withdrawal with skepticism and anxiety (CICR, 2004). These concerns are amplified by the questionable capability and professionalism of the Timorese National Security Forces (Ibid). In this fragile security environment – both at the



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domestic and international level – conflict over natural resources is more likely to escalate into violence, highlighting the need for sensitive development policies.

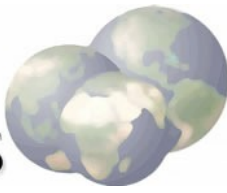
Another effect of overemphasis on the oil economy has resulted in high inflationary rates and increased exposure to commodity prices volatility. As a result of the underdevelopment in the other sectors, agriculture for instance, the country must import a considerable amount of foreign goods and food to meet the population's needs, thereby increasing the risk of inflation (The Economist Intelligence Unit, 2012). Indeed, the Ministry of Finance (2011) has attributed the high inflation rate of 12.8% mainly to the increase of global food prices. Moreover, the flipside of having adopted the US dollar as national currency is that the government cannot adjust the exchange rate to offset the rising cost of imported goods on which East Timor is heavily dependent. And, with 80% of the population relying directly on agriculture for subsistence, up and down shocks in commodity prices have direct consequences on the income of rural populations, and 64% of the country's inhabitants are, thus, thus believed to suffer from moderate to severe food insecurity (USAID, 2008).

In sum, the high dependence of the Timorese economy on petroleum resources is presenting serious threats to the country's future development: by undermining government accountability and democracy, fostering corruption, magnifying vectors of conflict and fueling inflation and commodity prices volatility. At the same time, East Timor is just beginign to exploit its petroleum resources, and – aware of the potential risks – should be able to learn from past failures in other regions of the world. The creation of a sovereign wealth fund was part of this strategy.

The Petroleum Fund: An Attempt to Break the Resource Curse
On September 22, 2005, the government of East Timor announced the establishment of a sovereign wealth fund, with the objective to contribute to “the wise management of the petroleum resources for the benefit of both current and future generations.” In creating the Timor-Leste Petroleum Fund, the government's objective was to support the development of the non-oil economy, especially in the rural sector, through investments in infrastructure, public services and human capital. The Petroleum Fund was thus intended to “serve as

a tool to facilitate sound fiscal policy, where appropriate consideration and weight is given to the long-term interests of the country.” The Petroleum Fund Law, modeled on Norway's pension fund model, gives responsibility to the country's Central Bank to undertake the operational management of the Fund and requires all petroleum revenues to be entirely transferred to the Fund and invested abroad in financial assets. The Fund's only allowed outgoings are transfers back to the central government budget, pursuant to parliamentary approval, and limited to a threshold fixed by the Estimated Sustainable Income (ESI) – a mechanism limiting the amount of money available for withdrawal each year and ensuring the sustainability of the Fund. According to the Ministry of Finance, the Petroleum Fund governance model is “based on a high degree of transparency and disclosure of information to help build public support for wise management of petroleum revenues and to reduce the risk of bad governance.” To ensure transparency, the Central Bank submits quarterly reports on the performance of the Fund (available online) to the Minister of Finance.

As shown in Figure 4, with the transfer of oil and gas revenues since 2005 the balance in the Petroleum Fund has grown substantially to reach \$9.31 billion at the end of 2011 – out of which nearly 90% is sitting in the US Federal Reserve Bank, and 10% is invested in international equities and bonds from other governments (La'o Hamutuk, 2012-a). Overall, the Petroleum Fund seems to have provided a strong foundation for the fiscal stability of East Timor. In a 2011 survey by the Peterson Institute, the Fund ranked 6th out of 43 other sovereign wealth funds evaluated in terms of their structure, governance, transparency, and management (Truman, 2011). The Fund also helped stabilize the economy as a whole. As a 2009 IMF report pointed out, the Petroleum Fund has provided transparency and accountability where the exploitation of oil resources has been notoriously prone to create governance problems. In addition, it has provided stability in the face of income volatility that could have otherwise damaged the economy. As the report further argues, “while making funds available for current generations, it also emphasizes savings to protect the interests of future generations where governments are often myopic. [Therefore,] the fund significantly increases the likelihood that Timor-Leste's petroleum resources will turn out to be a blessing rather than a curse” (IMF, 2009).

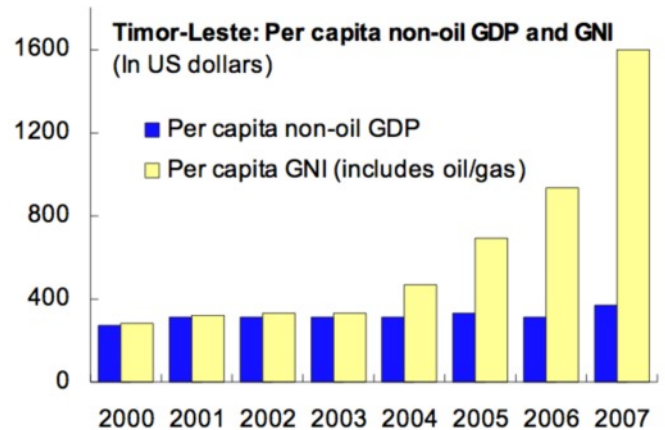


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Figure 4: Evolution in the Balance of the Timor-Leste Petroleum Fund



Figure 5: Evolution of Gross National Income and Non-Oil per capita GDP in East Timor

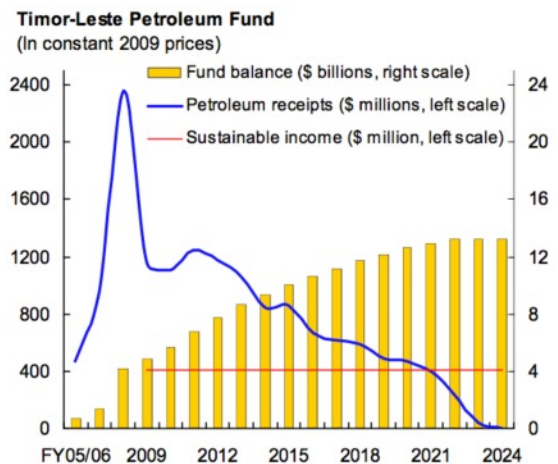


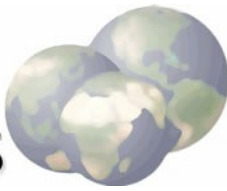
However, the Fund has not solved all problems. First, with most petroleum wealth yet to be extracted, East Timor is still vulnerable to the risks related to the “resource curse.” In particular, the country’s economic future is still highly dependent on the evolution of the price of oil. Increased volatility could undermine current growth rates and lead to a recession (Anderson, 2010). This would mean cuts to public finance, reduction in government services and a return to patronage and dependency on foreign aid. Moreover, while the Fund has increased government transparency, easy access to oil and gas revenues still reduces pressures for accountability and therefore undermines democracy.

