Rebels, Smugglers and (the Pitfalls of) Economic Pacification

Abstract

Smuggling economies make for ideal sources of funding for rebel movements. Their clandestine and peripatetic nature as well as borderland geographies are often compatible with the requirements of guerrilla war. To weaken armed resistance and pacify conflict, state actors seek to undercut lucrative smuggling operations by restricting illicit trade flows or reducing their profit margins by liberalising trade regimes. This chapter explores both such strategies through the lens of two empirical cases: US sanctions on so-called ‘conflict minerals’ in the eastern Democratic Republic of the Congo and the liberalisation of border trade in Myanmar by which the country’s generals sought to dry up smuggling revenues of rebel groups. Its findings suggest that attempts of economic pacification can increase rather than decrease violence, conflict and insecurity. This is not only because economic interventions in contexts of conflict can shift the incentives of warring factions in unforeseen ways. More importantly, economistic approaches to conflict operate on limited assumptions about the nature of political violence and consequently fail at addressing the underlying political causes of conflict.

Keywords: Non-State Armed Groups, Smuggling, Rebel Groups, War Economies, Economic Pacification

Introduction

Rebels and smugglers often make natural bedfellows. This is due to the clandestine and peripatetic nature of both, rebel movements and smuggling economies, as well as their borderland geographies. State actors thus seek to dry up smuggling flows in order to erode the revenue streams of armed groups that tax smuggling operators or operate smuggling economies themselves. Economic pacification strategies can pursue breaking up the rebel-smuggler nexus in two different ways. The state can either attempt to restrict the flow of goods that are linked to armed group funding by sanctioning the trade of certain commodities. Alternatively, the state can aim to undercut the profit margins of smuggling economies themselves. Economic pacification strategies can pursue breaking up the rebel-smuggler nexus in two different ways. The state can either attempt to restrict the flow of goods that are linked to armed group funding by sanctioning the trade of certain commodities. Alternatively, the state can aim to undercut the profit margins of smuggling economies themselves.

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2 The term pacification is chosen deliberately in order to highlight the fuzzy border between counterinsurgency, conflict resolution and peacebuilding practices. Some scholars see this nexus between peacebuilding and counterinsurgency as a pragmatic turn in peacebuilding, which partly stems from the failure of liberal peacebuilding and partly from the increased entanglements between counterinsurgency and peacebuilders in places such as Afghanistan and Iraq, where UN peacebuilding interventions cannot be viewed separately from US counterinsurgency wars (Moe and Stepputat 2018). Critical scholars highlight that analytically liberal peacebuilding has always been ‘a form of riot control directed against the unruly parts of the world’ to uphold liberal world order (Pugh 2004, p. 41). In many parts of the world, the technologies of peacebuilding and counterinsurgency are in fact not all too different (Turner 2015).
operations by liberalising restrictive trade regimes, thus, turning smuggling into official trade.

The effect that economic pacification has on the dynamics of conflict are, however, far from straight forward. As this chapter suggests, such strategies can, in fact, increase rather than decrease violence, conflict and insecurity. This is not only because economic interventions in contexts of conflict can shift the incentives of warring factions in unforeseen ways. More importantly, economistic approaches to conflict operate on limited assumptions about the nature of political violence and consequently fail at addressing the underlying political causes of conflict. To explore some of the unintended effects and pitfalls of economic pacification, the following chapter will proceed as follows. It will first discuss the nexus between smuggling and rebellion and contextualise economic pacification policies on the basis of political economy scholarship. It will then explore two different approaches to eroding smuggling revenues through two empirical case studies. The chapter will look to attempts of restricting smuggling economies in the case of US sanctions on so-called conflict minerals in the border areas of the eastern Democratic Republic of the Congo (DRC). It will then turn to eastern Myanmar for an example where state policy sought to undermine rebel revenues by way of liberalising rather than restricting border trade. In both cases, economic policies to weaken rebel groups have not translated into a decrease of insecurity and violence, let alone in the pacification of armed conflict itself.

