There is now a considerable body of literature on the economic dimensions of conflict (including pre-conflict and post-conflict), peace, and, ultimately, development. As an area of systematic enquiry, the field is relatively new, dating back to about 1994 when the War-torn Societies Project (now the International Peacebuilding Alliance) was established. Since then, the methodologies used to assess the issues, the outcomes of research, and our understanding of the subject have advanced considerably.

This collection of papers, the result of a four-year study by the International Institute of Sustainable Development (IISD) and The World Conservation Union (IUCN), brings together a series of analyses and proposals to orient trade, aid, and global governance to a more explicitly “peace and development” agenda. This phrase appears in the title of the Introduction by Duncan Brack and is used frequently thereafter in the book. While it is an intuitively straightforward concept, for the purposes of analysis and policy it is not unambiguous. “Development” alone is a many splendoured term. Add “peace” and the issues become multifarious.

To see the issues raised by this combined term as strictly a question of sequencing – first peace, then development – is to miss at least three major points. The first is the challenge of designing post-conflict strategies that support sustained development rather than simply

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1 Oli Brown et al., eds., Trade, Aid and Security: An Agenda for Peace and Development (London: Earthscan, 2007) at xii.

2 Duncan Brack, “Trade, Aid and Security: An Agenda for Peace and Development” in Brown et al., ibid., 1 at 1.
maintain the peace. The second is the pursuit of development strategies that largely or entirely avoid conflict even when the preconditions for its likelihood are present. The third is the role of development in sustaining peace and reducing the possibility of a return to conflict. This last point is sometimes seen as a call for an emphasis on economic growth when, in fact, growth is a necessary but not sufficient condition for sustained peace.

It is this complexity that has correctly led to scepticism about some of the more empirically based analyses, most associated with Paul Collier. In reviewing Collier’s recent book, *The Bottom Billion*, which contains a reprise of his and like-minded others’ work on economic approaches to understanding conflict, William Easterly, himself a fully paid up member of the economics profession, suggests that “[c]onsumists should not be allowed to play games with statistics, much less with guns.”

The contributors to the IISD-IUCN collection avoid the pitfalls of playing games with statistics and guns. *Trade, Aid and Security: An Agenda for Peace and Development* is a well-considered set of papers on a number of themes suggested by its title. Perhaps too much as a counterpoint to the risk of being accused of being in thrall to the numbers, the tone that characterizes much of the book is set early in chapter 1 on “Designing Conflict-sensitive Trade Policy,” by Mark Curtis, who writes:

…the current system of international trade is fundamentally unfair and biased towards rich countries and the corporations based in those states. Restrictions on market access and continuing domestic subsidies by rich countries consign many developing countries to reliance on the export of primary commodities. Over the past five decades these commodities have suffered from declining and volatile prices – a trend that is strongly correlated with political instability and conflict.

The rest of this chapter sets out this line of reasoning. Together with chapter 4 on “Building Markets for Conflict-free Goods,” and chapter 5 on incentive mechanisms for trade and investment, it paints a picture of a global economic system that is at best unresponsive to the exigencies of the peace and development agenda and at worst antithetical to it.

The reasons for this state of affairs are not difficult to come by. In addition to the political and commercial interests of the rich countries influencing trade mentioned in the above quote, Ian Smillie (chapter 2) dissects trends in Official Development Assistance (ODA) to find that its management has become unnecessarily heavy, and that it too follows familiar commercial, political, and (more recently) security patterns; rather than following a long term, poverty reducing agenda tailored to local conditions. This message is echoed in the following chapter by Oli Brown (chapter 3), where in addition the powerful observation is made that trade and

3 See e.g. Paul Collier, *The Bottom Billion: Why the Poorest Countries are Failing and What Can De Done About It* (Oxford: Oxford University Press, 2007).


aid policies are not always effective levers to influence a situation and that “[o]ccasionally, in an imperfect world, doing nothing may be the most effective policy.” On this point, it would have been useful if the author had drilled down further. Which situations does he have in mind? What of public opinion in an era of the instant transmission of images around the world?

Rounding off the thematic portion of the book, Richard Auty and Philippe Le Billon (chapter 6) assess the options available to developing countries and the global community to manage the revenues from natural resources and foreign aid. Although this paper addresses both, most of it correctly deals with revenues from natural resources which, conceptually and in terms of their management, are different from aid flows.

While shying away from the hard Collier approach, this collection of papers does reinforce an important contribution of the so-called greed and grievance literature. Namely, that conflict requires a motive as well as the economic means to prosecute it. It therefore stands to reason that ending conflict or avoiding it must also have important economic policy dimensions.

But what are they? The inadequacies of the global economic system are well documented in this and many other books. Presumably these apply across the board. They are, after all, global. Here, the lessons of history might usefully be brought to bear. It is not until the concluding section of the last substantive chapter of this book that mention is made that “[s]ince the late 1970s, some developing economies, such as Chile, Indonesia and Malaysia, have escaped the staple trap of primary commodity export or aid dependence.” The similarly successful experiences of Norway and Botswana are considered in a short section only a few pages earlier. While both of these countries have had exceptionally sustained political stability, the same cannot be said of the other three countries all of whom have been through all the evils that permeate global governance: dictatorships propped up by the West for purely geo-political reasons, the same vagaries of the commodity markets that other countries have faced, incompetent or vicarious foreign aid, a distorted global trade regime, and – in two of the three cases – prolonged insurgency and civil strife. One might add Vietnam and Singapore to this list just to make the point that size may not be a strong explanatory argument in looking for success stories.

