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The Logic of Security Markets

Governance by violent groups in Areas of Limited Statehood

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Abstract

This paper presents a theoretical framework that builds upon three interlinked questions: How do security governance structures evolve in the context of state failure and/or collapse? What modes and qualities of security can emerge under such conditions and how durable are such structures? And finally, in which way do continuous violent conflicts lead to the formation of security markets and which market logic does the trade in protection commodities follow? To approach answers to these questions, we first develop ideas on the logic of security markets in areas of limited statehood which are based on economic approaches and peace and conflict theory. Secondly, we make use of the concept of opportunity structures to encompass the changing material, geographical and conflict related conditions of control over the use of force. By referring to and extending arguments made by Charles Tilly (1985, 1990) and Mancur Olsen (1993) we assume that the evolution of political order is a function of resource availability and extraction by armed groups and the organizational structure of such a process. Theoretically, we connect the formation and the paths of security governance to the logics of security markets which emerge from a lack of monopolization of the legitimate use of force by states. Such rather uncontrolled and -regulated security markets entail specific opportunities which change over time and frame the formulation of preference and behavior of armed groups. The main argument is thus, that specific economic, geographic or conflict-dynamic opportunity structures do not constitute simply an explanatory factor for the outbreak or the dynamics of violent conflicts. They also provide information about the conditions under which providers of security determine the utility functions of the use of force. Depending on the characteristics of such opportunities one outcome of this calculus might be that even under the conditions of violent conflict there are times and spaces in which non-state armed actors arrive at collectively binding decisions and are interested in a minimum of security.

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1. Introduction

Can security be established in areas of limited statehood[1] which are characterized by violent conflict? Conventional wisdom holds that the answer to this question should be clearly negative since a complex mixture of residual state control and of privately directed armed bodies are in fact tending to promote rather strategic insecurity. Political disintegration and the lack of security guarantees frequently provide the rationale for local militias or rebel groups to pursue permanent strategies of violence, enrich themselves economically and profit from insecurity. However, as the examples of Somaliland, Taylorland and the areas controlled by the Sri Lanka's Liberation Tigers of Tamil Eelam (LITE) remind us, the absence of the monopoly of violence by state institutions (statehood) does not necessarily entail a complete breakdown of political order. Under conditions of state failure and violent conflicts, rather two types of security-defined areas theoretically emerge: first, areas of *strategic insecurity,* characterized by a shortage of armed protection, a fragmentation of the spectrum of rapacious armed groups, and a lack of collectively binding rules, and second, areas of *strategic security*, in which security is provided to various degrees of scope and inclusiveness, and by various actors. From a local perspective[2] strategic security can be provided both intentionally by armed actors (security governance as the institutionalization of territorial control of violence), through the patterns of self-defense by victimized groups (self-protective security) and through commercial means (commercial security).[3]

Against this backdrop and in contrast to conventional wisdom, we assume, that security can also be provided without the state or even its rudimentary structures, and that the governance approach can in turn be usefully applied precisely to these processes of partially institutionalized macro-networks of strategic security.[4] This idea is not completely new, but rather builds upon initial approaches to interpret the violent activity of non-governmental armed

1 The term "areas of limited statehood" denotes those countries, in which the government is not capable anymore to sustain the territorial control of violence and lacks the assertiveness to implement collectively binding decisions (cf. Risse/Lehmkuhl 2006). More specifically, in this article we limit our interest to "war-torn areas of limited statehood", i.e. zones of violent conflict and control over territory without or beside the state.

2 Other modes such as externally induced security by external (multinational) forces are certainly imaginable as well. In this paper we mainly focus on the local dimension of security markets and factor out their external dimension at this point.

3 The analytical distinction common in the debate over the privatization of security between *top-down* processes of the delegation of functions to private suppliers, and *bottom-up* processes of local self-organization of security appears adequate at the outset, in order to obtain an overview of the multifarious suppliers of security (cf. MANDEL 2003; BRYDEN 2006). On the other hand, its analytical utility is restricted: first, it establishes no immediate theoretical correlation between the shortage and the active provision of security; second, neither the forms and expressions nor the quality of security are differentiated.

