Armed conflicts in the economic, social and legal context of the present: causes, regularities and contradictions

Abstract. The authors of the article attempt to abstract from the partial and focus on the key dimensions in addressing the problems of armed conflicts of the day, namely causes, consequences and the legal context. The unit weight of the most common causes of armed conflicts has been researched and the authors' typology of the causes has been presented. The futility of the search for the primary factor in the «poverty - war» dyad has been proved and, based on statistical data, some laws in the economic development of the countries where armed confrontations have taken place or are still ongoing have been substantiated. The contradictions in the legal dimension of settlement of the armed conflicts that arose as a result of the globalisation of economy and the collapse of the bipolar world system have been analysed.

Keywords: Armed Conflict; Globalisation; Typology of Causes of Conflicts; Poverty; Economic Development in Conflict; Legal Aspects of Conflict Resolution

JEL Classification: D74; F29; F42; H56; K33; K42

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Вооруженные конфликты в экономическом, социальном и правовом контекстах современности: причины, закономерности, противоречия

1. Introduction

The history of military conflicts, as well as the search for the causes of their occurrence and ways to overcome them, goes back to the depth of centuries. Humanity, despite the humanisation of public relations, development of science and technology, improvement of laws and the increase in the general level of legal awareness, proceeds with the practice of solving problems with weapons.

Having survived the two world wars and the «cold war», the world came closer to a more harmonious and tolerant model of its development at the end of the twentieth century. At the same time, only from the beginning of 1990 until the end of 1999 there were 18 armed conflicts in the world that affected 80 countries and two supranational unions, which resulted in the deaths of about 6 million people. In the first decades of the new millennium, hopes of overcoming systemic inter-civilizational conflicts have changed with new challenges and risks. The reason for many of them lies in the coexistence of social models with economic and political-legal institutions which seem to be alike but have radically different historical experience and social and cultural mental basis. Under globalisation, the issue of the compatibility of different cultures, social assimilation as a result of mass migration and cultural synthesis has become particularly urgent, the search for effective non-violent forms of conflict resolutions between states is being updated.

The cross-border movement of material and human resources leads to a closer and more regular interaction of representatives of various ethnic groups, cultures, ideologies and religious views. And the closer the interaction and involvement into collaboration is, the more opportunities there exist for a conflict. Therefore, despite changing the epochs and making great progress, the causes of armed conflicts, their driving factors, structural and institutional circumstances as well as various causes and driving factors underlying specific armed conflicts (especially in the second half of the twentieth century) are erroneous. In order to prevent the escalation of violence, it is important to find out how the various causes and driving factors underlying specific armed conflicts are interrelated. The explanation of these reasons must take into account both background and relevant factors, structural and institutional circumstances as well as guidelines for the activities of individual politicians. In its overall form, the article deals with the problems of armed conflicts in various disciplinary dimensions, which requires the analysis of modern scientific research in political science, sociology, jurisprudence, economics. In particular, we have studied a well-known series of quantitative research in the field of social sciences that postulate the link between poverty and conflicts. These are the works by P. Collier and A. Hoeffler (2004, 2005), J. D. Fearon and D. D. Laitin (2003), S. B. Blomberg, G. D. Hess and A. Weerapana (2004, 2006), as well as N. Sambanis (2004).

The works by researchers of war and peace issues in geopolitical terms such as G. T. Bickett (1884), D. Smith (2007), N. Spykman (2007), R. Kjellén (2008) were particularly useful when developing the authors’ typology of the causes of armed conflicts. The study of linguistic, religious and ethnic driving factors in armed conflicts carried out by N.-C. Bormann, L.-E. Cederman, M. Vogt (2015) in Language, Religion, and Ethnic Civil War deserves particular attention.

