

THE GLOBALIZATION OF INSECURITY: HOW THE INTERNATIONAL ECONOMIC ORDER UNDERMINES HUMAN AND NATIONAL SECURITY ON A WORLD SCALE

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Resumen: National and human security has been fundamentally undermined by policies promoted by the key institutions of globalization. Adopting a state-centred conceptualization of security demonstrates how globalization at once weakens and fragments the state, while militarizing both the state and sub-state actors, contributing systematically to the emergence of intra- and inter-state conflicts. A human-centred framework, however, focusing on the impact of globalization on individuals and communities, shows that this process is further linked to the generation of structural violence across national boundaries. Both these national -and human- level processes are mutually interdependent and impact on one another reciprocally. Hence, the world capitalist economy has created a phenomenon that can be accurately described as the globalization of insecurity, by firstly generating conflict thus destabilizing nations and communities, and secondly escalating impoverishment, disease and deprivation.

Palabras Clave: economic order, globalization, insecurity, national security, world scale.

INTRODUCTION

This paper is an attempt to outline the key contours of the international economic order and their impact on security at national and individual levels. My thesis is that globalization as an economic process promoting free-trade through a variety of international institutions and agreements, has contributed significantly to the reduction of economic security for vast sectors of the population

throughout the world, largely in the South. The impact of globalization has also significantly exacerbated the emergence of conflicts largely in the South, which directly undermines national and individual security.

In the first chapter, I begin by outlining a theoretical framework for examining the impact of globalization on security at multiple of levels of analysis. I discuss two distinct but overlapping conceptualizations of security: firstly, economic security as a function of human security (at the level of individuals); and secondly, economic security as a function of national security (at the level of the state). Thirdly, I put forward a description of globalization and its international structure. In the second chapter, I discuss data on how globalization generates economic insecurity affecting individuals on a world scale. In the third chapter, I review studies on how globalization generates economic insecurity affecting states by creating conditions conducive (both directly and indirectly) to inter- state and intra-state conflicts. This undermines both national and human security. In my conclusions, I summarize the implications of the preceding analysis for the security of people and states in the South.

1. A THEORETICAL FRAMEWORK FOR EXAMINING GLOBALIZATION AND SECURITY

1.1. Economic Security and Human Security

Traditionally, the concept of security has been articulated in neo-realist terms, where the

primary unit of analysis is the sovereign state whose territorial integrity and internal cohesion must be protected. A rather different –though not wholly unrelated– conceptualization of security that is centered primarily on the individual or community can be understood as "human security"¹.

The concept of human security is centered more directly around the protection of people, the scope of their freedom within society, their access to market and social opportunities, and whether their society is in a state of peace or conflict². Although economic security is, therefore, a particularly prominent component of human security, the latter encompasses many other aspects of human existence. In 1994, the United Nations Development Programme (UNDP) argued that: "Human security can be said to have two main aspects. It means, first, safety from such chronic threats as hunger, disease and repression. And second, it means protection from sudden and hurtful disruptions in the patterns of daily life -whether in homes, in jobs or in communities"³. The UNDP identified seven key components of human security:

1. Economic security (e.g., assurance of a basic income),
2. Food security (e.g., access to food),
3. Health security (e.g., access to health care and protection from diseases),
4. Environmental security (e.g., protection from harmful effects of environmental degradation),
5. Personal security (e.g., freedom from threats by the state, groups, or individuals),
6. Community security (e.g., freedom from harmful community practices,),
7. Political security (e.g., enjoyment of human rights, and freedom from political oppression)⁴.

These areas of concern illustrate that globalization is intimately connected to the concept of human security, since they are affected by a wide variety of global processes, including for example: the depletion of non-renewable resources; drug trafficking; human trafficking; the rapid spread of communications technology; the growth of unsanctioned capitalist markets; poverty and inequality; and the HIV/AIDS pandemic⁵.

The concept of human security attempts to provide an overarching framework by which to

grasp the fundamentally interconnected and cumulative nature of these global processes and their detrimental impact on people's security on a world scale. While globalization has on the one hand created new opportunities, it has also generated "political and economic instabilities and conflicts within states." Whereas over 800,000 people a year lose their lives to violence, about 2.8 billion suffer from poverty, ill health, illiteracy and other maladies. Human security recognizes the linkage between conflict and deprivation –the latter provides a causal context to many conflicts. Conversely, conflict increases poverty and crime, and devastates economies. A broad "all-encompassing" and "integrated" approach is therefore required to account for these complex interconnections⁶.

