Globalisation and Conflicts: A Theoretical Approach
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Abstract
This paper is aimed at providing insights into the interplay between globalisation and conflicts through a theoretical literature review. The motivation is drawn from a large number of debates advocating globalisation as being a double edged sword. The main argument is drawn from the Liberal premise that globalization, through integration and economic interdependence dampens the likelihood of conflicts, whilst the opposite holds for Structuralist theorists. The key highlight from the study is that, different factors exist in determining the relationship between globalisation and conflicts hence furthering the study by means of conducting an evidence based research design is essential in interrogating and extending the current discourse.

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1 Introduction

‘Globalisation’ has become a commonly used word as it is widely perceived to be a catalyst for both social and economic change. This term has largely replaced the phrase ‘economic interdependence’ which refers to a series of international events such as the global integration of economic markets and societies. The first wave of globalisation is perceived to have intensified subsequent to the demise of the Cold War, which perhaps raise questions of potential causalities between the two. The possible correlation between the end of the Cold War and globalisation has always been a long and widely debated subject within academia.

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and amongst historians. The fall of the Berlin Wall marked a unique and significant historical period coupled with tensions from; geographic linkages, strong security concerns, as well as the distribution of power and tactical dialogues of nuclear preventions amongst nations. The post 1989 period further witnessed numerous series of events such as the introduction of developmentalist projects and shifts towards communism disguised under the capitalist system. Furthermore, the edge of the globalisation episode was to a greater extent associated with the modernisation theory which refers to a series of economic phenomena, including capital markets deregulation, trade liberalisation, assets privatisation, technological diffusion, large cross border labour movements, and the acceleration in foreign direct investment coupled with reductions in communication and transport costs. Parallel with these features, the aspects of globalisation corroborate the same values surrounded by the principles of capitalism, liberal democracy, economic interdependence, and peace across countries.

However, globalisation has received mixed reactions as many regard it to be a key driver for world peace, with others arguing that it fuels conflicts1. For instance; liberals are of the view that economic interdependence promotes peace whilst structuralist argue that international conflicts are as a result of globalisation. The inquiry on globalisation and conflict has thus always been a topical debate amongst institutional economists from Keynes (1920) to Veblen (1964).

2 Understanding Globalisation

Even though globalisation is contended to be the single most important event of the 21st century, different definitions of globalisation do exist. The most commonly used description amongst economists and political scientists is that which refers to increase in labour including goods and services’ mobility across international borders as witnessed during the post World War periods (Pranab, Bowles & Wallerstein 2006). Accordingly, in this context, globalisation is defined as the increasing interaction of markets across the globe, where markets for goods, factors of production, and financial capital are mobile and can easily flow across nations’ borders.

The 21st century is an era with interconnected and constantly changing societies and according to Barbieri and Schneider (1999) these intensities are attributable to globalisation. Nonetheless, it could be said that globalisation is not novel considering that Europe and China have hundreds of years ago already been engaged in commerce through the ‘silk route’, and also the fact that a large number of European nations were already trading with other external countries by the end of the 19th century. Schneider, Barbieri & Gleditsch (2002) point out that during this period, foreign trade exceeded 30 percent of Gross Domestic

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1The term conflict is often used interchangeably with terms such as civil wars, violent conflict, civil strife, hostility, war, and political instability. However, this paper defines conflict as violent and armed confrontation between groups, states and/or countries lasting between a month to over a twenty year period and where such confrontations result in casualties
Product (GDP) in many European countries. However, Alberto, Spolaore, and Wacizarg (2000) argue that such could not be entirely attributed to the premise of globalisation since these figures were not uniform across all countries but only applied to a set of nations. Even so, the period between the 1950s up to the end of 1970s witnessed a greater stir towards international trade as openness to trade remarkably picked up during this time. The Correlates of War (CoW) data show that the early 1970s witnessed an acceleration in the global trade activities with more imports gaining momentum in the late 1970s and subsequently surpassing exports during the mid-1970s up to 2006 (see Figure 1 in Appendix A). Again, it is reported that the kind of trade that took place during this era moved at a much faster rate hence many regard this period as the ‘age of globalisation’. This very same period witnessed immense adjustments in a number of factors such as; accelerations in technological advances that resulted in low transportation costs; increase in foreign direct investments; and even an enormous augmentation in electronic communication (Alberto et al. 2000).

The Correlates of War data also show that many countries that participated during the world war periods (World War I and World War II) had very low import values. However, trade activities picked up post world war periods and this is further comprehended by Williamson (2002), who state that the post world war era was significantly marked by the acceleration in international trade associated with a large decline in transport costs (that further strengthened commerce activities between trading member countries). For instance, the period post World War II saw an enormous reduction in air transportation costs (being lowered by 80 per cent), sea-transportation by 50 percent and the cost of telecommunication by 99 per cent (Williamson 2002). These reductions in costs enabled amongst other things, social cohesion, and political interactional debates that further strengthened both economic activities and international trade (Williamson 2002).

