

Unruly and Informal Globalisation and its Impact on Development : A Background Note

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Over the last several decades, large bodies of research have emerged on poverty and well being (poverty and its indicators, vulnerability, health, education, food and nutrition, social policy) on the one hand and on aspects of globalised development (finance, industrialisation, trade) on the other. But there is another kind of globalised development proceeding apace. This involves both informal and unregistered activity (such as small and clustered industrial firms in the third world and cross border trade on the one hand and such as illegal activity and illegal goods on the other (exemplified by the global trade in illegal arms and drugs). This global underside may be unruly or it may be ordered but anarchic, regulated by means other than states. Informal globalisation creates insecurities and those in turn provoke social responses. Informal globalisation is also linked to formal globalisation in ways which may reinforce >formal= insecurities. Informal globalisation is marginalized from the literature on globalisation and tends to be neglected in research. It has a major impact on four aspects of development:

- C the physical security of people, property and the environment;
- C threats to the economic and political autonomy of states;
- C instability, particularly of markets;
- C Vulnerability: a susceptibility to damage, closely but not completely aligned with poverty and inequality;
- C the policy paradox in which significant outcomes are either unexpected and/or have results opposite to those declared discursively.

In the underdeveloped peripheries of the global system, globalisation is said to have four distinctive components. First: globalisation has accompanied the enforcement of an agenda of deregulation and privatisation associated with structural adjustment loans for otherwise unsustainable burdens of national debt. Second: with technical advances in transport, telecommunications and information technology, physical remoteness from the sites of final demand no longer puts up transactions costs which prevent trade. Third: liberalisation is argued to have improved the efficiency of protocapitalists operating previously in the parallel economy, making them free to >shake off anachronistic borders= (Meagher and Hashim, 1998), producing the integration of regions which local states have so signally failed to achieve and to expand markets for local agricultural and industrial goods. All three characteristics cry out for a

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critical discussion which is summarised below. Fourth, and by way of contrast, the globalisation of trade, transport and information technology, the movement of people, the decline of state authority, the intractable persistence of inequality and poverty are the fertile nutrients for globalised crime, raw material for which is sourced in the underdeveloped world. Indeed, it is said that >the developing world=s most successful transnational corporation= is the organised criminal cartel operating out of Cali, Colombia.²

The informal economy is not only activity that is unregistered and untaxed because it falls under the tax thresholds,³ it is what goes on in the interstices of the two parts of the formal sector - the state and business/capital, much of which is untaxed because tax is evaded⁴. The informal economy in India can be taken as an example of its size. In 1999 it was carefully estimated by the National Council of Applied Economic Research as accounting for 60% of GDP and of savings, 68% of income and 83% of employment. It is therefore not marginal, not outside the ambit of market exchange or capital accumulation. It is the largest part of the Indian economy.

Worldwide, the informal economy is made up of the following components:

- C Agriculture, the biggest single component - regulated parametrically through prices and subsidies and indirectly through physical infrastructure.
- C Small scale production, trade and services.
- C The black economy: undeclared factor incomes (profit, rent and interest) - now making up half the Indian economy, for example,⁵ where tax evasion has been estimated as a source of formal-sector leakages which is twenty times more important quantitatively than is corruption.

And within this economy:

- C Illegal business and trade in legal goods; notably, real estate, gold, inventory, the third world film industry, much of the third world retail sector;
- C Production and trade of illegal goods; notably drugs, arms and prostitution
- C Other forms of redistribution such as crime⁶

National informal economies have been unleashed by deregulation. Activities formally registered, even organised by public-sector or para-statal firms have been privatised, frequently to comparatively small units of capital, and *informalised*. The process is found all over the world from cosmetics production in Nigeria to rice milling in West Bengal. It is therefore related to global as well as national restructuring. The informal sectors often appear to be competitive by virtue of the large numbers of firms involved. In practice, more often than not, the informal economy is found to bear a fractal resemblance to the structures of global MNCs described by Leys and Kay: a combination of oligopoly and petty trade. Large firms may preserve petty ones through acts of economic patronage which also control their profit levels (machine tools in

²² Williams, 1994, p103

³³ In parts of the economy where the administrative costs of raising tax exceed the revenue stream from it (ILO, after Hart)

⁴⁴ Breman

⁵⁵ Roy, 1996; Kumar, 1999

⁶⁶ Hurrell and Woods, 95 in Meagher and Hashim

South India). Large firms may also offload risk onto and/or seize title from petty operations in the informal economy (large and small scale mining in Bolivia and Tanzania).