As Paris notes, the concept of human security is perhaps too broad. Its all- inclusive nature means that it serves as an unwieldy instrument for policy- makers due to positing such a diverse variety of threats and sometimes incompatible solutions to them. This also lends the concept a "definitional elasticity" that potentially hampers its application as a concrete analytical tool. Nevertheless, despite these flaws, human security provides the beginnings of a theoretical framework for primarily analyzing "nonmilitary threats to the safety of societies, groups, and individuals." Rather than focusing on military threats to the state, human security emphasizes the need to examine military and especially nonmilitary threats to individuals⁷. Arguably, the broad complexity of the concept is actually intrinsic to the wide variety of factors affecting the security of the object of reference – individuals– rather than indicative of a failure of the concept itself. Therefore, because one of our primary concerns here is to understand the economic impact of globalization on individuals and communities across national boundaries, as opposed to the state alone, human security provides a useful conceptual launching point for this study.

From a human security perspective, there are two fundamental forms of violence: "direct" violence "killing swiftly through war"; and "indirect" violence "killing slowly and invisibly through poverty, hunger, disease, repression and ecocide." Both forms of violence cannot be seen merely as the outcome of "isolated, random and discrete process." Rather, they constitute a function of "interlocking dominant processes and structures at both intranational and international levels"⁸.

Here, we are primarily concerned with the three economic components of human security (economic-human security). Using the UNDP criteria established in 1994, it is clear that the first three components –economic security, food security and health security– are all directly interconnected. Both food security and health security can be directly undermined by the generation of economic insecurity⁹. These three areas of ultimately economic concern are, thus, forms of indirect or structural violence –in Tickner's words: "the indirect violence done to individuals when unjust economic and political structures reduce their life expectancy through lack of access to basic material needs"¹⁰.– Lack of income (economic insecurity) equals lack of purchasing power necessary to obtain sufficient food (food insecurity), clean water and healthcare (health insecurity), all of which constitutes structural violence, "the violence of starvation and malnutrition [which] accounts annually for the death of upwards of 18 million people"¹¹, and primarily affects individuals based in the South.

As Richard Falk argues, this is a consequence of the hierarchical structure of the international system of states operating in the framework of a global capitalist economy, whereby economic security for the transnational poor is increasingly undermined by economic security for transnational capital. Structural constraints on the attainment of economic security for individuals based in the poorest states are established by uneven development within the global capitalist economy¹². This is because a state's position in the international division of labour determines its ability to respond to global market forces. 'Hard' states –such as those largely based in the North– are impervious to the potential negative impact of external market forces, and instead are able to channel these forces to the advantage of their own economies. On the contrary, 'soft' states are unable to manage their economies effectively and are subject to the dictates of external market forces¹³. While economic globalization has resulted in only limited benefits to the majority of individuals and groups in 'soft' less developed countries, it has simultaneously exacerbated deeply-rooted structural problems. This has led to slow or negative growth rates, extreme inequalities in the distribution of income, drastic falls in standards of living, and increasing poverty¹⁴. Thus, we can argue that globalization and the international economic order undermine

economic-human security in less developed countries.

1.2. Economic Security and National Security

In *People, States & Fear*, Buzan argues that the almost exclusive focus of security studies on military threats that became standard during the Cold War, had ultimately resulted in the underdevelopment of the conceptualization of security. He therefore outlines a much broader theoretical framework, examining security from three levels of analysis: the international system, the state and the individual. Nevertheless, he adopts a fundamentally state-centred approach, arguing that the sovereign state constitutes the most significant and effective guarantee of security, and should therefore remain the primary referent. He also extends the scope of the concept of security itself, including political, economic, social and environmental dimensions¹⁵.

To some extent, Buzan's state-centred framework acknowledges the significance of human security by describing "the fate of human collectivities" as the fundamental object of security. In this context, "human collectivities" are the citizens of a state which functions as the primary provider of security to its citizens. From this perspective, however, human security leads us to recognize the state as the primary referent of security¹⁶. The underlying assumption here is that any threat to citizens that the state may pose must be less significant than threats that would emerge without the state. This assumption "grows in force as society develops around the state, becoming increasingly dependent on it as a linchpin for social and economic structures"¹⁷.

According to this state-centred perspective, economic security concerns "access to the resources finances and markets necessary to sustain acceptable levels of welfare and state power"¹⁸. Buzan, moreover, equates economic security "with the economic conditions necessary for survival"¹⁹. This potentially converts economic security at the state-level to a component of national security comprising three areas of concern: military capability; power in the international system; and domestic socio-political stability²⁰.

The most important area of concern here for our purposes concerns domestic socio-political stability. Buzan recognizes that less developed states "find themselves locked into a cycle of

poverty and underdevelopment from which there is no obvious escape.

"Terms of trade favour industrial products over raw materials, and late industrializers face markets already saturated with goods of a higher quality than they can produce for export. Drawing in external finance to support modernizing investments easily leads to insupportable debts, and a net drain of capital. Participation in the local global market economy from such positions of weakness can lead to intolerable domestic pressures. Governments can find themselves having to choose between their debt repayments, or fulfilling conditions for credit-worthiness, at the expense of lowering living standards that are already on the margins of survival for millions of people"²¹.