Smuggling as a Source of Rebel Revenue

Smuggling makes for a good source of revenue for rebel movements. Taking up arms against the state is costly but illegal. In order to fund a rebel movement, including the purchase of arms and munition, the mobilisation of people, the training and payment of recruits, the provision of services to people in rebel-held territories etc. rebels need to generating revenue. As rebels cannot fund themselves through formal economic activities, partaking in illicit economies including cross-border smuggling is imperative. Moreover, arms and munition are normally not available for purchase through legal channels and need be acquired on the black market (at least in absence of other sources).

At the same time, the black market itself often expands in contexts of war as smuggling becomes the lifeline for many people in a context where large parts of the formal economy collapses. From besieged Sarajevo to the Afghan and Myanmar borderlands, during war people often depend on smuggling to make a living while communities depend on smugglers for everyday goods (Goodhand 2004, Andreas 2011, Brenner 2019). From the rebel perspective, the clandestine and peripatetic nature of smuggling economies is compatible with the mobility and surreptitiousness dictated by guerilla warfare. Most formal economies, including agriculture, manufacturing or resource extraction, are dependent on at least relatively stable territorial control. By contrast, smuggling or taxing smuggling operators is feasible in contexts of lose, fragmented and often mixed control of territory. But even if rebel movements rule territory as a quasi-state within the state, smuggling remains key to their economic orders. This is because flows of good within or across rebel territory avoids official tax and tariffs, by definition turning trade into smuggling. This is most pronounced when rebel territory spans along inter-state borders (Weigand 2020, pp. 134–135).
In fact, many rebel groups are located in remote border areas where smugglers operate across international borders. This is due to a mix of factors. Borderlands are geographically distanced from the centre of state power. While borders themselves are mostly highly securitised, borderlands are often less territorialised in terms of the geographic reach and penetration of state power. In many contexts it is thus simply more feasible to recruit and mobilise armed resistance to the state (Buhaug and Gates 2002). This lack of state territorialisation in many borderlands is far from coincidental. The drawing of borders itself left many borderland communities disaffected with the nation-states they have come to be placed in (Korf and Raeymaekers 2013). The contested nature of the state in many borderlands is thus a direct effect of state formation processes. This is particularly important for contemporary conflicts in the Global South, most of which are ethnonational conflicts directly linked to colonial border drawing and state formation (Wimmer 2012, pp. 2–3, Mamdani 2018).

To sum up, the organisational mode and particular geography of smuggling make turn smuggling into an ideal source of revenue for rebel groups. This is true for a range of contemporary conflicts: non-state armed groups in the eastern DRC smuggle minerals and marijuana (Seay 2012); rebels in Myanmar are involved in the smuggling of timber and gemstones (Brenner 2019); and insurgents in Syria engage in the smuggling of weapons and everyday goods (Herbert 2014). The reliance of rebels on illicit economies in general and commodity smuggling in particular is anything else but new. This is despite the oft-heard notion that many rebel groups were less reliant on illicit economies during the Cold War because they received financial support from one or the other superpower (e.g. Kaldor 2012; Malešević 2008). Despite Cold War alliances, rebel groups often sought for financial self-reliance. Notwithstanding US support, the Afghan mujahideen, for instance, financed their struggle against the Soviet Union by smuggling heroin just as the Angolan UNITA financed its operations through ivory and diamond smuggling (Naylor 1993). In some cases, the US, in fact, aided the smuggling activities of its non-state allies in order to ensure their financial self-reliance. In the Golden Triangle of Southeast Asia (the restive border region between Myanmar, China, Laos and Thailand), the CIA aided anti-communist forces during the Cold War by providing logistical support for large-scale smuggling of heroine, including transportation in CIA airplanes, in effect turning the region into one of the world’s largest exporters of narcotics (McCoy 1972).