Contractual relations are typically networked. For some commentators network trade reduces transaction costs by relying on trust; for others network trade expresses forms of market politics and social pressures which do not allow any alternative. In the informal economy power is exercised collusively through overlapping organisations of regulation, co-operation, culture and philanthropy. In *not* being regulated by states, informal activity is not *unregulated*. Rather it is *reregulated* and by a multiplicity of means. The politics of regulation is multifaceted - in some place originating in the defence of businesses from regulation by the state, commonly developing a vital self-regulatory role, enforcing the local terms of participation in markets and the basis of exclusion from them, wringing concessions from the local state either formally or by subterfuge and capture in a politics of opportunism. Other sources of regulative order in informal economies are the family (regulating the family firm) or the kin group; the search for and consolidation of reputation or trust⁷ for which oppressive relations may be preferred to the consequences of their loss; collective action; social norms and rules and last but not least privately organised physical co-ercion. Crude force parallels the explosion of security firms and commercial protection agencies servicing the formal global economy. This is one obvious respect in which informal and formal globalisation are linked, for the same firms may service both sectors.

Informalisation is consolidating a new regulative regime designed to restore profits in the face of globalisation. This is a dynamic process with its own internal contradictions - most notably between opportunities for entrepreneurship on the one hand and the ruthless cheapening of production costs, the shifting of risks onto client firms and more or less casualised labour on the other.

So *informal* economies are being globalised. They are being adapted to the needs and structures of the emerging single world economy. Some sectors are absolutely essential to the process of formal globalisation, others are linked less directly with the global economy. Yet the globalisation of the informal economy is hardly recognised in the literature and debates on globalisation and if it is, it is usually regarded as a mutation of the conventional economy or as a transitory phenomenon.⁸ We will conclude this introduction by examining some of its more obvious features.

C informal globalisation necessary to the formal system: offshore financial havens

Over half the world's money is estimated to pass through offshore financial centres (OFCs): an estimated one trillion dollars in 1991.⁹ There are at least 41 of them: 18 in the Caribbean and S. Atlantic, 14 in Europe, the Middle East and Africa and 9 in Asia and the Pacific. These three sets of regional satellites each operate globally but they each also service a regional financial

⁷⁷ In which ascribed character (family, ethnicity, locality) are only slowly being replaced by acquired characteristics (efficiency, competence, reliability).

⁸⁸Robert Kaplan 1994

⁹⁹Hampton, 1996; see also Godson and Williams ****, p122

centre: New York, London and Tokyo. Most are small landlocked or island territories, interacting with one another in a hierarchy of selectivity and criminality. Each employs a significant part of the total labour force of the territory in which they are sited and generates a significant contribution to legitimate GDP. Offshore finance is the economic base of these states.

While tax havens simply have different (laxer) tax laws and lower taxes or none at all, OFCs provide private and wholesale banking, anchorage for offshore trusts and funds, holding companies and easy insurance and shipping registers. The purposes of all these activities are to evade taxation, avoid closer regulation and escape detection. Finance is the most fungible, instantaneously transmittable commodity, traced with great cost and effort, if at all.¹⁰

