PRESTIDIGITATION: WARS, PROFITS AND THE CREATION OF RISK

Behind the risks normally associated with war and political violence—the wounds to bodies and the body politic—are a much less visible series of actions with risks that are seldom assessed, actions capable of shaping global economic and political grids. Wars and, indeed, most politics and economics, rest upon a foundation made up of both legal and extra-legal activities. Hundreds of billions of dollars are made on unrecorded (extra-legal) weapons sales and hundreds of billions more are earned through the sale of resources to gain the hard currency needed to buy those weapons and to purchase all of the other supplies that a country at war requires, from medicines and food to industrial equipment and communications technology. If we were simply addressing illegal arms sales, assessing risk would be relatively straightforward. But the fact that countries at war depend upon the extra-legal as well as the legal to acquire the basic developmental infrastructure essential to their populations' survival means that exploring the qualities and dangers of risk is much more complex and multifaceted: for example, how do we calculate the stakes of wide-scale profiteering from selling extra-legal pharmaceuticals to war-afflicted populations that do not have access to legal medicines? The sheer magnitude of the power and profits that accrue to the extra-legal (and the fact that analytical attention generally focuses upon illegal arms and drugs sales, while common commodities make up the bulk of the extra-legal—and represent unrecorded profits for legal enterprises) suggests that the systematic investigative invisibility surrounding these topics is purposeful—a form of political and economic prestidigitation or sleight of hand. This article investigates the dynamics of the extra-legal as it shapes political and economic processes in the world today.

Bullets and antibiotics
A bullet enters the body of a youth on the frontlines of a war, perhaps in Sudan, Palestine, Burma, or even New York City. The bullet tears more than flesh; it rips at the fabric of the human condition.¹ This is a

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story of how risk is created. But the greatest damage—and the greatest hope—resides in layers of untold stories. If we follow the bullet back from its point of impact to the global economic universe that created, manufactured, sold and transported it across countless legal, national and conceptual borders, the creation of risk and the larger societal implications of war become clearer.

Yet, how can we assess risk if it is layered in invisibilities? Researchers have long known that even the most straightforward estimations of risk based upon visible physical violence are problematic: how does the rending of human flesh affect political will and social viability? Moreover, worlds of power and profit unfold across frontlines that are far less evident—but their impact on political and social health may be as great as the impact of physical violence. As this paper will document, these realities are invisible not because they are insignificant, but precisely because they define core dynamics shaping power in the contemporary world.

For example, we know that the world economy moves around a trillion dollars a year in military armaments—some 700 billion in (relatively) legal sales and roughly half of that in unrecorded sales. This is the comparatively easy story of the creation of risk. It is violence, we are told by governing officials and weapons manufacturers, that is the threat. Like an audience before an accomplished magician, our gaze is skilfully directed in one direction while a sleight of hand occurs in another. It is Pierre Bourdieu’s world of the illusio—the ‘game’ that we are told to believe in, to invest ourselves in, without ever being able to define it fully or to control it to any significant degree.

If we return to the youth hit by a bullet on the frontlines and follow the related stories out to their global implications, this prestidigitation is revealed. Its scale is evident in the example provided by a single commodity, although thousands of goods follow this same pattern. If the youth manages to live through the assault, he or she will need medical attention—and that requires medical supplies. In many war zones, where a large percentage of government revenues and the infrastructure that they support are devoted to the war effort and not to social services or industrial development, most medical supplies are bought from the same industrial centres of the world that produce arms. The profits so earned may be as large: certainly, the combination of legal and illegal sales parallels the same phenomenon in the arms market. However, while there is a global discussion about arms profiteering, a surprising silence reigns when it comes to profiteering in medical supplies and pharmaceuticals.

Pharmaceuticals are only one example among thousands—the thousands of commodities that move across il/legal as well as inter/national
borders while benefiting from a combination of violence, underdevelopment and economic exploitation. Global economies are shaped by these realities, yet the vast majority of unregulated extra-state transfers take place without documentation or analysis. Invisibility is a powerful means to circumvent any questions about risk and related ethical issues.