The long-term effects of armed conflicts on the development of the economy and social settings in Central and Eastern Europe have been summarised on the basis of studies made by M. Ushakova and E. Nikolina (2018). The peculiarities of the of armed conflicts legal settlement inherent in the modern globalised world were discovered on the basis of the works by N. Krish (2005), D. Sobek (2006), J. Attal (2009) and M. Salomon (2011), as well as by Ukrainian researchers such as R. Averchuk (2017), A. Baronia (2017), S. Stasiuk (2011).

2. Brief Literature Review

The article deals with the problems of armed conflicts in various disciplinary dimensions, which requires the analysis of modern scientific research in political science, sociology, jurisprudence, economics. In particular, we have studied a well-known series of quantitative research in the field of social sciences that postulate the link between poverty and conflicts. These are the works by P. Collier and A. Hoeffler (2004, 2005), J. D. Fearon and D. D. Laitin (2003), S. B. Blomberg, G. D. Hess and A. Weerapana (2004, 2006), as well as N. Sambanis (2004).

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3. The purpose of the article is to analyse little-studied or controversial aspects of the armed conflicts issues in the modern world, the typology of their causes, patterns of economic development in a conflict as well as contradictions in the legal settlement of conflicts at the international level.

4. Results

4.1. Causes of armed conflicts

A number of scientific works devoted to the study of armed conflicts (especially in the second half of the twentieth century) are focused on revealing their main causes. This approach, according to D. Smith (2004), is erroneous. In order to prevent the escalation of violence, it is important to find out how the various causes and driving factors underlying specific armed conflicts are interrelated. The explanation of these reasons must take into account both background and relevant factors, structural and institutional circumstances as well as guidelines for the activities of individual politicians. In its overwhelming majority the impetus for power actions is a peculiar synthesis of military force, technological development, economic resources and peculiarities of geographical location.

In his treatise On the War, the well-known German philosopher Carl von Clausewitz (1934) gives an accurate
definition of this negative social phenomenon: «... a chameleon which changes its nature several times in each particular case as the result of interactions between its original element, hatred and hostility, which should be regarded as blind natural instincts; from the game of probability and case ...; from subordination to politics as its instrument». Although the causes of both major wars and local military conflicts lie in politics, they ultimately end up with an economic ground as their root cause.

Scientists have repeatedly attempted to group the causes of conflicts by certain types. The best known is the typology of armed conflicts causes according to D. Dessler (1994) in the adaptation of D. Smith (2004):

1) the initial causes (according to Dessler - channels) are a sort of lines of fundamental -political, social, economic or national split-;

2) mobilisation strategies (according to Dessler - targets) are determined by the tasks of political actors, as well as by the methods they use;

3) starters - the reasons which are associated with certain events or actions of influential persons. The analysis of these reasons allows us to find out not just why the conflict began, but why it began in that period;

4) catalysts or factors that influence the intensity and duration of the conflict in time; they can be both internal (the balance of power between the opponents) and external (UN intervention), including tactical steps and natural factors.

In order to understand the causes of local military conflicts, it is important to identify the role of internal and external factors. The typology of causes of local military conflicts helps researchers to understand the causes of conflicts and to develop strategies to prevent or mitigate them.

4.2.1. The cyclical effect of the conflict or what causal links exist between the poverty of the country's population and armed conflicts.

As world experience shows, the poverty of the population is an impetus for the deployment of civil wars and aggression in relation to other, more prosperous countries. At the same time, military conflicts as a result of the destruction of infrastructure, the loss of soldiers and civilians (when families lose breadwinners), the emergence of refugees and internally displaced persons, in turn, contribute to the persistence of the economic development and generate poverty. This is
the so-called «trap of poverty», according to P. Collier and A. Hoffer (2004), which postulates that the beginning of the conflict provokes a recession of the economy, which in turn increases the risk of the next conflict. Countries find themselves in a closed loop of conflict and backwardness. The truth of this thesis is tested by researchers, building a model with one equation, with the aim of figuring out how likely a war in a particular country has been over a five-year period, taking into account a combination of indicators of economic development (GDP per capita, exports of raw materials, etc.), in previous years (dynamics of population income indicators, impact on the economy of previous conflicts) and indicators that are invariant (for example, social stratification).