Globalised finance cannot operate without OFCs. For reasons of secrecy (a secrecy the reasons for which range from confidentiality to criminality), while the kinds of links between OFCs and official finance can be painted with a broad brush, the magnitudes of flows cannot. First, OFCs are the destinations of large quantities of capital which have been generated in, but are flying speculatively from, or fleeing, states to whose productive and fiscal project its possessors do not wish it to contribute. This reluctance may be attributed to local mismanagement (Russia/ the Washington Consensus view of the World Bank) or intrinsically related to international corporate or official financial transfers. Leakages from the official, legal financial system result from overpayments or bribes. These are recycled, sometimes within a single bank, through OFCs for onward lending perhaps even to revisit the original loan destination.¹¹ In the early nineties there were 8 million people with investible surpluses exceeding \$1 million : an expanding sector for which OFC services of private banking have been created. Second, OFCs are the physical convergence areas for finance capital from a variety of sources: private (retail) and official, global and local, advanced countries and developing ones, legal, corrupt and criminal. Third, OFCs are the sites of stocks of funds from advanced countries for covert security operations elsewhere.

OFCs create insecurities over and above those of the financial system discussed here by Fitzgerald. By defrauding states of resources, OFCs abet the process of state delegitimation. Rentier activities flourish at expense of productive ones because the latter escape accountability far less easily than the former. There are contagious effects on the host economies. Their covert role also adds to physical insecurity.

How does the policy elite respond to OFCs? Hardly at all. Only very lately have there been calls for their abolition, but no suggestions as to how to effect this.¹² Fitzgerald identifies the OFCs as major impediments to the reform and regulation of global finance. The toleration of OFCs, their absence from policy discourse on financial reform, paradoxically indicates the essential nature of their role. Disorder is at the heart of the OECD/global financial system. A Market liberalisation@ (is not only) A capable of impoverishing whole countries, it has paradoxically

¹⁰Williams, 1994

¹¹ Boyce, 1996

¹² Gordon Brown , UK Chancellor of the Exchequer, in *The Guardian* 17.4.00. His argument for the reform of tax evasion is based on the sharing of information within the EU, rather than on levies on the relevant bonds markets, the option preferred in mainland Europe.

also made it easier for alternative and destabilising forms of political economy to become established¹³

C Informal activity linked to the global system in other ways : parallel trade

Where states lack the capacity to enforce their frontiers, goods flow hither and thither unmonitored. Such trade is termed parallel trade. If such goods are dutiable this activity amounts to smuggling, but the parallel trade is broader than that. West Africa is a useful case through which to examine other kinds of links with the global system and other insecurities. Despite centuries of cross border trade, this is nevertheless a region at the very margins of the current global system. Foreign direct investment in the entire Sub Saharan African region declined from 6% to 3% of the total during the 1990s (and two thirds of this went into mineral exports). Meanwhile, West African cross border trade has flourished, with a large increase in goods imported from Europe and Asia. Most parallel trade is in legal goods (such as cocoa and cattle), which fuel the inventories of official exports if they finally leave the region. In its commodity composition, it tends to parallel official trade flows and fuels global trade. A small proportion of the currency used for this trade is recycled via OFCs in Europe.¹⁴ In the eastern states of West Africa this trade has loosened the ethnic composition of trade networks, facilitated private enterprise and accumulation, led to the bypassing of local intermediaries and expanded novel direct links with East Asia and Australia. Trade networks have been restructured. Clientelist relationships of long standing are being replaced by new kinds of contract for educated young intermediaries with feet in both worlds. New forms of brokerage appear.¹⁵ In some parts of the west of this region parallel trade is being criminalised as an illegal global trade in legal goods (diamonds, gemstones and gold) is consolidated to support the internal struggles of collapsed states.¹⁶ The rise of OFCs rooted in Gambia and Liberia is thought to be not unconnected to such trade.

While parallel trade is linked to formal global trade, it also generates insecurities of its own. States lose control over the location and movement of people. Informal business interests grow to be dependent on states which fail to enforce their frontiers in order to sustain this form of capital. To the extent that local states are fully complicit through the patronage and protection of smuggling and the sharing of its rents, they undermine their own formal capacity and resources. Meanwhile rural producers watch the destruction of agriculture and textiles crafts as industrial imports on parallel global markets undercut their prices while a sharp fall in the purchasing power of consumers in the franc zone has ruined incentives on the parallel international market for foodstuffs. Capital is diverted from production into trade. Parallel trade expands as networks of networks coalesce. Whereas the networks of post-Fordist flexible accumulation are linked through electronic interconnections and decentralised production, the West African parallel trading networks are shaped by ethnicity, kinship and religion. Rather than being productive, they are distributive. Rather than being a grassroots constituency supportive of

³¹³ Duffield, 1999

⁴¹⁴ An estimated 10% leakage, not great by international standards, Hashim and Meagher, 1999.