Economic insecurity for less developed states as a consequence of their structural disadvantage in the world capitalist economy thus contributes to their domestic socio-political instability by undermining human security. In this way, human insecurity in relation to economic, food and health security can generate socio-political tensions that manifest in social unrest, civil disorder, crime, and at most, the outbreak of violent conflict. Together these phenomena can exacerbate the deterioration of other components of human security, namely personal, community and political security, which in turn can aggravate economic-human security in a self-reinforcing cycle the result of which is potentially deleterious for state power and conducive to protracted intra-state conflict.

Buzan's observations on the linkage between economic and military capability are also worth noting here. Military capability depends on an industrial base capable of supporting a state's armed forces, which in turn relies on access to key strategic resources. As such, maintaining the supply of strategic resources from abroad, especially for the major powers, can be a significant national security agenda²². However, access to resources can also extend to non-military facets of social organization. In this context, Rogers and Dando note, within a few years after 1974, "maintenance of the resource base of the United States came to be considered a major objective of military strategy." According to the Pentagon's Military Posture Statement for Fiscal Year 1982:

"The dependency of the United States on foreign sources of non-fuels, minerals and metals has

increased sharply over the last two decades. In 1960 our dependency averaged 54 percent. In fact, our dependency is 75 percent or more on foreign countries where war could deny our supplies. These metals and minerals figure in the manufacture of aircraft, motor vehicles, appliances, high-strength or stainless steels, magnets, jet engine parts, cryogenic devices, gyroscopes, superconductors, capacitors. among other things... the United States relies on foreign sources to supply amounts in excess of 50 percent of its needs for some 32 minerals essential for our military and industrial base"²³

Here, US military capability was only part of the equation. The other part concerned sustaining the advanced technological requirements for the functioning of US society in general. The critical significance of this issue is apparent from the response to the 1973-74 oil crisis instigated by OPEC (Organization of Arab Petroleum Exporting Countries). The latter cut production leading to a quadrupling of world oil prices – "the most fundamental shake-up in Western economies since the 1930s", which had a "major impact on US security perceptions"²⁴. In this context, energy security became an increasingly significant component of US economic security under the overall umbrella of national security²⁵, to the point that in 1975, US contingency plans for military force to protect vital oil supplies and guarantee the health of the US economy in the event of "some actual strangulation of the industrialized world" were revealed by then Secretary of State Henry Kissinger²⁶.

The projected impact of energy insecurity on economic insecurity for the major powers is therefore sufficient to exacerbate the potential for international conflict over strategic resources, especially oil. However, the issue of resources also has important ramifications which are fundamentally connected to issues of human and economic security in the less developed states.

As Klare observes, less developed countries that suffer from both economic insecurity at the state-level due to their structural disadvantage in the world capitalist economy and human insecurity at the community and individual level as a consequence of this, are far more vulnerable to intra-state and inter-state conflicts over resources than the major powers. Examples include the Democratic Republic of Congo (formerly Zaire), "where several internal

factions and foreign powers have been fighting for control over the lucrative gold and copper fields of the south and west", and Sierra Leone where there is "internal conflict over the country's valuable diamond fields." Such resource conflicts typically arise in economically insecure "poor and underdeveloped countries where possession of a mineral deposit or oil field is seen as the only viable route to the accumulation of wealth". Klare also highlights the role of globalization in exacerbating the probability of such resource conflicts:

"Global market forces can only increase the likelihood of conflict, most notably when a contested resource is seen as being so valuable in monetary terms that none of the claimants involved is willing to accept its loss. The risk of internal conflict over resources is further heightened by the growing divide between the rich and the poor in many developing countries a phenomenon widely ascribed to globalization. Those at the bottom are finding themselves increasingly barred from access to such vital commodities as food, land, shelter, and safe drinking water. As supplies contract and the price of many materials rises, the poor will find themselves in an increasingly desperate situation and thus more inclined to heed the exhortations of demagogues, fundamentalists, and extremists who promise to relieve their suffering through revolt or ethnic partition"²⁷

Hence, although the example of oil illustrates how control over resources can be elevated to a national security issue for the major powers, it is also clear that under the impact of global market forces, less developed countries are liable to be driven into various forms of intensifying conflict over resources due to the intensification of economic insecurity generated by these forces. Thus, we can argue that globalization and the international economic order specifically undermine the economic components of national security (economic-national security) in less developed countries.

1.3. Globalization and its International Structure

Shaw argues that globalization is "a complex set of distinct but related processes –economic, cultural, social and also political and military– through which social relations have developed towards a global scale and with global reach, over a long historical period." Therefore, it is

not merely an economic process or a recent historical phenomenon, but rather a multiplex of distinct processes spanning several centuries which originated in Europe and now dominates the world²⁸. Seity, however, while agreeing that globalization is a political, social, and cultural process, sees it as "foremost an economic process"²⁹.

