

Introduction:

Nagaraj, V. K., 2015. 'Beltway Bandits' and 'Poverty Barons': For-Profit International Development Contracting and the Military Development Assemblage. *Development and Change*, 46(4), pp. 585-617.

Namrata Dhingra

This article discusses recent trends in the area of international development, looking at how development sponsored by the West has become increasingly tied to security concerns, and managed through for-profit contractors symptomatic of the general move towards neoliberal outsourcing of government services. The title is pertinent as it refers to the Beltway, the ring that runs around Washington DC, and that stands for the convergence of the military political and corporate complex. (Nagaraj, 2015, p. 600). There are four points that Nagaraj raises: Firstly, the spectacular growth of for profit development contractors in the development framework; secondly, the blurring of boundaries between development and security; thirdly, the rise of market led development security assemblage; and finally there is a focus on US and UK institutions and firms. This essay will first

examine Nagaraj's article and will ascertain strengths and weaknesses. Next, it examines Trilateral Development Cooperation (hereafter TDC) with relation to Developing Partners (DP). Finally, this paper focuses on principal and agency and how this affects decision making.

This literature review attempts to focus on the rise of multinational contracting firms motives of which were development, but now their business interests have diversified. This paper attempts to shed light on certain practices of International Development Corporations (IDC) who have entered the global development arena and whether aid is being used to mask security as claimed by Nagaraj. Nevertheless, this paper will explore whether there are serious "tensions and inconsistencies" between development and security and whether the institutional frameworks will continue to promote the interests of IDCs (Nagaraj, 2015, p. 612).

A significant weakness in this paper is the language and terminology. It relies heavily on academic jargon for example in the abstract "it attempts a genealogy of contemporary for-profit development contracting, underlying how the ability to leverage their simultaneous integration into the global corporate

financial architecture has led to spectacular growth” (Nagaraj, 2015, p. 585). The same kind of language is used throughout the article; It is cumbersome. The author refers to “assemblages” on numerous occasions, and only at the very end of the article explicitly references Foucault and Deleuze (Nagaraj, 2015, p. 611). In this final section goes on to consider what an assemblage might consist of in the present context of *security* and *development*, only for his comments to fail to provide any kind of useful definition. He strains to position his text within a particular conceptual tradition and then loses sight of the fact that his discussion is too non-specific to be properly informative.

However, the Private Military Firms (PMF) per se security and development are flowing through heterogeneous conduits. These could be contracting firms, businesses, individuals and NGOs who procure the contracts from government department agencies. However, Nagaraj’s argument on assemblage with reference to Deleuze’s philosophy is about relationships dimension or interaction in projects. But there was nothing new about this because Gulrajani (2011, quoted in Roberts, 2014, p 1033) already highlighted “aid ineffectiveness and argued that the contracting firms are fostering corruption rather than political

economy of aid.” USAID contracts are secret and many attempts by investigative journalists who file freedom of information which have failed is a case in point. There was no originality in this article about contracting firms, because many scholars have reviewed contracting firms in the US policy making and aid practice which has been criticized by Murray and Overton (2011); Mawdsley (2012); Essex (2013) all cited in Roberts (2014, p. 1033). The Beltway assemblage is well known for sustaining and connecting government institutions and multinationals. Nagaraj lays the foundation for addressing the “arrangements” and “practices” about military assemblage for PMFs in future research. It is relatively understudied and his analysis points towards an empirical and political analysis on aid and debt relief. (Nagaraj, 2015, p. 586).

PMF consists of armed forces, territorial forces, defense forces and those security firms which have been incorporated into the US and UK frameworks of “military development cooperation’ departments (Nagaraj, 2015, p. 587).” There are other smaller companies which are excluded because the biggest collaborators and bidders are UK and US with the

largest development budgets in the world for post war reconstruction and International aid development (Nagaraj, 2015, pp. 586-587). However, this article appears to be over-ambitious in its claims of PMF which is examined in the following section.

Nagaraj fails to acknowledge the significance of PMF; he overlooks the fact that the new human security apparatus is part of a bigger “*geo-economics*” framework (Gallaher, 2012, p. 783). *Geo-economic* is a New World Order and the geopolitics of territorial wars have been replaced by warfare for the accumulation of wealth (Gallaher, 2012, p. 784). However, difficulties arise for security and development, when an attempt is made to implement the policy because of the barriers of human right laws. For the countries that use PMF such as African regions and non-state actors. (Gallaher, 2012, p. 787).

There are advantages and disadvantages to security and development, the advantages are from the human security approach. Recent years have witnessed warlords and guerrilla campaigns and states are better at subcontracting as in African economies. Much of Nagaraj’s research on PMF is based on the US and UK,

and this is a potential concern because, for example, in Sierra Leone, the African government was militarily too weak to fight the guerrilla warfare. In that scenario to avoid a civil war the Sierra Leone government deployed South African PMF s in that region to avoid a bloodbath (Gallaher, 2012, p. 786). In another case in Kazakhstan and Uzbekistan it was not only trading activity in agricultural products by the US (Nagaraj, 2015, p. 608). But simultaneously the PMFs in that region acted as shields and there the human security was “prevention oriented “and could promote strategic empowerment to enable people to build up their resilience (Human Security Unit, 2009).