⁵¹⁵ See Quarles van Ufford, 1999, for a fascinating account of the changes in the social organisation of the parallel trade in cattle based on Benin.

⁶¹⁶ Bayart, 1999

liberalisation, they form a system resting on inter-state differences in *informal* regulative regimes controlled by those profiting from them and opposed to economic rationalism.

C The informal protection of property rights

Where private property is developing in the absence of legal institutions to protect property rights or to facilitate their transfer, as in the states of the former Soviet Union and the cities of Latin America and South Asia, the physical conditions necessary for market exchange, security of property, are commonly provided by private protection forces often drawn from unemployed ex-security personnel. Their roles cover the physical protection of people, all forms of fixed capital, movable goods and capital in flight and the enforcement of contracts. Large >shadow states= have developed from parallel flows of tribute (extortion) and expenditure. Protection forces are interconnecting globally. Some integrate protection, (credit card) fraud and counterfeiting, the latter said to be a \$200 bn business.¹⁷ Others, considered below, protect their own transnational >value chains= involving global production, trade and finance.

This informalised protection has been argued to be a response to insecurity and to create security ; further, to both protect and provide employment. However their impact on local capital and the state is unlikely to be other than net adverse: mass capital flight, accumulation under coercive conditions, state plunder or >primitive disaccumulation= (Burawoy, 1999), creeping mafia control over sectors of the economy with special characteristics such as the need for liquid capital and a labour force vulnerable to intimidation: construction and the disposal of waste, an aversion to investment and reduced growth rates. Extensive mafianisation is accompanied by increases in violence and physical insecurity, and in unemployment (due to its impact on growth and productivity) and by declines in life expectation.

States are generally inexperienced in threats which are not military and do not come from outside. Responses are riddled with contradictions.= Amnesties= are widely experienced by those being extorted as a double taxation and tend to be vigorously resisted by protection forces and those protected. The enforcement of the rule of law is easier said than done when the law is shoddy, shot through with unforeseen consequences, formally counterproductive but informally highly productive for corrupt legislators. Attempts at legal downsizing, and at the shedding of law inappropriate to an informalised system of governance means capitulation to law breakers. The state is thereby further delegitimised. What is true for the law is also true for institutions implementing the law.

C Illegal global trade

So other forms of globalised trade are illegal and difficult to research. While (small) arms and drugs are best documented, other important globally traded illegal products include art and antiquities, stolen cars, wildlife products, nuclear material and other toxic wastes and trafficked women and children for domestic and sexual slavery. Although long antedating the current era of globalisation, the increasingly characteristic form is thought to be that of the transnational criminal organisation (TCO). Like transnational corporations (TNCs), TCOs exploit national boundaries, but their objectives are to gain access to goods by circumvention, elude enforcement

⁷¹⁷Godson and Williams****

and exploit difference in the criminal justice systems. Like TNCs, some TCOs have a global reach, while others span large, continental regions.¹⁸ While TNCs locate headquarters for tax advantages, TCOs have home bases, entrepôts and financial servicing in corrupt, weak and/or collusive states. While TNCs are structured through vertical integration and/or process specialisation, TCOs are networked or cellular in organisation to reduce risk and resist control. TCOs are notably embedded in family or ethnicity, forming loose confederations based on kin. While TNCs develop diversified productive portfolios, those of TCOs focus on physical protection, high-tech (counter)intelligence equipment, consumption and expansion of their sector. Contracts are famously enforced by a culture of loyalty and the threat and practice of violence. In host states, formal institutions may be co-opted in a nexus of collusion with state apparatuses and banks. The security of governance and economic growth is jeopardised by such arrangements.¹⁹

