

1. Introduction

A Dead Statesman
I could not dig: I dared not rob:
Therefore I lied to please the mob.
Now all my lies are proved untrue
And I must face the men I slew.
What tale shall serve me here among
Mine angry and defrauded young?

Rudyard Kipling, from 'Epitaphs of the War'

The preceding poem pithily describes the tragedy and futility of war, as well as the fact that wars are an outcome of human agency or deliberate human action. Leaving aside any primordial human urge to engage in combat, war is, ultimately, irrational in the universal sense of the term. This is because there are less costly ways, in terms of lost human lives and the damage to the economy, of settling disputes. But the logic of limited, bounded or myopic rationality can sometimes make war rational. Misconceptions about the possible gains from warfare, miscalculations about the probability of military victory, discounting the costs of victory, and mistrust in the absence of credible guarantors of negotiated settlements are among a long list of factors and situations that render warfare a rational course of action. In traditional (realist) international relations the failure of collective security or the balance of power that deters war may increase the risk of inter-state war primarily because states interact with each other in an anarchical non-contractual fashion. Within a nation state, choosing the violent option of war usually occurs when the institutions that might peacefully resolve disputes degenerate. According to the realist school in political science, conflict reflects opportunistic behaviour that is rational in the bounded sense of the term. One thing is, however, abundantly clear; the calculus of decision making about war involves the concepts of risk and uncertainty.¹

The nature of warfare has evolved through human history; a succinct summary may be found in Jacoby (2008). But two points are worth highlighting. The first concerns our 'moral' or ethical stance regarding

¹ Risk involves measurable uncertainty, whereas pure uncertainty cannot be quantified.

warfare. Classical writings during the second half of the first millennium BC, ranging from Sun Tzu in China to Chanakya in India and Thucydides in Greece, record the destructiveness of war and the need to limit this course of events through reason (Jacoby, 2008). We later have the Abrahamic (Jewish, Christian and Islamic) traditions about just wars that are mainly to defend the people or the faith, making them limited in nature (Jacoby, 2008). Jewish traditions included wars ordained by God, and defensive wars of pre-emption. In early Christian thought, St Augustine's view of just war included defence against aggression, repossessing that which is taken dishonestly and punitive war to redress wrongdoing. Islamic values regarded war as a last resort following warnings, with strict injunctions not to molest prisoners and non-combatants, as well as respect for the sanctity of land and physical infrastructure in war zones. Often, these notions of just war were honoured more in the breach than in the keeping, as the example of the Crusades illustrates.

By the 19th century efforts to manage the plight of the wounded and prisoners of war by establishing clear and binding rules about the (civilized, limited and less barbaric) conduct of warfare led to the foundation of the Red Cross and the first Geneva Convention of 1864. The secular influence of the Enlightenment led to liberal pacific ideas about peace between similarly inclined and governed nations, international socialist concepts about worker solidarity and Angell-Lane's (1910) thesis that war could not even benefit a victor. War, therefore, became both reprehensible and ultimately irrational, making its prevention paramount. Sadly, the two great world wars of the 20th century were to follow and warfare still characterizes human interaction.

The second point about the nature of warfare is to do with the technology of warfare, which has evolved from the dominance of massed infantry to the supremacy of cavalry, down to the modern age with the invention of firearms (both small arms and artillery). This rendered fortifications and the supremacy of cavalry gradually obsolete, and also necessitated the maintenance of expensive standing armies, requiring taxation that eventually led to modern European state formation (Tilly, 1992). By the Napoleonic wars, highly motivated national professional standing armies had replaced mercenaries, participating increasingly in wars of peoples (rather than kings). Later, the advent of more rapid firing firearms during the American Civil War and the appearance of airpower during the 20th century rendered traditional land warfare more costly in terms of soldiers' lives, civilian casualties and losses to infrastructure. Further developments heralded the era of weapons of mass destruction, whose ultimate form in the shape of thermonuclear weapons are capable

of destroying the planet itself. Perhaps these developments have rendered conventional warfare, particularly between nation states, too costly to contemplate.