As this is an international development studies field, it seems Nagaraj has borrowed the PMF concept from the discipline of international relations where PMFs have been scrutinised through the security lens in greater detail by many scholars such as Avant (2005); Howe (1998); Pattison (2008); Singer (2001–2002) and the law researcher Francioni (2008); Verkuil (2007) all cited in Gallaher (2012, p. 783). Even though a number of journalists have covered the topic Pelton (2007); Scahill (2007) all cited in Gallaher (2012, p. 783) yet it is understudied in this discipline. An interdisciplinary

approach is required to understand how outsourcing military / security functions in the development arena may either undermine the state or maintain its position (Gallaher, 2012, pp. 783-786).

PMFs are cheaper to contract. Security development is not a result of state decisions, but also as Nagaraj claims are endorsed by Gallaher that security development is part of the trend of welfare privatisation, democratization, corporates and global finance (Gallaher, 2012, pp. 783-788). Although PMFs are oriented to work for profit (Nagaraj, 2015, p. 587), he ignores the unobserved conditions of market economy for PMFs in the financial architecture and presumes that profits will always rise. On the other hand as competition increases it will drive the price down as the same number of actors will have access to existing security contracts (Leander, 2005, p. 605).

Nagaraj generalises that the boundaries between development and security are blurred. On the contrary government regulatory frameworks of different countries cannot be generalised because in countries such as the US, the UK and France are susceptible to

high levels of supervision and actually the boundaries are respected (Leander, 2005, p. 611).

Having established contracting for profit on security and development this section will next consider the research part. Over the past few decades, the world has seen a transformation of historical events from post WW2, the cold war, World Bank and the rise in multilateral overseas aid development. However, the chronological narrative of this article loosely defines how privatisation and military aid has changed over the past few decades. For this analysis on US-Soviet aid, cold war era and the world system theories by Hattori's were more interesting.

Hattori's epistemological advantage over Nagaraj reveals the deeper causal processes of the World Capitalism Theory at work. Hattori clarifies why OECD (DAC) and multilateral aid policies obscure the identities of donors when it comes to effective aid and secure environments. Basically, the end of the cold war period when the structural adjustment from Soviet aid changed over to US Aid so did the volume and type of aid / loans. What is witnessed today in the development practice had already started in the 1970s

by the end of the Cold War and this was a symbolic transformation of power to the West (Hattori, 2001, pp. 639-644). The shifting patterns of aid from grants to loans and contracts / vendorism was a result of the precarious state of the financial systems (Hattori, 2001, pp. 639-644).

Another weakness of the article is that the readers are given no explanation of how the structural adjustment programmes work. This is mentioned in relation to security and World Bank agendas important information about why underdevelopment could not be understood in 1960s. How the direct link between military and security and economic development shaped the World Bank? Unlike Nagaraj, Crush (1995) argues that during McNamara's time the non-economic variables were left out from the "basic human needs and economic growth models." This was because the bank started to diversify. In addition, the mounting threats to social and environmental global stability at that time meant his perspectives were perceived as military like and were articulated into the system to integrate different needs (Crush, 1995, pp. 75-77).

Now, a broader perspective has been adopted by Blowfield and Dolan (2014) who argue the underlying assumptions that Chemonics and Coffey International for example execute the projects on behalf of aid agencies as the projects themselves are risky, but also to achieve the development agenda profit is a requisite (Blowfield & Dolan, 2014, p. 25). Nagaraj, refers to the role of Robert McNamara, but does not explain this paradigm shift adequately. McNamara was Secretary of Defence in the 1960s, when the US was fighting a war in Southeast Asia to try and contain the spread of communism-so you can understand why the Americans might link aid to strategic aims. In fact this has always happened and it might even seem naïve to imagine that states would have entirely altruistic aid programmes.

The change documented in this article is for profit nature of security contracting, but the author does not mention the “vexed relationships” between the DAC and Non Development Assistance Committee Donors (Non DAC) such as Africa and Sri Lanka to mention a few and compare or contrast their relationships with

contracting for profit firms (Kim & Lightfoot, 2011, p. 712).

Building on from the idea on relationships, this section illustrates that the partnership relationships are controversial especially if the Developing Partner (DP) is weaker. The article could have been more interesting if the power relation dynamics of developing and developed countries and aid effectiveness had been included (Nagaraj, 2015, p. 599). What Nagaraj is saying is that the DAC has more power on the actual contract with the multinational firms (Nagaraj, 2015, p. 599) but he fails to interpret the power relationships between developing partners on the one hand and partner governments on the other. The power analysis of how government departments deal with cultural and political realities in which development policies are implemented in partner countries? As the use of power can be potentially dangerous as all economies are structured differently and some have more power over weaker countries (Goran, 2008, pp. 259-263).

