**Global Fractures**

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**Abstract:** An explosion in a war zone, no matter how localized and remote to the rest of the world, constitutes a crisis that has dangerous global repercussions. Using Alain Badiou’s philosophy of multiplicities to track these repercussions, this article explores international profiteering and extra-legal commodities transfers; forced labor and enforced inequalities; dereliction in providing social, civil, and humanitarian services; and institutionalized injustices that coalesce in war and radiate worldwide. While the politics and economics of these systems of inequality seem to confer power on those who control them (generally, cosmopolitan industrial centers), this article suggests these are loci of vulnerability—‘fracture zones’—that, under pressure (e.g., conflict, market crashes, natural disasters), leave even peacetime countries susceptible to collapse.

**Keywords:** Badiou, collapse, crisis, fracture zones, multiple multiplicities, political violence, power, profiteering

Crisis. This investigation starts with a specific incident of political violence and then follows the complex layers of associations making this event possible that move, quite literally, across the globe. To summarize this point, and this article: Does a crisis—say, political violence—extend across the borders of sovereignty and temporality to flow into the personal lives, economic markets, and political systems of the world across war and peace? Does this then represent crises on all these global levels? And to what result?

**Fracture Zones**

People don’t want to look at the big picture, because they are opening Pandora’s box. What happens is that they open the box and see all kinds of trails. Who’s linked in? What are the linkages? There are always bigger boys out there.
So it remains an unspoken topic.
It’s like there are two levels of knowledge. The first is the face people want out there: “Sure, there’s security, sure, we trust the reputable corporations ...” And then there’s what is really going on.

— Sheila Gonzales, LA Port Authority, personal interview, 2004

This article introduces the idea of ‘fracture zones’—lines of instability that radiate out from specific and discernible crises. Fractures constitute vulnerabilities in trade networks, financial systems, economic enterprises, and socio-political services so great that the very viability of these institutions (as they define the modern state) is undermined. I followed these pathways ethnographically for over three years between 2001 and 2006—from the frontlines of political violence in Southern Africa into global supply chains and the complex relationships of extra/legal and extra/state networks passing through Europe, the US, and parts of Southern Asia.1 During this fieldwork, I spoke with, and at times traveled with, those working all sides of the law and the state.

The example I focus on here is war, but this is not the only crisis that generates such zones. Fracture zones are often hidden in the shadows of analysis of global power relations, and thus their impact on the economic and political realities of the world often goes unrecognized. There is a logical reason for this. Fracture lines run internationally and follow power abuses, pathological profiteering, institutionalized inequalities, and human rights violations—actions that fill the pockets and secure the dominance of some while damaging the lives of others.

I seek to demonstrate that what are taken to be commonplace international acts of power surrounding political violence are neither logical nor innocent. They set in motion lethal instabilities that can topple political and economic systems in peacetime locales around the globe that are far removed from the site of crisis. Fractures radiating out from a war zone along countries at peace do not appear dangerous. Until a small shock. All that is needed is a slight pressure—an economic downturn, a political conflagration, a natural disaster, an armed attack—and the lines of instability splinter, no longer able to support the society’s basic service institutions. Peacetime nations that are instrumental in creating these fractures can crumble along these lines if fractures are sufficiently widespread and institutionalized.

The irony is that people often take these actions as pathways to achieving and maintaining power when the truth is far different.

Crisis

The manifests and all the documents said ‘scrap metal’, but it sure looked like a MIG fighter when it came out.

— Shipping inspector, personal interview, 2002

War, at its most immediate, personal, and ontological level, is about the experience of violence, the rendering of human flesh. A person walking to the market is hit by a bomb blast. In the unlikely event that this casualty should be
recorded in the international media, readers in peacetime locales around the world would tend to find this event tragic but far removed from the political, economic, and personal realities of their lives and countries. Even the manufacturers of the bomb would in all likelihood open their newspapers over coffee and see little association between this war—in terms of casualties and potential casualties—and their own industrial peacetime country.

But what, exactly, constitutes a crisis? What are the boundaries we draw around it? Perhaps more accurately, what boundaries are we taught to see and not see, and what politics defines these? This is situated in Laclau’s (2000) fundamental question: “What is inherent in the hegemonic relationship?”