4 In our understanding Security governance incorporates the regulatory structures and processes by means of which security is provided intentionally as a collective good for a defined group of recipients. Hence, the present article operates with a minimal definition of governance, without addressing here the broad range of differing definitions. Our understanding of security governance also differs from KRAHMANN (2003) who applies the term to the emergence of complex security structures in Europe and North America.

actors in areas of limited statehood as "new" forms of governance (cf. DUFFIELD 2001; KEEN 2000; RENO 2000; JACKSON 2003). By linking the use of force (war-making) and the formation of political order (state-making), as proposed by OLSON (1993) and TILLY (1985, 1990), an innovative literature is emerging around the idea that non-state armed groups might rather invest in the provision of political goods and not proceed with strategies of looting and violence against the civilian population (PEGG 1998; OTTAWAY 2003; TULL 2004; KINGSTON AND SPEARS 2004; STOKKE 2006, MAMPILLY 2007). However, from a governance perspective, a number of open questions still remain: How do security governance structures evolve in the context of state failure and/or collapse? What modes and qualities of security can emerge under such conditions and how durable are such structures? And finally, in which way do continuous violent conflicts lead to the formation of security markets and which market logic does the trade in protection commodities follow? To approach answers to these questions, we first develop ideas on the logic of security markets[5] in areas of limited statehood which are based on economic approaches and peace and conflict theory. Secondly, we make us of the concept of opportunity structures to encompass the changing material, geographical and conflict related conditions of control over the use of force. By referring to and extending arguments made by Charles Tilly (1985, 1990) and Mancur Olsen (1993) we assume that the evolution of political order is a function of resource availability and extraction by armed groups and the organizational structure of such a process. Theoretically, we connect the formation and the paths of security governance to the logics of security markets which emerge from a lack of monopolization of the legitimate use of force by states. Such rather uncontrolled and -regulated security markets entail specific opportunities which change over time and frame the formulation of preference and behavior of armed groups. The main argument is thus, that specific economic, geographic or conflict-dynamic opportunity structures do not constitute simply an explanatory factor for the outbreak or the dynamics of violent conflicts. They also provide information about the conditions under which providers of security determine the utility functions[6] of the use of force. Depending on the characteristics of such opportunities one outcome of this calculus might be that even under the conditions of violent conflict there are times and spaces in which non-state armed actors arrive at collectively binding decisions and are interested in a minimum of security.

5 The concept of the "security market" refers to the structure and composition of the spectrum of actors as well as the interaction of supply (provision) and demand of and for security.

6 The central goal functions of the use of force are in the short term one's own survival, the ability to finance one's capabilities to use force, and the seizure of control of an area. In the long term, they include the protection of the control against internal and external challengers.

The article starts with presenting three basic ideal type modes of security in areas of limited statehood, which are discussed from a governance and public good perspective (section 2). We proceed with connecting the first mode of security (coercive security) theoretically with the logic of security markets and three opportunity structures that come along with them (section 3 and 4). Based on the basic ideas of this paper Section 5 then discusses paths to security in Areas of Limited Statehood. The article finally closes with an assessment concerning the usefulness of linking security with governance (section 6).

2. *Assessing the Quality of Three Basic Modes of Security in Areas of Limited Statehood*

As we will argue in the subsequent sections, the probability of the provision of security as a governance function is tied both to the market of violence and the material, geographical and conflict related opportunities which influence the strategies of the use of force. However, in order to measure the quality of security in terms of its characteristics as a collective good, one has to consider the logic of consumption first: who actually consumes the security as a commodity and what range does that consumption assume? In other words, what quality does security in areas of limited statehood takes on as a political good?