3 The Liberalists view on trade activities and conflicts

The liberal free-trade-peace thesis argues that outward looking countries will more likely grow their economies faster than inward orientated economies. In this regard, economies that have adopted outward looking approaches would often yield higher levels of welfare\(^2\) and according to Collier and Hoe-er’s (2002) ‘predation theory’, the opportunity costs of starting a war (whether domestically or internationally) rise as welfare accelerates. Collier and Hoe-er (2002) stress the argument that a more satisfied individual will seldom rebel against his government, subsequently fostering peace promotion.

Furthermore Hess and Orphanides (2001), Davis and Weinstein (2002) and Barro (2006) agree that militarized conflicts have major disruptive effects on

\(^2\)Welfare could be measured as per capita income or the Human Development Index (Dollar and Kraay 2001b).
economic activities that impede on long term economic growth prospects. In support of this argument, Glick and Taylor, (2005); Blomberg and Hess (2006); and Martin, Mayer & Thoenig (2008) contend that interstate disputes significantly and adversely impact on international trade practices and substantially hindering economic welfare. This is further supported by Sen (1999) who perceives conflicts as constant hindrance to economic growth, development and opportunities as they are regularly complemented by unstable configurations of power and misalignment of resource allocations stemming from current interests, aspirations, perceptions, and expectations from parties in question. According to Sen (1999), conflicts tend to set back both social and economic development, hence it is vital to contextualise the nature of conflict for both instrumental and intrinsic matters, particularly with regard to development policy formulation processes and also the reduction of direct threat to humanity. In support of this argument, Schmid (2004) together with Acemoglu and Robinson (2006) warn that conflicts present economic challenges as they can destroy wealth faster than economic development can create it whilst globalisation promotes and strengthens democratic rule.

The premise of liberal linkages between trade and conflict reduction (peace\(^3\)) is thus not new as many have in the past, argued that the primary goal for trade is to bring about peace between trading partners. The Liberals’ views in support of globalisation are also alluded to by old time writers such as Crouse (1623) and Angell (1910) who claimed that trade is inversely related to conflicts. These ancient scholars presented international trade as a key driver towards lowering the probability of armed conflicts through its promotion of peace between countries.

There is a growing theoretical literature that supports a strong relationship between trade and conflict. Researchers such as Reuveny (2000); Barbieri and Schneider (1999); Polachek (1980) who investigated possible correlations between trade and conflict concluded that some form of a relationship does exist as they argue that globalisation promotes peace whilst conflicts disrupt trade. This argument is also upheld by Hegre (2000) who alleges that the extent of trade openness is a plausible tool for mitigating conflicts. Bhattacharya and Thomakos (2006) employed ordinal regressions and Markov switching models for seventeen countries, empirically exploring the relationship between trade openness and domestic conflict for Latin America and they concluded that an increase in trade openness suppresses domestic conflict intensities whilst over dependence on agricultural exports sustains conflicts.

On the other hand, anti-global trade practices risk the realisations of economic gains from globalisation. The Liberals’ ideas of a positive relationship between trade intensities and war reduction have also been emphasised by Gartzke and Li (2003) who maintains that economic interdependence enhances transparency among trading member countries thus depressing the likelihood of conflicts between these nations. This could be supported by the Correlates of War

\(^3\)Peace is defined as not only the absence of armed conflicts but rather the non-existence of militarised interstate disputes activities. Peace should be separated from amity in the sense that peace aims at promoting non-violent actions within reasonable intentions even though the platform for differences and disagreements is open.
(CoW) data which show that the number of wars fought between 1870 and 2003 remained relatively flat throughout the period, ranging from 1 to 5 wars per year. Likewise, the number of war participants averaged to 4 countries, with the WWII (1939 – 1945) recording the largest participation rate. However, between 1980 and 2003, both the number of wars fought and the number of countries participated in these wars drastically decreased as trade activities gained momentum.

4 The Structuralists view on trade activities and conflicts

The Structuralist school of thought holds a different insight to that of the liberals since it claims that a more open economy is highly likely to experience conflicts as openness leads to inequalities, which then propel armed conflicts. The Structuralist view is partially upheld by Gartzke and Li (2003), who allege that despite the economic positive gains from openness, some political leaders may still choose military violence over employing intimidating tactics (through ‘cheap talk’) which could possibly drive out investors. Gartzke and Li (2003), refer to such characters as ‘resolved leaders’ who pursue demands in spite of the economic consequences. This view is further supported by Marshall and Goldstone (2007) who claim that internal conflicts are byproducts of openness. The scholars consider deglobalisation (de-linking from global trade) as a potential reduction mechanism for threats associated with political disputes. Hillebrand (2010) employed the International Futures (Ifs) Model to investigate the effect of anti-globalisation practices on a number of factors and according to Hillebrand (2010), the effect of a potential reversal of the globalisation process differs within and across countries. Nevertheless, the most notable upshots predicted by the Hillebrand (2010) model are; the reduction in net foreign direct investment, deceleration in world economic growth rates, rising levels of inequality and poverty, increase in political instabilities and the risk of conflict intensities.