Philosopher Alain Badiou (2003, 2004) suggests that delving into the question of ontology is in fact delving into what he has termed ‘multiple multiplicities’. He breaks with modernist-based ideals, which posit that all complex phenomena—all multiplicity—can be broken into constituent parts that can ultimately be traced to singularities. In other words, he does not accept the modernist equation that underneath complexity (many/much) is singularity (isolatable ‘ones’). Underneath all multiplicity is multiplicity. Complexity is.

Reducing any question to a single causal equation, a linear sequence of isolate factors, or a combination of individual generative foci is misleading—the result of knowledge traditions that break the flow of reality into unrealistic divisions.

For example, violence is first and foremost an ontological reality and only secondarily an epistemological investigation. Certainly, the bomb is a locatable event and a personal experience. But it is not singular. It is (quite literally) simultaneously embedded in the person hit, the larger networks of interplay among people and events, the war itself, and the global values and structures that sustain these realities. All of these arenas mutually define one another—a fact critical to understanding the ontology of fractures.

To explain, in Badiou’s approach to multiplicity, the bomb blast victim is situated in a larger series of variously embedded, intertwined, overlapping, and expanding concentric layers of contextual crises. With this event, a complicated network of personal survival actions, health care endeavors and providers, preparations for upcoming acts of violence, and so on are set into motion. Cognitive and emotive reactions configure exchanges. These experiences are grounded in, and molded by, larger constellations of considerations: military decisions, rebel retaliations, government programs both altruistic and corrupt, social services, non-governmental organizations, networks of family and friends, profiteers, foreign interventions, natural and human disasters. The bomb is both a ‘thing’ and a product of global politics and economics, and survival entails understanding the full compendium of this knowledge. Persons, events, structurations, power, places, flows: none can be taken as singularities. All are irreducibly interrelated.

To study just the local, the individual, the cognitive or the emotive, the market, politics, culture, or globalization might be accepted in academia, but such heuristic divisions are a death sentence in the midst of crisis.

Multiple multiplicities.

In order to capture this, Badiou focuses on ‘situation’. A situation accommodates what ‘is’. What ‘is’, then, for this victim of a bomb blast? The personal
carnage, clearly. Yet in addition, a number of interrelating fractures radiate out from here. For example:

- People may find themselves unable to gain life-saving necessaries, since the resources of the country have been diverted from social good to military goods.
- Countries may find that their physical resources are garnished to pay for war supplies globally.
- Multi/national companies may find these conditions ripe for forcing tax breaks, providing substandard wages and working conditions, exploiting resources, and profiteering.
- Multiple violences then emerge. As political violence escalates in the world today, so too does criminal and domestic violence. War casualties may survive military violence to face rape, brutality, or death at the hands of those known to them or be targeted by international criminal rings that prey on the war-afflicted for sexual, agricultural, and domestic labor worldwide.

Here we can see both the constellation of factors creating fractures and the fact that no single crisis or embedded system of inequality (in economics, financial systems, profiteering, violence, etc.) can be understood in and of itself. None stand as analytical singularities. Taken as multiplicity, the ways in which these fractures are inculcated into the defining dynamics of the world’s econo-political systems, plus the ways in which they cause dangerous vulnerabilities to the very foundations of governing and market systems, can be seen and perhaps changed. But these realities are not transparent: those who benefit from exploiting them work hard to render these processes invisible. Fractures are etched as undetectably as possible into the institutions grounding political and economic relations worldwide. The tendency in research analysis to focus on a single issue (economics, political studies, criminal investigations) helps hide the very realities that it purports to explain.

**Mapping Economic Fractures—Invisible Economies**

Sitting at the airport in a country at war, watching all the supplies being loaded (both legally and illegally), from weapons to life’s simple necessities, I turned to ask the man next to me: What kind of money does this add up to for those who control this flow? He replied:

- Money beyond counting.
- Almost beyond thinking.
- Money like you own a country.

— Field notes, 2002

The bomb striking flesh in rural Sudan, the hills of the Karen region in Myanmar, or the back alleyways of Baghdad is a cosmopolitan product. Like most war-related supplies, it generally comes from peacetime industrial locations. These supplies...
are not limited to weapons systems. Visualize the global flows that make this ‘situation’, to use Badiou’s terminology, possible: industries that build the transport systems from factory line to blast (ships, trains, airplanes, delivery systems), produce and provide fuel for the transport, train personnel to deliver weapons, provide communications systems to coordinate war, and furnish food, clothing, medicines, lodging, and other necessities to keep the participants alive. Other flows include the values, behaviors, and exchanges that sustain these vast interactive systems. The examples extend throughout the global economic universe.