In the main what we are left with are: (1) the relatively low intensity civil wars, where the style of warfare is relatively primitive (mainly involving small arms) and combat is intermittent; (2) asymmetric inter-state warfare involving the overwhelming use of technically superior indirect force (principally airpower) by one side only, as in Afghanistan, the Gulf War of 1991, Iraq and Serbia; (3) the use of guerrilla warfare and 'terrorist' violence that chiefly involve hit-and-run tactics, suicide bombing or targeting civilians.

Most wars nowadays are intra-state or civil wars and occur in developing countries. This is the concern of this volume, and the principal focus is on conflict as a source of underdevelopment. A fifth of humanity exists in abject poverty. This is something that should be unacceptable to those living in more affluent circumstances for two inter-connected reasons. First, it affronts our sense of common humanity. Secondly, it undermines international security, as poverty eventually engenders violence and revolt. Enlightened self-interest therefore dictates that poverty should be alleviated. It is difficult to separate the development and security agendas. Development economists have traditionally discussed the design of policy independent of conflict and its occurrence, these being seen as issues for political scientists. But the implications for social conflict of economic decisions cannot be ignored in this way. Similarly, the potential for conflict and civil war in retarding growth and development are equally important. Among donors, those motivated by a genuine commitment to the development per se of the global South are being sidelined by others to whom the security agenda of containing the unpleasant and sometimes violent spillovers of extreme poverty in the third world is paramount (Murshed, 2006). Despite rhetoric to the contrary, the security agenda dominates donor thinking, because bilateral aid and even multilateral aid is often an extension of donor strategic foreign policy. But the important point is that the reduction of absolute poverty yields a double dividend by addressing security considerations and developmental concerns simultaneously. Thus, the achievement of the millennium development goals (MDGs) regarding poverty reduction is twice blessed; it serves both the altruistic and security minded motives of the donor community.

At the very outset, it is worthwhile outlining different forms of civil war, as they are not a homogeneous phenomenon. Their origins, motivations and objectives do vary. A useful guide to the typology of internal conflict can be found in Besançon (2005) and Fearon (2004). I shall confine the

typology to four broad types: genocides, revolutions, secessionist wars and internationalized wars, all of which involve the state.²

- *Genocides*: these are systematic attempts to physically eliminate a particular ethnic, religious or linguistic group. These episodes, brutal though they may be, are relatively short. The state is usually an active participant in these actions. But these events are often one sided, involving an attack that is not resisted by the target group, thus not necessarily making them wars.
- *Revolutions*: these involve attempts to overthrow the state by armed force. Revolutions can be sub-divided into military *coups d'état* and rebellions. The former have a very short duration. Rebellions against the state, for example Maoist insurgencies in Nepal, Peru and the movements in Colombia are much more long drawn out.
- *Secessionist wars*: these tend to take place in areas struggling to separate from the centre, such as with Tamil separatism in Sri Lanka, and can also be very protracted. The aim is usually the establishment of an independent state, or sometimes an attempt to join some other nation state.
- *Internationalized Internal Conflicts*: these are situations when neighbouring countries or other external powers are involved. This is not necessarily a separate category in the typology of war. Often a civil war zone abuts another country. Sometimes rebel groups flee to, or seek succour in, neighbouring countries, as with Maoist insurgents in Nepal or Hutu rebels in Rwanda. Powerful nations adjoining the conflict may interfere in the conflict process, as was the case with Indian involvement in the Sri Lankan civil war. The greater powers may also get involved in active peacekeeping, as with the British in Sierra Leone. The civil war may involve a variety of other states, some neighbouring and others from afar, who take active sides in the civil war, as in the case of the Democratic Republic of the Congo (DRC).

In practice, this typology of civil war can be misleading. Many examples of contemporary conflict do not fit neatly into only one of the boxes described above; rather they may intersect the various categories listed. Rebellion and secessionist motives may sometimes go hand in hand, as can

² Besançon's (2005) typology involves genocides, revolutions and ethnic wars. Ethnicity or ethnic dimensions can, however, run across all varieties of civil wars. I am, therefore, eschewing this categorization. This definition of pure ethnic conflict is more likely to be applicable to 'inter-communal' conflict such as between Hindus and Muslims in India, Christians and Muslims in Indonesia. The state is usually not an explicit participant in these, even if it tacitly takes sides. They are, therefore, not civil wars.

be argued to have been the case in Aceh in Indonesia, or with the Tamils in Sri Lanka's Jaffna province. There are three other forms of violence that deserve mention: inter-state wars are still possible; terrorism, particularly in its transnational form has become important in recent years; and finally violence arising out of 'anomie' and protest can also be significant in an era of globalization and the inequality it produces. The first two are beyond the scope of this book; I shall briefly allude to the last in Chapter 7.