Despite this long-standing nexus between smuggling and armed conflict, the issue of armed group financing has only attracted scholarly interests since the political economy turn of Conflict Studies in the 1990s. Grappling with the post-Cold War outbreak of new or thought-to-be frozen conflicts in the Global South, some voices initially forwarded culturalist explanations that stressed ethnic difference as the main driver of civil wars from Yugoslavia, to Rwanda and Sierra Leone (Huntington 1993, Kaplan 1994). Others, however, stressed the economic rationale underlying these armed conflicts, highlighting how elites took an interest in perpetuating violence because they profited from globalised war economies (Collier and Hoeffler 1998, Keen 2008, Kaldor 2012). Political economists dedicated considerable work to disentangling different types and facets of war economies and how they relate to conflict dynamics. They have for instance discussed what kind of resources are more or less associated to violent conflicts given their characteristics in terms of how lootable or transportable they are (Ross 2004, Le Billon 2012, Rigterink 2020). Their findings stress that the state is mostly as deeply implicated in the economic orders that emerge during protracted armed conflict as are non-state actors (Berdal and Keen
Economic Pacification and its Pitfalls

From an economic perspective, ending armed conflict is about making conflict a) less economically feasible by undercutting the revenue base of warring factions and b) less economically desirable by decreasing the profitability for conflict entrepreneurs. While political economy scholars of civil war stress the deep involvement of the state in most war economies, economic pacification policies however predominantly target non-state armed groups. After all, policies are formulated by states (or state-based international organisations). Economic pacification of the rebel-smuggler nexus thus aims at undercutting the revenues that non-state armed groups generate by smuggling or taxing smuggling operators. Generally speaking, the state can attempt this in two different ways: On the one hand, the state can attempt restricting the flow of goods that are linked to armed group funding with targeted sanctions. On the other hand, the state can aim to undercut the profit margins of smuggling operators by liberalising restrictive trade regimes, thus, turning smuggling into official trade.

The remainder of this chapter will explore both approaches through looking to two different contexts a) international sanctions on so-called conflict minerals smuggled from the eastern DRC and b) the liberalisation of border trade in eastern Myanmar. Both cases compare and contrast in ways that illuminate different economic pacification attempts as well as their unintended consequences. In the case of the DRC, the US sanctioned the cross-border trade of industrial minerals in an attempt to erode the funding base of non-state armed groups in northern Kivu. In the case of Myanmar, the country’s military regime liberalised a highly restrictive border trade regime in order to undercut the funding of rebels that control the main smuggling routes to Thailand. While both policies decreased the immediate smuggling revenues for non-state armed groups, they did not lead to a reduction of conflict, violence and insecurity.

Sanctions on border trade: the case of the DRC

Economic sanctions are an established tool in contemporary international relations. States, groups of states, and international organisations regularly use sanctions to force governments into political concessions by restricting flows of goods, finance and people (Jones 2014, p. 1). In the context of civil wars, non-state armed groups have also become the target of international sanctions as a means of economic pacification. Such sanctions
include the freezing of international assets and capital of non-state combatants as well as restricting the smuggling of commodities from or to territories controlled by non-state-armed groups. In 1992, the United Nations Security Council (UNSC) has for instance imposed an embargo on the export of timber from and the import of petroleum to areas controlled by the Khmer Rouge in 1992 (resolution 792) (Lapaš 2010). In 1998, the UNSC legislated a ban on the trade of diamonds from UNITA-controlled areas of Angola in 1998 (resolution 1173). The latter developed into the Kimberley Protocol Certification Scheme, a multi-stakeholder effort to prevent so-called ‘blood diamonds’ – i.e. diamonds that are mined in conflict areas – from being sold internationally (Ibid.).

Similarly, section 1502 of the Dodd-Frank Act (hereafter Dodd-Frank) seeks to restrict what has come to be known as ‘conflict minerals’ from entering the global market. The law was passed by US Congress as a wide-ranging legislation on global finance regulation under the Obama administration in 2010. The insertion of the ‘conflict minerals section’ was due to considerable lobbying efforts by human rights groups. It requires US electronics manufacturers to trace and report the source of minerals from the eastern DRC and certify that they are ‘conflict free’. Conflict minerals from the eastern Congo include gold and the ‘3Ts’: tin, tantalum and tungsten. These metals are relatively rare but essential for the production of consumer electronics such as mobile phones and computers. The eastern DRC provinces of North and South Kivu, Maniema, Orientale, and Katanga are among the few places in the world where all four metals can be found in relatively large quantities.