These commodities and services come at cosmopolitan rates and require payments in cosmopolitan currencies. The national tender of war-afflicted countries is seldom accepted in international markets, but their resources are. Precious minerals, gems, hardwoods, foods, drugs, undocumented labor—these constitute the fodder for industrial dreams. Militaries, political violence, and power struggles are expensive by all economic standards. The complex exchanges of cosmopolitan supplies and raw resources represents a significant percentage of the gross world product.

Every year, trillions of dollars flow along these transaction lines extra-legally (see Nordstrom 2000, 2004, 2007). A great deal is written about the extra-legal trade in arms, illegal narcotics, and trafficking in people—often called the three most lucrative illegal practices. While accurate statistics do not exist by virtue of their illegality, taken together as a whole, these three trade systems generate around a trillion unrecorded (extra-legal) dollars every year (Naím 2005). While authors such as Naylor (2005) take into consideration extra-legal gold transactions and the global impact of illicit banking practices as well as arms transfers, many assessments of the extra-legal do not add in such monies, much less the unrecorded profits on non-weapons military supplies (such as medicines, transport, and communication systems), undocumented labor, white-collar crime, or the illicit trade in everyday goods ranging from information technology to food. For example, my research suggests that as much money can be made on extra-legal sales of pharmaceuticals as on illegal narcotics (Nordstrom 2007). The trillions generated through the extra-legal as a whole thus represents a significant percentage of the approximately $70 trillion making up the legal gross world domestic product.

Virtually all extra-legal activities intersect with state institutions and practices: in laundering profits to legitimacy; in using state systems of transport, communications, and industry; and in wresting political authority in these processes. Thus, fracture zones following the extra-legal do not run apart from state institutions but rather through the very heart of them.

Value and Values—Linking Profiteering to the Failures of Social/National Services

Some cocaine smugglers just aren’t bad people. When I’ve arrested some of them, they say, “Hey, I work 18 hours a day, and this is the only way I can feed my family.” And I say, “Hey, it’s illegal and I have to bust you.”
But at the end of the day, the whole system doesn’t hold together totally. Who makes the rules? The dominant class. How does this compare with some poor family with three kids who gets chucked out of their flat? What are the morals? Where is the good and the bad? How do we balance the values of money with caring societies?

— David Hesketh, International Assistance Branch of Her Majesty’s Customs and Excise, UK, personal interview, 2002

Something else is sold along with the commodities that follow the war zone/industrial center circuit: value systems. In the journey from production to practice, the idea emerges that the predictable destruction that comes with warring is acceptable—commendable, even. This idea becomes professionalized and, simultaneously, rendered invisible to formal accounting.

This one fact results in a number of fractures: if casualties are recognized, medicines and health services must be made available to treat them, social services are needed to support them, and laws must be implemented to protect them.

There is a subtle but powerful interconnection between profiteering and the failure of social and national services: profiteering does not produce taxes/social services. As an example, the harbormaster in Cape Town, South Africa, pointed out to me: “Consider the true impact: under-declaration of goods [a form of smuggling] creates a huge tax gap in South Africa. We figure we lose $1 billion a year.”

Profiteering that conjoins the legal and extra-legal is an offshore loop,\footnote{Ensuring that value is restricted to a few. This is the institutionalization of inequality. Of not seeing. It rests on what Paul Farmer (2004) calls “pathologies of power.”} ensuring that value is restricted to a few. This is the institutionalization of inequality. Of not seeing. It rests on what Paul Farmer (2004) calls “pathologies of power.”\footnote{The ‘something’ sold along with the weapon is the (erroneous) belief that the economic dominion based on these profits can shield against social collapse.}

Fractures in Finance and Sovereignty—Using Invisible Profits to Manipulate Nations

I guess we know it. But we don’t. Because this all works by not asking. We don’t ask the site manager how he got a system up and running. He does, or he doesn’t. We ask for the formal reports. We know not to ask for the, ah, details.

This is how the vast non-formal works—how it is both possible and undisclosed at the same time. It is a fact of all business.