The criteria for the differentiation of public and private goods seem notably useful to approach an answer to this question (cf. KRAHMANN 2008). According to the theory of public goods a pure public good is non-excludable[7] and non-rival[8] in consumption (SAMUELSON 1994; STIGLITZ 1999: 127ff). Whether security meets these criteria depends again on the analytical perspective. For consolidated states one can assume the monopolization of the means of violence by the state (cf. WEBER 1968). As a consequence all citizens benefit from the provision of internal and external security as a public good through military and policing organizations.[9] However, the compass of the consumption of this state provided security might be limited to the boundaries of a country, if the adjoining country is not capable to monopolize

[7] Non-excludable goods are those that are free for taking i.e. accessible for everyone at every time (for example air). Exclusion then refers to goods for which the access is restricted to a limited or defined number of users or beneficiaries. The classical example is the lighthouse: A ship going past a lighthouse cannot be excluded from the light the lighthouse provides (cf. STIGLITZ 1999: 128).

[8] Non-Rivalry refers to goods "which all enjoy in common in the sense that each individual's consumption of such a good leads to no subtraction from any other individual's consumption of that good" (SAMUELSON 1954: 387). Stated in other terms, a good is rival, if every further consumption by an additional user decreases the net benefits of the good for others.

[9] In contrast to this account security might not meet these criteria since individuals, groups and whole nations can be excluded i.e. do not have access to its consumption. Furthermore security bears the option of being a rival good. If, for example, a state or its alliance attained security by strengthening its military capabilities, it decreases the security of its enemies (KRAHMANN 2008: 386). Nevertheless, in the literature security has been usually regarded as a collective good (ROTHSHILD 1995; SANDLER 1993).

the means of violence i.e. to provide a peaceful order. Against this backdrop, the territorial domain of the provision and the inclusiveness of its consumption are crucial to the evaluation of security as public good. Certainly, for areas of limited statehood, this picture looks slightly different. The breakdown of state institutions usually leads to a societal fragmentation and a split up into a number of violent groups. Borderlines are by no means indicators for the sovereign sphere of state institutions anymore. Whereas violent groups are rather partitioning the countries territory or battle for access to strategically profitable areas, *transboundary formations* (Callagy et al. 2001) may create new modes of authority in which ethnic belonging or clientelism determine the access to security provided by violent groups. Against this backdrop, analytical tools are needed that help in defining the quality of security where there are no state borders or clearly distinguishable citizens. We argue that one way to asses this quality is to map the organizational process of the provision of security and its spatial expansion. Four main points are notably important to assess the provision and the access to the consumption of security: (1) by whom is security provided (provider); (2) through which mechanism is the provision organized; (3) which spatial expansion does security take on and finally (4) which means are applied to reach this status.

If security is defined narrowly as the absence of physical force and an increasing reliability of protection, then violent groups such as rebel organizations or warlords systems can produce internal and external security in a defined territory, just as states can.[10] Territoriality and the extent of consumption of specific protection measures are thus not only closely interconnected, but also constitute the core elements for the identification of areas of strategic security or insecurity. However, territorial control and the ability to reduce external threats do not in and of themselves constitute a seal of approval for the quality of security, since that control of the use of force can also be used for indiscriminate violence (cf. KALYVAS 2006) and the systematic massacre of the population in the territory. As long as rebels or local militias provide security only sporadically and in a territorially undefined context, security remains a rival commodity which can be excluded from consumption (cf. BRAUER 1999: 6-7). Stated differently: by the strategic maintenance of insecurity and the simultaneous existence of various forms of security within an area, not only is the effectiveness and stability of the security system called into question, but security also does not attain the quality of a public good. Nevertheless, there are ways out of insecurity and the "protection screw" (MEHLUM et al. 2002:

[10] We thus offer a middle-ground strategy between the classical definition of security as the absence of existential threats to a political unit (see, for a comprehensive discussion, Baylis 2005) and widening the concept to include non-state actors as entrepreneurs of security governance strengthened by state collapse and the dynamics of internal wars.

448), which permit security as a good to once again move more markedly from the private toward the public realm on a quality axis.