C **Illegal global trade in legal goods : arms**

If an estimated 10 per cent of the global arms trade is illegal, the illegal arms trade runs at \$50,000 a minute or \$2.6 bn annually and supplies individuals, informal protection forces and at least 30 current wars. It is structured through international networks of private dealers. These networks have to be complex and international in order to escape detection.²⁰ The trade is supplied from the circulation of existing stocks rather than the production of new weapons. It is the insecurity of arsenals which links illegal trade to open regulated global trade. Weapons may be looted from government arsenals. They may be recycled regionally from lots purchased by governments with >end user certificates= approved by lax government sellers. China and the states of the former Warsaw pact are especially implicated in this kind of trade, pressured to earn foreign exchange (often at severe discounts) from surplus stocks of weapons which are long-lasting, relatively low-tech in engineering terms and which have low maintenance requirements. Official importers (governments) may sell onwards to any internal or external group with the capacity to pay, sometimes creating a >boomerang effect= whereby armed forces are faced by weapons supplied by their own government.

It is hard to halt the spread of supply of and demand for illegal small arms. However the lack of any overt inventory of the arms controlled by=non-state actors= need not prevent action.

⁸¹⁸ Examples of the first are the Italian, Chinese and Colombian TCOs. Examples of the latter are TCOs operating out of Japan, Russia, Nigeria, Mexico and Turkey (Godson and Williams *****)

⁹¹⁹ Williams, 1994; Godson and Williams, op.cit.

⁰²⁰ Two instances reported by CNN in 1995 not only show this characteristic at work but also show the large number of countries involved. The first involved the supply pipeline evading the embargo on Rwanda and exiled Rwandan armed forces. This went through a British company, Miltech, registered offshore on the Isle of Man, and alleged to be linked to an ethnic Indian from Kenya. Miltec apparently supplied Albanian and Israeli manufactured arms to Hutu forces exiled in Zaire. In a second example, an ex-British soldier (sentenced in India in 2000) used Danish funds supplied by a Hongkong based Indian with a New Zealand passport to purchase a plane in Latvia to pick up arms in Bulgaria, which travelled via Pakistan to be airdropped to rebels in India. (<http://cnn.com/WORLD/9611/26/zaire/>)

Scholars at the Bonn International Centre for Conversion have proposed the following measures: information sharing; the establishment of a clear and unambiguous legal base of the possession of arms; improvements in the storage and security of weapons; their suppression and destruction. As with the consensus on the stabilising of global finance so with small arms, implementation on the ground has been insipid. The European Union Code, mentioned earlier, has no obligation even to prohibit arms transfers to forces not recognising human rights. The code is not politically binding. In 1997, both the EU (in the shape of the EU Council Working Group) and the Organisation of American States ratified treaties against the illicit trafficking of firearms, but there has been little progress or co-operation between states on the ground.²¹

C Illicit global trade in illicit goods: drugs

The value of the global trade in illicit drugs is unknown, but they are without doubt commodities of great economic significance: one UN estimate puts the trade at \$400bn p.a. which would make it over 150 times larger than the illegal arms trade. *Seizures* in the US increased from \$24m to \$86 m per annum during the nineties and totalled \$546 m. Prior to the current era of globalisation the trade was controlled by organised crime groups operating outside the US, La Cosa Nostra controlling and estimated 95% of heroin distributed inside the US in a network operating out of New York and Corsica via Marseille. Drugs were distributed domestically by >organised crime families= to networks of street dealers reported by the US Drugs Enforcement Agency to be trading to >minorities= in low income areas. The system was protected by corrupt relations of complicity with the formal institutions of enforcement. After 1972, when this system was destroyed, the global trade reworked itself, in some places emerging from innocent marketing systems for cut flowers... It is now dominated by organised crime syndicates with epicentres in Peru, Bolivia, Colombia, Mexico and Afghanistan from where cocaine, heroin, methamphetamines and marijuana are distributed. The structure of these global marketing systems is modelled on that of terrorist groups. It is said to consist of specialised cells separately managing production, transport, distribution, money-laundering, communications, physical protection and recruitment. The most advanced telecommunications, weapons, means of transport and counterintelligence technologies are used to enforce property rights. According to the US Dept. of Justice=s Drugs Enforcement Agency, the system no longer works through parochial relations of control and complicity, >entire governments= have been corrupted, parallel systems of property rights enforced and, though its economic consequences are direst among the poor, consumption is socially widespread.