Conflict, like other political-economic phenomena, requires measurement. The quantitatively minded conflict research community has increasingly placed its faith on the Uppsala data set; see Harbom, Melander and Wallensteen (2008) for recent updates.³ The Uppsala data set defines several types of conflict: inter-state (between nation states), intra-state (civil wars), intra-state internationalized (where foreign powers are involved) and extra-state (wars of national independence, which mostly ended in the 1970s). A conflict is defined as minor if there are at least 25 battle-related deaths per year for every year in the period. It is intermediate when more than 25 battle-related deaths occur per year for every year in the conflict period, and more than 1000 deaths in the entire conflict, but with less than 1000 per annum. War is defined as describing situations with more than 1000 battle-related deaths in each year of the conflict. A conflict can move between these categories as the war escalates and wanes over time.

As far as the duration of the average civil war is concerned, this may be showing an upward trend. Fearon (2004) put the average duration of a civil war at sixteen years in 1999. He also argues that civil wars with sons of the soil dynamics (mainly wars of secession) last longer, as do wars where there is a lootable commodity such as alluvial diamonds or illicit drugs (coca or heroin), or a capturable commodity in terms of rent such as oil. The latter point is also emphasized in Ross (2004b).

Table 1.1 presents some characteristics of all conflict countries since 1960, followed by a summary comparison between conflict affected and peaceful nations. It focuses on the growth of GDP per capita (its annual average percentage growth rate between 1975 and 2005), political institutions based on the Polity scale (which goes from -10 for an extreme autocracy to 10 for a perfect democracy) and its coefficient of variation, which is a measure of the volatility of the country's regime type. Table 1.1 also includes the number of months that conflict countries experienced war (since 1960), the total number of wars, as well as the highest intensity

³ The data are available at <http://www.ucdp.uu.se> and at <http://www.prio.no/cwp/ArmedConflict>.

Table 1.1 Basic indicators of civil conflict countries (1960–2005)

Country	Annual average % per capita GDP growth (1970–2005)	Months of conflict	Number of conflicts	Conflict intensity	Polity coefficient of variation	Mean Polity
Sub-Saharan Africa						
Angola	-1.51	392	5	3	0.477	-5.54
Burkina Faso	1.22	1	1	3	0.575	-4.75
Burundi	-0.57	159	2	3	0.533	-5.91
Cameroon	0.30	1	1	1	0.475	-6.42
Central African Republic	-1.45	18	1	1	0.842	-4.02
Chad	0.33	419	2	3	0.776	-6.27
Comoros	-0.46	2	2	-	0.553	-1.14
Congo	0.69	42	3	3	0.893	-4.82
Congo, D.R.	-4.53	156	6	3	0.248	-8.93
Equatorial Guinea	6.32	1	1	-	0.427	-6.11
Eritrea	-2.47	32	2	-	0.134	-6.33
Ethiopia	1.60	915	10	3	0.991	-5.88
Gabon	-0.52	1	1	1	0.755	-7.05
Gambia	-0.13	1	1	1	0.424	4.08
Ghana	-0.04	19	2	1	0.809	-3.21
Guinea	0.57	17	2	3	0.942	-6.56
Guinea-Bissau	-0.53	11	1	3	0.865	-3.83
Ivory Coast	-0.76	28	1	-	1.329	-7.80
Kenya	0.21	1	1	1	0.714	-3.83
Lesotho	2.77	1	1	1	0.932	-1.91
Liberia	-7.18	113	3	3	0.479	-5.11
Madagascar	-1.72	5	1	1	0.595	-0.34
Mali	1.50	19	2	1	0.889	-3.05
Mozambique	1.20	190	1	3	0.881	-2.50
Niger	-1.71	52	3	-	0.909	-4.07
Nigeria	-0.05	36	3	3	0.759	-1.53
Rwanda	-0.06	142	2	3	0.296	-5.91
Senegal	-0.01	163	1	3	0.559	-2.00
Sierra Leone	-1.32	116	1	3	0.778	-2.97
Somalia	-1.79	204	3	3	0.914	-2.94
South Africa	-0.22	364	2	3	0.143	5.33