Ideally, in war-torn areas of limited statehood, three basic forms of security without or beside the state can be ascertained: (1) security by coercion and a certain degree of institutionalization and reliability; (2) self-organized forms of protection against internal or external threats (*self-protective security*). A third conceivable alternative form of security production is the delegation of protection functions to commercial suppliers (3).[11] All three variants are brought together systematically in *Table 1*.

Table 1: Forms and qualities of security

Type	***Form***	***Quality***
Coercive security	• *Protection provider:* monopolist • *Mechanism:* institutionalized system of taxation and order • *Range:* territorial control • *Means:* military protection of the external borders, internal control (e.g. police functions)	*Security = public good* (no selectivity within the territory)
Self-protective security	• *Protection provider:* recruitment among "own people" • *Mechanism:* reactive to violent context, pooling of resources • *Range:* territorially limited to a defined group (i.e., selective and excludable) • *Means:* patrols, fortification systems, hiring of local militias	*Security = pool and club commodity* (group members clearly identifiable)
Commercial security	• *Protection provider:* commercial security companies • *Mechanism:* competition and prices, delegation by state and private groups • *Range:* persons, property • *Means:* diverse range of services	*Security = private commodity* (however: implementation of security governance)

If we define security governance as the intentional provision of the collective good security for a defined group of protection recipients, the first type is best qualified to be considered

[11] As mentioned, we are aware of the fact that other variants are possible (e.g. Security by (multinational) external forces), However, in this article we concentrate on security dynamics without or beside the state and will, therefore, not discuss other possible forms such as "governance with government" (cf. ROSENAU/CZEMPIEL 1992. A good example for the latter is provided by Elisabeth Jean Wood (2008). By exploring different social processes of civil war she illustrates the emergence of "insurgent governance" in Sri Lanka by the "Liberation Tigers of Tamil Eelam" (LTTE). Since the early 1990s the LTTE draws on state administrations and cooperates with government civil services, but at the same time maintaining core functions of protection and control over territory (WOOD 2008: 551).

security governance in the narrower sense. This involves the specific strategies of militarily potent actors who invest in the establishment of monopolies on the use of force, and advance processes of governance formation, i.e., the establishment of institutionalized political and economic systems of rule. First of all, dominant and sanction approved armed actors use their abilities to control territory and social relations (i.e., the civilian population) to build up internal and external protection systems; and second, they no longer finance themselves by means of organized looting, but rather through institutionalized taxation systems. As long as these monopolists assure that the provision of security on their territory is not substituted or challenged by others, this system of rule can be treated as security governance. Prototypes are rebel groups as the *Fuerzas armadas revolucionarias de Colombia (FARC) or the Sudan People's Liberation Army* (SPLA) in southern Sudan. But even local warlord factions in Afghanistan or in Somalia have invested in the build-up of political and social regulatory structures, which produce both a certain degree of mutual expectations and collectively binding decisions for a defined group. Thus, the assumption of governance formation applies to different degrees of institutionalization and to a large number of forms of non-state armed organizations. In successful cases, security in such situations increasingly takes the form of a public good (see below).

Self-protective security, by contrast, is usually a reaction to continual attacks by looting violent groups. Under these conditions, individuals or civilian groups affected by insecurity can decide to counter the restrictions of the violent environment with investments in their own security through protective capacities. Such forms of the provision of security are usually restricted to the units involved (peasants, villages) and are to some degree exclusive. Self-protection is promoted primarily and intentionally for the collective threatened by insecurity with no other end such as territorial expansion or gaining state control. The military capacities of these units vary with the type of strategic alliance. While alliances between village units and self-defence groups usually promise only a lesser degree of security, collaboration with governments or strong rebel groups may promise greater levels of security, at least temporarily. The frame of reference for the recipients is the protected area and the particular benefit. From the perspective of economics, this mode of security takes the form of a *pool good* in which resources and capacities are merely mobilized for the purpose of providing security to the groups involved in the coordination. Situations of *self-protective security* might therefore better be considered as temporary, transitional phenomena. By assuming that the civilian population ultimately has three options for strategic action: to take flight, to engage themselves in non-productive armament or to associate with stronger armed groups (cf. SKAPERDAS & KO-

NRAD 2004), the probability increases that in the long run, forms of self-protective security will merge into governmental or non-governmental orders of violence. A current example of such a mode of security can be found in the northeast of the Democratic Republic of Congo (DRC) where Congolese villagers formed self-defense groups to protect homes and families from attacks by the Lord Resistance Army of Uganda (LRA) (cf. REUTERS 16 Jan. 2009).