It would have been useful if some consideration had been given to these cases so that the lessons of what to do and what to avoid became clearer. By focusing mostly on the problems, the analysis in this book misses instances where developing countries may have got it right in spite of the donors, or donors may have got it right in spite of the developing country, or some combination of these two. It is remarkable (although this is frequently omitted in reports) that the success of Malaysia and Vietnam, among others, should not be understood in merely economic terms, but precisely in a peace and development frame.

Another line of inquiry not adequately pursued in this collection of papers is the role of non-OECD countries. This is mostly a sin of omission, with one sin of commission. This

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8 Oli Brown, “Promoting ‘Good’ Governance through Trade and Aid: Instruments of Coercion or Vehicles of Communication?” in Brown et al., supra note 1, 72 at 89.
9 Richard Auty & Philippe Le Billon, “Managing Revenues from Natural Resources and Aid” in Brown et al., supra note 1, 158 at 182.
10 Ibid. at 166.
commission occurs when the view is expressed that the emerging developing country powers have largely negative impacts on the peace and development agenda. Karen Ballentine writes that “…the increased role in extraction by state-owned companies from non-OECD countries, such as China, whose terms of trade and investment are indifferent to the non-commercial negative impacts on host countries, may erode the position and influence of progressive companies, no matter their current market size and influence.”\(^\text{11}\) This is an especially ironic statement, coming, as it does, just a few pages after Brack and Hayman recount that France’s national oil company, Elf-Aquitaine, financed both sides of the mid-1990s civil war in the Republic of Congo.\(^\text{12}\) But the issue goes beyond whether the new players are worse than the old league in their support of rogue rulers and rogue practices.

As Ngaire Woods argues, the rise of new donors is “playing into cracks in the established system of development assistance,”\(^\text{13}\) cracks that are well described in Smillie’s chapter. Established donors have frequently placed geo-political and commercial interests ahead of those of the development agenda. Commitments to increase aid or refine conditionality and other aid processes are seldom met. In fact, there is no basis to conclude that China’s forays into Africa are qualitatively more troubling than the gamut of ill-enforced global compacts and voluntary industry measures that characterize so much of the fair trade and sustainable development sphere. The available evidence, scanty as it is, suggests that China might be no worse than the traditional donors in terms of the speed and scale of debt relief, particularly for African countries.\(^\text{14}\) Under the circumstances, China’s aid may simply look streamlined, not irresponsibly unconditional.

Finally, on the question of non-traditional donors, one would be hard pressed to argue that, as a general proposition, the role of new donors has been inimical to the aid, trade, security, and development agenda. While the definitive study of the subject remains to be done, consider the role that South Africa is playing in its region; or, consider that Argentina, Brazil, Chile, and Mexico have stationed their troops and are providing other forms of assistance to Haiti. These examples support the more defensible view that current multilateral regimes and processes need to become more genuinely inclusive of the emerging powers, so that said powers feel they belong to a system whose objectives and practices they might endorse and contribute to.

Very few foreign assistance packages have been designed with the explicit purpose of promoting long-term peace (as opposed to ending a hot conflict). One of the principal messages of the book is made explicitly by Brack in the Introduction and Mark Halle in his pithy concluding essay: key actors need to come together early and often to design such interventions. These have to be backed by a set of multilateral regimes – on conflict commodities, on “booty futures,”\(^\text{15}\) on revenue management and above all on the arms trade – that provide the framework in which individual conflicts might be resolved permanently. The authors of this book do

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11 Ballentine, *supra* note 7 at 148.
12 Brack & Hayman, *supra* note 6 at 98.
14 Ibid.
15 See e.g. Brack & Hayman, *supra* note 6 at 98.
not attempt to disentangle which might come first and which next. Instead they imply that a combination of pragmatism, small steps forward wherever and whenever possible, and always *primum non nocere*,\(^{16}\) might well be the only viable option.

On the balance, this book does not provide definitive answers on whether trade and aid are positive forces, negative forces, or incidental to the promotion of a durable peace. The choice of topics and countries suggests that the answer lies somewhere between negative and incidental; but, as I have argued in this review, this might be because of a sample bias. None of this is intended to deny the huge and important gaps in the global governance architecture that mitigate against a successful triangulation between trade, aid, and durable peace even when intentions are good and the conditions propitious. In the Foreword, Lloyd Axworthy points out that the responsibility to protect (R2P) principle is a singular step forward in the way the international community responds to conflicts.\(^{17}\) What has yet to be designed is its analog to prevent conflict in the first place.

I wonder, however, if the emphasis on aid and trade removes the spotlight from domestic players’ obligation to organize their affairs in sensible ways. What remains in this still-young field of study is for the developmentalists to draw from the historians, and vice versa. Going further back in history than the examples cited above, surely the lessons from the creation of the United States of America (U.S.) and the European Union (E.U.), seen through the lens of ending conflict and promoting peace, are of the triumph of *domestic* institutions in the face of considerable conflict and external interventions of all sorts. More attention might be paid to the creation of accommodating institutions that balance rigidity with flexibility, as is the case in the E.U. and the U.S. This includes the range of fiscal federal structures and processes that are found there, but also such institutions as dispute resolution and the preservation of local imperatives. Not all of these require foreign aid, and not all of these require large amounts of financial resources and technical assistance.

This, however, is material for another study. *Trade, Aid and Security* is a classic example of field building. It advances our understanding of a complex set of issues and suggests further lines of enquiry.

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\(^{16}\) First, do no harm.

\(^{17}\) Lloyd Axworthy, “Forward” in Brown *et al.*, *supra* note 1, xiii at xiii.