Second, the Fund seems to have been unable to contribute to poverty reduction and development in the non-petroleum economy. As pointed out in the 2009 IMF report, the petroleum sector has not stimulated the creation of jobs for the Timorese population, and the generation of income in the rest of the economy has remained stagnant. Figure 5 provides a comparison of growth rates in GDP per capita including and excluding petroleum revenues – highlighting the little social and economic impact of oil and gas production on the wider Timorese population (IMF, 2009). The major current economic challenge thus seems to be the translation of petroleum wealth into a broad-based and sustainable increase in living standards for the country’s inhabitants.

Third, it should be acknowledged that East Timor’s oil and gas resources will eventually become exhausted. As shown in Figure 6, according to current IMF estimates, the rapid growth of the Fund’s balance will soon start to slow down, before finally leveling off at about \$13 billion with forecasted petroleum receipts coming to an end in 2023 (IMF, 2009). Therefore, as World Bank Country Director in East Timor Nigel Roberts pointed out (2009), the biggest uncertainty regarding the future of the Fund seems to be the pace of government withdrawals. As the IMF report noted, withdrawing more than the Estimated Sustainable Income (ESI) could make sense if the spending generates a social rate of return that is greater than what is actually earned on keeping money in the Fund. However, given the country’s exposure to the risks inherent to the resource curse, this will not be easily achieved.

Figure 6: Forecast of Future Deposits in the Petroleum Fund and Subsequent Balance





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Indeed, a 2008 memo addressed by the World Bank to the Timorese government warned of the risks of withdrawing in excess from the Fund. The essence of the memo was that – while accelerating spending to tackle poverty may be tempting, waste and misappropriation would be inevitable should the expenditure exceed the capacity of the country’s systems and skills. Channeling too many resources into the domestic economy could indeed have perverse and damaging effects, such as creating inflationary pressures and eroding competitiveness of the other sectors. Therefore, the World Bank called for directing attention not towards increasing expenditures, but instead toward strengthening government planning and implementation capacity in order to enhance the absorptive capacity of the economy.

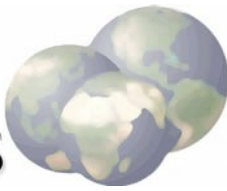
Economic Diversification for Future Development

The Timorese government does not seem to have followed the World Bank’s advice, however. As Anderson (2010) pointed out, with a balance over \$9 billion, the Petroleum Fund has become a “honeypot” of temptation for government officials and policy-makers. Indeed, in 2008 and 2009 and again in 2011, the government controversially drew down more than the ESI, invoking a clause in the Petroleum Fund Law allowing exceptional transfers under particular circumstances (Neves, 2011). As the 2009 IMF report recalls, the ESI is actually a benchmark rather than a legal obligation. After the practice was considered illegal by the Timorese Court of Appeals, the government sought to amend the Petroleum Fund Law in order to allow more money to be transferred to the budget. The proposed amendments were intended to transfer the oversight role of the parliament to ministers and investment advisors, and opened up the rate of allowed withdrawals (Anderson, 2011). Despite broad criticisms by civil society and international financial institutions, the new law was passed on September 19, 2011, allowing the government to withdraw two times more than the ESI in its 2012 budget (La’o Hamutuk, 2012-b).

Therefore, while the establishment of the Petroleum Fund in 2005 has provided fiscal stability and increased government transparency and accountability, it has not solved all problems. In particular, it has been unable to translate oil and gas revenues into job creation and increased living standards for the country’s inhabitants. As Scheiner (2004) pointed out, the operation of petroleum facilities remains very

technical, and it is very difficult for East Timorese to obtain jobs in the sector. Another explanation is the low absorption capacity of the economy, resulting from weak government planning and implementation capacity (World Bank, 2008). Equally worrying is the recent government tendency to withdraw in excess from the Fund, above the ESI, thereby increasing the risk of damaging macroeconomic effects, such as inflation and underdevelopment in the non-oil economy. What is more, the country’s petroleum resources will eventually dry up. In fact, the deposits under the Timor Sea are expected to be exhausted in 50 years, and East Timor will then be forced to rely on other sources of revenue (Scheiner, 2004). The government of East Timor should therefore acknowledge that the Petroleum Fund is not a remedy for all ills, and begin crafting new development policies – that will lead to economic diversification. As a 2011 UNDP report concluded, “the challenge for Timor-Leste in the coming years will be how best it uses revenue from its Petroleum Fund to promote the development of the non-oil sectors of the economy.” According to the report, development policies should thus focus on how to effectively translate petroleum wealth into pro-poor growth, employment generation, and poverty reduction (UNDP, 2011).

For a largely rural society in which 80% of the workforce is employed in farming and related activities (USAID, 2008), developing the agricultural sector seems to be the best way for implementing this new policy. Yet, agricultural productivity is very low and most households cultivate merely for their own subsistence (UNDP, 2011). In a country where the agricultural sector has never been allocated more than 5% of the government budget (Anderson, 2010), local farmers are ill equipped to compete with food imports from Thailand, Indonesia, or Vietnam and thus have very few market opportunities. Therefore, further investment in the rural economy is essential. An area where investments are particularly needed is access to finance. Rural entrepreneurs lack access to basic financial services which results in financial exclusion. Another area is infrastructure building. Further investment should be directed towards improving transport services, public facilities, roads, post offices, electricity and water supply, and sanitation facilities, before rural development can be achieved. Capacity building is also required in a range of areas, such as agricultural extension knowledge and systems, farmer-based technology



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development, commodity development programs and private sector training (UNDP, 2011). Finally, ameliorating livelihoods in the rural sector also requires sustainable improvements in strategic agricultural areas, such as the production of basic crops (maize and rice), crop diversification (cassava and sweet potatoes for instance), cultivation of cash crops that can be sold to residents, hotels, and restaurants (coffee, exotic fruit, vanilla, cashew nuts, soybeans, etc.), and agricultural processing (in order to add value to the products and create additional employment) (UNDP, 2011). In addition, a number of other rural industries also seem suitable for further development, such as fishing or ecotourism (Ibid).

Developing the non-petroleum economy in East Timor, whether in the agricultural sector or not, also requires improving the climate for doing business in order to attract both domestic and foreign investors. However, the institutional framework for private sector development is currently very weak in East Timor with the country ranking 168th out of 183 countries in the World Bank 2012 Doing Business Report. According to the 2011 UNDP report, the primary reasons for this low rank are “the widespread occurrence of expensive and time-consuming administrative procedures, difficulties in resolving contract disputes, high communication costs, high wages relative to other Southeast Asian countries, a serious lack of supporting services such as auditing, accounting and law practices, lack of a credit registry, limited transparency of procurement procedures, insecurity of tenure, difficulties in obtaining credit, and high risks associated with business closure.” Tackling such issues seems to be within the reach of the government, and improving the business climate should thus be an area of focus for new development policies. Addressing the land tenure problem is another important issue, since the Timorese constitution does not permit foreigners to own land. Once again, the government should act consequently and introduce a system of land leasing to secure the position of overseas investors.