Greif, Milgrom and Weingast (1994) present evidence that trade agreements associated with both bilateral and multilateral processes are inadequate in minimizing conflicts. They cite the lack of practice with respect to enforcing property rights as one of the factors contributing to conflicts. An example provided by the authors is that of errant foreign lords who confiscated goods from foreign traders and this problem was only resolved through the implementation of corrective measures in some form of penalties. According to Greif, Milgrom and Weingast (1994), guilds had to be established in order to provide a platform for merchants to act collectively and non-marginally in reducing the widespread of errant foreign lords. Furthermore, strong social and political structures that were independent of the benefits of the new gains from trade were also established to overcome the problem of potential free riders.
5 The role of Institutions on Globalisation and Conflicts

Schmid (2004) purports that the post war periods created institutions that were designed to further facilitate human interactions. During these interactions, both opportunities and constraints are made available. The interactions also provide both order and predictability to humanity which then enables societies to work together given that it affects their beliefs and preferences. During the interacting process, an entity’s preferred choice often impact on another and as Schmid (2004) puts it, “Alpha’s opportunity is Beta’s constraint and vice versa”. Schmid (2004) envisages that this type of a setting provides opportunities for either cooperation or conflicts. This is because interdependence exposes entities to different levels of powers that often become conflicts during the phase of limited opportunities. This view is supported by Marie Antoninette who once remarked that “the poor and the rich are equal in their right to sleep under the bridge”, but a comparative advantage is made effect given the existence of different levels of powers between the two groups. Schmid (2004) notes that higher powers relative to the rich provide them with better options as they could easily command over resources, compared to their counterparts.

In addition, Loasby (1999) makes the point that institutions are mechanisms aimed at reducing uncertainties as they tend to provide efficiencies to the cognition of scarce resources. Therefore, it is assumed that in any human interdependence situation, the lack of good institutions creates a resource misalignment and disorder that further fuels chaos and conflicts. Caplow, Hicks and Watterberg (2001) provide an insight to human interactions as they point out that the relations of individuals go beyond just being an instrument but also contribute to the type of localities that societies establish. For instance, a dysfunctional society could contribute towards crime, drug usage, brute force and even conflict. In this regard, Schmid (2004) states that institutions should not only be perceived as organisations aimed at solving societies’ commitments and coordination concerns but also a platform that enables humans to create relationships with minimal levels of conflicts or disputes. This is further upheld by Hafner-Burton and Montgomery (2012) who state that trade institutions, accordingly could play a significant role in peace promotion processes since they provide a platform for governments to repeatedly interact with each other, consequently removing any elements of mistrust and misperception. Researchers such as Acemoglu and Robinson (2006) argue that institutions brought about by the globalisation process tend to minimise income polarisation and inequality, which then eases tensions between the rich and the poor. The ease of tension is perceived to be a key factor in constraining the poor from actively participating in voting for pro growth and favorably redistributive polices.
6 Dyads Integration

Another hotly debated issue amongst political and social scientists is that of trade integration and interstate conflicts, particularly on the subject of dyads or specific pairs of countries. Historical CoW data on dyadic trade\footnote{This is an IMF data obtained from the Correlates of War (CoW) website (www.correlatesofwar.org). The IMF generates an entry of state's imports and exports between partners. The partner may be a state or non-state entity. Reports of the importer and exporter are then matched to obtain directional flow of trade between two states (Barbieri, Katherine, Omar Keshk, and Brian Pollins, 2008).} show that trade was generally maintained at low levels between 1870 and mid-1960. However, from the early 1970s up to 2006, global trade activities between countries significantly increased, which saw some countries started importing more than they could export to their trading partners. Figure 2 & 3 (in Appendix A) present WWI and WWII trade statistics between dyads where ‘Flow 1’ indicate the imports of country A from country B in current US millions of dollars, with ‘Flow 2’ being the opposite.

It appears that dyads trade increased during post world war periods which could be misconstrued as possible correlation between the two. However, Lee and Pyun (2009) argue that the effect of global integration on interstate tensions varies with the nature of dyads, for example, countries that share borders are more likely to engage in trade and/or conflicts than those that are far apart (not neighbours who tend to have fewer tensions between themselves). A notable illustration given by Hillebrand (2010) is that of Paraguay and Tanzania. These two nations have never been engaged in any form of conflict and Hillebrand (2010) perceives that the likelihood of them engaging in a war in the future is even more minimal given their geographical positions. These authors further note that, the general increase in the levels of global trade openness stimulates high reductions in the probability of armed conflict between trading members compared to countries that are geographically closer to each other.