Commercialized security, i.e. the delegation of security services to the private sector is a special case of security production. As a rule, only very specific security functions, as the protection of persons or buildings, are provided as a private commodity for special security risks (e.g., counter-insurgency measures, participation in special military operations). From the point of view of governance consumers, this mode of security is enormously selective, since only those who can pay for security services receive the benefits of protection. Examples are multinational corporations (securing access to resources), humanitarian organizations (protecting the humanitarian space from looting), or international organizations (e.g. protection of persons or buildings, mine-clearing). The activities of commercial security companies are clearly defined functionally (protection of an oil field or of governmental buildings) and directed toward a narrowly defined group of beneficiaries (members of a company, or the public employees of a transitional administration). However, the delimitation toward the public-security structures is often fuzzy. For example, commercial security companies engaged to protect buildings may certainly produce positive externalities for the immediate neighborhood and extend the range of the protection services they provide. The protection of administrative facilities and the construction of security structures in Iraq and Afghanistan, including the training of police, can also benefit all potential consumers of security, and thus become an integral component of governance strategies. This theoretically implies that commercialized protection services can produce different forms and qualities of security. Additionally, the potential security outcome is dependent on the functional context: in cases of the use for the protection of persons or buildings, it ultimately involves a private good. However, commercial protection services assigned for societal and institutional reconstruction can also serve to implement security governance on behalf of third parties. In this context, private security-service providers proceed on the basis of existing regulatory structures. Regardless of this, the logic of action of the "new mercenary" remains oriented toward defending against perceived threats and security risks in the interests of his employer – and not to act in his own interests to prevent the dangers of wartime or post-war orders.

At the end of the day, the processes of security governance discussed here indicate that the provision of security can be catalyzed by various institutional forms. As an alternative to the

state, institutionalized orders of violence arise, which intentionally provide protection from internal and external threats. The resulting protection commodities can be labeled as security governance commodities or as paths of governance formation at least. Insecurity, however, remains a dominant feature if the monopolist on the use of force depends on repressive strategies, if insufficient revenues are obtained by taxation, or if military challengers endanger a weakly institutionalized system of rule. But even if these partial orders of violence are frequently unstable, it should be clear that the minimum prerequisite for the classification as governance consists primarily in the quality of security as a collective good as well as the implications of consumption and territoriality.

To explain why and under which conditions violent actors engage in security governance, in the next section, we make use of the concept of security markets by assuming that the market structures and economic logics in the security domain encompass the terms under which violent actors shape their preferences, select strategies for action and make decisions.

3. The Logic of Security Markets

Security - and in the narrower sense - protection are not ordinary market commodities and differ in many ways from other consumer goods.[12] As SKAPERDAS (2001) and SKAPERDAS & KONRAD (2004) have plausibly demonstrated, the competition in the provision of protection differs from classic economic concepts regarding the factors of production, pricing mechanisms and the resulting quality of the market product. Private protection providers do not compete via price mechanisms; rather, they use violent means to gain control of territory and revenues resulting from protection services. Moreover, it is necessary to take into account that ownership of goods and services is not exchanged voluntarily, but is rather acquired by force (cf. ELWERT 1997: p. 87). Unlike ordinary commodity markets, greater competition in the protection-providers' segment therefore does not lead to more but rather less gain in benefits for all (cf. also SKAPERDAS 2001: 174). At the same time, competition between non-state armed actors with no regulating central authority means that security dilemmas and arms races arise which favor an increase in violence. Without any effective protection of their lives or property rights large segments of the population are prevented from engaging in economically productive activities and are forced to invest in their own protection instead (cf. BATES *et al.* 2002: 613). This necessity to invest in the means of violence reduces economic productivity

