

Book Reviews

Francisco Gutierrez and Gerd Schonwalder (eds.) *Economic Liberalisation and Political Violence—Utopia or Dystopia?* 2010. International Development Research Centre Canada (IDRC). Canada: Pluto Press. 355 pages. US\$35.00.

No debate is as engaging in the twenty-first century, as the one surrounding the phenomenon of globalisation. Economists, political scientists public policy experts, and specialists from a range of diverse disciplines are attracted to analyse this phenomenon and apply it to the world around them. The analysts are generally divided in two camps—those who praise globalisation as an evolutionary process leading to peace and prosperity, and those for whom globalisation is a curse instigating violence and conflict by undermining the role of the State and adversely affecting democracy.

Between the two divorced approaches, offered by those who have suffered at the hands of ‘liberal utopia’ and ‘liberal dystopia’, the editors of this book present a compilation of case studies to challenge both the perspectives. The studies included in the book make their case using quantitative as well qualitative techniques. Neo-liberalism (a twenty-first century phenomenon) is used to view the impact of globalisation. The studies included in the book investigate the impact of economic globalisation and political incentives for violent conflict and war. The findings indicate that the relationship between neoliberal policies and violence cannot be established in isolation to the context in which these policies are implemented. Conflict intensity may be reduced or heightened, depending on this context. Hence the case studies focus on the contextual setting of the reforms undertaken. The book is organised into three parts: the first one comprises two chapters including an introduction to the subject and an academic commentary, the second consists of three case studies on Sub-Saharan Africa, namely Uganda, Côte d’Ivoire, and Sudan, and the third part contains case studies on Latin America, namely Columbia, Peru, and Central America.

The introduction is followed by an academic narrative by Jairo Melo that builds upon macroeconomic theory and establishes the argument that the impact of neoliberal policies is detrimental by contextual factors, and cannot be pinned down by a single quantitative model.

In Part Two, Fredrick Mutebi presents a study on economic liberalisation and politics in Uganda. The study states that the Government of Yoweri Museveni, driven by a vision to stabilise and rebuild the war-torn country, reintroduced liberal economic reforms in Uganda at the end of the 1980s. As borders opened up and external resources started flowing in, the state managed to improve security, service delivery, military power, and even spend resources on paying off its opponents. The result, at least in the short term, is a more stable government and less violent political elite, coupled with a non-democratic political regime. The long-term effects are yet to be seen.

The next chapter, by Banegas, Toh, and Adingra, discusses the crises of citizenship in Côte d'Ivoire. The implementation of liberal economic and political reforms in the 1980s led to chaos being unleashed in a country where the ability of the State to tackle polar interest groups was but limited. The result was violence leading to a division of the country along ethnic, political, and regional lines. The government structures became increasingly fragmented, and as war broke out, official hierarchical structures broke down, which contributed to the conflict driven by confusion and uncertainty. In this scenario, liberal policies such as privatisation further disintegrated the government, increasing rent-seeking opportunities and exploitation. The ad hoc solutions tried out by the government augmented the conflict. For example, privatisation of the cocoa production only camouflaged the role of the state, thereby increasing opportunities of rent-seeking and corruption. To sum up, in a fragile state such as Côte d'Ivoire, liberal policies, if not steered in the right direction, may very well go wrong, increasing conflict and violence.

The case study by Marchal and Ahmed focuses on neo-liberalism in Sudan. The authors argue that the liberal economic policies followed by the government did little to curb the raging conflict, because the policies strengthened the hold of the ruling elite. The availability of oil revenues further added to the Sudanese government to act as the biggest monopolist. The study claims that although Sudan was able to get rid of the old colonial elite, the new native elite is even more opportunistic. The economic liberalisation in this case has failed to bring about political liberalisation; instead this has instigated conflict in areas that were relatively peaceful before the liberalisation.

Francisco Sanin's study opens Part Three of the book with an insight into the changing nature of violence in Columbia. Sanin states that Columbia is an exception in Latin America as economic liberalisation here was introduced gradually as compared to the kind of 'shock therapy' that other Latin American States went through. Sanin examines three sectors; health, land distribution, and decentralisation. He argues that the neoliberal policies shook the established institutions and altered the room for negotiation and organised crime. This change in environment influenced the level of conflict. The liberal policies, in Columbia, did not on their own resolve or create conflict, but the policies influenced the logic behind war and peace, redefining the nature of the ongoing conflict.

In the next study, Ramoin Teves analyses Peru's ambitious neoliberal reforms and their impact upon conflict. Peru was a country characterised by bad governance and a closed economy with violent internal conflicts that cost many lives. In the 1990s, Alberto Fujimori, the then ruler of Peru, embarked upon radical neoliberal economic policies that led to unprecedented growth in the years to come. The reforms not only gave a significant boost to economic growth, but also forced Fujimori to forgo power in favour of democratically elected leadership that maintained the liberal policies. Teves contends that Peru may not be the success story that it seems to be. Being skeptical, he says that it is difficult to establish, in case of Peru, that the neoliberal policies successfully reduced conflicts; rather it could be the other way round—neoliberal policies were successful because conflict reduction led to a more favourable environment. Moreover, under Fujimori, the state was run in a 'mafia style' with established corruption networks and rent-seeking opportunities for the government functionaries. It is good to see that liberal

policies have prevailed even after the regime change. However, the situation remains fragile. Neoliberal policies have failed to reduce poverty levels. Resultantly, today Peru sees a more active role being played by those social actors who feel that the state does not have the capacity to perform. Thus, in Peru's case, the optimism with neoliberal reforms comes only from a cursory look. Deep down, Peru's problems are far from over, and the neoliberal policies, in fact, might have increased the vulnerability of the state to conflict.

The last case study, by Penaranda and Baroin, is about the state of conflict in Central America. The study states that in countries such as El Salvador and Guatemala, conflict resolution came about as a process of negotiation between the parties concerned rather than as a victory for the state. These negotiations led to a balance between neoliberal economic reforms and political reforms. However, despite these policies, the two economies failed to sustain themselves and had to rely on external support. Only time will tell how much of the 'neoliberal promise' can be delivered and if it would help these countries in moving towards a successful democratic transition.

Gerd Schonwalder's conclusion is comprehensive. He sums up with a note that the studies included in the book have highlighted the shortcomings of neoliberal policies and have also brought to the fore the cases where, scepticism notwithstanding, the neoliberal agenda appears to offer some promise.

Thus by looking at the 'exceptions' rather than the 'rule', the book provides interesting perspectives on why there may not be a box fit solution to the problems of developing countries and why such solutions mostly backfire. The relationship between economic policy and conflict, with a focus on cases where the neoliberal policies may not have proved a great success, is made clear. The book is recommended for those interested in International Relations, Conflict and Peace Studies, Development Economics, Development Studies and Public Policy.

Laila Sohail

The Pakistan Institute of Development Economics,
Islamabad.