A concrete example helps to illustrate this point. In 2001, toward the end of the post-independence war in Angola that took roughly a million lives, I visited the central part of the country, where severe fighting had resulted in heavy casualties. Crippled developmentally by decades of war, Angola had to rely upon international businesses for its medical supplies—and, indeed, for most commodities. Like arms, these entered the country both legally and illegally. Upon leaving Angola in 2001, I travelled to South Africa. In one week, the police reported two major raids. The first involved a ship that contained several million dollars worth of cocaine—a clear crime in a twenty-first century concerned with illegal commodities. Two hundred kilometres down the coastline, however, a second ship was boarded and several million dollars worth of unrecorded (illicit) pharmaceuticals were found. They had been imported by a respected businessman who had bought them in Asia, paying a little over one hundred dollars for the entire shipment. While we can argue over the actual size of the illegal arms business, the size of the illicit medical industry remains completely unknown. This is a question I followed from Angola and South Africa all the way to the World Health Organization (WHO) in Geneva and the International Customs Organization in Brussels. No one, I was told, time and again, could even venture a guess as to the size of illegal medical and pharmaceutical industries.

This subject has not received widespread public attention despite the fact that the WHO has found upward of one-third of the pharmaceuticals tested in some countries to be substandard—produced with fewer, incorrect, or absolutely no active ingredients. Although WHO studies are largely restricted to non-Western countries, Braithwaite writes that:

bribery is probably a larger problem in the pharmaceutical industry than in almost any other industry. Of the 20 largest American pharmaceutical companies, 19 had been embroiled in bribery problems during the last decade. . . . Product safety offenses such as the sale of impure, over-strength, out-of-date or nonsterile products were also shown to be widespread.

Yet, to the public, 'illegal drugs' equal illegal non-prescription narcotics. Risk is created in the form of uncontrolled violence and criminal drug cartels. This viewpoint has been widely adopted despite the fact that illegal narcotics are a luxury that a minority of people consume by
choice, while pharmaceuticals are a necessity that almost every member
of a given population will require at some point in his or her life. Pres-
tidigitation; but why?

A partial answer is that, on one level, no matter who shoots whom,
certain people make a profit. There is perhaps more to this response than
initially meets the eye. The village boy or girl wounded on the frontlines
of a war far from international news coverage or any more formal
accounting—nameless and long forgotten in a roster of war dead that
might total hundreds of thousands, if not millions—seems a long way
from explaining war and its erasures. But these people rest within a web
of connections that are as indicative of war—and as nameless—as the
casualties. They include soldiers and civilians who run arms and run
orphanages, who supply liquor and prostitutes to those wishing to forget
the horrors of war, who sell antibiotics, industrial goods and textbooks
on the black market and who act in a way that is at once exploitative and
altruistic.

Somewhere, in all of this, the lines of war and peace break down and
risk increases—not only in the lives of individuals, but also in the global
economy. War industries generate trillions of dollars every year and
provide profits for people working in peacetime locales, for others ship-
ing goods and persons across the frontiers between political alliance
and political antipathy, and for those actually on the front lines and
more interested in making a dollar than in making an enemy. These sys-
tems of trade and profit are far larger than any one war zone and are, in
fact, larger than any particular era of military conflict. From arms sales
through negotiated oil futures to the illegal diamond trade, war is, trag-
ically, good for business in the cosmopolitan production centres of the
world.

If our analysis goes beyond drugs and weapons to add up all of the
commodities and services crossing the lines of legality, we find that
enormous sums of money move through the world’s markets illegally
and that huge numbers of people work in related extra-state activities.
They deal in everything from the dangerous (narcotics, toxic waste and
arms) through the luxurious (diamonds and art) to the necessary and
the mundane (food, clothing and electronics). Large fortunes may be
made from these activities and the most successful of these entrepre-
neurs control capital and resources that exceed the means of many of
the world’s countries. They can develop or cripple emergent national
economies.9

In considering the staggering profits that accrue from war, I suggest
that the ‘politics of invisibility’ is not an accident: it has been created—
and created for a reason.10 It appears that the modern state relies as much
upon war-zone profits as upon keeping these dependencies free from
any formal reckoning. In ‘creating’ risk—in honing fears of sinister criminals who creep relentlessly across our borders to threaten security and destroy the fabric of society—large political and economic interests can profit(eer) unencumbered by any public scrutiny.

**A cycle: Wounds, treatments (and profits)**

In order to understand these complexities, let us return, one last time, to our frontline youth. I met such a person, a war orphan living on the streets in Angola. It is in tales such as his that we can see how a poor and homeless child is ultimately linked to a global network that moves capital-generating resources out of war zones in order to purchase the industrial goods needed to wage war and sustain life in them. This particular child had a wound so infected that I feared he would lose his leg and, perhaps, his life. We began an odyssey to find treatment for his injury.