The drugs trade is therefore linked to legal and illegal global trading institutions through the subordination of state apparatuses. It is further linked by the purchases of commodities and the system of banking. It is linked through the commercial protection firms which operate in the formal and informal global economies. It is linked through the siting of (agricultural) production and through the toleration of processing laboratories. This trade does nothing but exacerbate all forms of insecurity defined at the start of this introduction. Drugs were declared a security threat to the US in 1986.²² Violence and intimidation are used throughout the value chain. Consumers

¹²¹ Bonn International center for Conversion website: <http://bicc.uni-bonn.de/weapons/papers/hwgerf.html>

²²²Williams, 1994

are criminalised and crime proliferates. Health status declines. The economies of entire states are destabilised. Their political responses are necessarily covert as well as overt and risk complicity and corruption at every stage.²³

Godson and Williams, reviewing global organised crime, conclude that it >could prove one of the major security threats of the 21st century= (1994, p112-3), faced with which states are anachronistic and inexperienced . Current responses are a >hodge podge of separate but poorly co-ordinated programs and policies... (creating) confusion about roles and uncertainty= (op. cit. p119).: Interpol (co-ordinating 176 national crime bureaux), regional organisations of police co-operation²⁴ a UN convention on the prevention of trafficking and a UN Global Action Plan of 1994 against trans-sovereign crime. It is often commented of such symbolic action that it is an achievement in global consensus building and in recognition, but with under-resourcing on the scale reported, one is entitled to doubt even this. Interpol has a budget of \$30m and a staff of 270; the UN Plan has a budget of \$4m and a staff of 35, while a single TCO may employ upwards of 10,000. There are no international conventions with anticipatory norms of a sort that might protect future systems of cyber-payments. There is no move towards the international harmonisation of law, law enforcement or judicial institutions. There is no systematic co-ordination between specialised units of information within and between states. There is no international social or political movement to isolate safe havens, disrupt supply and demand, insist on the sharing of intelligence or agitate for the removal of incentives.²⁵

The Unruly Politics of Informal Globalisation

Globalisation can be taken advantage of. Or it can deliberately be resisted or attempts at global integration may succeed on highly adverse terms or may fail outright. The last two outcomes are widely said to encourage celebrations of socially and ideologically manipulated pasts and a resurgence of religious or ethnic fundamentalism, other forms of social unrest , intra state conflict and new illiberal forms of democracy, termed >electoral travesties > by Samir Amin. Such events are unpredicted by the paradigms in social science. Willett uses the case of Mexico to show how political instability and intensified and severe poverty following Mexico=s reforms were neither predicted nor wanted by the instigator - the USA.

Analyses centred on categories such as states and MNCs are not longer adequate to explain the multiple threats to physical and economic security caused by civil disorder, criminal violence, internal state repression and intra-state wars. In two thirds of the 30 poorest countries there is either active conflict or an insecure peace. Under these conditions, regulative activity may not >simply= be informalised, it may collapse .²⁶ Regional conflicts are no longer being directly sustained by Cold War Superpowers; new ones are adaptive, expansive and outside the ambit of global public law. Globalised information and communications technologies lubricate the

³²³ US Dept of Justice DEA, 1999, *Overview of International Criminal Organisations* Washington

⁴²⁴ Within the EU; America and the Caribbean; within the Baltic states; Southern Africa; the G7 plus Russia (Godson and Williams, 19**, pp119-134)