Conversely, Martin et al. (2008) hold a different perspective to that of traditional ideologists. Martin et al. (2008) argues that countries that are more open to global trade are more likely to experience dyadic conflicts. According to these scholars, multilateral trade openness reduces bilateral dependence and thus reduces the opportunity costs of these countries engaging in armed conflicts. Martin’s et al. (2008) assumption is based on the fact that bilateral military conflict between trade member countries significantly cripples an important feature of the effective labour between these trading nations. However, the short comings of Martin et al. (2008) model is that, it excludes the possibility of a dyadic conflict sparking military intervention interests from other member countries that might have an ultimate objective of engaging in trade with rather a more peaceful partner. Such possibilities negatively impact on the dyad’s trade with global partners which in turn dampen the probability of an open dyad to engage in bilateral conflict. The likelihood of an interstate conflict between dyads is often assumed to be very low in any given period. Nevertheless, this probability does not hold for all dyad conflicts given that the globalisation
state of affairs suggests that the likelihood of nations engaging in some form of armed conflict will steadily decelerate\(^5\) through 2035 for most countries, but this is limited to every dyad. This is backed up by the CoW data which show a significant decline in the flow of imports between dyads that participated in both wars. However, the data also show a sudden increase in trade activities post WWI and WWII period for these countries (see figure 2 & 3 in Appendix A).

On the other hand Barbieri and Levy (1999) empirically tested seven dyads and failed to find any significant liberal linkages between trade and peace. Barbieri and Levy (1999) also tested for 13 non major power dyads and they found weaker evidence supporting this proposition. Lee and Pyun (2009), opined a large extent of globalisation, particularly reduction in domestic production packaged together with trade sanctions for countries engaging in armed conflicts, to have a significant reduction effect on the opportunity cost from bilateral conflict. Their assumption is nonetheless invalidated by bilateral military disputes that tend to elevate multilateral trade costs. Furthermore, Anderton and Carter (2001) identified some gaps in the study conducted by Barbieri and Levy as they pioneered the research even further by using the multiple interrupted time-series method of Lewis-Beck & Alford (1980) to analyse the effect of armed conflicts on trade, for 14 major power dyads. Contrary to the findings of Barbieri and Levy, Anderton and Carter (2001) found a significant relationship between conflict and trade during pre and postwar periods (World War I and World War II).

7 Trade Agreements and Conflicts

It is also worth highlighting that conflicts do not only dampen the magnitude of trade but also drive away potential trading partners. However, a common argument exist that international trade minimises the occurrences of conflicts given that potential losses from trading suppress the willingness to engage in any form of conflict (Gartzke and Li 2003). Such a perception has consequently contributed in the formation of regional trading blocs as evidenced in the current world trading system and according to Scollay (2001) the wave of regionalism has been on the increase since the 1990s. The last two decades witnessed an enormous proliferation of Regional Trade Agreements (RTAs) whilst the year 2002 alone recorded over fifty percent of regional trading conducted globally. The World Trade Organization (WTO) promoted the premise of regionalism through RTAs with the view that regional trading members could set up preferential trade agreements that will reduce barriers to trade thus allowing member countries to uninterruptedly trade amongst themselves (Scollay 2001). Within regional trading members, the level of integration could either be Preferential Trade Agreements (PTAs), Free Trade Agreements (FTAs), Customs Unions (CUs), Common Markets or Economic Unions.

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\(^5\)The possibility of the decline is attributable to the factors ranging from improved levels of democracy to significance increases in trade interdependence amongst states.
Much like the wide spread of the financial crises, the world has also witnessed a great explosion of FTAs in recent decades with Europe taking the lead between 1976 – 1990, followed by the Americas dominating the centre-stage between the period 1991 and 1999. The formation of FTAs is supported by the so called Liberal Peace contention which simply argues that bilateral trade flows tend to lessen the probability of a bilateral conflict. The notion of trade gains and probability of conflict having a positive and complementary impact on FTA formation has resulted in a number of countries engaging in FTA negotiations whilst conflict outbreaks increase the costs of FTA’s formation.

On the one hand, the discourse on PTAs and international conflict has been a pertinent one amongst scholars such as Mansfield and Pevehouse (2000) and Anglin (1983). The view that PTAs suppress hostilities between trading member countries is not a recent one as it dates back to World War II which then saw a number of preferential groupings being formed thereafter. Therefore, since World War II, many researchers have constantly shown wide interest in exploring the relationship between PTAs and conflicts. The general argument is that open trade often minimises the likelihood of conflicts whilst unfettered dealings fuel interstate belligerence. Mansfield and Pevehouse (2000) tested this hypothesis by analysing the effects of bilateral trade flows together with preferential trade agreements on interstate military disputes during the period from 1950 to 1985 and they discovered that trade flows have relatively little effect on the likelihood of dispute occurrences between countries that do not participate in the same PTA forum. Their results also show that countries with bilateral trade agreements are less likely to engage in conflicts as trade between them intensifies.