For Ellwood, globalization refers to "the integration of the global economy that began in earnest with the launch of the colonial era five centuries ago". The process, however, has dramatically accelerated "over the past quarter century with the explosion of computer technology, the dismantling of trade barriers and the expanding political and economic power of multinational corporations"³⁰.

Indeed, as Luke observes, the current scale and speed of economic globalization is unprecedented:

"[...] a 'transnational' flow of goods, capital, people and ideas has existed for centuries; it antedates even the rise of modern nation- states. However, this historical flow [...] tended to move more slowly, move less and more narrowly than the rush of products, ideas, persons and money that develops with jet transportation, electronic telecommunication, massive decolonization and extensive computerization"³¹

Economic globalization today, however, continues the process –begun centuries ago– of the internationalization of trade through the entrenchment of an international division of labour in the service of dominant capital. At the eve of the Cold War period, countries in the South emerging from colonial rule suffered from economies fundamentally subordinated to "the needs of the mother country". Colonial rule had thus created or exacerbated social and economic distortions in the Southern states, the cumulative impact of which "constituted a vicious circle of enduring structural impediments to progressive development". Two processes during the colonial era in particular served to reinforce this structural disadvantage. Firstly, plantation cash crops and/or extraction of raw materials for export to the advanced industrial states in the North were favoured to the neglect of agriculture. Secondly, forms of industrialization were introduced in some regions to support the imported primary products of the North, undercutting indigenous industries and

exacerbating dependence on Northern centres of production. Northern-backed "modernization" programmes were designed to reinforce these structural distortions³².

In this context, the global free-trade regime serves the interests of Northern developed economies by extracting wealth from the South. Whereas the advanced industrialized states continue to produce high-value goods, less developed countries are consigned to the supply of raw materials and cheap labour for the North, an inherently unequal division of labour whose consequence is the systematic widening of North-South inequalities. Northern access to "capital, technology, transportation and large, affluent markets" is unmatched by the South, lending the former a position of structural dominance. The South is compelled to sell labour and land as primary commodities at low prices due to their large supply, such that increasing Southern participation in the global free-trade regime only continues to aggravate impoverishment³³.

The post-Second World War international economic order thus bears some significant parallels with its predecessor in the colonial era. Notwithstanding decolonization, there are key continuities in the relationships between Southern postcolonial states and Northern former colonial powers. The post-colonial "world economic order is by far, more centralized, concentric, and institutionalized at the top", according to Nef. "Its fundamental components are trade, finance, and the protection of the proprietary rights of international business. Rules, actors, and mechanisms constitute a de facto functional system of global governance where core elite interests in the centre and the periphery are increasingly intertwined"³⁴. Nef delineates four central components of the global economic regime:

1. The first is its historical and structural context in the form of global macroeconomic restructuring, which includes the end of the Cold War and the collapse of the Soviet Union, "construed as a victory of capitalism"; the "disintegration" and increasing "marginalization" of the 'Third World'; and the unprecedented speed and scale of globalization³⁵. We may add to these issues the global economic and structural impact of imperialism on the

'Third World' from the 15th to the early 20th centuries³⁶.

2. The second component is the global economic regime's cultural or ideological underpinning, which is the "hegemonic and homogenizing" discourse of neoliberalism³⁷.
3. The third component comprises the global economic regime's formal decision-making structures including the World Bank, the International Monetary Fund (IMF), regional banks such as the European Bank for Reconstruction and Development (EBRD), the Organization for Economic Cooperation and Development (OECD), the World Trade Organization (WTO), the Group of Seven, and the major trading blocs such as ASEAN and NAFTA. This international structure is correlated with national domestic structures such as ministries of finance, treasury boards and central banks, the two sets of structures being formally connected through international agreements and external conditionalities attached to fiscal, monetary, and credit policies³⁸.
4. The fourth component consists of the processes –facilitated by the above mechanisms– by which transnational economic elites negotiate policies that serve their common class interest in the expansion and maximization of private capital accumulation³⁹.

Perhaps the most prominent beneficiaries of these processes are transnational corporations (TNCs). It is here that the most striking continuities between the colonial and postcolonial orders can be discerned. TNCs operate across national borders, planning, producing, and marketing on a global scale, assigning various functions to different regions of the world where the most considerable profits can be made. Many such corporations have more power than the states across whose borders they operate. Combined with the force of free-trade rules, this means that they often elude national laws⁴⁰.

The majority of corporations, despite being ever more global in power, are based in the North. More than half come from only five nations: France, Germany, the Netherlands, Japan and the United States. Their number has also increased dramatically. In 1970, there were about 7,000. By 1995, this figure became

40,000. Today, 51 of the largest 100 economies in the world pertain to TNCs –49 are countries. TNCs hold 90 per cent of all technology and patents worldwide, and monopolize 70 per cent of world trade –30 per cent of which is 'intra-firm' (occurring between different units of the same corporation)⁴¹.