— CFO of a well-known multinational corporation, personal interview, 2002

Crime rises in contexts of political violence. Crises are embedded in crises; profits are layered in profits; beliefs are hidden in values. These are Badiou’s multiple multiplicities—intertwined, overlapping, interpenetrating contexts. Contexts that, in this case, ripple across all of the world’s continents. Castells (1998) and Strange (1996) were among the first to point out that as we
moved toward the twenty-first century, criminal systems were becoming dynamic transnational networks, with the constituent trade policies, business agreements, mediation specialists, financial frameworks, and social codes that accompany all multinationals. Authors such as Naím (2005), Naylor (2005), van Schendel and Abraham (2005), Lilley (2006), MacGaffey and Bazanguissa-Ganga (2000), and Perkins (2004) have provided more recent in-depth explorations of these processes, showing the complex linkages of crime and state.

In following these linkages it becomes clear that little corruption is solely national. The vast majority involves international associations, often legitimate businesses. In the cosmopolitan commodities-for-raw-resources circuit (colloquially referred to, e.g., as the blood-diamond or arms-for-oil circuit), national elites may bank considerable profit. But it is the multinational corporations that gain the resources ensuring industrial hegemony and transnational political power.

All extra-legal proceeds must be laundered into legality to have value. Trillions of dollars are laundered into the legal economy in uncharted ways. They enter through businesses, stock markets, financial centers, loans, and multinational transfers. The elite in this extra-legal world can move monies in such a way as to shape the economies of smaller countries, as well as parts of markets in larger ones. As John McDowell and Gary Novis (2001) write:

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.

In some emerging market countries, these illicit proceeds may dwarf government budgets, resulting in a loss of control of economic policy by governments. Indeed, in some cases, the sheer magnitude of the accumulated asset base of laundered proceeds can be used to corner markets—or even small economies.

McDowell and Novis base their conclusions on such considerations as the Asian stock market collapse in the 1990s, which was in part related to extra-legal financial transactions, and on instances of the manipulation of emergent economies across the globe. Other authors (e.g., Lilley 2006) have added examples of successful extra-legal moguls such as drug lords, who control more money than the gross domestic products of their home countries and, in the sheer act of manipulating their laundered investments, are able to influence national markets. Volkov (2002) demonstrates how the collapse of the Soviet Union and the emergence of the economy of contemporary Russia have been shaped by extra-legal networks ranging from mafias to business leaders. My own work documents the ways in which highly successful businesspeople working both sides of the law can hold political offices and control national markets to their own benefit (Nordstrom 2007).
Splintering across Daily Life—Embedding Fractures within General Societies

In truth, society deserves the type of crime it gets. Looking at crime honestly raises uncomfortable questions. About the inequality in society. About who holds power in society.

— Scotland Yard Detective Richard Flynn, personal interview, 2002

Trade routes are not easy to set up: transport is expensive, borders must be breached, security forces enlisted or avoided, markets arranged. Once a system of routes has been established, all kinds of commodities and people can be moved, including arms, drugs, children forced into sexual and agricultural labor, fake pharmaceuticals, substandard industrial components, banned weaponry, endangered species, and body parts. Such routes easily extend worldwide. In 2005, I took a photograph in northern Burma, near the border with China, of a shop (called, curiously, Foot Cure Push the Oil) advertising “Massage: Young Ladies from China, Russia, Vietnam” in three languages. It sits next to stores offering gold bars, counterfeit Gucci fashions, live pangolins, banned pornography, and phony medicines. A strong set of trade routes links this remote village global mart along new silk roads that now travel easily from Europe and Asia to Africa and the Americas. Much of this runs in the shadows.

As Rear Admiral Peter Neffenger of the Coast Guard explained to me in a conversation we had about security at US ports in 2004:

You can identify lots of problems if you study all smuggling. If you figure out smuggling for the more common, less dangerous goods as well as the more harmful ones, you can begin to get a much better handle on how the more dangerous stuff is moved. You have to look at the whole picture.

Levi’s, Nikes … there’s the biggest threat. You have a smuggling route, and you can put anything into it to move it. You move counterfeit Levi’s, you can put weapons into this supply line and move them. A route is a route is a route.

When the pathologically abusive—that which violates human rights and endangers lives, such as forced labor and fake medicines—is institutionalized within social systems, values attaching to it come to have a far broader impact. The lines of il/legality are strongly blurred. Average businesses use undocumented labor; average citizens fuel the sex industry, make and buy goods ranging from counterfeit information technology to medicines, carry a fake Gucci.