In a profound study by A. Braithwaite, N. Dasandi and D. Hudson (2016) «Does Poverty Cause Conflict? Isolating the Causal Origins of the Conflict Trap», there was an attempt to establish causal relationships between poverty and armed conflict, including civil war, in the country. The authors argue that poverty is endogenous in relation to the beginning of a civil conflict, and the state's position in the international system leads to differences in poverty compared to other countries, and it is already exogenous in relation to the processes that give rise to the conflict. For the main indicator of poverty, the authors take the infant mortality rate (IMR), considering it to be a more justified poverty marker than the income of the population. By comparing macroeconomic indicators with the use of network analysis tools in the study of the structure of international relations, the authors conclude that consideration of the connection of internal conflicts and poverty should take place in the context of international inequality. Taking into account the existing experience in identifying causal relationships between poverty and armed conflicts, and the fact that in a closed loop, where poverty provokes conflict, and poverty is a conflict, it is very difficult to set a «reference point» (each country has its own specificity), and the actual scientific value of such intelligence is not of fundamental importance in the study of the nature, causes and consequences of armed conflicts. Therefore, we have focused on certain laws of economic development during hostilities.

4.2.2. The impact of armed conflict on the dynamics of GDP per capita

British researcher P. Collier has shown that the estimated cost of a civil war is 2.2% of GDP per year due to the effect on GDP, reducing economic growth, and it lasts for seven years, at the end of the war, the economy of the country will have a GDP figure of 15% lower than before it began.

GDP is affected by the effects of armed conflict: the destruction of production facilities, infrastructure, transport, stopping agricultural work through shelling, mines and pollution. In addition, this indicator has a significant impact on the departure of the labour force from the country and the loss of civilian population. Even in the case of internal migration of labour resources from the zone of the armed conflict to employment in a new place, the negative impact on the level of GDP persists as a result of the destruction/stopping of enterprises or the loss of control over the conflict zone. Internal migration in a conflict situation leads to an uneven distribution of labour resources in a country where, in some regions, employment, and hence the level of competition in the labour market, is increasing, while in others it is falling rapidly due to the dangers associated with being in the conflict zone.

A comparative analysis of most military conflicts over the period from 1990 to 2018 indicates an apparent drop in GDP per capita due to armed confrontation (Table 1). The decline in this indicator varies from 0.5 to 63.3%.

Separately, we should look at the example of Burundi which demonstrates how countries are in a «closed circle» of conflict and backwardness. Thus, during the last four decades, Burundi has experienced civil conflicts (1968; 1988; 1991-2005) took place in this country at a certain interval in time. During this time, GDP per capita doubled: from USD 232 in 1980 to USD 108 in 2003. At the same time, in 2005, when the armed confrontation continued, GDP was still growing at USD 149. After that, the indicator continued to grow very slowly and in 2017 reached USD 312.

The same situation can be observed in Sierra Leone, Algeria, and now we can already talk about Ukraine's experience, where the duration of conflicts exceeds the period of five years. During a long armed conflict, the country's economy is gradually adapting and demonstrating a gradual GDP growth rate, while armed confrontations of up to two years lead to its rapid collapse.

Most strikingly, this thesis is confirmed by the example of Chad. After 2008, the war in Chad became positional, without the use of aviation and heavy equipment. The fighting was concentrated in the border area near Sudan, which allowed the Chadian economy to adapt and show growth.

In Ukraine, during the conflict, the lowest GDP figure was observed in 2015 - USD 2,115.4 per person, however, in 2018 it was USD 2,820.