Table 1.1 (continued)

Country	Annual average % per capita GDP growth (1970–2005)	Months of conflict	Number of conflicts	Conflict intensity	Polity coefficient of variation	Mean Polity
Sudan	0.60	385	5	3	0.971	–4.54
Togo	–1.48	2	2	1	0.482	–5.44
Uganda	0.34	348	4	3	0.718	–3.40
Zimbabwe	–0.71	95	1	3	0.584	–1.71
Middle East and North Africa						
Algeria	0.50	157	1	3	0.958	–6.79
Djibouti	–3.39	50	2	–	0.898	–5.50
Egypt	4.04	70	1	3	0.133	–6.36
Iran	–0.28	359	9	3	1.246	–6.31
Iraq	–1.73	490	8	3	0.698	–7.74
Israel	1.76	540	1	–	0.024	9.29
Lebanon	–1.75	186	1	–	0.113	3.00
Morocco	1.61	179	2	3	0.604	–7.51
Yemen	1.65	120	4	–	0.448	–4.76
Oman	3.65	48	1	1	1.625	–9.62
Saudi Arabia	–1.28	1	1	1	0.000	–10.00
Syria	1.29	34	2	3	0.871	–8.14
Tunisia	2.49	1	1	1	0.783	–6.78
Yemen	1.65	120	4	–	0.448	–4.76
Asia						
Afghanistan	–2.58	320	1	3	0.374	–7.42
Bangladesh	1.61	204	1	2	0.589	0.24
Cambodia (Kampuchea)	0.70	219	2	–	0.827	–4.11
India	3.05	1547	17	3	0.032	8.51
Indonesia	4.11	393	9	3	0.884	–4.89
Laos	2.96	85	2	–	0.337	–6.81
Malaysia	4.05	85	4	1	0.182	4.84
Myanmar (Burma)	2.57	2139	16	3	0.870	–6.33
Nepal	1.78	125	2	2	0.954	–3.64
Pakistan	2.09	74	4	3	0.628	0.24
Papua New Guinea	1.72	85	1	1	0.000	10.00
Philippines	0.63	774	3	3	0.603	1.84

Table 1.1 (continued)

Country	Annual average % per capita GDP growth (1970–2005)	Months of conflict	Number of conflicts	Conflict intensity	Polity coefficient of variation	Mean Polity
Sri Lanka	3.35	141	3	3	0.074	6.11
Thailand	5.02	88	1	3	0.517	1.86
Vietnam	3.11	60	1	–	0.000	–7.00
Latin America and the Caribbean						
Argentina	0.11	59	2	3	0.660	1.20
Bolivia	–0.13	7	1	1	0.593	2.00
Chile	2.88	1	1	1	0.539	2.36
Colombia	1.56	461	1	3	0.038	7.56
Cuba	0.90	1	1	–	0.000	–7.00
Dominican Republic	2.36	1	1	1	0.332	3.75
El Salvador	0.52	148	2	3	0.342	2.78
Guatemala	0.56	468	1	3	0.467	0.82
Haiti	–1.54	13	3	1	1.349	–5.69
Mexico	1.25	4	2	1	0.583	–1.44
Nicaragua	–2.17	113	2	3	0.814	–1.47
Panama	1.80	1	1	1	0.664	0.73
Paraguay	1.40	1	1	1	1.030	–3.13
Peru	–0.31	213	2	3	0.501	2.02
Surinam	0.42	28	1	–	–	–
Trinidad and Tobago	1.06	1	1	1	0.042	8.67
Uruguay	1.51	12	1	1	0.521	4.53
Venezuela	–0.80	11	2	1	0.072	7.91
Europe and Central Asia						
Azerbaijan	–1.39	33	3	–	0.525	–5.36
Bosnia-Herzegovina	11.01	84	3	–	–	–
Croatia	2.07	48	1	–	0.550	0.23
Cyprus	4.07	–	1	–	0.059	9.40
Georgia	–0.62	49	4	–	0.052	4.86
Macedonia (FYR)	–0.35	8	1	–	0.077	6.64