A different proposition given by Hafner-Burton and Montgomery (2012) is that PTAs should not be solely treated as mechanisms designed for the promotion of peace since these instruments do not fully reveal any previously hidden information, particularly information regarding military capacity, build trust, and guarantees to the peace commitments. The authors present scenarios where PTAs have failed to sustain peace in the past. Making reference to the Correlates of War data, Hafner-Burton and Montgomery (2012) highlight that the period between 1950 and 1992 saw a number of PTA members engaging in some form of armed conflicts. For instance, this period had countries such as Armenia and Azerbaijan who are the Commonwealth of Independent States (CIS) members fighting against each other; the Common Market for Eastern and Southern Africa (COMESA) member states (Democratic Republic of Congo, Angola, Namibia, Rwanda, Uganda, and Zimbabwe) engaging in conflict; Council of Arab Economic Unity (CAEU) members (Egypt and Sudan); and the South Asian Association for Regional Cooperation (SAARC) members (India and Pakistan) also engaging in militarised armed disputes.

This could be supported by Martin et al. (2008) argument which rests upon that of the Structuralists. Martin et al. (2008) contend that the reductions in wars could not be entirely attributed to acceleration in trade activities. The authors claim that such an intuition is rather accurate for certain trade treaties. Martin et al. (2008) used a gravity-type model of trade and data set from the
Correlates of War (COW) project for the period between 1950 and 2000 to test the effect of bilateral and multilateral trade agreements on militarised conflicts occurring between countries. They based their hypothesis on the notion that absence of peace negatively impacts on trade and therefore risk the realisation of benefits from trade. In their analysis, the authors concluded that countries with many bilateral trade agreements experience lower probabilities of bilateral conflicts as it is perceived that bilateral conflicts positively and significantly impact on bilateral trade cost, the opposite applies for multilateral trade costs. The authors further stress that globalisation tends to minimize bilateral dependence for all country pairs as it protects against any major losses arising from conflicts.

However, despite these disappointing occurrences, there has been a tremendous increase (since WWII) in countries adopting various kinds of trade preferences. This is because trade agreements are thought to be necessary for effective welfare states and they are perceived to be significant contributors towards stabilising the world trading system. Nevertheless, there seems to be limited research that has been done to empirically test the relationship of these trade agreements on conflicts. For instance, Hirschman (1977) points out that, international trade could directly impact on the probability of a war outbreak or peace, depending on the nature of agreements in which countries opt to transact with each other.

8 World Inter-State War History (1823-2003)

A snap view of maps constructed from the Correlates of War (COW) project\(^6\) show that throughout the world, there are about seven countries that engaged in inter-state wars, at least more than ten times between the period between 1823 and 2003. These countries include: France with nineteen wars; Russia (16 inter-state wars); China (14 inter-state wars); the United States of America (USA) and Great Britain, together having been involved in inter-state wars thirteen times. Turkey and Italy participated twelve and ten times in inter-state wars respectively during this period. The maps also present world countries that engaged in inter-state wars over a six decade period (from 1950s to 2000s). Throughout the decades, the USA (with the 1980s being an exception) constantly dominated the groups with regard to numbers of wars. It is also worthy of note that the post-WWII period (between the year 1969 and 1979) saw too few countries engaged in inter-state wars. Countries participated in inter-state wars in both decades of the 1960’s and 70’s include; Australia, South Korea, Laos, the Philippines, Thailand, USA and South Vietnam whilst the period between 1980 and 2003 registered fewer number of war participants (See Figure 4 in appendix A).

Further breaking the episodes down per decades, the world conflict maps present the USA, Australia, China, Turkey, North Korea, South Korea, Canada,

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\(^6\)War data sources together with definitions of Militarised Interstate Disputes (MID), inter and interstate wars are explained in Appendix B.
Great Britain and the Philippines as countries that recorded the longest number of years in which they participated in inter-state wars during the 1950s. The maps show that these countries were engaged in inter-state wars that lasted for four years during this era. The USA, Thailand, Australia, South Korea and North Korea participated in wars that lasted for over seven years in the 1960s, with Vietnam having registered the longest number of years in fighting as it recorded a eleven year period of conflict participation during this period. Cambodia, Thailand and Vietnam also engaged in conflicts that lasted six, four and three years respectively during the 1970s. The 1980s saw countries such as Iran and Iraq leading the bloc with nine years of fighting whilst the 1990s only recorded three years as the longest period in which inter-state wars lasted. Ethiopia and Eritrea registered the longest number of years being involved in conflict during the 1990s. Finally, the period between 2000 and 2003 registered wars that only lasted for a period of one year (See Figure 4 in appendix A).