These actions involve deeper values: how many people getting a massage at the Foot Cure Push the Oil from an underage person forced into the sex industry, in Burma or the US, will empathize with the child’s plight? By extension, how many will be outraged by the bombing that hit the teen in a faraway war? How many will work to uphold the laws that prevent that teen from being trafficked (should he or she have the luck to survive), especially if they in any way profit from these actions? Here, the sheer pervasive institutionalization of fractures is visible, inculcated in the daily practices enacted across a broad swath of society—indeed, across continents.
A World at Risk—Building Sovereignty on Fracture Zones

You want to know who we most commonly catch breaking the law? The big name corporations whose products we all buy everyday. We bust them, and they just call their ‘friends’ in DC.⁸ We then get a call telling us to drop the case. We have no choice, the call comes from people too powerful for us to fight. This is the post-9/11 world we have to work in.

— US Customs official, who asked to remain anonymous, 2004

Sovereignty requires cash—not a weak national currency, but one that trades on international markets. Cash requires resources. Resources require cheap laborers. The greater the labor, the greater the sovereignty/profit. The cheaper the ‘bodies’, the greater the sovereignty—as long as it is not officially recognized. States find themselves in a position where they gain perceived economic and political strength by breaking state law. The result is the same whether this involves Western corporations providing weapons systems for oil contracts (Cilliers and Dietrich 2000) or state complicity in large-scale resource-exploitation and criminal rings (see Global Witness 2005a, 2005b, 2006). Sovereignty is in part built, quite literally, on the backs of people who cannot escape the losing side of profiteering.⁹

States, like all political organizations, are an experiment: they can fail at what they intend. Indeed, all political forms eventually fail, collapsing under the weight of fractures to be replaced by new and emergent forms of political organization. The Mozambicans have a term for the rise and fall of political systems: dumba nengi, which means ‘vote with your feet’. If voters believe that the political regime they are living under is abusive or unresponsive, they are encouraged to leave it and find or create another. With astute political irony, they refer to the large, sprawling illicit market in the capital of Maputo, which sells everything from eggs to guns, as dumba nengi—a complex comment on the ability of economics to meet citizens’ needs.

A nation, and equally a global order, that accepts not only the creation of desperation but the use of that desperation as a means of engaging in both business and pleasure (e.g., ‘buying cheap bodies’, whether for industry or sex) is weakened at the most fundamental level. This comes from multiple interconnected fronts: unregulated criminal economies; the overwhelming impact of impoverishment (which debilitates a nation’s ability to respond at all); the violence necessary to maintain inequality and the resistance that this generates; and the inability to sustain core social services and governing institutions in the face of all this.

A nation is bankrupted of that which makes it a nation. Infrastructure and services are hollowed out at a national level. Institutions are emptied of content amid claims of security, power, and the logic of need. Mozambicans explain that when people vote with their feet, when they deem a political order illegitimate, it collapses.¹⁰

Consider the following interrelated linkages that ‘fracture’ across war zones to involve peacetime nations and cosmopolitan locales.
While countries and their financial institutions may well decry extra-legal activities and laundering, they may, more covertly, welcome these transactions. For industry, a gun sold is a sale, regardless of whether it is a legal sale or not. Obtaining cheaper resources results in greater profit, irrespective of whether the resources are obtained legitimately or not. Similarly, money flowing through a financial institution is money that the institution can use and enjoy profit from, regardless of how it was generated. While this may appear to be victimless white-collar crime, financial markets taking part in unrecorded multi-billion dollar flows are unstable at best and ripe for collapse.

My research indicates that the extra-legal is generic to industry. When I asked representatives of Scotland Yard, the Netherlands police, and customs officers in the United Kingdom and the United States—as well as smugglers themselves—what percentage of businesses in the Western world crossed the line of the law in some way, all responded that the figure was virtually 100 percent. Thus, in addition, industry is adverse to official actions that might uncover the extent to which legal businesses engage in extra-legal behaviors, with regard to actual (and not rhetorical) port security, transport inspections, and trade monitoring. Potential collapse, in sum, is not investigated.

The same cycle is in place for what states define as more dangerous illegalities: exploitation of humans and resources, corruption, and trade in hazardous and banned commodities. Many of these practices are covertly but effectively centralized within legal businesses and their intersections with the state (Nordstrom 2004). It is a cycle in which business benefits from avoiding taxes and restrictive laws, the government perceives benefit in the ideals of strong industry, and the elites in both business and government concretize their own personal econo-political hegemony. This represents the ethos of robber barons. Codified into state practice, it becomes foundational to sovereignty.