Table 1.1 (continued)

Country	Annual average % per capita GDP growth (1970–2005)	Months of conflict	Number of conflicts	Conflict intensity	Polity coefficient of variation	Mean Polity
Moldova	-4.98	5	1	–	0.057	7.00
Romania	1.32	1	1	–	0.928	-2.55
Serbia	-3.39	25	3	–	0.550	-7.00
Spain	2.21	60	3	–	0.591	3.83
Tajikistan	-4.83	78	1	–	0.347	-3.43
Turkey	1.99	261	2	3	0.235	6.68
United Kingdom	2.10	253	2	–	0.000	10.00
USSR	-0.78	109	6	–	0.499	-6.44
Russia	–	–	–	–	0.098	5.31
Uzbekistan	-0.12	12	2	–	0.000	-9.00
All-conflict countries						
	Annual average GDP growth	Polity coefficient of variation		Mean Polity		
Max	11.01	1.62		10		
Min	-7.18	0		-10		
Median	0.51	0.55		-3.21		
Mode	–	0		-7		
All non-civil conflict countries						
	Annual average GDP growth	Polity coefficient of variation		Mean Polity		
Max	7.82	2.01		10		
Min	-4.41	0		-10		
Median	1.66	0.21		2.81		
Mode	–	0		10		

Sources: Per capita GDP growth rates: UNDP, Human Development Report.

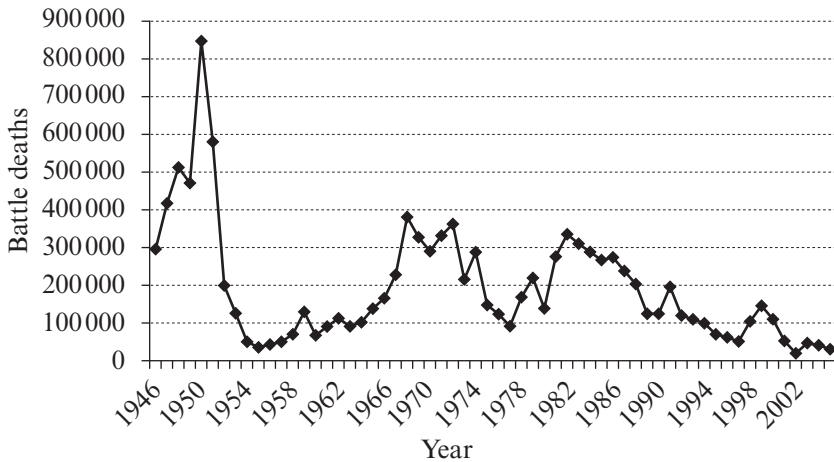
Months of conflict: own calculations based on UCDP, Armed Conflict data set version4 2006b PRIO/UPPSALA.

Number of conflicts: as above.

Conflict intensity: as above.

Polity coefficient of variation: own calculations from Polity 4 data.

Mean polity: Polity 4 data.



Source: UCDP Data Sets, www.prio.no/csw/armedconflict.

Figure 1.1 Trends in battle deaths from all types of war: 1946–2005

of war (coded 3, 2 and 1 for high, medium and low intensity warfare respectively). It can be readily discerned from the summary at the end of Table 1.1 that conflict-stricken countries have a lower median growth rate at 0.51% per annum from 1975 to 2005, compared to non-conflict countries whose median growth rate is 1.66% – or more than three times greater – during the same time period. The median Polity score for conflict countries is -3.21, compared to 2.81 for non-conflict countries; the median coefficient of variation for conflict countries (at 0.55) is nearly three times higher than in peaceful countries (0.21). Thus, conflict-affected nations tend to have lower economic growth and are therefore less prosperous. They are also more inclined to be autocratic, as well as having more volatile political regimes. This is somewhat unsurprising, as the rest of the analysis in this book will demonstrate.

Figure 1.1 illustrates that battle-related fatalities from all types of war, worldwide, are on the wane since the mid-1980s. The total estimate is 11.7 million battle deaths between 1946 and 2005. This does not include civilian casualties resulting from war-related epidemics, famines and malnutrition. The peak years were during the Chinese civil war, the Korean, Vietnam and the Iran–Iraq wars.