Eastern DRC - especially the Kivu provinces - is also home to one of Subsaharan Africa’s most protracted armed conflicts between a variety of non-state armed groups and the Congolese state. Campaigners behind Dodd-Frank - locally known as ‘Obama’s law’ – view the profits from extracting and trading gold and the ‘3Ts’ as the main driver of armed conflict as well as its associated human rights violations (Baflemba et al. 2014). Armed groups are estimated to have generated $185 million per year from the trade of these minerals before Dodd-Frank by controlling mines and smugle operations (Ibid.). According to the Enough Project – one of the main organisations behind Dodd-Frank – the act has been highly successful in eroding these revenues by squeezing armed actors out of the mineral business. Following their logic, the act created a certification scheme for conflict-free minerals, which made non-certified minerals realise much lower market prices (30 to 60 per cent less). This in turn made mineral mining and trading for armed actors much less profitable (Ibid.)

Independent assessments of Dodd-Frank, however, paint a much more sobering picture. Scholars point to both important regulatory loopholes as well as unintended consequences on conflict and violence (Seay 2012, Cuvelier, Van Bockstael, et al. 2014, Parker and Vadheim 2017, Stoop et al. 2018). In terms of loopholes, it is far from clear whether Dodd-Frank has an actual impact on the funding base of armed groups in the DRC, the act’s main aim or as its co-sponsor Barney Frank put it: ‘The purpose is to cut off funding to people who kill people’ (Aronson 2011). To be sure, Dodd-Frank worked to reduce the profitability of conflict minerals. This was because Dodd-Frank acted as a de-facto boycott of conflict minerals from eastern DRC. The cheapest way to comply with the new legislation for US manufacturers was not to certify minerals from eastern DRC as ‘conflict free’ but to avoid sourcing minerals from the country’s conflict zone altogether (Parker and Vadheim 2017, p. 9). That said, the most profitable ‘conflict mineral’ in the region – gold - has been exempted from regulation under Dodd-Frank which only imposed certification on the ‘3Ts’. This is because most of the gold from DRC is exported to the
jewellery market rather than the electronics sector and because gold is much less traceable than the 3Ts for geological reasons (Parker and Vadheim 2017, p. 11). According to a report produced by the Congolese senate in 2009 about $1.24 billion worth of gold – or 98% of all gold mined in the DRC - was smuggled out of the country per year (de Koning 2010, Bafilemba et al. 2014, p. 5).

Dodd-Frank has thus not eroded the funding of armed groups in the eastern DRC in a significant way. Besides falling back on revenues from gold mining, armed groups also increased smuggling of other commodities – including beer, cigarettes, cannabis and palm oil – in order to make up for the shortfalls of funds produced from the ‘3Ts’ (Seay 2012, p. 16, Parker and Vadheim 2017, p. 11). Moreover, it is not clear whether Dodd-Frank actually decreased conflict, violence and insecurity or had the contrary effect. Indeed, a variety of studies indicate the latter. Geo-referenced data suggests that fighting between armed groups might have intensified, especially in areas of gold mining sites as competition over the last unregulated conflict mineral increased as an effect on banning the ‘3Ts’ (Parker and Vadheim 2017, p. 41, Stoop et al. 2018, p. 2). Moreover, armed group violence against civilians might have also increased because some armed groups who governed mining sites before and provided basic protection now fell back on looting to make up for their lost income (Parker and Vadheim 2017, p. 3, Stoop et al. 2018, p. 2). In many communities of eastern DRC, mining moreover constitutes the only paid work available. Despite the deplorable conditions in which many miners work, the ban on minerals has led to large-scale unemployment and loss of livelihoods in the region (Seay 2012, pp. 14–15). After Dodd-Frank came into effect, local researchers estimated that about one to two million artisanal miners in eastern Congo lost their jobs (Ibid.). This had a paralysing effect on the regional economy more generally (Cuvelier, Van Bockstael, et al. 2014). Consequently, human insecurity seems to have risen considerably as a result of Dodd-Frank. Infant death rates in policy-affected mining communities, for instance, increased by at least 143 per cent (Parker et al. 2016).