9 Africa’s Economic History

It is understood that by the year 1913, a larger part of Africa was colonised by European countries and decolonisation only began in 1957. It is also true that many African countries witnessed violent transitions to a post-colonial era which included among other things, armed conflicts stemming from geopolitical disputes associated with boundary marking related processes. The African continent was faced with a number of challenges that limited economic growth performances during these periods and these include developmental challenges such as institutional designs, corruption, political disputes and conflicts. It is argued that Africa has constantly experienced increased fragmentation in economic and social cohesion and this could be attributed to a number of factors including the rising regional conflicts largely civil wars. Also developments in the world economy which included the collapse of the Bretton Woods system, including fixed exchange rates, the two oil shocks of the 1970s and the interest rate hike of the early 1980s, contributed to the sluggish economic growth experienced particularly by the sub-Saharan African region during these periods. In addition, other factors that contributed to the slow economic growth during these periods include; inadequate resource mobilization and capital formation, and the continent’s skewed trade relations, yet new growth theories suggest that long run growth rate is boosted by that trade openness that allows for technological spillovers whilst barriers to trade impede development.

However, it is worthy of note that during the 1960s, recovery that included economic development was then set in motion for all African countries. However, the continent’s growth performance has been quite an unpleasant one since gaining of independence from the colonial rule in the 1960s. Even though Africa’s growth performance started fairly aggressively in the first decade of independence in relation to other developing regions around the world, the continent’s resurgence path was soon off tracked as it witnessed major setbacks in the late 1970s throughout the 1980s and 1990s that resulted to stagnation and
regression. In actual fact, many African countries also experienced initial rapid
economic growth just after gaining independence which was short lived as the
continent suddenly went into prolonged period of economic decline coupled with
high levels of poverty and dire living conditions for its population. Peach (1994),
claims that poverty emanates from distributional arrangement processes, that
have been brought about by the misalignment in productive factors within a
modern economy.

9.1 Africa’s Intra-State War History (1824-2006)

Even though the period between 1823-2003 registered very few African countries
that engaged in inter-state wars, however, the period between 1824-2006 regis-
tered the largest number of African countries engaging in intra-state conflicts
(see Figure 5 in Appendix A). Countries that recorded the longest internal con-
icts (having engaged in internal conflict that lasted over ten years) between the
period 1824-2006 are as follows; Angola (29); Zimbabwe (29); South Sudan (28)
Ethiopia (27); Chad (20); Republic of Congo (20); Mozambique (14), Somalia
(14); Nigeria (12); Algeria (10); Burundi (10); and Uganda (10) – (See Table 1
in Appendix A).

The 1990s saw a large number of intra-state wars in Africa as Table 2 in
Appendix A presents some African countries having engaged in more than two
intra-state wars during this period. Countries such as Angola, Democratic Re-
public of Congo and Nigeria participated in three intra-state wars between the
period 1990 and 1999. Africa’s World War that was fought in the 1990s had
the largest number of participants. This intra-state war had about six coun-
tries participating in it and these include; Angola, Chad, Democratic Republic
of Congo, Namibia, Sudan and Zimbabwe. The Guinea-Bissau Military intra-
state war recorded the second largest participants during this period. This war
had three countries involved in it and these include; Guinea, Guinea-Bissau and
Senegal. With the exception of the 1980s, the Democratic Republic of Congo
participated in almost all the decades (between the 1960’s and 2000’s) – see
Table 2 in Appendix A.

10 Globalisation and Conflicts in the sub-Saharan
African (SSA)

At the end of the Cold War, the sub-Saharan African (SSA) region continued
to witness low economic growth rates coupled with increasing incidences of sub-
regional violent conflicts as it was evident in the Horn of Africa, West Africa,
is that many of the SSA countries were actually born into conflicts as they
costantly fought with one another pre-independence era and that continued
through the post-colonial rule. For instance, since the fall of the Berlin Wall in
1989, many African countries such as Liberia, Sierra Leone, Rwanda and the
Democratic Republic of Congo (DRC) experienced a re-ignition in violent conflicts, with recent conflicts witnessed in the Darfur region and Central Africa Republic (CAR). This is also endorsed by Cilliers and Schünemann (2013) who state that a number of African countries encountered messy post-independence transitions coupled with internal armed conflicts termed ‘civil wars’. Furthermore, Cilliers and Schünemann (2013) observe that these armed conflicts are becoming even more assertive and persistent given that the globalisation provides factionalised armed insurgents free networking opportunities. Other factors highlighted by their study include the strong cross-border magnitude; and the ability of armed groups to secure funding from ‘transnational’ illicit trade. Nonetheless, ongoing African conflicts are now on a much smaller scale compared to previous periods given that they are now located in certain countries with factionalised and fragmented armed uprisings.