Unrecorded flows of monies and resources may not seem dangerous until the sheer magnitude of the flows demonstrates the impact that they have on inter/national financial realities. When we consider the unrecorded trillions laundered yearly into the legal economy, it becomes apparent that the checks put in place (e.g., after the economic crash of 1929) cannot control a significant percentage of financial transactions. The manipulation of financial markets and economic crashes both appear inevitable.

These kinds of profiteering seldom generate monies for social and national services. A dearth of social services may not appear catastrophic until countries are ravaged by war, a pandemic, AIDS, or natural disasters. The inability to respond to Hurricane Katrina in the US provides an example of trying to marshal services at the national level that simply are not there. More than two years after the disaster, crises continue to plague the region. Children suffer from a debilitated school system, with African American students ranking at the bottom of state accountability assessment scores (Delpit and Payne 2007). Cases of post-traumatic stress disorder (PTSD), contrary to all definitions, are
rising, and little by way of effective treatment is available. The US might do well to heed the research undertaken by South Africa’s Centre for the Study of Violence and Reconciliation, which demonstrated that widespread PTSD affected workers to the point that it impaired industry and hindered national development (personal communication, 1996).

As basic social infrastructure and programs decline, and as a country’s resources are increasingly used in the government/industry exchanges outlined above, countries are less able to meet even moderate crises: like earthquakes, they can level towns far from their epicenter that lay along zones of foundational instabilities. An ‘economic quake’—a market crisis, a run on financial institutions made with unrecorded monies, a political or natural disaster—can thus bring a country to its knees. For example, the crash of the South African rand in 2001–2001 (affected in part by unrecorded financial manipulations) showed the deleterious impact on the entire country’s standard of living. In the one year that the rand’s rate halved in exchange to the US dollar, numerous businesses went broke; the cost of all daily necessities increased to the point that the average population could not meet all general food, energy, health, and educational needs; governmental services were curtailed; and health/standard of living indices suffered. A few—those with the financial resources to weather the crash and acquire the businesses of those who went broke—made a veritable killing. This financial crash was limited in time and scope: those who manipulated the markets for their gain during that time sought to maximize economic control, not cripple the country. People as diverse as longshoremen in the US and police and customs officials in the Netherlands have told me that for those seeking to cripple a country, the bombing of key shipping nodes would shut down a significant part of a country’s infrastructure (interrupting critical food, energy, medical, and industrial necessities). It would be as serious a blow, and as likely to generate fractures, as a financial crash.

In sum, the results of these ‘quakes’ are political in the largest sense of the concept. It is important in this analysis to remember the sheer fragility of governing systems. The history of the human race is often charted by the development and collapse of systems of political organization. Although something new always comes along to replace the failed system, the cost in lives and human suffering can be disastrous. This becomes clear in returning to Badiou’s point that complexity, precisely, is complexity. Fractures take definition within the compendium of fractures. For reducing the irreducible—exploring only economic flows and structurations or processes of power or interpersonal experiences of violence, etc.—produces not accurate knowledge but instead political fiction.

To summarize these linkages, cosmopolitanism is embedded in industrial culture, which requires cheap and readily accessible raw materials—minerals, food, bodies—and loyalty to the system. Since loyalty within systems of inequality is difficult to achieve, creating circuits of cosmopolitan commodities for resources in contexts of political violence ensures desperate workforces. In
order to translate profit into power, the extra-legal is often exploited, and both financial and commodity flows are rendered opaque. They can thus be used to create economic and political power in ways that cannot, by definition, be assessed or controlled.

This goes far beyond a loss of taxes and a failure to promote national development and services. It speaks to an embedded political philosophy-as-worldview that values these cosmopolitan industrial developments over the welfare of the citizenry. Resources are moved into these large-scale (and perhaps extra-legal) corporate domains and away from generalized infrastructure and services (medicine, transport, education, safety) and planning for crises, disasters, and violence. Rear Admiral Neffenger captured this during our 2004 conversation about security at US ports:

Superiors don’t walk the front lines. And then they say, “We’ve got it all locked down. All is fine.” We just laugh and say: “You know that we don’t have it all locked down. Why are you saying this?”