12 In this context, we will distinguish between security and means of protection. While security can be seen as an aggregate state characterized by the absence of physical violence toward a defined group over time, the protection encompass all measures necessary for the production of security. Protection is thus the active process of the provision of security and hence the major asset traded on security markets.

and efficiency (SKAPERDAS 2001: 187).[13] Under conditions of overt violence, resources cannot be effectively distributed. Survival in areas of limited statehood and the possibilities of profiting from the provision of protection services thus depend on one's relative ability to exercise violent control of resources and social relations. Violence therefore becomes a necessary – albeit not a sufficient – condition for the ability to participate as a competitive actor in the security market. In this context, the growth of self-defence groups in Afghanistan which protect themselves against attacks by the Taliban and/or by units of the Northern Alliance have to be considered just as much as security-market participants as well-organized and militarily powerful rebel groups.

The spectrum of market participants can be extended still further. In Sub-Saharan Africa, this category includes not only rebel groups and local militias, but also criminal cartels, traditional fighters like the *Kamajors* in Sierra Leone, and *ad hoc* groupings like the *Area Boys* in Lagos (Nigeria) who collect protection money on transportation routes and at weekly markets.[14] Another critical group of actors which is contributing to the increased complexity of security markets and conflict structures in war and settings of post-conflict peace-building is that of Private Military Companies (PMCs). Militarily highly specialized PMCs not only offer a variety of services on today's security markets, but also operate according to free-enterprise calculations. Such internationally operating companies as *Blackwater* or *DynCorp* are the visible expression of a system of the politically sanctioned delegation of selected security functions to commercial enterprises by states or private groups (cf. e.g. AVANT 2005; LEANDER 2003; MUSAH 2002; SINGER 2003). Certainly, the involvement of this group of actors affects the military power relationship and local conflict dynamics, as well as the calculations of state and non-state actors to out-source certain forms of the military activity to private specialists. These security dynamics turn out to have particularly serious consequences in Colombia and Iraq: External interventionists who support internal armed groups become themselves competitors for resources and aggravate both the available informational asymmetries and the intensity of conflicts. [15]

From the perspective of conflict theory, the problem underlying the increase of the number of armed actors is that reliable information about competitive groups as well as mutually binding security guarantees becomes increasingly insecure (cf. e.g. WALTER 1997; CUNNING-

13 These considerations are based on the *guns-and-butter* model, (cf. in greater detail POWELL 1999: Ch. 2), which compares investment in civilian means of production vs. in military capacities.

14 See the systematically designed case studies edited by BAKONYI *et al.* (2006).

15 Particularly in areas of limited statehood some security companies take their pay in the form of exploitation licenses for the extraction of valuable resources and become protagonists in the war-economy systems. They not only profit from zones of insecurity, but also contribute to their perpetuation (cf. MUSAH & FAYEMI 2000; PECH 2000).

HAM 2006). However, the greater the number of potentially violent state and non-state parties to a conflict is, and the more intense the competition becomes, the more significant are informational asymmetries and commitment problems. Such dynamics not only affect the conflict behavior of armed actors, but also heighten the vulnerability of societal groups (i.e. the civilian population) which cannot provide for their own security by private means.

In terms of economic theory, the market structures in the security realm can be described as an unusual form of monopolistic competition: each group establishes its own, spatially delimited monopoly of protection, in which it must provide credible proof of its ability to provide security (SKAPERDAS 2001: 187).[16] The prices which can be demanded for protection services are thus contingent on the number of armed actors, the degree of spatial separation between competitors, material opportunity structures and alternative options for action for the affected population (e.g. flight or the construction of self-defence units). More specifically, it can be expected, that greater competition among armed actors will lead to greater investment in combat and resources and increased information deficits which again aggravate achieving credible commitments (SKAPERDAS 2002: 435).