War had decimated the medical infrastructure and local hospitals had almost no drugs. Pharmacies did offer essential pharmaceuticals and other supplies, but the prices reflected the costs of war and of the internationalization of economic trade. War inhibits the development of national service industries and Angola, like most war-torn countries, had turned to the world’s industrial centres to import critical necessities—from food to medicine. The vendors of all of these commodities, from pharmaceutical giants, such as Roche and Lilly, to farmers in peaceful locales, did not trade in kwanza, the Angolan currency. The only payment accepted was the hard currency that traded on international exchanges.

So the Angolas of the world have to sell off those of their national resources that translate into hard currency: minerals, diamonds and gold; timber and oil; sex and industrial workers. Since these are the assets that represent a country’s wealth and support the bases of power, they tend to be hotly contested during conflicts, which further fuels the vicious cycle of warfare, necessity and dependency on external sources for the essentials. The cycle is costly in more ways than one: the asking price for a single course of antibiotics and the medical supplies needed to clean the boy’s wounds neared US$100. This represented more than a year’s salary for many of the Angolans lucky enough to have a job. After the boy had obtained his medicines, life on the streets took its toll and he was robbed of these valuable commodities. The wounded boy and his friends returned to tell me of their plight—and to inform me that going to legal pharmacies was sheer madness: nearly everyone bought what they needed from informal street vendors. They took me to the one that they had heard to be the best. For two dollars, a price that was affordable to the average Angolan, I purchased the same course of antibiotics
that had cost me seventy-five in the pharmacy. This was only possible because people like the businessman who was arrested in South Africa for unregistered pharmaceuticals run legal necessities illegally at great profit to themselves.

(Illusive) profits and enduring ethical dilemmas
Unlike weapons, which generally tear bodies apart, pharmaceuticals help to put them back together again. The illegal weapons trade is a relatively easy target for ethical discussions. The illicit trade in medical supplies is more complicated. What constitutes risk here? This question is difficult to answer for several reasons. In a world in which some people are too poor to afford legal medical supplies, there is no doubt that lives are saved by merchandise that is cheaper because it circumvents tariffs, taxes and other fees. Under current conditions, therefore, no one would choose to end this form of commerce without a great deal of soul searching. Of course, the purest ethical argument is that global inequalities are the culprits and that they need to be addressed. But the wounded war orphan does not have the time to wait for this solution.

These realities are encoded in the legal system. In interviews that I conducted with Angolan intellectuals and political leaders, with southern African police officials and with representatives of the International Customs Organization, all agreed that informal markets, like it or not, keep people alive. As a detective in the Scorpions—the elite police force in South Africa—told me: “Some things are simply more illegal than others. We are more likely to turn a blind eye to illegal Pharmaceuticals than to illegal narcotics.” This is a dangerous form of prestidigitation—of the art of illusion. Yet, how can we criticize it if it saves lives? And what lies behind it?

First of all, wars are four times more likely to take place in resource-rich locales than in any other. 12 These places and the wars that occur in them are the bread and butter of the industrial world. Political instability in underdeveloped nations is good for business since it leads to increased militarization and a rise in the purchase of armaments from industrialized ones. As the case of Angola indicates, war decimates currencies as well as people, so that resources must be sold off to gain the hard currency needed to buy weapons. But war also decimates national infrastructures. Medical, food, electronics and other industries are all overshadowed by the war effort. So the war-torn nation has to import the most basic necessities in order to survive. From industrialized nations. For hard currency that can only be gained by selling off resources.

As Christian Dietrich, who has written on the diamond trade in the conflict zones of southern Africa, said to me:
War perpetuates closed societies: in emergency situations, militaries and governments control air and transport routes, import and export sites. They oversee—and often control financially—the products that enter and are consumed in the areas under their jurisdiction. These are not wars over resources per se—instead, war facilitates the looting of resources. And it is not just about controlling the diamond trade, for example; it’s about controlling the whole closed economy that supports and sustains the larger national economy: soap, petrol, food and so on. This is ‘organized scarcity.’ In the final tally, are you really making profits from diamonds or from all the soap and petrol and food and essentials that people need?