Conclusion

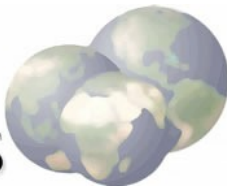
Since the return to peace in the young nation of East Timor, the country seems to have embraced encouraging economic growth, thereby providing hope for the one million inhabitants of the island many of whom are still living in conditions of advanced poverty. However, the current configuration of the

Timorese economy – which relies heavily on the exploitation of oil and gas resources – raises several threats highlighted by the damaging “resource curse.” In fact, East Timor’s overemphasis on its petroleum economy has put the country’s future development in jeopardy: it has undermined government accountability while fostering corruption, magnified vectors of conflict and fueled inflation and commodity prices volatility. In order to break the famed curse, the government of East Timor established a sovereign wealth fund – the Timor-Leste Petroleum Fund – to ensure wise management of oil resources and to protect the long-term interests of the country.

While the Fund has helped stabilize the economy as a whole, it has not solved all its problems. In particular, it has been unable to translate petroleum revenues into job creations and increased living standards for the country’s inhabitants. Acknowledging that the Fund is not a remedy for all ills, the government of East Timor should begin implementing new development policies directed towards economic diversification. With a large majority of the population active in the agricultural sector, focusing on rural development seems to be the best way to foster pro-poor growth, generate employment, and tackle poverty. In particular, public and private investments in key areas such access to finance, infrastructure and capacity building, and agricultural productivity, are essential. Attracting domestic and foreign investors will, however, require improving the business climate in the country. Should the new government be able to implement these measures, the non-petroleum economy is likely to develop and the risks inherent to the resource curse would diminish. This would augur a bright future for the people of East Timor.

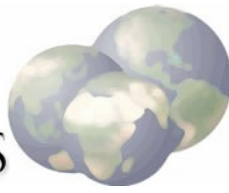
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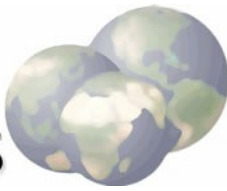
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Transnational Security





Force Specialization: Meeting Modern Military Operational Needs

By | *Frank Cinturati*

The new age of warfare demands specialization to adapt to the new utility of force. Today's militaries are facing conflicts that involve insurgency, terrorism and peace operations. This means that current forces need to be trained and equipped to conduct such operations. These forces are not specifically specialized in each of these operations: however, they do have other types of specialization.

Specialization of units does occur. Some Marine Corps Infantry Regiments such as the 25th Marines are cold weather units, which means they are particularly trained for cold weather operations. The same kind of specialization can be practiced for new types of operations. In one regiment of three battalions each battalion can specialize in a different conflict category. For example, in the 25th Marines, the 1st Battalion (1/25) can specialize in Counter-guerrilla warfare, the 2nd (2/25) in Anti-terrorism and the 3rd (3/7) in peace operations. In current Marine unit rotations entire regiments are not deployed at once. Single battalions from different regiments are deployed to make Regimental Combat Teams (RCTs) in theater. For particular operations that may only require peace operational specialties the 3rd battalion can be deployed without completely depleting the regiment. However, if there is a conflict that requires all three specialties the entire regiment can operate as a whole.

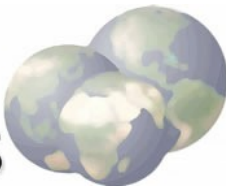
In the Marine Corps every Marine is a rifleman first. After honing those skills in boot camp and then at the School of Infantry (SOI), Marines whose primary military occupational specialty (PMOS) are not riflemen go onto additional training. Those Marines whose PMOS are riflemen also go to additional training in that specialty, however that training is somewhat repetitive yet necessary. All Marines are riflemen first and many of them attain a separate specialty. In essence they have two jobs, rifleman and whatever their specialty is. This principle can be applied to the previously mentioned specialization of units and personnel. This would require schools to be in place to train these units. Such types of unit training already exist. At 29 Palms Marine Corps Base and other military installations real life counter-insurgency training takes place presently. The same type of training can be conducted for anti-terrorism and peace operations.

The US military has faced unconventional warfare such as insurgency and guerrilla warfare throughout its history. This type of military operation is exactly what the US faces in both Iraq and Afghanistan. These campaigns have given way to rethinking strategy, capability and force structure. It is imperative that we re-asses and re-vamp our training as well as structure of forces to meet the needs of current threats. The military must adapt to new threats if the U.S. expects to be successful in current and future operations.

Unconventional warfare is outside of the traditional and basic type of training that is received by Marines at boot camp or at SOI. Marines go to SOI after boot camp for training in combat skills. Combat skills are more focused on conventional tactics with little focus on unconventional fighting skills. Unconventional warfare requires more advanced training than what is currently given to Marines. This need demands that Marines get specific formal training at such schools that provide this specialization. This non-traditional form of fighting emphasizes small unit leadership at the platoon and squad levels because that is the nature of fighting guerrillas. The emphasis on small unit leaders requires the training that unconventional warfare training provides. The old doctrine does not emphasize small unit leadership but instead the traditional large scale operations. With the campaigns in Iraq and Afghanistan it is being recognized that it is indeed the small unit leaders who are the ones in command of what is happening on the ground. If this is how we are fighting then why are we not training like this more? This should be a part of training and doctrine.

According to H. John Poole:

To move forward on 'Distributive Operations', [those in which squads operate alone] the U.S. infantry will need 'bottom-up' training method – one in which squad members collectively develop their own tactical techniques through field experimentation. Until Benning and Quantico recognize this, their squads (no matter how heavily armed) won't be able to safely step outside their parent unit's protective umbrella. Through bottom up training, squad leaders develop better initiative, tactical technique, and decision-making ability. The doctrinally driven, standardized approach to training will never operate to produce squads that can operate alone.



Force Specialization: Meeting Modern Military Operational Needs

The US certainly is obliged to start thinking of training in terms of these not historically new but doctrinally new threats. It is of the utmost necessity that units be specialized in these particular fighting skills and continuously train for them. Once a Marine infantryman completes boot camp and his School of Infantry training he should go to advanced unconventional warfare training if he is bound for such a battalion. This special school should also be attended by Marines who are transferred to such a unit. This training should be one month long for Marines. This amount of time would provide the foundation training within reasonable limits. If a Marine is promoted to non-commissioned officer (NCO) or he is sent to that unit there should be additional training specifically for NCOs. Similarly, officers should go to this unconventional warfare school. Additionally, for the battalion specializing in unconventional warfare the training in this field will be continuous. The unit will not only train in conventional warfare tactics as it always has but will include their new specialized training into their regular training schedule.