⁵²⁵ Ibid

⁶²⁶ For instance Somalia, Liberia, Albania, Tajikistan, Colombia, Kosovo, Chechenya

transfer of cultural products and tend to intensify conflict fomented through social identity. The economist Pranab Bardhan has argued that religion and/or ethnicity are common bases for political mobilisation >because norms restricting entry and exit are more powerful and boundaries less fluid= than other principles of organisation. Bonding lowers the costs of collective action and raises its rents.²⁷ Though strife may be organised around ethnicity or religion, economic interests are often at stake in conflicts *within* working classes over low-skilled jobs, conflicts between middlemen from minority groups and those (feeling) exploited by them, conflicts over privileged niches for rent-seeking (be they land, commodity markets or state bureaucracies) and those between regional groups over the distribution of taxes, infrastructure and subsidies. New means of sustenance are necessary for such struggles : sometimes commodities for the global market e.g. diamonds (Sierra Leone) copper (Zambia) and oil. Opposing sides are plugged into global networks for arms, fuel, transport, food, drugs or the international trade in household goods, vehicles, farm equipment, livestock and economic migrants. Where warring groups proceed to transact with MNCs , the legitimacy of the international conventions such as UN trade sanctions is corroded.²⁸

>There are obviously no easy solutions in this minefield of contemporary horrors= concludes Bardhan. The most powerful global states and the UN system do not manage such conflicts. Their interventions can exacerbate them. The failure to settle disputes by peaceful means compounds developmental failures and violations of political economic and social rights.²⁹ It is not that there has been no response to the economic and political insecurities of informal globalisation. Checklists have been provided.³⁰ The World Bank and other UN economic agencies are working collectively to widen the scope of conditionalities for official credit and aid in order to fuse economic criteria (liberalisation) political criteria (electoral democracy, reforms to structures of governance, support to civil society and NGOs) and social criteria (globalised convergence on a rights-based social policy).³¹ On the ground, conflict resolution is being privatised, through international NGOs. Globalised surveillance technologies feed into early warning systems of monitoring and evaluation. Novel forms of civil society - mercenary groups, private security companies, private armies - provide protection to property and person (from landlords in SE Asia to MNCs in Latin America). Given a democratic deficit on the

⁷²⁷ Bardhan , 1997 , p1388

⁸²⁸ Willett, here and Duffield, 1999

⁹²⁹ See DfID, 1999, for an analysis of the extreme selectivity of rights and of their signatories; see Dhagamwar, 1992, O'Neill , 1994, and Aston, 1994, for the lack of progress in operationalising claims on states and obligations on the part of states, by means of which rights are enforced.

⁰³⁰ Bardhan=s is carefully thought out (1997): guarantees against fears of subjugation, separation of powers, not only between the executive, the legislature and the judiciary but also within the legislature to allow power to all significant parties, the de-ethnicisation of state institutions, the establishment of means of redress, decentralisation and regional political autonomy, fiscal compromises, positive discrimination, adequate safety nets for social casualties and displaced people, public information and a strengthening of UN peace making and arbitration. Last but not least the control and regulation of arms.

¹³¹ Wolfensohn, 1999

ground which is unrecognised either in diplomacy or in much of the discourse of the >aid community=, it is hard to see who has an interest in *not* perpetuating this unruliness.

However, the unruly underbelly of globalisation is not always >Hobbesian chaos=³². More often than not it is ordered in ways which serve the interests of those enforcing property rights. Even intra-state conflict powered by ethnic rivalry may have an element of competition for economic resources. Informal globalisation is not irrational, it is even sometimes an extreme manifestation of market rationality. It is also not transitional but structural: nourished by unemployment, physical insecurity and declines in state capacity. Network forms of commercialisation litter the parallel and criminal economies. Primitive and informal accumulation is not simply an era of history pre-dating capital but a process co-existing with advanced forms of capital and business and one in which new units of capital are continually being created. We are only seeing for ourselves what Marx concluded in the mid 19th century: A Force itself is an economic power@.³³ Both force and economic power have to be much better understood if the real and discursive worlds are to be shaped so as to secure the conditions of life of the mass of the world=s people.

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²³² For this view see Gray , 1998
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