While the world is transfixed by (the risk of) weapons sales, much larger and more subtle transactions are taking place: industrial nations are making far greater revenues by selling goods more vital to the survival of states and their populations than weapons. The corporate logic is sadly clear: if a war is sufficiently destabilizing, the decay of local infrastructures becomes endemic and the market for the sale of products manufactured abroad remains in place well after peace is declared.

The ontology of trade
To understand the globalizing world and the role of exchange in it, it is useful to see the world as traders always have. For them, the globe is not neatly divided into sovereign states with static, well-defined borders and even more distinct rules, laws and regulations. Trade has always had its own special province and providence. The fact that much of today’s maritime law is derived from Rhodian sea law is an indication both of the continuity and of the power of the world-view of transnational traders. The fact that much of today’s commercial and customary law derives from ad hoc councils set up in market-places along major trade routes shows that trade can trump political power. These market courts were revolutionary: in the era of the rule of kings and kingdoms, they circumvented both royal control and country-specific interests. They also demonstrated that international associations with no formal governing controls were capable of instituting laws, courts, dispute resolution mechanisms, regulations and codes of conduct. In the final analysis, such examples indicate that, while governing systems (whether monarchy, dictatorship, or democratic rule) change, trade continues to hold sway. Goods move. In the world of trade, goods have their own kind of sovereignty. Indeed, one might even argue that traders and trade constitute their own unique, autonomous state—even though they are situated in and respect specific local and global contexts. Movement is primary, borders are secondary. Laws, some might argue, are tertiary.
Traders see borders less than the uninterrupted flow of commodities, people and services. Borders are unregulated opportunities as much—and perhaps more—than they are regulated national institutions. The seas are a broad expanse of profit outside of sovereign rule. Transportation routes are arteries of commodity flow. Taxes and tariffs are obstacles, not obligations. This view is critical to understanding the intersections of il/legality.

When a state-based actor breaks a law and is caught, he or she calls into play a process with a whole range of associations—associations that are land-locked and static. The individual faces prosecution on the basis of codified laws by the state's legal representatives in a court overseen by a judge. All of these aspects of the legal process are localized: they have physical locations, identified by addresses, communications links and formal recognition. They are backed up by a police force and a national security service with authority to uphold state sovereignty. The actor may ultimately be incarcerated in a very real jail under local or national jurisdiction.

But for an actor sailing the high seas, using international rail and road links, or walking across unmarked and unmanned borders, this sheer physicality bound to one overarching sovereign governing system does not exist in the same way. If a business takes raw fibre from one country, ships it to a second country to be made into fabric, then to a third to be sewn into clothing and then to a fourth country, one with low import taxes, to sell it, but transfers the clothing, in international waters, to another vessel bound for a fifth state with high import taxes and brings the goods into it undeclared—what legal system, what governing body, is seen as an authority structure? The intersection of fluid global networks and land-based sovereign states opens up spaces of power and profit that fall beyond the scope of state intervention. Of course, as Tilly has long argued, states may well depend upon—not enjoy, but depend upon—non-state gains and the invisible power structures that they afford.¹⁴

Smuggling: Facts, fictions (and some dirty little secrets)
While the media, bestsellers and popular culture in general focus upon shadowy criminal organizations as the primary smugglers, the truth is that the biggest offenders are ordinary businesses and multinational corporations that under-declare and misrepresent the goods that they ship. As a high-ranking customs and excise official explained to me:

It is a game. Tariff assessments are tremendously complicated. Scrap metal is not assessed at the same price as weapons or cars. You get a shipment of pieces of steel, it pays duty at a lower rate, and it looks like
pieces of steel . . . until you put it all together into a gun. Perhaps sanctioned, but certainly charged at higher tariffs. People work the tariffs with amazing ingenuity: cheap canvas and scrap rubber are listed on the inventories and, in fact, it is Nike shoes. People find a single component making up an item and list it as the shipment. 'Course, simply under-declaring the guns and Nikes is bad enough, but then sometimes you find drugs in the barrels of the guns or the heels of the shoes. But the continuous big evasions? Floor lamps [lower in tariffs] are declared when it is a shipment of major clothing consignments [at a significantly higher rate of taxation]. Or you find symbolic associations, apparently intended to throw off any cursory spot check: a shipment of 'washing pegs' which are really counterfeit cigarettes—about the same size and shape, but decidedly different in taxation and in legality.