The training requirements for 2nd battalion are similar to 1st battalion as is the need for specialization in anti-terrorism. The attacks on the US on 9/11 made terrorism a security priority. It is of the utmost necessity that the military meet the needs to meet this threat. This will be accomplished through specialization and continuous training of these anti-terror Marine battalions. The 4th Marine Expeditionary Brigade (MEB) that was formed shortly after 9/11 was to be the premier reaction force to meet anti-terror needs. The 4th MEB included an Anti-Terrorism Battalion (AT Bn) that was 3rd Battalion 8th Marines (3/8). Since 3/8 as a regular infantry unit was designated and specialized as an AT Bn this concept of specialization has already been accomplished and thus is not a far-fetched idea. The same specialized designation and training can be applied to 2nd Bn 25th Mar (2/25).

Also similarly designed is the new Reserve 4th AT Bn. Its mission is to “rapidly deploy specially trained and sustainable forces to detect, deter, and defend against terrorism, as well as to conduct crisis response in the event of a terrorist attack.” Why throw away a good idea then bring it back to a limited implementation to one battalion out of all the battalions in the Marine Corps? This idea should be implemented to every Marine infantry battalion if it works for one. How often can you deploy this one battalion to meet the threat of terror? AT

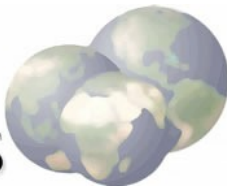
Bn designations should be assigned to more than one battalion to not only prevent unit fatigue but also to enhance the Marine Corps AT capabilities on the whole.

It was also the original vision of the MEB that the Marine Corps would spread this capability to all infantry battalions. The AT Bn as an infantry battalion with additional training proved that this AT specialization is possible and was the original intention of that unit’s activation. The enhanced skills of Urban Assault Climbing, Enhanced Marksmanship, security techniques, weapon skills, as well as reinforcing previous capabilities with a focus on anti-terrorism training, were all a part of the AT Bn’s training. These are all skills previously learned by the infantry unit 3/8. The argument that these specializations cannot be learned or maintained by infantry units is invalid. Anti-terrorism specialization has been, can be and must be done. This Anti-Terror Battalion will follow the same training model as the 1st Bn.

3/25 will be the battalion that specializes in peace operations. This is an increasingly important area of expertise. As of October 2006 there were eighteen peace keeping operations with 80,976 military and police personnel, and 15,000 civilians serving worldwide. Here is another example of a great necessity to meet the demands of current operations. If we are going to send troops to be involved in these operations we need to train them accordingly.

It is often that there is a need for a strong force to be deployed rapidly to bring security to the region so humanitarian operations can successfully take place. The military needs to provide this security which is something that civilians cannot offer. This was true for Somalia. For humanitarian aid to be provided, the military had to establish and maintain a secure environment. Where the military failed to provide a secure environment, the humanitarian mission ceased to be successful. This is an example of the need for specialization. For such an operation it is of the greatest necessity to have personnel that can, at one moment, hand out teddy bears and at the next moment, when there is a threat, “go kinetic” using force as only the military knows how to use. Although contractors also know how to use force they do not have the same legitimacy as do government forces.

Intervention in the Rwanda Genocide would have been the quintessential mission for this envisioned battalion



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specialized in peace operations. Their intervention could have saved countless lives, maybe even a large portion of the 800,000 to 1.2 million that were lost. With the right authorization of the use of force, training and equipment intervention would have been absolutely possible. Of course intervention of this Bn would have only taken place if the UN or the international community had the will to act.

Force restructure cannot do anything about authorization of the use of force in a given conflict. However, what can be changed and improved is training. Lt. General Romeo Dallaire, who was the Commander of UN Forces in Rwanda, saw the training of his forces as inadequate. Although this was not in reference to any US forces, this does show the need for training in these types of operations. Peace operations are different from what military force was originally intended for. Hence, it is necessary to prepare US forces for missions that they are sent on

The argument that troops would not want to be labeled as peace troops is an invalid one. 3/25 will still be a hard charging, Marine infantry battalion that is still the same old battalion full of shock troops that it ever was. This specialization in peace operations is an additional specialty. Primarily they will still be infantry and train as such. These troops have also demonstrated that they can do peacekeeping missions and even believe in the cause but they need proper training, particularly training that would teach them not to take sides. Although they are willing to take on these missions they must be properly prepared to do so.

There is also an argument that would split up the US military into two forces that would separate the responsibilities that this proposal aims at combining. The proposed idea currently given to the Pentagon is that “the U.S. military is logically headed toward a bifurcation into two different forces: one that specializes in high tech, big-violence war, and one that specializes in relatively low-tech security generation and routine crisis response.” However, it does not appear that policy makers are taking this course of action. Instead of this “bifurcation”, why not a two for one deal, where the force doubles as both for at least the time being? This plan can also provide a long term structure that would not be such a radical idea that would be opposed by commanders that might feel that a separate peacekeeping force would ruin the military.

As with the other battalions, the training structure and regimen would be the same.

The type of training for all these specializations will be similar. The training will consist of class instructions as well as realistic scenario training exercises. The scenario training will involve much of the same type that is already in use in the “Mojave Viper” exercise that takes place at 29 Palms, California. Mock towns will be made to provide realistic scenarios with live role players to train the Marines in the skills needed for their specialties. This will be part of their initial training after SOI and part of the regular unit training. Each specialization will have their different type of training curriculums that pertains to the needs of their specialties. These training methods will be more advanced and hands on than what Dallaire’s troops were provided with.

The US military has faced and will face operations that are not the type of traditional operations that are part of doctrine. It is of the utmost importance that we prepare our forces to face these challenges or we will be unsuccessful in these operations. These specializations are necessary, possible and logical.

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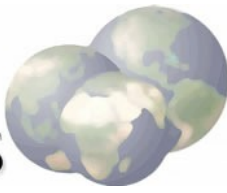
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Recruitment At No Cost: The Role of Ideology in Insurgency Movements and the Contemporary Lord's Resistance Army

By | Declan Galvin

Introduction

In early March 2012, the nonprofit advocacy group Invisible Children announced the “Kony 2012,” campaign which seeks to make Joseph Kony and the Lord's Resistance Army a “household name” in order to pressure on the United States government and international community to apprehend him. The YouTube video that Invisible Children used to launch this campaign correctly detailed that Kony has been leading an army of soldiers who, over the past 20 years have raped, pillaged, and kidnapped children throughout Uganda and the surrounding region. The video went “viral” in less than a month, transformed into yet another social media phenomenon through Facebook and Twitter, and also provoked a great deal of interest in the story of the LRA and child soldiers. The motivational video urged everyday people and students to spread the message that Kony was a “bad man” because of the destruction he has caused—particularly in the northern Ugandan region—and then asserted that the reason Kony has not been arrested was that there were not enough people worldwide who knew what he had done. The video also claims that arresting Kony will stop the decades-long conflict in the Ugandan region, which is a gross, and according to some, deliberate misrepresentation of the complex conflict network in the region. In his 2008 book *Living in Bad Surroundings* Finnstrom recalls a conversation with an official from the Carter Center, who had spent his career mediating in LRA-affected conflict zones. Finnstrom reflected on how baffled he was when the Carter official made no attempt to appreciate the complexity of violence in the northern Ugandan region—especially with regard for violence targeted against noncombatants and children. In a similar fashion, Finnstrom explains the comments by a Swedish diplomat who reduced the conflict in the north to a kind of mystic tribalism.