Thus, there is a direct relationship between the duration of the conflict and the dynamics of GDP per capita: when an armed conflict continues for a long time, the country's economy adapts to the conditions of the war and may even show an increase in indicators. This, of course, does not indicate the positive effects of war, but is a demonstration of adaptive economic opportunities.

4.2.3. Domestic and foreign investments: regularities and «exceptions to the rules»

An armed conflict significantly reduces the level of interest in financial investments of both domestic and foreign investors. Depending on the intensity of the conflict, they withdraw their capital or transfer production capacities to other regions of the country. The capital outflow factor remains relevant in both scenarios of the behaviour of domestic investors as a means of preserving capital in conditions of challenge and uncertainty about the future of the national market. Moreover, the greater the likelihood of expansion of the military action zone or external aggression, the greater the insurance of investment capital abroad is.

Domestic investment is one of the most sensitive indicators for armed conflicts. This is due to the fact that stock markets and securities markets in the country of conflict react to it instantaneously, while investment in capital construction ceases because of high risks, especially in the case of finding objects of such investments in the area of hostilities. At the same time, investors refrain from investing in the development of production due to uncertainty in future.

Chad is considered to be an exception, where the territorial concentration of hostilities did not affect the basic regions of investment and economic activity. In Yemen, the transition to a capitalist form of social order had such a strong effect that the civil war (April-July, 1994) could not significantly affect the volume of domestic investment. On the contrary, the access to investment projects and facilities expanded. However, such a development is rather an exception in the prevalence of a general tendency to reduce the level of domestic investment resulting from armed conflicts.

Tab. 1: Changes in GDP per capita in the countries-centers of an armed conflict

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP per capita (USD) before conflict</th>
<th>GDP per capita (USD) after/during the conflict</th>
<th>Cumulative changes, %</th>
<th>Average change rate for the year, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tajikistan, 1992-1993</td>
<td>503</td>
<td>154</td>
<td>-69.38</td>
<td>-34.6</td>
</tr>
<tr>
<td>Yemen, 1994</td>
<td>348</td>
<td>346</td>
<td>-0.57</td>
<td>0.5</td>
</tr>
<tr>
<td>Algeria, 1991-2002</td>
<td>2,359</td>
<td>1,743</td>
<td>-25.11</td>
<td>-2.37</td>
</tr>
<tr>
<td>Serbia, 1999</td>
<td>2,441</td>
<td>870</td>
<td>-64.35</td>
<td>-64.35</td>
</tr>
<tr>
<td>Iraq, 2003-2010</td>
<td>629</td>
<td>637</td>
<td>-7.8</td>
<td>7.8</td>
</tr>
<tr>
<td>Chad, 2005-2010</td>
<td>738</td>
<td>1,045</td>
<td>+29.4</td>
<td>+4.4</td>
</tr>
<tr>
<td>Georgia, 2008</td>
<td>2,900</td>
<td>2,446</td>
<td>-15.65</td>
<td>-15.6</td>
</tr>
<tr>
<td>Liberia, 2012</td>
<td>13,400</td>
<td>6,650</td>
<td>-50.7</td>
<td>-50.3</td>
</tr>
<tr>
<td>Mali, 2012</td>
<td>739</td>
<td>715</td>
<td>-3.24</td>
<td>-3.2</td>
</tr>
<tr>
<td>Ukraine, 2014-2018</td>
<td>4,030</td>
<td>2,820</td>
<td>-30.1</td>
<td>-6.02</td>
</tr>
</tbody>
</table>

The behaviour of domestic investors differs from the reaction to the armed conflict of foreign investors and the volumes of foreign direct investment (FDI). Armed conflict has a different impact on investment in various sectors of the economy. According to R. Averchuk, investments in high-tech manufacturing and enterprises with a high proportion of low-mobile fixed assets, whose risk of damage is rather high, is particularly shrinking. Regardless of the sector, investors continue to invest in the country if they consider the profitability of the projects to offset the risk.