TNC domination of the world capitalist economy translates effectively into domination on behalf of their primarily Northern host states, especially since they also exert significant leverage on the latter's domestic and foreign policies. TNCs are responsible for mining, refining and distributing most of the world's oil, gasoline, diesel and jet fuel, as well as for extracting most of the world's minerals from the ground. Hence, they build most of the world's oil, coal, gas, hydroelectric and nuclear power plants; harvest much of the world's wood, making most of its paper; grow many of the world's agricultural crops, while processing and distributing much of its food; and manufacture and sell most of the world's automobiles, planes, communications satellites, computers, home electronics, chemicals, medicines and biotechnology products⁴².

Two hundred TNCs now control well over a quarter of the world's economic activity. Anderson and Cavanagh note that the networks of production, consumption, and finance they have created economically benefit about a third of the entire human population. "Two-thirds of the world (the bottom 20 per cent of the rich countries and the bottom 80 per cent of the poor countries) are either left out, marginalized, or hurt by these webs of activities"⁴³.

As Sachs *et al* therefore observe, TNCs "are part of a global marketing system to which they are subject whilst driving it onwards. This system favours the rich, promotes concentrations of power, and with the World Trade Organization (WTO), the World Bank (WB), and the International Monetary Fund (IMF) has created institutions and rules that favour the global players"⁴⁴.

2. THE IMPACT OF GLOBALIZATION

2.1. The Generation of Economic-Human Insecurity

Many analysts argue that globalization has succeeded in increasing wealth and prosperity

across the world, which to some extent is correct. Indeed, in 2002, the World Bank optimistically argued that:

"Globalization generally reduces poverty because more integrated economies tend to grow faster and this growth is usually widely diffused... Between countries, globalization is now mostly reducing inequality. The number of extreme poor (living on less than \$1 per day) in the new globalizers declined by 120 million between 1993 and 1998. Within countries, globalization has not, on average, affected inequality, although behind the average there is much variation"⁴⁵

To its credit, the Bank conceded that "many poor countries –with about 2 billion people–" are now "becoming marginal to the world economy, often with declining incomes and rising poverty." But the Bank's explanation for this is that they "have been left out of the process of globalization"⁴⁶. Contrary to the Bank's position, however, data on economic-human insecurity show that the marginalization of vast swathes of the population is a direct consequence of the policies of the global economic regime –not the lack thereof. Indeed, the Bank's claim that globalization has brought 120 million out of extreme poverty rests on the erroneous definition that population groups with per capita income of 1\$ per day or more are "nonpoor". However, in reality: "The one dollar a day standard has no rational basis: population groups in developing countries with per capita incomes of two, three or even five dollars remain poverty stricken (i.e. unable to meet basic expenditures on food, clothing, shelter, health and education)"⁴⁷.

One of the most authoritative critiques of the global economic regime, particularly of the structural adjustment policies imposed on less developed countries by the World Bank and the IMF, has come from the Structural Adjustment Participatory Review International Network (SAPRIN) whose principal report was based on a five-year research collaboration between civil society groups and the World Bank itself⁴⁸.

Specific data on the rise of poverty and inequality in less developed countries demonstrates how these policies have systematically contributed to the impoverishment and marginalization of local populations, while increasing economic inequality. Notably, purported macroeconomic

gains from these policies have been negligible. *The SAPRI Report* concludes that the global economic regime has produced "increased current-account and trade deficits and debts; disappointing levels of economic growth, efficiency and competitiveness; the misallocation of financial and other productive resources; the 'disarticulation' of national economies; the destruction of national productive capacity; and extensive environmental damage". Rather than poverty and inequality having been reduced under the tutelage of Western-inspired economic medicine, they are now "far more intense and pervasive than they were 20 years ago, wealth is more highly concentrated, and opportunities are far fewer for the many who have been left behind by adjustment"⁴⁹.

Indeed, the numbers of undernourished people in the world have been rising for several decades. According to the Food and Agricultural Organisation (FAO), the hungry within the 'Third World' countries outside the Eastern Bloc and China rose by approximately 15 million during the 1970s and by 37 million during the first few years of the 1980s⁵⁰. According to the United Nations Development Programme, the gap between rich and poor nations doubled between 1960 and 1989⁵¹. Since then, it has continued to widen. Thus in 1960, the income of the 20 per cent of the world's population living in the richest countries was 30 times greater than that of the 20 per cent in the poorest countries. By 1997 it was 74 times greater⁵².

The sheer magnitude of this growing gulf between rich and poor is highlighted by the fact that by the late 1990s, the fifth of the world's population living in the highest-income countries had:

1. 86 per cent of world GDP –while the bottom fifth had 1 per cent.
2. 82 per cent of world export markets – while the bottom fifth had 1 per cent.
3. 68 per cent of foreign direct investment –while the bottom fifth had 1 per cent.
4. 74 per cent of world telephone lines – while the bottom fifth had 1.5 per cent⁵³.