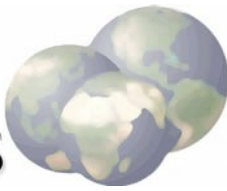
These three examples—the Kony 2012 video, the Carter Center official, and the Swedish diplomat—all advocate and attempt to advance an irrational approach to understanding the violence in the Ugandan and central African region. There are two school of thought in approaching the LRA crisis: one can either adopt the belief that Kony and the LRA exist as essentially desultory actors, whose aim is to pointlessly wreak havoc and discontent, without motives, agendas, or any strategic methodology; or we can adopt the notion that somewhere in the great complexity of this central African

conflict, history, and social life there exists a rationale for the existence and actions of the LRA, even if it brings psychological comfort to write Kony and the LRA off as simple “mad men.”

This brief interrogation of Kony and the LRA is grounded in the assumption that they are not irrational actors, but that they exist, and operate, due to a variety of circumstances and rational choices that they made. This paper will be guided primarily by the research on insurgency and rebel recruitment conducted by Jeremy Weinstein in his book, *Inside Rebellion: The Politics of Insurgent Violence* (2007). Weinstein's work will serve as a platform to investigate the predecessor to the LRA, known as the Holy Spirits Movement (HSM), which will help provide the necessary historical and organizational context to understand why the LRA operates and applies violence as it does today. If we can begin to at least conceptualize the rationale behind the LRA, then we can shed light on the violent acts that they have perpetrated, and be able to draw some similarities and parallels with the numerous other rebel an insurgency groups in Africa, and across the globe. Sub-questions that will facilitate in understanding the *raison d'être* of the LRA are: What kind of relationship does the LRA have with civilians? What kind of recruits does the LRA attract? What kind of commitment do LRA recruits have to the organization? How do the recruits and rebels in the LRA shape the organizational strategy and application of violence?

Finally, the LRA is worth studying and scrutinizing not only because of the prevalence of misinformation about it (alluded to above), or because of its serious human rights violations (which is unremarkable in the sense that it does not really distinguish it from the numerous other groups and governments in Sub-Saharan Africa), but the LRA also provides a fascinating and comprehensive case in support of Weinstein's theories of insurgency and recruitment. Moreover, the LRA due to its longevity, transformation from the HSM, and placement and relationship to the central Africa conflict network makes it ideal to generally understand why violence manifests against noncombatants in Africa.

Weinstein's Theories of Social and Economic Endowments
Weinstein believes, as does this author, that investigating and researching the origins and organizational



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structures of rebel and insurgency groups is significant to understanding, and predicting whether the rebels will engage in violence targeted against noncombatants. Indeed, the relationship between noncombatants and rebel or insurgent combatants cannot be overemphasized because of the needs these insurgent groups have to sustain their organizations, and hopefully grow them. However, Weinstein explains that the presence, or absence, of economic resources actually has the most bearing as to whether a rebel group will employ indiscriminate violence against noncombatants. In more detail he claims,

groups with access to economic resources are able to translate those endowments into selective incentives, or payoffs, in order to motivate individuals to join the rebellion. Resource-constrained groups must develop alternative strategies. They make promises about the material benefits that may accrue to individuals in the future...but these promises are only credible where leaders draw on social endowments that tie them to potential followers by means of ethnic, religious, or ideological ties.

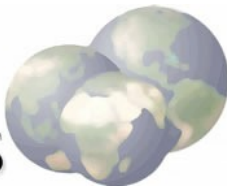
Weinstein then introduces us to the concepts of economic and social endowments, and sets the stage for their role in the recruitment of civilians into rebel and insurgency movements. The presence of these endowments, in terms of insurgency recruitment, affects whether a rebel movement is attracting committed, concerned followers; or whether it is attracting less committed opportunists. Weinstein describes this phenomenon as high-commitment individuals, and low-commitment individuals, where the former are willing to invest and put themselves at great risk; and the latter act more as consumers, and seek short-term pleasures and economic gains. Naturally, a combat environment where the immediate risk is high and the immediate reward is low will typically attract [only] more serious and committed followers. By contrast, when the immediate risk is lower and the immediate reward is high, the followers will be more interested in rewards and economic gain (as opposed to “the cause”). The latter example is considered an *opportunistic rebellion*.

Opportunistic rebellions typically see a higher incidence of violence against noncombatants. The reason is that the

short-term outlook of individuals in rebel movements, who again are motivated by economic and material gains, trumps whatever social affinity they may have with civilians and because “without local ties, opportunistic groups have more difficulty in identifying potential defectors and are prone to making mistakes. A constant demand for short-term rewards also drives combatants to loot, destroy property, and attack indiscriminately.” Moreover, given the lack of social ties to civilians, any onset of unjust violence can promote resistance and retaliation by the civilians—thus creating a cycle of repression and violence. The situation is complicated by the fact that since the rebel movement is being fueled by economic endowments, rather than social ties, it is hard for the leaders and commanders to maintain the order of their opportunistic troops for fear of their desertion (not to mention that most of the leaders are also involved in raping and pillaging of civilians, just as much as their followers). Alexis Arieff (2010), of the Congressional Research Service, supports this assertion and claims that “rape in African conflict settings has frequently been associated with combatant groups that lack an effective chain of command or disciplinary mechanisms,” which suggests further that opportunistic situations promote violence.

In short, rationally speaking, a rebel or insurgency movement will not institute a policy to kill or maim civilians and noncombatants if they receive significant social support from them. Moreover, in instances where the civilian population is opposed to the same agents as the insurgency, it would make sense to base a recruiting strategy on those individuals since they will likely be the most committed soldiers. Jeff Goodwin (2006), of New York University, offers a similar explanation through his research on terrorism. Goodwin explains that indiscriminate violence against noncombatants is most likely to occur in situations where social distance exists between two groups, in this case between rebels and civilians. He emphasizes that social distance, of the level referred to here, comes from situations where the two groups do not have many political alliances, and where the armed group may feel that civilians are “complicitous” or seen as benefiting from the opposition.