On a more general level, attempting to reduce conflict, violence and insecurity by restricting the smuggling of minerals mistakes the means with the ends of violence. In eastern Congo - as arguably in all contexts of armed conflict - war economies are but one driver of conflict. In fact, the main advocates of Dodd-Frank reduce a protracted conflict rooted in long imperial histories to a monocausal economistic logic of profiteering. To be clear, country experts confirm the importance of violent economies beyond conflict minerals for understanding the dynamics of conflict in the eastern DRC (Laudati 2013, Verweijen 2013). Yet, they also highlight the need for understanding and addressing dynamics of ethnic identity, the predatory and exclusionary nature of state institutions, as well as competing land claims between different communities in a conflict that is bound up with a wider, regional complex of conflicts (Vlassenroot 2002, Van Acker 2005, Autesserre 2006, Prunier 2008). Country experts thus point out that the key problem of economic pacification policies in the DRC are their underlying reductionist assumptions about the relationship between illicit economies and armed conflict as well as the thin empirical evidence that is used to substantiate these claims (Cuvelier, Vlassenroot, et al. 2014).

*Liberalising border trade: the case of Myanmar*
Dodd-Frank illustrated some of the pitfalls and unintended consequences of economic interventions that aim at eroding armed group finances by restricting transborder trade in certain commodities. In contrast to restricting border trade with economic sanctions, economic pacification can also aim at eroding armed group revenues by liberalising the trade in commodities from which armed groups benefit. While this is a less common approach in contexts of civil war, it is an established policy debate in the context of organised crime profiting from illegal market activities (Lavezzi 2014). One way of undercutting the profits of organised crime is to decriminalise its trade and the commodities or activities it is based on. Prohibiting commodities and activities does not only push their production, trade and operation into the realm of the illegal. In doing so, it also increases their profitability. US prohibition of alcohol in the 1920s and 30s for instance gave unprecedented rise to the mafia in America after an ‘entire industry – one of the most important in the country – had been gifted by the government to gangsters’ (Dash cited as in Mappen 2013, p. 5). Decriminalising activities ranging from narcotics, to gambling and prostitution is thus often debated as one way for combatting organised crime (Lavezzi 2014). Some scholars and activists thus view the liberalisation of drugs as an alternative, and more effective way of addressing the conflict-crime nexus in contexts like Colombia, especially when compared to highly restrictive and militarised policies such as the US-funded Plan Colombia (Francis and Mauser 2011, Vergara 2014).

In the context of economic pacification, Myanmar is an instructive place to study the effects of government policies aimed at eroding the funding base of armed groups by liberalising border trade. This is because rebel groups in the Southeast Asian country have long profited from one of the least open border trade regimes. Between 1962 and 1988 the military regime in Burma followed a self-isolationist economic policy. Under the so-called ‘Burmese Way to Socialism’ Burma nationalised all trade and levied heavy tariffs on imports in order to build an independent economy with the effect that people in Burma suffered an immense shortage of everyday goods. At the same time almost all of the country’s borderlands have come under the control of numerous armed groups since the 1950s (Jones 2014, p. 786). Most of these armed groups emerged as ethnonational rebel movements seeking for more autonomy or outright independence from an ethnocratic postcolonial state after the failure of post-independence settlement between the country’s ethnic majority and its ethnic minorities over questions of equality and power sharing. Other armed groups included the Chinese-backed Communist Party of Burma, itself largely recruited from ethnic minority communities in the country’s northern border areas (Smith 1999, pp. 102–110, Brenner 2019, pp. 35–40).