The trend is democratization and promotion of greater economic development of Southern Countries. Nagaraj

refers to colonialism, imperialism, but the development objectives have changed over the last few decades. Trilateral partnerships and global partnerships are a way to improve aid. One aspect that illustrates the scope for TDC trickling through Nagaraj's articles is his mentioning of words like close relationships and inter relationships with the state (Nagaraj, 2015, p. 611). Furthermore, there is no distinction on distribution of power and interactions between security screening, intelligence and logistics (Nagaraj, 2015, p. 610) .

TDC have appeared and setting a change in developmental relationships. TDC can be defined as the linkages between countries of how the knowledge gets produced and passed to others. It is a three way partnership where a DAC donor and/or multilateral agencies in Japan, Germany or the United Nations Development Programme which supposedly partner with a 'pivotal' country such as Brazil, Thailand or South Africa to work along with a recipient country who is the third partner for example Laos, Mozambique or Ghana (Mawdsley & Cheryl , 2012, p. 1186).

The methodology in the article was formulated from press releases and reports such as multinationals Tetra Tech report, Delta Tucker holdings report, Dyn Corp INC, AECOM (Nagaraj, 2015, pp. 608-609) these could have been manipulated. On the contrary Dollar and Levine (2004) survey suggests that there are 41 bilateral and multilateral aid agencies. The “policy selectivity index” measurement index takes into account the recipient institutional framework when is aid given and seems more reliable (cited in William & Tobias, 2008, p 33). Surveys such as Transparency Indices that was conducted by William & Tobias (2008) show that European commission, UK and USA are at the bottom of the list whereas the top position is Australia, Austria, Belgium and Canada (William & Tobias, 2008, p. 35). This was because of the government aid strategies and post was Iraq reconstruction (Mawdsley, 2015, p. 346).

However, another angle on this debate suggests that there are 90,000 people employed by aid agencies across 40 donor agencies and the UK and US are small in the configuration process of how the departments such as DFID and USAID work. Each and every employee disperses a minimum aid budget of \$1M to

\$1.7M and some even more and bilateral donors' employees distribute twice the amount of multilaterals. For example Norway and Italy disperse above \$10M per employee. Such staggering amounts are bound by trust and integrity whereas; the UN agencies disperse a meagre \$30,000 per employee (William & Tobias, 2008, p. 48). On the other hand for Mawdsley restructuring on aid has started in the UK and working through firms domiciled in tax havens, lavish expenses, exploring new ways how trade in global value initiatives are all challenging tasks for DFID (Mawdsley, 2015, pp. 350-352).

Nagaraj mentions stability operations, service capabilities in the domestic and international markets and linking humanitarian interventions (Nagaraj, 2015, p. 610). The alternative perspective illustrates that the emerging donors in the global aid community, their partnerships on trade, finance, energy, resources, diplomatic relations and military capacity, are modifying aid policies and practises (Davies, 2010; Kharas et al., 2011; Manning, 2006; Mawdsley, 2012a; Mohan and Power, 2008; Woods, 2008).

21st century aid is moving towards promoting good governance standards. For example the diversity model of coordination among countries was addressed at the Paris Declaration on Aid 2005. Aid effectiveness, was discussed in the 2008 Accra agenda opening up the decision making process. Busan Conference in South Korea 2011 promoted knowledge sharing for aid development (cited in Kim & Lightfoot, 2011, pp. 734-735). The conflict resolution and power contestation is much debate. The new world order will figure out how the relationships will flow in the future between DAC and Development Partners (DP). The DAC have strengthened the focus on poverty aid and untying of aid to ensure value - for-money and promoting fair competition (Kim & Lightfoot, 2011, p. 732).

This essay has focussed on factors affecting aid and security assemblage. Finally, Nagaraj does not distinguish between principal-agent problems which DPs face in International development in aid the article

does not even question the underlying assumptions of trust and accountability of development partners such as states, corruption, civil wars in regions? Reference to agency is limited to budgetary changes, reporting of activities, and feedback from contractors to agency officials (Nagaraj, 2015, p. 599). On the other hand technical staff in aid projects has to understand how aid culture works? Especially in the case of overseas assignments the programmes have to be monitored, evaluated and implemented correctly according to organisational practises. To simplify the agent decision making integrating political and development functions as is the case with Denmark and Netherland governments who have incorporated changes and values (Goran, 2008, p. 273).

Nagaraj refers to the phenomenon in general terms at great and repetitive lengths, but fails to engage in any detailed analysis of specific examples and therefore his article fails to deliver on its initial promise ; furthermore, he relies on the sort of postmodern development –speak that is routinely used to conceal the true nature of what’s going on.

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