As was described, the environment an insurgency group operates in bears profound significance for the kinds of recruits it will attract to its ranks, their impact on the overall institutional evolution, and, of great importance here, how



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they will behave toward noncombatants. Weinstein provided intriguing theoretical evidence suggesting a correlation between low-committed members of rebel organizations and a higher incidence of violence against noncombatants, which is based on the theory that insurgent movements driven by economic endowments will be more likely to successfully recruit opportunists; and insurgent movements driven by social endowments will bring committed rebels willing to cooperate with civilians. Now, this investigation will turn to the role of social endowments in the success of the Holy Spirits Movement (HSM), and track its devolution to its contemporary manifestation of the LRA, which has shown to be much more prone to indiscriminate violence and terror.

The Acholi Crisis and the Ascendancy of the Holy Spirits Movement (HSM)

The postcolonial reality for Uganda has been, to say the least, extremely harsh and violent, with the state being used as a tool to exact revenge against opposition groups consistently since the 1960s. Milton Obote, one of Uganda's first presidents in the 1960s, proved to be violent toward the opposition and gave preferential opportunities to his own Lango tribe and the Acholi tribe, who had long had a relationship with each other (in part because they are both of Nilotic origin). After persistent tension under Obote, Idi Amin, the infamous dictator from western Uganda, ousted Obote from his presidential seat, and then summarily sent the nation on an even more brutal path of ethnic chauvinism and violence—especially against the northern Acholi and Lango tribes, who had both supported and benefited from the Obote regime. The purges against these northern tribes, sadistic by many accounts, resulted in the deaths of tens of thousands of people. This bout of violence was followed by Milton Obote (who Amin removed from power only ten years earlier) overthrowing the Amin regime to become president again, and once again showing preference to his Lango base. However, Obote's reascendancy triggered an intense civil war, where the Acholi—who had fallen out of favor with Obote and his Lango tribe—began to fight the Obote regime and also the future president Yoweri Museveni and his Northern Resistance Movement (NRA).

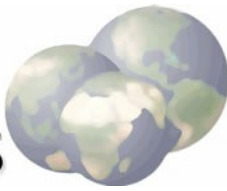
The result of this very complicated sequence of events is that northern Uganda, where the Acholi primarily live, became militarized and collectively traumatized from the effects of war. Fear and anxiety reached a breaking point in 1986 when

Museveni won the civil war and declared himself president, which prompted the Acholi to worry about another round of reprisals against them, this time at the hands of the Museveni government. Moreover,

thousands of Acholi soldiers fled to the north, either to their villages or to Sudan. They hid their weapons in the villages and attempted to lead a peasant life, but only a few were successful. During the civil war, they had lived by plunder and become contemptuous of peasant existence, and their return home caused disturbance and violence. They began to plunder the villages and terrorize anyone whom they didn't like; and although the elders attempted to exercise their authority over the returned soldiers, through recourse to 'Acholi traditions,' they were unsuccessful.

The Acholi people were in a kind of moral and existential crisis: they had not only been involved in war and conflict for decades, but they were aware of the atrocities Acholi soldiers committed throughout Uganda, and in their homeland. Furthermore, traditional Acholi beliefs exacerbated the shame brought on due to these soldiers because traditionally it is believed that warfare and killing would create an "impure heart," therefore these returned soldiers represented a moral hazard in the Acholi community and, according to folklore, would bring a kind of bad karma to the Acholi nation. If this was not enough, HIV/AIDS was rampant in the Acholi communities, and was being attributed to the evil deeds committed by Acholi soldiers during the wars and, in 1987, it seemed to spread unabated.

The moral, and in many respects the self-loathing crisis that the Acholi were enduring was coupled with the very real threat coming from the Museveni government. It is this context that incubated the HSM, which began in the Acholi territory and grew at an alarming rate. The HSM began with a middle aged woman named Alice Auma, who claimed to be possessed by spirits collectively called "Lakwena." Lakwena, by way of Alice, proclaimed that God had possessed Alice because the Acholi nation was so sinful, and Alice was now charged with the task to purify the Acholi nation, bring down the oppressive Museveni government, and build a new world that reconciled humans and nature around a Christian framework. Alice Auma (who became known as Alice Lakwena) was by all accounts a nobody until this



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proclamation, which proved to be exactly what the Acholi needed. Alice Lakwena formed the HSM, and in a way reminiscent of Joan of Arc, amassed an army of 10,000 soldiers and began to defeat the Museveni military installations throughout the northern Acholi territories, making her way south to the capital city, Kampala. On her campaign across Uganda, it turned out that Alice's very distant cousin Joseph Kony, the future leader of the LRA, also had become possessed by "Lakwena," and had begun to build his own Holy Spirit rebel movement. Kony, who was probably trying to co-opt the HSM, suggested that he and Alice join forces—she immediately dismissed him, causing him to attack some of her forces out of an embarrassed rage. The significance of describing this narrative and history is that Alice was able to capitalize on the collective concerns of the Acholi and recruit, and rely upon, the support of male and female civilians in only a few short months.

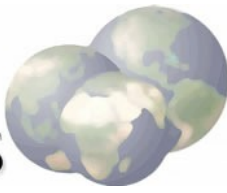
Weinstein's theories prove illuminating to this story because this was a movement driven by social endowments, i.e., the Acholi desire for social and moral order, the common experience the entire ethnic group faced, and the disdain for Museveni. Alice developed an inclusive organization of rural farmers, men and women, Acholi elite and intellectuals, former soldiers, as well as individuals from a number of other tribes who opposed Museveni by utilizing a recruitment strategy based on these social endowments. Alice also made it a priority to cleanse soldiers of their sins and misdeeds during war through a series of rituals, with the intent to redeem Acholi society and continue to encourage soldiers to fight the Museveni regime, which was a major part of the Acholi anxiety. Additionally, Alice and the HSM actively worked to reconstitute order and instill discipline in the rebels through the Holy Spirit Safety Precautions, which prohibited "theft, looting, lying, killing, sex, smoking cigarettes, drinking alcohol, and other sins." As one would expect from Weinstein's research, there was very little violence between the HSM and the local populations around which it operated. Behrend (1998) also explains that the HSM relied considerably on local populations and civilians for food, offerings, and gifts, though admittedly not all communities were as willing to give as others. Nevertheless, violence between the HSM and noncombatants was not commonplace. However, one interesting and notable exception is when the HSM moved from the Acholi, Teso, and Lango territories, and entered parts of Uganda that were opposed to the HSM

agenda. The social distance in, for example, the city of Busoga was significant enough that the HSM entered into combat with civilians who were seen as complicit with the Museveni regime, and supporting him. The importance of this last point is that it reinforces Weinstein's and Goodwin's theories that violence will not be committed against noncombatants unless they are perceived as part of the regime they are fighting. In other words, rationally the HSM felt they had more to gain by fighting these civilians than by cooperating with them. Moreover, the self-restraint that the HSM had typically showed dealing with all civilian and noncombatant populations is indicative of the social endowments that drove the movement.