In countries with «spoilng» conflicts, investors remain sensitive to changes in the level of violence. For example, there is a relationship between the growing intensity of the Israeli-Palestinian conflict and the outflow of capital from Israel. In 2014, after an unexpected armed operation in the Gaza Strip, FDI flows to Israel dropped by 50%.

There is no doubt that the armed conflict with Russia and its supporters in Donbas will continue to affect investment flows in Ukraine. On the one hand, the conflict has been localised in certain regions of the country, and its intensity has slightly decreased compared with 2014-2015. In 2015, even a substantial increase in FDI from USD 0.85 billion to USD 3.05 billion was demonstrated. However, the armed action has not stopped and the development of events is difficult to predict. Therefore, the political risk of investing in Ukraine is still very high.

In addition, according to the US Department of State investment climate survey, due to the wide coverage of the conflict in the media, the cost of conflict-related risks has increased compared with 2014. In 2015, even a substantial increase in FDI from USD 0.85 billion to USD 3.05 billion was demonstrated. However, the armed action has not stopped and the development of events is difficult to predict. Therefore, the political risk of investing in Ukraine is still very high.

At the same time, military operations in Ukraine have not become a barrier for some foreign companies. Hence, the French company Biocodex invests in the pharmaceutical market, the demand for which is less volatile. American Cargill and Chinese COFCO invest in agricultural logistics.

Indeed, investors pay attention to many factors, both economic and political. According to a survey of investors interested in Ukraine conducted by the European Business Association (EBA), Dragon Capital, and Center for Economic Strategy (CES) in April 2019, the military conflict with Russia is a lesser obstacle for them than the country’s large-scale corruption and lack of trust in the judiciary.

The existence of macro investing in Ukraine with the beginning of the ATO in the East of the country corresponds to the general trends in the behaviour of the national economy in an armed conflict. At the same time, this conflict has all the signs of an intergovernmental one, in which one of the parties provides assistance for armed formations in the territory of the other side. The reaction of the international community to the conflict and, in general, the geopolitical situation surrounding the confrontation of Ukrainians with the aggressor country, testifies to Ukraine’s ability to increase the rates of direct foreign investment inflows.

4.3. Legal framework for the armed conflicts settlement: new challenges of globalisation

The previously discussed problem issues of our study did not presuppose a clear demarcation of armed conflicts at the international and non-international level. However, in order to justify the effective mechanisms for resolving these conflicts in present context and acceptable to the international community, we need to focus on the problems that arise particularly in connection. Immediately, we note that the law of international armed conflicts is sufficiently codified and has powerful legal mechanisms for international control. Meanwhile, the law of armed conflicts of non-international character consists of a small number of norms of positive law, formulated in general. Another problem is the lack of effective mechanisms for international control over their compliance.

We face the globalisation of economy and the collapse of the bipolar world system as a whole, there have occurred new contradictions in the legal dimension of the armed conflicts settlement. Firstly, the conflicts themselves are changing. Armed conflict involved the notion of «hybrid war» and the like come into legal vocabulary use. It is increasingly difficult to identify whether an armed confrontation is at the interstate or national level. For example, Russia and Uzbekistan participated in the conflict in Tajikistan; the peace-keeping forces of ECOMOG of the Economic Community of West African States in Sierra Leone (UNAMSIL) are actively involved in Liberia. As for the conflict in the East of Ukraine, which Russia planned to present to the world community as an internal one, there is no doubt that it is interstate. Secondly, there have emerged an increasing number of non-state and trans-state entities on the world stage, whose activities are not regulated either by the state or by any other international legal norms. The greatest threat among them is international terrorist organisations, such as the general religious-political association of extremist groups «Muslim Brothers» (with the most active «al-Qaida» combat unit). Along with these organisations, there are a number of anti-government armed groups that constitute a local threat: such extremist movements as Moroccan «Al-Salafiya al-Jihadia», Philippine «Abu Sayyaf Group», «Palestinian Islamic Jihad», etc. The aggregate financial potential of these organisations and groups sometimes exceeds the economic capacity of entire states. Transnational organised crime, investing its capital in legal business, also has a significant impact on the global economy. Thirdly, the international law does not have powerful levers of compliance with the law (police, army), which reduces the effectiveness of its regulatory function depends directly on full implementation in national legislation and strict adherence to its regulations at the national level. It is the area of responsibility of the governments of individual states.