By 2003, some 54 countries were poorer than in 1990. In 34, life expectancy fell. In 21, more people were hungry. In 14, more children were dying before age 5. Some 21 countries underwent significant decline in the human development index (which measures length and

health of life, education and standard of living). Moreover, in the 1990s, 37 countries with high poverty rates experienced an increase in the latter. In 19 countries, more than one person in four was hungry, a situation which is growing worse, to the point that in 21 countries hunger increased. In 14 countries, under-five mortality rates increased. In 9 countries, more than one person in four has no access to safe water, a situation which is growing worse. In 15 countries, more than one person in four has no access to sufficient sanitation, a situation which is growing worse. Notably, in all these countries the impact of globalization has failed even to produce reasonable growth rates, which are "appallingly slow". In 125 less developed and transition countries, per capita income growth was less than 3 per cent –in 54 of them, average per capita income dropped, these including countries across the South in Sub-Saharan Africa, Eastern Europe and the CIS, Latin America and the Caribbean, East Asia and the Pacific, and the Middle East⁵⁴.

Of the 4 billion people who live in developing countries, almost a third –about 1.3 billion people– have no access to clean drinking water. A fifth of all children in the world receive an insufficient intake of calories and proteins. Around 2 billion people –a third of the human race– suffer from anaemia. 2.4 billion lack access to adequate sanitation. Thirty million people die of hunger every year, half of whom, UNICEF estimates, are children. Over 840 million suffer from chronic malnutrition, almost a sixth of the population. Three billion people – that is half the world population– are forced to survive on less than two dollars a day⁵⁵. Of the 6 billion people in the world, only 500 million live in comfort –that is approximately one-twelfth of the world population. This leaves a massive 5.5 billion people living in need –over five-sixth of the population⁵⁶.

Thus, as the United Nations Development Programme concludes, although globalization does produce clear opportunities and rewards, these are increasingly "spread unequally and inequitably –concentrating power and wealth in a select group of people, nations and corporations, marginalizing the others"⁵⁷. More than 80 countries still have per capita incomes lower than they were a decade or more ago, and inequality within countries has risen in many regions. In China, for instance, disparities between export- oriented regions of the coast and interior are widening. Similar patterns are

visible in Eastern Europe and the CIS, undergoing the largest increases ever in income inequality⁵⁸. Indeed, subsequent to being opened up to global market forces, Russia now has the greatest inequality in the world. Income inequalities have also rocketed within other purported beneficiaries of the free market, including China, Indonesia, Thailand, and other East and Southeast Asian countries. Surprisingly, even the industrialized countries, especially Sweden, Britain and the United States, are no exception⁵⁹.

The growth of 'Third World' debts as a result of IMF loans during the past 20 years or so, along with the 'Third World' struggle to service them, has been one of the most crucial factors maintaining the severity of deepening global impoverishment. 'Third World' debts are now so huge and interest rates so high, that for every year since 1983 the South has paid out more to the North just to service its debt (i.e. repayments and interest charges), than it has received from the North in new investments and loans. This greatly reduces the available funds that are sorely needed for investment in health, education, food subsidies and other critical areas of public spending. For instance, between 1983 and 1993, the IMF received \$2.9 billion greater than what it gave out in new loans. In 1973, the total international debt owed by the South was \$100 billion. Today this has quadrupled to \$400 billion⁶⁰.

This data demonstrates that globalization and the international economic order have impacted detrimentally on economic-human security, leading to a steady increase in poverty (economic insecurity), hunger (food insecurity) and disease (health insecurity). This generation of deepening human insecurity, moreover, establishes a fundamental causal context for insecurity at national levels. As the former IMF chief Michael Camdessus observed in his keynote address to the 10th United Nations Conference on Trade and Development (UNCTAD):

"The greatest concern of our time is poverty... It is the ultimate systematic threat facing humanity. The widening gap between rich and poor within nations... is morally outrageous, economically wasteful, and potentially socially explosive. If the poor are left hopeless, poverty will undermine the fabric of our societies through confrontation, violence, and civil disorders"⁶¹

2.2. The Generation of Economic-National Insecurity

A number of studies demonstrate the connection between economic insecurity and intra-state conflict. Paul Collier and Ankie Hoeffler, for example, argue that the lack of economic opportunities plays a greater role in civil wars than political grievances. Slow income growth, low per capita income, natural resource dependence (proxied by primary commodity exports as a percentage of GDP), lower male secondary education enrollment, rebel military advantages (proxied by dispersed population), and total population are all significantly positively associated with the onset of civil wars. Particularly important is the role of economic opportunities of would-be rebels (usually poor young men) from fighting the state, relative to deterioration of other economic activities such as farming⁶².