Notwithstanding the developments from globalisation, the sub-Saharan Africa region trading platform was largely hampered by anti-export biasness coupled with both symmetrical export and import controls. The sub-Saharan African region is thus often thought of as a classical example of a territory that is marked with trade issues hindering the flow of knowledge and technology between borders. For example, Sachs and Warner (1995) point out that this region relied heavily on foodstuff export monopolies that saw the region maintaining low domestic prices of food particularly in urban areas. Collier, Elliot, Hegre, Hoe- er, Reynal-Querol, & Sambanis (2003) provide a stern warning for governments that fail to adopt and implement pro-developmental frameworks. The authors contend that failure for governments to practice pro-growth policies results in internal conflicts which then leads to developing economies being locked in some ‘conflict trap’ cycle. This assertion is further strengthened by the 2005 Office of the Special Adviser on Africa (OSAA) report, which shows that in 1998, fourteen countries in the Sub-Saharan Africa region were engaged in some form of conflict whilst the number reduced to only three by 2005. Nonetheless, notwithstanding this significant achievement, the UN is still faced with immense challenges of sustaining the ‘hard-won’ peace that will avoid any future conflicts between countries, given the low levels of development the SSA region has seen.

Although the Sub-Saharan African region presents an appropriate platform to analyse the contradictory dynamics of trade and conflict since any policy interests geared towards increasing terms of trade are essential for the region, it is also worth highlighting that limited work has been conducted in explaining the relationship between different components of trade and conflict in this region, as existing literature tends to classify different dimensions of integration and cooperation in isolation.

11 Conclusion

Globalisation could perhaps be the single most significant phenomenon that has ever taken place in the 21st century. The inception of globalisation saw the sharp rise in trade liberalisation and capital markets as many governments
across the world moved away from protectionist policies towards opening up their economies, allowing foreign competition. Openness to trade policies allow for the efficient allocation of existing resources, implying that domestically produced goods are no longer confined to local buyers, but also taken up in the international market. The end of WWII saw the establishment of a number of institutions aimed at replacing protectionism through providing support towards free international trade. In this accord, institutions such as the World Bank, International Monetary Fund (IMF), and General Agreement on Tariffs and Trade (GATT) were set up to facilitate and promote global trade. Consequently, globalisation should not only be viewed as a tool for facilitating international trade but also as a global solidarity connector, that permits integration through economic, social, technological, cultural and political interdependence. For example, it is purported that the period between 1970 and 1995 experienced a historical economic integration among governments from all over the world, which even contributed to the end of communism in 1989.

To a greater extent, the paper presents globalisation as not only associated with global trade facilitation process but also responsible for coordinating conflict prevention exertions. The study has also shown that conflicts between nations could be minimised given the rise in technological diffusion and the ease of movement of people across international borders. Moreover, increase in global trade openness dampens the intensity of interstate conflicts as it tends to include flexible bilateral trade conditions between trade member countries. This is because openness to trade is postured to significantly reduce the chances of countries engaging in conflicts as they become more prone to political freedom and democracy. In this context, globalisation is viewed as a facilitator and an accelerator for conflict resolution processes.

The paper has also shown that since the inceptions of regional trading blocs, a large number of economists have attempted to explain both the economic and political drivers of these formations. However, neither of these scholars associate regionalization as a tool necessary for controlling international conflicts, but rather emphasise the point towards welfare effects and gains from trade. Moreover, there seems to be an ambiguity with regard to the effects of a ‘controlled’ bilateral trade interdependence on the probability of conflicts, as Martin et al (2008) instituted that trade openness, particularly multilateral agreements increases the likelihood of conflicts. To some commentators, the controversy surrounding the trade and peace debates still holds as certain scholars view trade as positively related to peace whilst others are failing to comprehend any possible linkages. For instance, there are conflicting views between the Liberals and Structuralists regarding the relationship between market integration and conflicts. For Liberals, globalisation opens a path to global peace given that engaging in any interstate conflict becomes more costly for rivals. However the opposite prevails for Structuralists, as these critics of globalisation are of the view that globalisation provides an opportunity for countries to become even

\footnote{Also known as the World Trade Organization (WTO)}
more aggressive and interventionists.

The effects of globalisation on conflicts between and across countries are thus not conclusive, as Gartzke and Li (2003) point out that, globalisation could provide an option for leaders to either engage in competitive political agendas or simply adopt economic stability practices which often strengthen mutually acceptable bargains. Such engagements often tend to minimise the need to employ military advancement methods. Nevertheless, previous scholars such as Attali (1991); Barber (1995); Lerche (1998); and Scholte (1997); uphold globalisation as a source for tension that brews global conflicts. Their contention is premised on the argument that globalisation allows for markets to compete against each other which then fuels tensions and the possibility of disputes. As Friedman (2000) pertinently puts it, the Cold War was a world of “friends” and “enemies”…… therefore it is within this reach to argue that the globalisation period provided a platform for allies’ formation and further enabled ‘friends’ and ‘enemies’ to compete against each other.