So I look for people on my staff who ‘get it’. And I make sure to link into the larger community here of people who get it—and these tend to be the people who live and work on the tough life-and-death stuff: fires, earthquakes, riots, security, and so on … These are the people I will work with if a disaster occurs, and we prepare for this. These people say, “If you ‘get it’, you’re welcome to come to the table. If not, we’ll take care of it.”

I am reminded of the Mozambicans shaking their heads and saying *dumba nengi.*

* * *

Elite political and economic regimes can survive for a while through the combination of diverting national resources to industry, maintaining stark systems of inequality that ensure profits, gutting social services, creating extra-legal financial empires capable of shaping national economies, and using violence to enable these systems.

However, there is a time limit on this. Financial systems that are ostensibly based on legal transactions but are in fact shaped by unregulated extra-legal actions will not stay stable. When banking systems fail, the financial justification for the state falters. When social services are not operating—when core logistics such as food, clean water, safe housing, medicines, critical transport, and security cannot be provided—state institutions lose viability. Externally, this leaves a country vulnerable to foreign aggression. Internally, people vote with their feet. *Dumba nengi.* They will develop systems that meet their needs—extra-state systems. Governing forces often react with violence to people’s decisions to develop alternate economic and authority systems. But as Hannah Arendt demonstrated, when states resort to violence to maintain their power, they are on the verge of collapse.

The final irony is that those who create and maintain these networks of profit that splinter out from the explosions of wartime bombs are themselves as vulnerable to quakes along the fracture lines outlined here.
The Tomorrows of Crises

If uncertainty is found in society, then those who examine society (let us for now call these people sociologists) should view society in the same way as the con man. This is to examine a world shrouded in morality by going back to its origins—a state in which pure cons, pure imagination and pure transformation is possible. (Ogino 2007: 113)

We can read the deeper ontologies of crisis in the networks that extend out from the bomb victim. The very flows of weapons, commodities, services, exploitations, and values are crisis patterns. In reading these through the lens of Badiou’s ‘situations’, crises are not bounded by traditional definitions that delineate an individual event from the global market, action from value, here from there. If something exists, if it ‘is’ in Badiou’s framing, then it is worth consideration in the larger context. And in this way we can see how such mobile realities as massive extra-legal flows, human rights abuses of enforced labor, and the pathologies of power that raze social services can in themselves become institutionalized within the scope of global sovereignties and cosmopolitan market practices. These realities rest beneath, or aside from, the official explanations of state and market, their invisibility to formal analysis being actively maintained by those who benefit from them. These layers—formal and extra-state political and economic realms, seen as multiplicities—are all fundamental to defining the world as people live it. The fact that we are trained not to ‘see’ the extra-legal and the ensuing fractures is part of this definition. When crisis is institutionalized, it is ensured.

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Notes

1. I use the slash in this fashion—extra/state, extra/legal, il/legal— to refer to both embedded terms together. The term ‘extra/state’ is something that is both extra-state and state at the same time—such as corruption that depends on holding a formal political office—with the result that both non-state and state systems not only intersect but are each further developed by these actions. The term ‘extra-legal’ refers to all activities that fall outside legality as it is formally defined and used in law and law enforcement. This includes illegal, illicit, and informal actions, as well as those that are undeclared, unregistered, and unregulated. The term ‘extra-state’ refers to all activities that take place outside of formal state ruling systems.

2. Badiou thus eschews the Heideggerian and post-Heideggerian division of Being and being, where Being (the ontology and dynamic phenomena of existence) is separated from being (people reduced to singularity, to person). He does not limit what ‘is’ to specific realms or merely to what exists as tangible or objective reality—it can include what is manifest, potential, possible, and contingent.

3. Cosmopolitan centers, when referring to hyper-developed industrial-social centers, are vortices of finance, political decision making, market forces, and social production of what is taken to be the elite worldview. These centers are found worldwide, from Shanghai to Nairobi and Rio de Janeiro to New York. The use of the definition is contextual: Baghdad is cosmopolitan compared to the more remote pasts of Iraq (see Breckenridge et al. 2002). In my volume Shadows of War, the definition is more directly tailored to global considerations of war, with such a center being described as “the site where weapons are manufactured, resources crafted into global markets, and money banked” (Nordstrom 2004: 128).