James Fearon and David Laitin similarly find a significant correlation between lower per capita GDP and the onset of a civil war. They argue, however, that poverty and intra-state conflict are connected by the economic weakness of the state, which inhibits its domestic monopoly of violence. Poverty contributes to weak state militaries and police, along with poor infrastructure such as roads, cumulatively reducing the state's repressive capabilities⁶³. These two factors –lack of economic opportunity and the decline of state power– are clearly complementary, and are both products of the international economic order. Thus, surveying the literature, Sambanis concludes that "economic studies of civil war have successfully identified an empirically robust relationship between poverty, slow growth, and an increased likelihood of civil war and prevalence"⁶⁴.

As Kaldor notes, under the neoliberal policies of the global economic regime –macroeconomic stabilization, deregulation and privatization– along with mounting foreign debt and structural adjustment programmes, state revenues have significantly declined. Unemployment, resource-depletion and income disparities have increased drastically. Growing economic, food and health insecurity at the human level across the South as a consequence of globalization has contributed to an "an environment for growing criminalization and the creation of networks of corruption, black marketers, arms and drug traffickers, etc". Particularly in so-called

'transition' states which had previously controlled large sectors of the economy lacking self-organizing market institutions, structural adjustment programmes eliminated regulation, paving way for the rise of corruption, speculation and crime rather than new productive enterprises. Identity politics provides a mobilizing and legitimizing factor for these activities⁶⁵.

In this manner, globalization creates conditions conducive to war economies. The impact of globalization exacerbates the decline of state power through the loss of control over and fragmentation of the instruments of physical coercion. Deepening widespread economic insecurity at human and national levels contributes to this weakening of the state's physical control of territory as well as a decline in the ability to command popular allegiance, reducing the state's capacity to collect taxes. As the criminalization of the economy continues, new forces arise claiming 'protection money' which further sustains widespread tax evasion. Combined with the impact of elite corruption, state revenue is significantly diminished. International financial institutions respond by advocating government spending cuts, exacerbating further the fragmentation of the military and state capacity to maintain physical control. Thus, under the policies of the global economic regime: "A downwards spiral of loss of revenue and legitimacy, growing disorder and military fragmentation creates the context in which the new wars take place. Effectively, the 'failure' of the state is accompanied by a growing privatization of violence"⁶⁶.

Structural adjustment further reduces state expenditures on education, health and infrastructure and commands the sale of state enterprises, reducing income and weakening state capacity to deal with problems such as food shortages or slow economic growth, as well as with crises like the collapse of the price of a main export commodity or the emergence of warlords. Foreign investors cut services and may purchase protection from warlords who exploit the environment of state decline by engaging in arms and drug trafficking. The latter in turn become the last few forms of viable economic activity. As Tirman thus observes, the devastating intra-state conflicts in areas such as "Liberia, Sierra Leone, and Congo –altogether, places where millions of people have been killed in the last 20 years– are consequences of a

global economic system that has, in effect, favored a form of warlordism"⁶⁷.

Africa provides a powerful example. After more than a decade of land privatization, trade liberalization, the deregulation of currency transactions, the downsizing of the public sector, the defunding of social services, and other components of IMF-World Bank reforms, the only result is the collapse of local economies, lack of foreign investment and the predominance in productive activity of mineral extraction and export-oriented agriculture while millions of Africans are hungry. In this context, violent conflicts erupt between different ruling factions struggling to access state power as a means to accumulate wealth by appropriating and selling national assets and resources, or assets of rival or weaker groups. As the majority of the population becomes impoverished, the struggle for survival is exploited by warring parties to recruit unemployed and impoverished young men in the service of local antagonisms. Such conflict is mediated through identity politics⁶⁸.

The 1994 genocide in Rwanda is a case in point. Chossudovsky notes that the "restructuring of the agricultural system under IMF-World Bank supervision" precipitated the fall of the population "into abject poverty and destitution." This economic deterioration immediately followed the "collapse of the international coffee market" and the imposition of macroeconomic reforms by the Bretton Woods institutions, exacerbating "simmering ethnic tensions" and accelerating the "process of political collapse"⁶⁹.

In a critique of this thesis, Storey argues that it amounts to asserting that the "genocide was partly attributable to state weakness or collapse, and the weakness or collapse was partly attributable to the policies of the World Bank and the IMF." This, he asserts, is incorrect on both counts⁷⁰. Storey states firstly that Rwanda's economic crisis cannot be attributed solely or even primarily to the impact of adjustment, since the economic crisis preceded the macroeconomic reforms⁷¹. However, as Chossudovsky shows, prior to the World Bank-IMF intervention in 1990 although poverty levels were high, in the 1970s and early 1980s there was significant economic and social progress: real GDP growth was at 4.9 per cent; school enrollment was markedly increasing; inflation was less than 4 per cent. Coffee was cultivated by 70 per cent of rural households,

along with other commercial activities such as sale of traditional food staples and banana beer. Local-level food self-sufficiency had been realized to some extent with restrictions on food imports to protect local producers⁷². Chossudovsky also acknowledges the devastating impact of falling coffee prices – noted also by Storey– preceding the World Bank-IMF intervention, which led to a 50 per cent decline in export earnings. With state revenues heavily dependent on coffee exports, this culminated in a crisis in state public finances corresponding to the outbreak of famines throughout rural Rwanda. However, structural adjustment only increased the scale of crisis⁷³.