Some illegal commodities are dangerous in themselves, but all extra-legal trade poses a threat. It ensures that no quality control measures are invoked to protect the public and it generates no revenues for sovereign nations in the form of tariffs and taxes. This is the 'scourge' of smuggling: no money is made available to build schools and clinics, improve trade infrastructure, develop the country, or forge profitable global alliances.

Thus, while there is no doubt that unregulated trade in illegal narcotics, child labour and hazardous wastes, to name only a few, can decimate individual and national potential, does this sort of trade represent the only threat to healthy societies? When I asked a customs official at a South African port to identify the goods most often 'undeclared' or 'misdeclared' (a polite term for smuggled), his answer challenged the popular perception:

Electronic equipment, clothing, shoes, textiles, engineering equipment, cables . . . anything with high rates of duty; anything that can be disposed of quickly. The electronics field is the biggest, but in fact any product where high rates of duty create an incentive to smuggle. Cars. Consider the fact that the rate of duty in South Africa is 65% of the value of the vehicle, inclusive. What greater incentive to smuggle is there?

The officer paused, inclined in his chair, rubbed his chin and then leaned forward to pick up a common product that may be found on tables worldwide:

You want to know the real culprits of under-declaration? It is companies that produce items like this. Worldwide businesses and multinationals that sell the brand names of daily life we all know and use.
In another interview, this time with a leading European customs official who works to develop international agreements, I asked what percentage of legal businesses cross legal lines in some way. His answer was immediate: "One hundred percent—given current laws, profit structures and business practices, everyone steps across the lines of legality in some way or another."

During my conversations with the South African officials, they said that the most dangerous commodities smuggled were cars. When I put the same question to detectives at Scotland Yard and to customs officials in the United Kingdom, they said it was cigarettes. Neither was a response that I expected, so I asked for an explanation. Scotland Yard's Detective Richard Flynn answered in this way:

Yes, cigarettes. That simple everyday packet of tobacco that you see in about 40% of the population's pockets. Because they flow in from everywhere—on the ferry from France, in the car from Holland, in the container from Bulgaria, on the plane from India or the States. They sell them out of car boots—take a walk in the local street markets: guys line the streets with cartons of every brand name. They sell them from under the counters of the local corner store. They are absolutely everywhere, in the middle of everything. They show up every porous hole in our borders, our customs, our laws and our ability to enforce the laws. And it's not just the cigarettes, it's what they move with—the routes of cigarettes, their flow into just about every conceivable corner of the country—just about every dangerous commodity moves along these same channels, with cigarettes. And at the end of the day, millions in taxes are lost yearly to cigarette smuggling.

A similar pattern is true for vehicles in southern Africa, as Peter Gastrow of South Africa's Institute for Security Studies explains:

The reason why this form of criminal activity is regarded as such a threat is not only because the theft of motor vehicles is widespread, but because this crime is closely intertwined with the trafficking of drugs, firearms, diamonds and other illegally obtained goods. Stolen vehicles constitute a ready currency to exchange for a wide range of illicit goods."

If the majority of smuggled items are the ones common to everyday life—from industrial components through recreational items to basic necessities like food; if the major smugglers are legal enterprises that misrepresent legal goods; and if such networks are the channels along which more dangerous and often war-related illegal supplies are transported—how do we assess risk?
The dangerous irony of development
Before we can answer this question, one further set of paradoxes needs to be addressed. As much as the extra-legal is decried in security and media realms, in truth, development—particularly in war zones—is partly jump-started along extra-legal economic lines. The street vendor selling illicit pharmaceuticals, the women carrying untaxed food into impoverished communities and the truck-driver bringing illegal electronic equipment to fledging industries in fragile postwar economies are linked in the same system as the man who is carrying out US$20 million worth of gems. Stolen cars can transport all of these people and their products—from antibiotics to arms.

However dangerous, illegal and exploitative such unregulated trade may be, it is often the way in which citizens gain the hard currency that they need to buy agricultural supplies, industrial necessities and other goods essential to development. Illicit merchandise allows people not only to obtain capital, but also to negotiate power and to invest in political partnerships, in addition to property and lawful industries. It spawns and supports subsidiary industries, both legal and illegal. And, of course, everyday necessities such as clothing, textbooks and medicines follow these same trading trajectories. In many resource-rich and war-torn countries, the extra-legal may provide more in-state resources than the formal economy.