Is conflict on the decline as well? Gleditsch (2008, fig. 2) presents evidence that wars are diminishing in terms of both the number of conflicts, and the number of nations experiencing war on their territory. The number of

conflicts since the Second World War rose steadily, peaking in 1991 when 52 wars were occurring in 38 countries. In 2007, 34 conflicts took place in 25 countries, comparable to the post-1946 low achieved in the mid-1970s. The casualties associated with war seem to have declined, as has conflict intensity. I have already noted that the duration of war may not be declining. Against that are two hopeful signs: no new conflicts began in 2005 or 2006, and the year 2007 was the fourth successive year during which no new inter-state war started. Also, if we control for the fact that the number of countries has increased substantially since 1946, the number of conflicts as a ratio of the number of countries has steadily declined.

Furthermore, there has been a growth in peacekeeping operations and peacekeeping forces since the end of the cold war. Do these developments make our world a much safer place, and is conflict studies obsolete? I would argue not, as the risk factors that promote conflict, including widespread poverty and generalized injustice are very much present in our modern world where there is a risk of new forms of conflict even if civil wars are on the wane in troubled areas such as sub-Saharan Africa. What we may be witnessing is a negative hegemonistic peace based on the triumph of capitalism and one global superpower.

A wide variety of methodologies exist for the study of conflict and civil war. My focus is on work in economics and rational choice political science, both of which see conflict as amenable to analysis using choice-theoretic behaviour. This line of inquiry has been subjected to scathing criticism for being unrealistic (see Cramer, 2002, for a prime example). Granted, not every nuance that, say, an anthropologist might capture in 'thick' description is modelled by rational choice analysts, who confine themselves to irreducible minima. Cramer (2002) is critical of the approaches of pure theorists such as Grossman (1991), Hirshleifer (1995) and Skaperdas (1992). There, conflict between groups is modelled utilizing expected utility approaches, in settings of uncertainty, the absence of property rights and limited prospects of exchange (or trade) between groups. These modelling strategies are extremely relevant for the analysis of civil war in present-day poverty-stricken developing countries.

Cramer (2002) is on firmer ground when he attacks the empirical (econometric) proxies used by analysts such as Collier and Hoeffler (2004b) and others to measure natural resource dependence, and the empirical measurement of social and political indicators. It has to be pointed out that there has been considerable improvement in measuring these phenomena in recent years. These will be discussed in chapters 2 to 5. Furthermore, individual conflict case study analysis, despite all the specificities it is able to address, needs to be buttressed with general propositions emanating from rigorous cross-country analyses. One serious shortcoming, however, of the

rational choice approach is that it is ahistorical, ignoring factors such as colonialism, imperialism, the cold war, even the present-day Western led globalization based hegemony. This makes it difficult for rational choice methods always to accurately depict the drivers of change that shape the political and social circumstances within which conflict may erupt.

Be that as it may, the method used in this book is of the rational choice variety, where, however, political and economic decision making are inseparable. Chapters 2 to 7 also contain analytical (mathematical) models in appendices to formalize some of the arguments presented in those chapters.

Chapter 2 focuses on the growth–conflict nexus. It therefore analyses the pre-conditions that enhance or diminish conflict risk; conflict is more likely when there is underdevelopment through insufficient economic growth. The lack of growth prevents poverty reduction in poor countries, and this in turn is a significant contributor to the chances of conflict. In fact several countries, including many in sub-Saharan Africa, are growth failures, and this makes them susceptible to conflict traps as well (as popularized by Collier, 2007). Chapter 2 examines the causes of growth failure, focusing on the important role of institutions in determining long-term growth prospects. Here, an important factor is natural resource abundance, or a heavy economic reliance on natural resource rents. This may retard economic development for several reasons, chief among which are the development of predatory institutions – known as the ‘resource curse’ in the political economy literature. Institutions, therefore, are key to the conflict–growth nexus, as they contribute to growth as well as conflict. The chapter also examines some causal relations at a cross-country level between conflict, growth, natural resource dependence and institutions; the latter being measured by democracy, which is often also an indicator of good governance.