On this point, Storey further challenges Chossudovsky's argument, stating that "it is difficult to make any direct linkage. between adjustment and the bankruptcy of state enterprises, the collapse of public services, increasing child malnutrition, or the absence of drugs in health centres"⁷⁴. Chossudovsky, in fact, argues that the economic deterioration created by falling coffee prices (itself a function of global market forces) prior to World Bank-IMF intervention was deeply exacerbated into a catastrophe under structural adjustment. Storey simply ignores his specific data and documentation: For instance, the Bank had proposed to eliminate over half the state's public investment projects. Devaluation triggered inflation, collapsed real earnings and drastically increased prices of fuel and other consumer essentials; the state's external debt which had already doubled since 1985 increased by 34 per cent from 1989-92; the increase in health user fees and partial privatization of the health system led to the inability to purchase anti-malarial drugs for public health centres, precipitating an increase of 21 per cent in cases of malaria as well as a rise in child malnutrition; the increase in education user fees and the system's partial privatization led to a substantial decline in school enrollment. As for state enterprises, coffee production almost totally collapsed, with its respective mixed enterprise Rwandex for coffee becoming largely inoperative; the state electricity enterprise Electrogaz was privatized, precipitating massive price hikes and "paralyzing urban public services"; the state telecommunications enterprise Rwandatel was privatized with similar effects⁷⁵.

Storey's final principal criticism is perhaps the most problematic. He argues that Chossudovsky's thesis "understates the principal impact of adjustment. The potentially most grave aspect of Bank policy towards Rwanda during this period was the increase in state resources it helped facilitate and, relatedly, the boost it offered to state legitimacy"⁷⁶. Chossudovsky, however, fully recognizes the influx from the World Bank of millions of dollars as the fighting began in October 1990 to Rwanda's Central Bank. A total of US\$ 260 million, he notes, was approved by the donors. Whereas Storey argues that this influx of resources served to financially strengthen the state thereby boosting its domestic legitimacy, in reality as Chossudovsky documents most of this donor assistance "was neither used productively" nor channeled to "providing relief" for famine. On the contrary, he notes, a sizeable portion of the funds was diverted by the state to the military and paramilitary factions in preparation for the genocide, a fact overlooked by the World Bank and ignored thereafter⁷⁷.

This did not amount to a strengthening of state legitimacy *per se*, but rather direct financial sponsorship of state militarization. There can be little doubt that the impact of the global economic regime on Rwanda –both prior to and including structural adjustment– generated previously unprecedented levels of impoverishment, insecurity and desperation that aggravated ethnic tensions. Facing the potential loss of state legitimacy due to this escalating insecurity, the state's violent response (also supported by the global economic regime) was a classic case of top-down identity politics promoting a genocidal militarism that fed off the ranks of the new unemployed, including thousands of delinquent youths⁷⁸ –what Kaldor describes as "a reaction to the growing impotence and declining legitimacy of the established political classes" and "a form of political mobilization, a survival tactic, for politicians active in national politics" by playing to and inculcating "popular prejudices"⁷⁹.

The global economic regime has impacted similarly across African states. Federici notes the pattern of devastating civil wars in Nigeria, Somalia, Algeria, Mozambique and countries in other regions immediately following the impact of global market forces and structural adjustment, as well as the frequent correlation in Africa between anti-IMF protest and conflict. The sequence, she observes, of World Bank-

IMF sponsored "destruction of infrastructure, imposition of market-reforms, forced reconciliation with murderous, 'irreconcilable' enemies, destabilization –is found, in different degrees and combinations, everywhere in Africa today, to such a point that several countries, like Angola and Sudan, are in a state of permanent emergency, where their viability as political entities is now in question"⁸⁰.

CONCLUSIONS

Globalization and the international economic order, over the last several decades, have systematically generated human insecurity throughout the world, particularly in the less developed countries in the South, as well as in regions of the advanced industrial countries in the North. Most pertinently, globalization and the international economic order have undermined economic-human security –that is economic, food and health security– which in turn has contributed to the generation of personal, community and political insecurity. This general deterioration of human security throughout much of the South lays the causal groundwork for widespread societal unrest; the undermining of state power and legitimacy; the emergence of parallel criminal economies managed by rival warlords; the mutual corruption and militarization of the state and society; and ultimately the eruption of violent conflict fuelled by war economies. In this way, globalization and the international economic order, generating economic-national insecurity, fundamentally destabilize the national security of less developed countries.

This systematic undermining of security across national boundaries amounts to a veritable globalization of insecurity at human and national levels. The sheer, relentless scale of this process demonstrates that the international economic order and the neoliberal paradigm on which it is based must be fundamentally transformed if this process is to be reversed in the interests of the security of the majority of the world's populatio.

NOTES

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