In such circumstances, most governments would rather have extra-legal goods and services on the streets than see their citizens suffer severe deprivation. On a broader level, when people bring industrial, agricultural, health-care, educational and transport supplies into a country using unregulated routes, they help to stimulate the economy. If there are no other ways to meet the challenges of development, a government may decide that these benefits outweigh the risks of the political instability which a more debilitated economy might unleash.

In this shadowy market-place power regimes are contested, and new forms of capital, access and authority arise—some crumbling before they attain any real influence in global affairs, others supplanting old regimes. If shadow networks were merely illicit systems bent upon rapid and potentially immense gain, they would not represent the challenge that they do to legal regimes. The fact that they not only involve the dangerous wildcatting of resources outside of state control, but also offer a means for development to people with few alternatives for survival makes these extra-state systems a significant source of power in the contemporary world.

Extra/legal: Where do we draw the line?
It is here that the very notion of the legal and the extra-legal becomes blurred. People adept at manipulating the junctures of il/licit markets
often invest in legal enterprises and political careers, both nationally and internationally. Currency, whether clean or dirty, has little value if it cannot enter the legal economy. Gains from extra-state transactions allow investments to be made in legal industries and international partnerships. As dirty money is cleaned, economic power can buy allies and translate into political power. Susan Strange sums up the rationale behind this process succinctly:

The fact is that while financial crime has grown enormously . . . it remains, legally and morally, an indeterminate gray area. The dividing line is seldom clear and is nowhere the same between transactions which are widely practiced but ethically questionable and those which are downright criminal.17

Herein lies the crux of the problem. The dangerous, the harmless and the beneficial travel alongside one another on an extra-legal journey: guns ride easily in stolen cars, with cigarettes, beside antibiotics. The weak controls—governmental, security and legal—common to war zones make them particularly ripe environments for profiteering. They also make them critical sites requiring necessities, however illicit they may be. As François Bayart writes, “The matrices of disorder are frequently the same as those for order.”18

The problem is compounded by the fact that the extra-state gains its power through the ease by which it is translated into the legal. Economic gain, on one level, equals development, regardless of its relationship to legality. And development often represents stability, authority and political control. These intersections of the legal and the extra-state permeate national and global economic and political relations.

Nations grow, fracture, collapse and regenerate along the intersections of the state and the extra-state. No space is more invisible to analysis, to control and to institutional reform. This very invisibility—along with the potential for great profit and power—make these intersections of il/legality and the state attractive to legal businesses seeking to maximize their gains, be they economic or political. Thus, the systems by which the illegal moves across national borders is identical to the ones that legal industries use to misrepresent, under-declare, or hide taxable commodities and services from governmental and intergovernmental controls.

**Prestidigitation**
Consider the magician: the art of illusion is based upon a distinction between seeing and believing. What we see is not true. Truth, then, is called into question in its most ontological sense. What the illusionist
ultimately teaches us is that, no matter how dangerous what we have seen appears to be, in the final act, the danger is allayed, the world returned to normal and ethics restored. The audience needs the illusion to demonstrate the danger and then to be assured that it does not really exist.

This is the *illusio* that Pierre Bourdieu writes of—the investment in the game. Or, in Baudrillard’s terms, it is the murder of the real. Bourdieu argues that, for the *illusio* to function, its outcomes must rest between absolute necessity and absolute impossibility. The game is defined by uncertainty—and it is here that power resides. For, as Bourdieu points out, the games, be they economic, cultural, religious, juridical, or philosophical, are not ‘fair.’ Power resides in empowerment. Those who define the *illusio* have the power to set the rules of the game. Those who successfully manipulate the extra-legal gain significant economic and political power—power with foundations rendered non-transparent: the dangerous is banished and the supremacy of ethics, sovereignty, law and formal economies is re-established.

**Risk?**
The very point of this discussion is that risk in these arenas cannot be assessed—and that is the risk. Economic analysis, in its present state, is unable to calculate the impact that illegal weapons or blood diamonds have on European stock markets, the ways in which illicit commodity transfers intersect with inflation and interest rates, the degree to which money laundering affects a nation’s economic health and stability, and so on. Furthermore, it is impossible to track the ways in which unrecorded revenues might be used to manipulate or cripple the economies or even the sovereignty of nations:

Unchecked, money laundering can erode the integrity of a nation’s financial institutions. Due to the high integration of capital markets, money laundering can also adversely affect currencies and interest rates. Ultimately, laundered money flows into global financial systems, where it can undermine national economies and currencies.