These new challenges are interwoven and create global multiplicative negative effects. And the problems that were previously solved within national boundaries today require large-scale and coordinated joint actions at the interstate level. Whereas the process of developing a broad international regulatory system is lagging catastrophically behind, an imperative is needed to maintain legal order in a new global society. On the other hand, the question arises as to whether it is possible to build an effective international and political system that will become a reliable shield for every state from external and internal aggressors, without encroaching on national sovereignty.

Concerns are raised by the appeals of some political figures - radical «globalists» - to sacrificing state sovereignty in order to create a unified universal international legal system. At the same time, it is being advocated that it is the only way to carry in effect a universal global system of state sovereignty and will minimise any armed confrontations and eradicate terrorism. The acceptance of this idea as the truth by the world community will testify to the end of democracy, as, in the end, it makes no difference what we are talking about: «the world democratic empire» presented by the former Head of the European Bank for Reconstruction and Development Jacques Atali (2009) in the book A Brief History of the Future: A Brave and Controversial Look at the Twenty-First Century, or the World Caliphate, promoted by such Islamist ideologist as Yusuf al-Qaradawi. In both cases, we cannot speak about any democracy, since all the existing and functioning international law-based systems headed by the United Nations were developed on the basis of voluntary consent of sovereign states.

There are no other actors capable of accumulating norms of international law and facilitating their implementation into national legal systems, as well as of being the highest authority in resolving conflicts of different levels. Therefore, the idea of a world empire that paradoxically unites such irreconcilable antagonists - the Caliphate in the West and universalism in the East - can be realised only by force methods. In this case, there is a real threat of massive suppression of the resistance of peoples and individuals, which will draw humanity into a vortex of global wars and endless armed confrontations. Thus, the concept of state sovereignty, which underlies the principle of the supremacy of national constitutions and legal systems, is an invaluable basis for building an effective human-centered system of international law.
It can be noted that even fixed and well-established norms of international law require a rethinking and appeal to their general human content, rather than any narrow and fragmented aspect of national law. Otherwise, there will be a threat of adoption of legal (on its face) decisions that will contradict the spirit of international humanitarian law. For example, the International Court of Justice, when deciding on the legal relevancy of the Declaration on the independence of Kosovo, did not take into account that this declaration caused the prevalent actions of borders of national states. The consequences of the domino effect triggered by this decision, namely the intensification of separatist movements, were felt by Ukrainians in 2014.

5. Conclusions

The mainstreaming of armed conflicts includes a wide range of issues in philosophy, political science, economics, jurisprudence, psychology and many other areas of scientific research. The value and scientific significance of the research on this problem is manifested in the ability of the researcher to single out underresearched and controversial issues in a wide range of such and consider them from a completely different «angle». We have focused on these problematic aspects.

Firstly, it is the complexity of identifying armed conflicts in the context of globalization of economy, internationalisation of political, cultural and other aspects of life of modern society, which in its turn significantly complicates finding the underlying cause. The existing typologies of the causes of armed conflict are not sufficiently developed and grounded.

Secondly, asymmetric influences and the emergence of new forms of military confrontation, causes global multiplicative negative effects. The concept of state sovereignty, put as the basis for the principle of the supremacy of national constitutions and legal systems is an inalienable basis of the democratic system of international law. The attempts to «destabilise» it from the supporters of a unique universal international legal system poses a threat to the spread of extremist and separatist movements, terrorist manifestations both locally and globally.

References