Having set out the pre-conditions that might breed conflict, Chapter 3 addresses its root causes: greed and grievance. The former reflects elite competition over valuable natural resource rents. The latter argues that relative deprivation and the grievance it produces fuels conflict. Central to grievance are concepts of inter-ethnic or horizontal inequality. Identity formation is also crucial to intra-state conflict, as it overcomes the collective action problem. Measurement issues related to greed (the extent of the capturability and availability of natural resource rents), as well as grievance (indices of relative deprivation, polarization and horizontal inequality) are analysed in detail. The empirical evidence, mainly cross-country, related to the validity of these explanations is then reviewed. Neither the presence of greed or grievance is sufficient for the outbreak of violent conflict, something that requires the breakdown of the institutions of peaceful conflict resolution, which I later describe as the failure of the social contract.

Chapter 4 is concerned with the frequency with which peace treaties ending civil wars break down, resulting in the resumption of war. The success of peace agreements is dependent on the willingness of warring parties to negotiate with their foes, make concessions and adhere to the stipulations (usually involving power and resource sharing) of the peace deal. Since the end of the cold war there has been no shortage of external mediation aiming to end conflict in developing countries. Some parties (or splinter groups) often have little incentive to adhere to the conditions of the peace treaty, resulting in a return to conflict. Chief among these disincentives are an impatience to consume (discounting the future), indivisible stakes and a lack of institutions to guarantee commitment to the peace deal. External intervention can facilitate negotiation, and through involvement in the peace process make parties feel secure, even enforcing the requirements of the treaty. Sustaining the commitment to peace by the erstwhile parties to a conflict requires external intervention that contains both sanctions (including military sanctions) and a peace dividend. But very often these external sanctions-cum-aid packages are inadequate. I also analyse the different types of political, territorial and military pacts that are part of peace agreements and their chances of success.

Chapter 5 is concerned with the longer-term issues in sustaining peace, not just short-term measures to manage greed and grievance and stabilize peace treaties signed a short time ago. It follows up the analysis in chapters 2 to 4 regarding the pre-disposition to conflict, its causes and unstable peace agreements. Long-term peace requires rebuilding and redesigning the social contract that had degenerated before the conflict, allowing violence to surface. The social contract has several dimensions, encompassing political, economic and moral issues. Key to rebuilding the social contract are ideas of fair division from social choice theory, and structures that divide power along multiple majorities. The latter because power sharing may sustain a peace treaty but without further division in decision making processes, the very power sharing arrangements that secure the initial peace may become a source of future conflict. Power dividing institutions may include federal structures, devolving greater power to regions. The chapter also examines the important role of fiscal decentralization in avoiding conflict, particularly secessionist tendencies in natural resource rich regions.

The analysis of post-war economic reconstruction is conducted in Chapter 6. Post-war economic recovery should be broad based (addressing grievances) and poverty reducing. Certain sectors of the economy involving production (especially agriculture) may be more broad based compared to others, say services and construction. But economic recovery or growth is rarely balanced between sectors, and growth that is not

broad based may be faster, and this involves trade-offs. Ultimately, the key to economic prosperity lies in the manufactured exportable sector. Contemporary civil war in developing countries is particularly destructive of economic institutions, such as the nation's fiscal and monetary capacities. Thus, simply rebuilding shattered infrastructure is not enough; economic institutions will also need to be reconstructed. Chapter 6 also contains an analysis of the management of possible windfall revenues from aid or natural resources, as well as the role of aid in sustaining recovery, bearing in mind that excessive aid dependence may retard post-war state formation.

The pacific effects of the 'liberal peace' are analysed in Chapter 7. This term refers to the fact that democratic nations that are also economically interdependent do not usually go to war with each other. I review various theories of the liberal peace, some of which stress the ideal of shared values, with others putting more emphasis on economic linkages and international trade. Although this line of reasoning is mainly concerned with the interaction between nation states, it also has important lessons for contemporary civil war. I also examine whether economic globalization is likely to dampen the risk of civil war and other forms of violence in developing countries, bearing in mind earlier arguments that growth serves to lower conflict risk in the long run, and the fact that increased globalization is believed to contribute to growth.

Finally, Chapter 8 presents some conclusions, along with a brief sketch of how transitional justice may assist the peace process. I will end by emphasizing that true peace requires not just the absence of war but the establishment of a wider, more universal form of justice, following the thought of Galtung (1964) and others.