Alice Lakwena was injured in Jinja during battle about one-hundred miles from Kampala (which she planned on taking from Museveni), and the HSM would splinter and eventually be transformed into the contemporary LRA. Alice survived the injury went into exile in Kenya, and never returned to Uganda. However, the movement she started should not be understated because it so clearly contrasts with its later LRA form, which deviated profoundly from Alice's original principles and developed a much more predatory attitude. The HSM was successful because it emphasized ideals, and tangible solutions to concerns that affected a wide enough group of people that they felt it was worth joining, and this in turn formed an allegiance between the HSM and noncombatants making indiscriminate violence an irrational and counterproductive choice.

Devil Without (Much) Cause: The Formation of the Lord's Resistance Army

In the aftermath of the HSM campaign the Museveni government worked toward, and eventually signed a 1988 peace agreement between various anti-government groups in the north, signaling reduction in hostilities. The anti-Museveni combatants either returned to their homes or, as was the case with many who were disenchanting, joined Joseph Kony, who had continued his own Holy Spirit militant activities. However, it should be noted, the HSM and all its remaining forms never reached the same size as it did under Alice. This fact is important because Kony attempted to keep momentum and was obsessed with being a major player in the region. The reality is that Kony tried to essentially rebrand the same HSM in order to maintain his control and, at least initially, to fight Museveni, but the major factors and



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social endowments that fueled the HSM no longer had the same relevance that they did under Alice, and in the erosion of these social endowments Kony lost his most significant strategy for the recruitment of soldiers. If we observe the number of rebels under the command of first the HSM and then the LRA, which Kony formed in the late 80s, we will notice a radical decline in the table below:

Year	# of Soldiers
1987	8500
1997	3500
2007	700

*Statistics have been averages from the estimates given from Spittales and Hilgert, Finnstrom, and Behrend

Moreover, if we fast forward to the present day in 2012, it is estimated that Kony has as few as 300 troops under his command, providing conclusive evidence that Kony failed at effectively recruiting people into the LRA.

The peace talks between Museveni and the northern insurgencies themselves are not enough to explain why Kony and his LRA movement could not gain enough credibility to consistently sustain a recruitment base. In fact, during the first two years of Museveni's reign it is claimed that 27 new rebel movements sprouted across the country in opposition to Museveni's government. Rather, it was most likely a combination of Kony's abandonment of certain HSM religious principles, coupled with his lack of insistence to maintain what few social ties existed in the north after the peace talks, and finally his access to foreign financial support from Sudan that Alice and the HSM did not have which, for at least a short time, was able to sustain the LRA and its recruitment base until this support dried up. A major decision that Kony made was the abandonment of the religious structure and the Holy Spirit Safety Precautions that had served to discipline the soldiers and create a kind of social cohesion that members of the group could share. Without these spiritual tenets, there was little difference between the LRA and any other opportunistic rebel group in the region, which resulted in the LRA "forming small desperate groups, [who] lived mainly by stealing, plundering local peasants, kidnapping young girls and boys, and making attacks and ambushes here and there." This behavior alienated the LRA

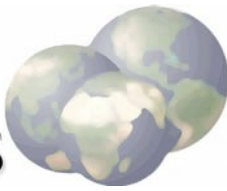
from what little support they had from Ugandan civilians. Furthermore, these attacks on civilians escalated into the LRA being forced from parts of Uganda by civilians and, eventually, Museveni military forces.

Perhaps the most damning evidence against the LRA's inability to recruit soldiers is the systemic abduction of children. In all, it is believed—though no concrete data exists—that about 66,000 children have been abducted by the LRA. Despite this estimate, it is clear that the majority was either killed, more likely, escaped since at no point did the LRA ever have more than 10,000 soldiers. This shows that not only does the LRA not possess enough social endowments to make membership lucrative, but the economic endowments are either non-existent or so insignificant that Kony has needed to resort to abduction. It is no surprise that, according to surveys of abducted children conducted by Blattman and Annan, those who were abducted were typically not too enthusiastic about staying. The survey indicates that only 19% wanted to stay in the LRA, 6% of those surveyed felt safer in the LRA than outside it, and 80% of those surveyed said that they had managed to escape.

The LRA's de-emphasis on social endowments in its strategic and operational outlook, whether intentional or unintentional, would constitute a significant blow to its recruitment strategy that was successfully utilized by the HSM. Furthermore, the conscious decision to transition to external financial support, rather than rely on social ties with Ugandan civilians, would impact the outlook and interests of the soldiers that he did manage to recruit into his army. These two factors, when taken together, help provide insight as to why the character of the LRA movement took a malignant turn toward self-interest, and why the behavior of its rebels terrorized noncombatants and abducted children. Joseph Kony and his followers did not indiscriminately attack noncombatants for sport or mere entertainment, nor did they abduct children without reason; rather, the LRA's intentions were to continue to sustain their floundering organization and to extract as much wealth as possible.

Conclusion

The environment that rebel and insurgency movements operate in, and whether they are being driven by economic or social endowments, has significant bearing on the kind of recruits that gravitate toward



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various insurgent movements. The kind of recruits in a given movement dictates a variation in rebel behavior, and treatment of civilians and noncombatants. It has been shown that these endowments actually trump the historical continuity in the evolution of an insurgency movement, specifically in the transformation from the HSM to the LRA. The HSM only attacked noncombatants when the social distance between them was great enough for the social ties between soldiers and civilians to become obsolete, such as the case in Busoga, but had a far less contentious relationship with the civilians who supported them. This can be juxtaposed with the HSM's later manifestation of the LRA, which had transformed into an organization that principled itself on economic endowments, which then attracted followers guided by self-interest and who were willing to pillage and terrorize communities. The theories advocated by Weinstein and the analysis of the evolution and behavior of the LRA has important application to the understanding of violence in central Africa, and certainly the nature of insurgent movements globally.

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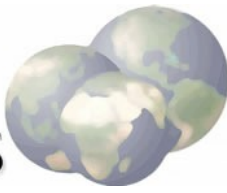
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Ukraine: Back in the USSR?

By | Nadiya Kostyuk

Ukrainian President Victor Yanukovich plays fast and loose with the truth. When he speaks of the 1932-1933 Holodomor famine that killed nearly ten million Ukrainians, he wants us to believe that Russia was a victim of this tragedy instead of the perpetrator. President Yanukovich, who has close ties with Russian President-in-waiting Vladimir Putin, disregarded Ukrainian history when he stated, in front of the Parliamentary Assembly of the Council of Europe on April 26, 2010, that “The Holodomor was in Ukraine, Russia, Belarus and Kazakhstan... it would be wrong and unfair to recognize the Holodomor as an act of genocide against one nation.” He lies to Europe and continues the Soviet cover-up of the famine even after thirteen countries, the United States, Canada, and Australia among them, have recognized the Great Famine as an act of genocide in recent years. Furthermore, on January 13th, the Ukrainian Supreme Court found Joseph Stalin, Vyacheslav Molotov, Lazar Kaganovich, Stanislaw Kosior, and Pavel Postyshev guilty of committing genocide against the Ukrainians in 1932-1933. Why would President Yanukovich distort the truth in this way? Is he a poor student of history or is he a quick study of Russian politics?