This is a dirty little secret. People tend to point out, for example, that the ‘economy’ of Angola (or the Democratic Republic of Congo, Colombia, Burma, Tajikistan ...) plays a small role in global affairs. This is one of the greatest sleights of hand existing in current economic analysis. When people say ‘economy,’ they are actually referring to “formally state-recognized” economies—the 10% of Angola’s economy that is state-regulated. None of the transnational corporations or international organizations in the world which monitor economies publicly record the
profits that they make through extra-state means. If this were Columbia instead of Angola, the flow chart would add in, among many other things, Columbia’s portion of a US$500 billion per year industry in illegal drugs. If it were Congo, it would add in gold, zinc, col-tan (colombititanalite) and other precious minerals. If it were Burma, it would add in timber, the cross-border sex industry and the proposed transnational oil pipeline. It is the Angolans that are creatively kept in the analytical shadows by those who benefit from a lucrative set of relationships.

The profit trail is extensive and equally non-transparent. Cars, trucks, trains, ships and airplanes convey non-legal goods from their point of production to their final destination. Each form of transport is produced in industrial centres, belongs to a company, runs on petroleum products and is piloted by a professional proficient in the field. Each transverses any number of control points, domestic and international, where complicit personnel facilitate non-legal transfers. Shippers transport the commodities, manufacturers create them, financial institutions lend and launder money, and security forces take a cut to ignore the law while ostensibly upholding it. Each step in the set of transfers that moves any product across time, space and the boundaries of the law employs a host of people, generates considerable profits for ‘top management’ and relays these non-transparent earnings into the everyday markets of our global reality. In a nutshell, pilots, mechanics, custom agents and criminal lawyers all get rich alongside industrial frontpoint producers and endpoint consumers.

It is unthinkable, by any stretch of the scientific imagination, to render analyses, policies and decisions based upon a data set that is incomplete. But that is precisely what is taking place when classic economics is applied to the world without any regard for non-legal and non-transparent economic activity and the political power that it encompasses.

Perhaps, then, the illegal and the illicit are too important to discuss. In the final account, war, shadows, governments and enterprise remain intertwined. As multinational corporations and transnational companies cross not only national borders, but also sovereign laws, so too do extra-state networks globalize and create new legal and political arrangements. If it seems that the profiteers hold the trump cards, there is a dangerous side, one hidden by the constructions of invisibility surrounding illicit gain and power. Any serious analysis of the extra-state geared toward stopping abusive political violence and dangerous criminal activity will also illuminate the degree to which legal industries, often the backbone of governments, rely on the same systems. Who, in power, is willing to take this step? If only formal economic and political instruments are used to assess a world of formal and extra-state power, it is not possible to understand the true nature of economic and political
reality as it affects our lives and world—nor the impetus to war and the potentialities for peace.

NOTES


5 Fieldwork for this research on the extra-legal was conducted in southern Africa in 1996-97, 1998, 1999, 2000, 2001-2002 and 2003. I have also followed the flows of extra-legal commodities and services from Africa to Europe and to larger global markets. My research has been funded by the John D. and Catherine T. MacArthur Foundation, the United States Institute of Peace and the University of Notre Dame. Several years of fieldwork on war in southern Africa, starting in 1988, preceded this work.


8 Often those who create definitions of risk endorse a form of controlled violence, so long as they are the ones in control. This tends to include the actions of security forces, from police to military.


10 For an excellent study of war economies and the politics of the invisible, see Mark Chinkori, The State, Violence and Development (Brookfield: Avebury, 1996).


17 Jacklyn Cock, “The Legacy of War: The Proliferation of Light Weapons in Southern


18 Jean-François Bayart, The State in Africa: The Politics of the Belly (London: Longman, 1993), 209. The sentences preceding this quote read: “We should not attempt in an academic and artificial balancing act, to oppose the statist ‘totalising’ work with the divergent tactics of ‘detotalising,’ even if the latter more than any others do lead directly to the erosion or dilution of the State. In reality, the logic of deconstruction in the statist arena is not so easily separated from the loci of its construction.”

19 Bourdieu, Pascalian Meditations.

