

PREFACE

Out of the misery that confronts the poverty-stricken world none is more devastating than the proclivity to be doubly victimized: first by lack of capital, and second by the scourge of war. Two-thirds of the world's poorest nations contain two-thirds of the world's ongoing armed conflicts. Today there is little room for arguing with a proposition long denied or overlooked: that war and poverty are inextricably linked. The statistics tell their own story.

If so, the antidote must lie, at least partially, in economic hope and opportunity. This is the message of this book by Allan Gerson, a leading international law scholar, and Nat Colletta, an internationally-recognized authority on peacebuilding and development. The authors affirm that to be poor does not mean to be without resources; it only means that limited resources are far from evenly distributed. Indeed, gross inequalities in distribution accompanied by poor governance, and not ideology or nationalism, are, they find, the primary sources of conflict in today's war-torn areas.

In this context, their work is the story of how economic opportunity and a sense of well-being can be created in less than stable conditions. They demonstrate that even in the despair and aftershock of war it is possible to balance the budget, to prevent fighting from re-erupting, and to inspire hope for a better future. Even as the post-Cold War era claims new victims as the price of multiplying internal wars, they suggest ways of attaching the future of countries struggling to consolidate fragile peace arrangements to the two great movements of the end of the twentieth century, globalization and privatization.

In the first place, war-torn countries must quickly acquire universally applicable skills in low-end technology, especially in information processing and telecommunications. The international community and the business community can help because, as Gerson and Colletta point out, it is in their self-interest to do so. Safeguarding existing investments

and taking advantage of emerging markets require the establishment of a secure environment based on the rule of law. While governments may create jobs through public works projects or an expanded bureaucracy, over the long term only the development of a prospering private sector can ensure sustained livelihoods. And sustained employment, in an environment of security and the rule of law, is indispensable to consolidating peace and furthering development.

Operating on the proposition that whatever governments do not do best belongs elsewhere, in the non-governmental sector, they argue for radical reforms. What governments do best, they argue, is provide for the common defense from external and internal predators: the former through armed forces, the latter through maintenance of criminal justice systems. However, even in these realms, long considered the exclusive preserve of governments, the authors find room for the benefits of public-private partnerships through privatization.

Thus, if the answer (at least partially) to today's problems of war and poverty lie in enhanced economic opportunity alongside transparent governance, then two other caveats follow: (1) the approach must be based on a new integrative model establishing a new-found cooperation between the private sector, non-governmental organizations, international institutions, and governments; and (2) privatization of all but those services which are inherently governmental in nature (like defense and the criminal justice system) must follow. These are deliberately provocative ideas, as privatization would encompass a whole range of functions previously considered the exclusive preserve of governments and international institutions, ranging from humanitarian relief to construction of democratic institutions.

Both Gerson and Colletta have labored in the real world, giving their vision a practical grounding. Gerson has spent most of his career as an advocate on behalf of both government and human rights. Colletta has spent a good deal of his nearly 25-year career at the World Bank as a trained anthropologist and sociologist in a field dominated by economists. Together they bring a commitment to an integrated cross-disciplinary approach based on measurable results. *Privatizing Peace* represents the culmination of their efforts, and provides a challenging intellectual road map for addressing some of the world's most pressing problems.

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