The president’s conniving act of denying the Holodomor was made to attract the friendship of Russia, which would be beneficial to the Ukrainian economy. In the same vein, Yanukovich continues to appease Moscow by signing an agreement with his Russian friends to extend their lease on a naval base in the Crimea until 2042, knowing that most of the Ukrainian population is against any further Russian influence in their country. Yanukovich learned a valuable lesson from his pro-West predecessor Victor Yushchenko, who was presiding in 2007 when Russia cut off the gas supply for non-payment, sparking a crisis in Eastern Europe in the dead of winter. Yanukovich realizes that friendly relations with Russia will allow him to coax lower prices for natural gas, a resource that is desperately required for Ukrainian economic growth. Ukrainians who are happy with (or at least not complaining about) the economy will likely support Yanukovich and his bid for a second term.

While the president is spinning the truth, Putin continues to expand his dream of resurrecting the Soviet Union with the fruitful breadbasket Ukraine at its core. The country’s enormous natural resources, including hard-working

Ukrainians and easy access to the Mediterranean via the Black Sea offer Putin the foundation for an empire. Even though Ukrainians have no desire whatsoever be a part of this new Russian domain, Yanukovich continues his pro-Russian propaganda. Is a lower gas price worth returning back to behind the Iron Curtain that caused decades of famines, purges, and Gulags? Is there any way for Ukraine to improve the economy without falsifying its history?

The only way to protect Ukrainian sovereignty is for the Ukrainian people to rise up again and, hopefully, with the support of other European nations, call for new elections and replace the president with one who will be able to sustain economic growth in the country without double-playing with its repressors. Ukrainians have fought for independence twice already and must not lose it again. Blessed with vast natural resources, access to the Black and Azov Seas and, an educated youth, Ukraine possess the necessary elements to establish itself as a prosperous, peaceful and dynamic power in the heart of Eastern Europe. Why would Ukrainians want to give that back to Moscow?



Lobster: Deadliest Catch of the Day

By | *Alexandra Hensley*

Prior to the mid-19th century, when New Englanders unanimously decided they had developed a taste for lobster, the heavily armored crustacean was considered to be poor man's food. Considering lobster's 180 degree gastronomical transformation into a bona fide delicacy today, the Red Lobster restaurant chain has accomplished something quite laudable: providing cheap lobster to the American masses. Let's critically examine, however, just how this thriving corporation is able to maintain such a feat.

Red Lobster's ad campaign champions the freshness of its lobster ad nauseam. Savor this from its website: "Indulge and try one of our famous New England style lobster feasts... The complete meal includes a flavorsome live Maine lobster... With our easy to use interactive menu screens and great prices, it's easy to enjoy Maine lobster and fresh seafood whenever you want."

So, I gather that your lobster comes from Maine?

"We also know where our seafood comes from. We only source the highest-quality seafood... whether it's live lobster from the coast of New England ...or fresh fish from the Atlantic and Pacific oceans."

We get it: your lobster comes from New England, specifically from Maine.

Lobster fishing dominates a huge portion of the economy of a state which few realize is the second hungriest in the nation. Moreover, the realities of Maine lobster fishing are not as rosy as Red Lobster would have us believe. In fact, in 2008, Maine's lobstermen suffered a devastating blow as the price of their catch tanked with the economy. They were faced with an oversupply that suddenly sold for only \$2.93 per pound. In the pre-crash glory days of 2007, Maine lobstermen earned \$4.39 per pound.

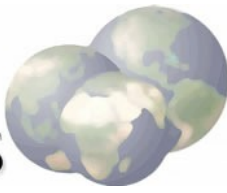
As the appetite of penny-pinchers for the delicacy dwindled, so did Maine's wealth.

The industry saw some relief in 2009 and 2010 as bumper catches balanced low prices, but it looks warily towards next year's catch in the face of an increasingly harsh economy, particularly due to exorbitant fuel and bait costs. It may be time for another lobster Christmas dinner—a campaign that fire-crackered its way through local sea-side towns in 2008.

And there's new competition, too. It comes, though, from an unlikely source.

"Indulge and try one of our famous Honduras-style lobsters!" Just doesn't sound as catchy does it? Data from the Honduran National Bank, would point to the contrary. In 2002, Honduran lobster exports amounted to 31 million dollars in state revenues, mostly thanks to Darden Restaurants, the chain that owns Red Lobster, Olive Garden, and a number of other low-to-middle-income targeted restaurants.

The Honduran industry is led by the Miskito Indians who live in a region only accessed by sea and air. A far cry from the lobster buoys that speckle the coastal waters of Maine, these fishermen dive for lobster. Miskito lobstermen embark on two-week expeditions and make 12-16 120 foot dives per day, where no more than two are recommended. Repeated and rushed resurfacing causes decompression sickness (commonly known as "the bends") from which many become paralyzed and some (up to 50) die each year. This is a profession of necessity. For the Mistikos, the less than \$3.00 per pound they receive is the only way to provide for themselves and their families, unless they enter the drug trade.



Lobster: Deadliest Catch of the Day

Darden Restaurants claims to only purchase trap-caught lobsters and points to its efforts to encourage lobstermen to use traps in lieu of diving. The fact of the matter is, however, most Miskito Indians simply don't have the start-up capital for such a venture. Furthermore, the effort needed to ensure compliance of trap-caught lobsters is simply uneconomical. Diving-safety experts confirm that there is still a great deal of lobster caught by hand, chilled, and sent to the US. And why would Red Lobster push compliance? Darden Restaurants reported an impressive rise in profits (23%) in its last quarter, June 2011.

Red Lobster should discontinue buying lobster from these death-defying Honduran lobstermen. As we all know, supply meets demand. That's what industrialized the lobster industry in Honduras in the first place in the 1980's - overwhelming US demand.

Instead, it should put its money where its mouth is. Why not invest some of that profit in traps for Honduras' 2,000 diving fishermen? Eventually, that investment will pay off. The economy will recover, and that \$3.00 per pound will still be cheaper than Maine's \$4.39. Until the trap business gets off the ground, Darden Restaurants should take a lesson from the Red Lobster website and purchase only Maine lobster. They're struggling, too, and would appreciate a legitimate (not merely virtual) vote of confidence.

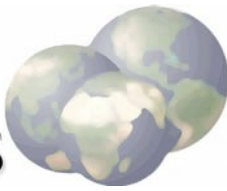


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