Given these conflicting arguments, there seems to be an empirical and theoretical disjuncture with regard to the relationship between trade and conflict as a large number of literature reviewed lack empirical backings. This view is also upheld by Tidwell and Lerche (2004) who declare that the relationship between globalization and conflict is far more complex and has not been clearly captured. Therefore, it appears that very little has been done to empirically investigate the relationship between trade and conflicts; particularly the nature of trade in the SSA region, and this observation is also supported by Levy (2003) who proposes the need to interrogate this debate even further by means of conducting an evidence based research design.

References


Table 1: Africa Intra-State Conflicts

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<td>Uganda</td>
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<tr>
<td>Liberia</td>
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<tr>
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### Table 2: Africa Intra-State War Names

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<th>START YEAR</th>
<th>END YEAR</th>
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<td>1966</td>
<td>1971</td>
<td>Rwanda</td>
<td>Second Rwanda</td>
<td>1994</td>
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<td>1979</td>
<td>1979</td>
<td>Chad</td>
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<td>Chad</td>
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<td>Mozambique</td>
<td>1980</td>
<td>1986</td>
<td>Chad</td>
<td>Fourth Chad (Opposition Revolt)</td>
<td>1998</td>
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<td>1983</td>
<td>1991</td>
<td>Chad</td>
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<td>Inkatha-ANC</td>
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<td>Chad</td>
<td>Third Chad (Deby Coup)</td>
<td>1989</td>
<td>1990</td>
<td>Chad</td>
<td>Fourth Chad (Opposition Revolt)</td>
<td>1998</td>
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<td>Burundi</td>
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<td>Somalia</td>
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APPENDIX — A

Figure 1: Global Trade

Global Trade
(Logged values in current US millions of dollars)

Source: Author’s calculations from COW data

Figure 2: Dyadic Trade (WWI Participants)

Dyadic Trade for WWI participants
(in current millions of US dollars)

Source: Author’s calculations from COW data
Figure 3: Dyadic Trade (WWII Participants)

Dyadic Trade for WWII participants
(in current millions of US dollars)

Source: Author's calculations from COW data

Figure 4: World Inter-State Conflict Maps

No of times

World Inter-State Wars 1623-2003
Figure 5: Africa Intra-State Conflict Maps
APPENDIX — B

DATA SOURCES AND EXPLANATIONS

Militarized Interstate Disputes (MID)
Militarized Interstate Disputes (MID) are by definition, united historical cases of conflict in which the threat, display or use of military force short of war by one member state is explicitly directed towards the government, official representatives, official forces, property, or territory of another state. Composition of disputes ranges from intensity of threats in using force to actual combat short of war (Jones, Daniel M., Stuart A. Bremer and J. David Singer. 1996). The MID data is collected and compiled by the Correlates of War (CoW) Project and the information provided in the data presents conflicts in which one or more states threaten, display, or use force against one or more other states between 1816 and 2010.

Inter-State Wars

The Correlates of War (COW) Project further provides a classification on the premise of territorial entities particularly that which focuses on those regarded as members of the inter-state system, which are also referred to as “states”. Inter-state wars are primarily categorised by the nature of their occurrences, such as, if the war takes place between or among states, between or among a state(s) and a non-state entity, and within states. According to the COW war typology; an inter-state war definition is similar to that of all wars in general which among other factors should involve prolonged combat, organised armed forces with a minimum of at least 1000 battle related combatant fatalities within a period of twelve months. Furthermore, scholars by the name of Melvin Small and J. David Singer (1982), strengthened the point of a war being an occurrence involving armed forces that are capable of exerting “effective resistance” on all parties involved. In addition, within the war typology, there should be at least 1000 troops involved or a recording of at least 100 battle related killings/fatalities.

Intra-State Wars

With regard to intra-state wars, there is a classification of three types of wars and these are premised on the nature and status of combatants. These civil wars should involve within country and that could be battles fought between a government of the state against a non-state entity; regional internal wars that involve the government of a regional subunit against a non-state entity; and inter-communal wars which involve combat between/among two or more non-state entities.

It is also worth highlighting that when outside state or states intervenes in an intra-state war occurrence, this is referred to as “internationalised”. However, the intra-state war will only remain in that state of internationalised so long as the outside state does not preside over the war originators and end up dictating the direction and outcome of the war else the war ceases to be an intra-state war and is then transformed into a war of a different classification such as inter-state or extra-state war.