Moreover, economic models assume that decision-makers – whether they are armed actors or potential entrepreneurs of governance – will consider the relative benefits of two forms of economic activity: investments in the production of civilian goods and services or the investments in conflict perpetuating means.[17] In other words: violent actors can choose between the institutionalization of a political order which guarantees ownership rights and organizes the interaction between providers and recipients of protection via a tax system, and a violence-mediated state of conflict, in which the civilian population is used as spoils, or as an extractable resource, to finance the capability of these actors for violent activity. But even under the conditions of armed contest between two or more violent groups time-limited forms of cooperation or the evolution of oligopolies of violence by agreement (cf. Mehler 2004) are not impossible. A prime example is the formation of a time-limited alliance in Sierra Leone during the mid-'90s between the government, the Commercial Security Companies *Gurkha Security Guards Limited, Executive Outcomes* and *Sandline International,* and the self-defense groups of the *Kamajor* militias to fight the rebels of the *Revolutionary United Front (RUF)* (ABDULLAH & MUANA 1998: 185).

16 ANDREAS MEHLER (2003) argues that over time, homogeneous or heterogeneous oligopolies of violence emerge. Such considerations on the production of violence and security via market mechanisms, while innovative, nonetheless go only half-way: First, the concept is confined to violent actors directly involved; and second, it fails to adequately theorize the question of the consumption of security.

17 Cf. HIRSHLEIFER (2000), as well as the very good summary by GARFINKEL & SKAPERDAS (2006).

Fundamentally, these considerations mean that armed groups can strategically choose between the provision of security and the maintenance of insecurity. However, the more promising military and economic profits become, and the more uncertain a future under conditions of peace appears (FEARON 2004), the higher the value of insecurity strategies should become. In view of the structural characteristics of insecurity, STATHIOS SKAPERDAS (2002: 444) assumes a reverted *shadow of the future*, particularly in *areas of warlord competion*: The prospect of the elimination of competitors and of resulting greater profits increases the value of violent conflict strategies, compared to negotiated settlements. For the civilian population this has fatal consequences: First, the demand for protection services rises with the increasing degree of insecurity; however, the free choice of protection providers is greatly limited. Second, the risk increases that actors in the conflict will turn to strategies of *indiscriminate* violence (cf. KALYVAS 2006; WEINSTEIN 2006; OLSEN 2007; WOOD 2008), and promote diffuse insecurity. Both empirical evidence and formal models have provided evidences that arbitrary violence and destruction of property are more probable in zones of strategic insecurity because of asymmetric distribution of information and multiple material insecurities (cf. SKAPERDAS 2001: 188; KALYVAS 2006; WEINSTEIN 2006). On the other hand, the ability to cause either security or insecurity (or both), becomes a political and economic resource, and hence an alternative source of power. As a result, the price for protection services increases with the military capabilities of potent armed actors (cf. MEHLUM *et al*. 2002). Theoretically, the production of (in-)security is thus immediately tied to the logic of violence and resource extraction.

In the context of an increasing tendency toward fragmentation of the actors' spectrum, as well as the associated implications for the forms of security, the concept of the security market describes the structure and composition of the supply and demand side in the provision of protection commodities and its temporal and spatial coincidence in areas where the provision is not monopolized. Whereas a constant demand for security can be assumed on these markets, the supply varies in degree and over time. Similarly to corporations on regular markets, violent groups calculate their profit margin of investments in the supply of security i.e. whether to invest in the production of a secure environment (areas of strategic security) or to perpetuate the violent appropriation of resources. However, the structure and dynamics of security markets, like the question of the quality of security, cannot be adequately understood without considering the changing opportunity structures in areas of limited statehood to which we turn now.