The combination of official trade restriction and de-facto lack of state control over the country’s border areas, meant that the black market in Burma was booming during much of the Cold War. While everyday goods – such as fuel, medicine, agricultural machinery and textiles – were smuggled into the country in vast quantities, they were paid for with the illicit export of raw materials, including opium, timber, gemstones, rice and cattle. According to estimates, Burma’s smuggling economy comprised of about 40 per cent of

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3 Myanmar’s military rulers changed the name of the country from Burma to Myanmar in 1989. Using one or the other name has sometimes been contentious since. In recent years a scholarly consensus emerged to use Burma when discussing events prior to 1989 and Myanmar for events after 1989. This convention is followed here.
the country’s gross national product in 1988, equivalent to approximately $3 billion (Smith 1999, p. 25). Rebel groups controlling most of the smuggle routes in and out of the country were the main beneficiaries of illicit trade. Taxing smuggling operators between 5-10 per cent, smuggling in fact became the ‘armed opposition’s lifeblood’ (Smith 1999, p. 99). One Karen rebel officer, for instance, recollects that during the 1980s the Karen rebellion made several thousands of US dollars at one smuggle gate between Thailand and Myanmar per day (Saw Ralph and Naw Sheera 2020, p. 83). Consequently, some of the heftiest battles in Myanmar’s civil war have been fought over smuggling routes and border gates (Ibid., 83-87).

In fact, this is a dynamic that can be observed up until today as large parts of Myanmar’s borderlands, including border crossings, remain under the control of non-state armed groups. Since the 1990s, however, smuggling revenues declined steeply for many of the country’s rebel movements. Partly this was because Myanmar’s armed forces have managed to take control over some of the country’s main trading routes. More important was a strategy of economic liberalisation. By abandoning self-isolationist economic policies and legalising most transborder trade with its neighbours, the ratio of smuggling to official trade from 1990 to 2005 fell from 85 to 50 per cent (Jones 2014, p. 794). This has not been a purely economic measure but formed part of a bundle of policy reforms with which the Myanmar state aimed pacifying its restive border areas and consolidating its own presence instead (Jones 2014, Brenner 2019, pp. 40–46). It is important to note though that the consolidation of state control over transborder economic flows has been highly uneven. This is dependent on territorial control, state-armed group relations in a given region, and the involvement of military units in smuggling themselves. It also depends on legal status of commodities and amount of protective tariffs on certain economies (Meehan 2011, Woods 2011, Jones 2014).

This uneven and contested nature of state consolidation over the country’s smuggling economy has not led to the pacification of Myanmar’s protracted civil war. Similar to the sanctions on smuggling minerals from the DRC, liberalising border trade it has transformed conflict, violence and insecurity. While economic opening up has eroded the revenue base of some armed groups – such as Karen rebellion - it empowered other armed actors, mostly militia groups that emerged as splinter factions of ethnic rebel movements and operate in close cooperation with the state (Buchanan 2016). Many of them benefit from the increased openness of trade in a context where the rule of law remains suspended. This is not least because there is insufficient interest from powerful state authorities in bringing the country’s smuggling economy into the formal and legal fold. Military and civilian officials themselves remain invested in some of the country’s most lucrative smuggling industries, including the country’s jade and narcotics industries, both of which are deeply intertwined with the formal economy (Meehan 2011, Jones 2014, Weigand 2020, pp. 43–74).

Consequently, insecurity and violence for civilians in Myanmar’s border areas has not receded in areas where rebel groups themselves were weakened by way of economic pacification. On the contrary, civilians need to navigate an even greater plethora of armed actors today than they had to in the past (Brenner 2019, pp. 56–57). This also holds true for the places where the actual fighting between warring factions has stopped (Hedström and Olivius 2020). In large parts of Myanmar’s border areas, the civil war however continues unabated. At the time of writing Myanmar’s army is battling various rebellions in the country’s west and north. As with the DRC, this is mainly because economic
pacification policies in Myanmar do not address the root causes of political conflict. While they might have achieved the temporary erosion of rebel revenues or even the partial co-optation of rebel elites, they do not address underlying political demands and grievances among large parts of the country’s ethnic minority communities. As a matter of fact, attempts at economic pacification that do not address the political dimensions of conflict are likely to result in the remobilisation of armed resistance, as seen in the country’s north (Brenner 2019, pp. 98–102).