4. To give an indication of the universe of the extra-legal, as much as 20 percent of the world’s financial deposits are located in unregulated banks and offshore locations. The profit from unregulated sex trafficking, the pornography industry, and the trade in endangered species nearly rivals that of arms and drugs. Moreover, mundane informal economies can generate as much as the dramatically illegal: a person in Miami can make as much money selling freon gas, contrary to environmental laws, as selling narcotics, and gangs on the coast of South Africa have found that they can make more money smuggling protected species, such as the Patagonian toothfish, than narcotics. Half of all cigarettes are sold on the black market. In South Africa, 50 percent of the software that computers depend on is illicit, compared to 98 percent in Vietnam and China. The computer industry would be satisfied if these countries could achieve the ‘success rate’ of the United States with only 30 percent illicit software. Smuggling food and oil can generate as much income as smuggling people. A brisk and highly profitable illegal trade exists in everything, from nuclear waste to human organs.

5. I refer here to using offshore financial arrangements to avoid taxes and legal monitoring. This drains resources and profits away from the country where they are generated, thus impeding rather than enhancing development. See the chapters on money laundering in Global Outlaws (Nordstrom 2007) for a detailed description of how this works.

6. In this article I am addressing only abusive forms of extra-state behavior. In other publications (Nordstrom 2002, 2003, 2004, 2007) I have written about the complex nature of the extra-legal and the fact that it can be dangerously exploited, while simultaneously being a means for average people to gain life’s essentials in conditions of deprivation or oppression. Profiteering, as I use it here, refers to the exploitative.

7. Many people do not fall into this category, and they express outrage at the pathologies of profiteering. Thus, those engaged in harmful extra-legal activities expend considerable energy to keep their actions, their trade routes, and their abuses invisible to formal accounting. Since the most successful can control more money than the GDP of many countries, creating invisibility is not overly difficult. Laws target low-level criminals, while security forces are directed to bust street-level mules rather than the CEOs of legitimate corporations who do not declare arms sales. The media and the pundits rage
endlessly against illegal narcotics, yet a small fraction of this attention is directed toward pharmaceutical companies producing substandard drugs. Street crime is presented as more threatening than white-collar crime, despite the fact that while a life may be lost to street crime, millions of lives can be lost to substandard medicines. In addition, white-collar crime can empty the coffers that support critical social services to countries.

8. The official explained that the most common ways well-known and respectable businesses break the law includes under-representing and misrepresenting the goods they are transporting to reduce or avoid the taxes. Also common are shipments of goods to locales that break sanctions or trade agreements; and transporting or selling banned materials.

9. The modern state has long sought to justify the inequalities upon which it rests. Rationalizations, in the Weberian sense, are legion, from creating and exploiting racisms that blame the poor to arguing that a state can be strong only if its core industries are wealthy—and that this benefits even the impoverished and exploited. These justifications have become so common that they are often accepted as truths in the public realm. Yet the very actions that states and their industries claim promote sovereign strength may prove their downfall.

10. See Little (2003) for a discussion of Somalia as an example of a collapsed state in which new governing regimes—both beneficial and abusive—quickly emerged.

11. Examples are numerous: businesses that use offshore ‘sweatshops’; companies that skirt laws to dump toxic wastes; corporations that employ illegal ‘Enron-esque’ practices; twenty-first-century versions of the Iran-Contra deals; and government contracts that favor officials’ business partners. At its most deadly, this includes corporate reliance on ‘economic hit men’ like John Perkins (2004) to undermine entire countries, thus making them vulnerable to external control. These practices are not isolated actions. They exist in a larger political universe that allows them to take place. As the US Customs official quoted at the beginning of this section explained to me, “Corporations breaking the law and government officials willing to back them go hand in hand.”

12. There are, of course, countervailing forces that seek to diminish hegemonic control, abusive monopolies, human rights abuses, and exploitation. One need only consider the custom official quoted above to recognize the individuals and organizations devoted to justice based on transparency. The official speaking to me was incensed at his office’s inability to prosecute well-known companies for breaking the law and at being unable to refuse politicians’ demands that such cases be ignored. He was so outraged that he was willing to risk telling his stories to an anthropologist. Entire organizations, from the Scorpions (the South African detectives whose mandate is to reign in corruption and illegal business at the elite level) to Transparency International (which produces global indices of corruption), are dedicated to changing political processes grounded in exploitative practices. At the political level, these countervailing forces can engender peaceful democratic competition or violent rebellion. None of these actions has succeeded in stemming the unequal extra-legal flows that run through states or the value systems that seek to make these flows invisible to accounting and analysis.

References