**Conclusion**

Smuggling is an ideal economy for rebel movements to fund their struggle against the state. This is not least because the modus operandi and geography of smuggling operators often is compatible with the guerrilla operations of armed clandestine movements. Unsurprisingly then, pacification strategies aim at undercutting lucrative smuggling operations by restricting illicit trade flows or formalising them through liberalising trade regimes. This chapter explored two cases that shed light on both strategies and their pitfalls. It first traced the effects of section 1502 of the Dodd-Frank Act, a US law that effectively works as a sanction on so-called ‘conflict minerals’ in the eastern DRC. It then reviewed how Myanmar’s military regime liberalised border trade with its neighbours with the aim of eroding smuggling revenues of border-based rebel movements. In both contexts economic pacification policies ultimately failed to mitigate conflict, violence and insecurity.

While Dodd-Frank achieved to squeeze armed actors out of the trade of certain minerals in the eastern DRC, it has neither resulted in the erosion of armed group funding nor in reducing the intensity of armed conflict and its ramifications for the civilian population. In fact, armed groups could easily switch to other modes of funding, including the mining and smuggling of gold and the looting of civilians. This in turn increased fighting and insecurity in the region. Moreover, the boycott on minerals from the eastern DRC, decimated the local economy, having disastrous effects on the human security of local communities. Economic pacification strategies in Myanmar also led to mixed results. Liberalising border trade in the attempt to bring clandestine economies under state control worked to undercut smuggling revenues of some rebel groups. State consolidation has however been highly contested and uneven. This is not least because powerful state actors remain deeply invested in the country’s smuggling economies themselves. Rather than formalising most border trade completely, the state has thus come to rely more heavily on militias in governing illicit trade, leading to the proliferation of armed actors in the Myanmar’s border areas. Shifting economic flows also led to the increased fragmentation and power struggle within armed movements as well as renewed armed resistance.

Both cases demonstrate that the main problem with economic pacification strategies is not so much that shifting economic incentive structures can have unintended consequences that increase rather than decrease conflict, violence and insecurity. This is part of the story. The main pitfall of economic pacification strategies however lies in their limited assumptions. In fact, they are born out of a reductionist understanding that views economic rationale rather than political motivations as the main drivers of contemporary armed conflict. This understanding has increasingly underpinned the disciplinary study of civil war and rebel groups in political science, international relations, and development
studies ever since these fields have become dominated by the paradigms of neo-positivism and methodological individualism (Cramer 2002; Baczko, Dorrnsoro, and Quesnay 2018, 2-18). While there has been substantial critique against crude accounts that reduces human motivation to take up arms to mere economic profiteering, the specter of economism haunts the scholarship and policy responses to armed conflict. In fact, rebel groups are often viewed primarily through the lens of the so-called “conflict-crime nexus” without an appreciation of the underlying political factors that drive human conflict.

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This paradigm has taken hold in the study of civil war political science

views economic profiteering rather than political motivations as the main drivers of contemporary armed conflict. (Cramer 2002)

Driving these assumptions were first and foremost economically feasible by undercutting the revenue base of warring factions and b) less economically desirable by decreasing the profitability for conflict entrepreneurs. While political economy scholars of civil war stress the deep involvement of the state in most war economies, economic pacification policies however predominantly target non-state armed groups. After all policies are formulated by states (or state-based international organisations). Economic pacification of the rebel-smuggler nexus thus aims at undercutting the revenues that non-state armed groups generate by smuggling or taxing smuggling operators.
it prescribes technicist solutions to political problems, which ultimately fails to address the root causes of conflict.

References