4. Security by Opportunity

If there is any truth to the popular saying that "opportunity makes thieves," it should be considered that the absence or breakdown of states creates extraordinary opportunities for entrepreneurs of violence to either enrich themselves by looting, extortion or resource exploitation, or else to offer protection against looting by violent groups. Theoretically, structures of opportunity encompass the conditions under which actors formulate preferences, make decisions, and act (SIVERSON & STARR 1991; 1980; COLLIER & HOEFFLER 1998).[18] In the research into the causes of war, they have often been used as explanatory factors for the probability of the outbreak of both internal and international warfare. However, both the twin concepts of *opportunity* and *willingness* developed by BENJAMIN MOST and HARVEY STARR (STARR 1978; MOST & STARR 1980), and the *opportunity* model of the World Bank group around PAUL COLLIER (COLLIER & HOEFFLER 1998, 2004)[19] are oriented toward the relatively static boundary conditions of methodological nationalism (including borders, number of the neighboring states or primary-goods exports). Beyond that, the approach developed by the World Bank group relates the motivation of armed actors primarily to the motive *greed* and the relative share of the export of primary goods to the overall volume of export (cf. the critique by CRAMER 2002; FEARON 2005). Moreover, COLLIER and HOEFFLER (1998) see structures of opportunity as preexisting factors in conflicts between rebel group and governments which primarily reflect the conditions that increase the risk of the outbreak of civil wars involving *two* conflicting parties. But precisely under the conditions of failing states opportunity structures and the configuration of actors may shift, both in time and space: Resources may be completely exploited, the emergence of splinter factions and/or the intervention of external actors may change the balance of power between conflicting parties, or one of these parties may over time establish a dominant position within a defined territory. The term "opportunity structures" is therefore used as a broad category which encompasses the material, territorial and process related options actors find under conditions of time and space, and thus refers both to incentive structures favoring the perpetuation of violence and to those factors promoting the establishment of orders of violence. Dominant armed actors can then decide how and to what end they wish to apply force: unilaterally against the population, offensive against competing

18 A similar concept has been introduced by KITSCHELT (1986) focussing on domestic "political opportunity structures" as "specific configurations of resources, institutional arrangements and historical precedents for social mobilization, which facilitate the development of protest movements in some instances and constrain them in others" (KITSCHELT 1986: 58). Yet, given the premises of existing and highly institutionalized domestic political arrangements this concept remains state-centered. Especially its assumptions on political input structures and social mobilization are hardly transferable to areas of limited statehood.

19 COLLIER & HOEFFLER argue that the outbreak of warfare can be explained less by the political motivation of the actors than by the opportunities for economic extraction and accumulation in crisis-torn areas, i.e., via "atypical circumstances that generate profitable opportunities" (2004: 564).

violent groups, or defensively as reliable protection provider for the civilian population against internal and external threats.

4.1 Economic Opportunities

The lack or breakdown of security guarantees offered by the institutions of the sovereign state favor both conflicts over access to resources and targeted looting strategies. Basically *material structures of opportunity* refer to all available resources which can be extracted and thus used to guarantee one's own capability to exert force. Areas of strategic insecurity are therefore most likely to arise in resource-rich areas: the greater the wealth of resources, the higher the probability that new entrepreneurs of violence will appear on the security market and compete with one another. Consequently the incentive structure to continuously apply military force and to produce insecurity will be greater. The insight that the type of resource itself affects the risks of the occurrence and perpetuation of organized violence is even more fundamental. Empirical studies reveal that the effect of diamonds and oil is highly significant, while agricultural goods, by contrast, are hardly significant at all (FEARON 2005; LUJALA *et al.* 2005; ROSS 2004). The extraction practice of guaranteeing one's own freedom of action by mining mineral resources leads to a different logic of security and different constraints than does the looting of the civilian population. While the extraction of natural resources primarily poses logistical challenges, such as the securing of extraction and storage sites and transportation routes, the taxation of humanitarian aid and the looting of the civilian population by predatory gangs, rebel groups or regular soldiers tends to be carried out in a more *ad hoc* and often uncoordinated manner. To put it in more general terms, the forms of the financing of violence can vary in time and space, even within single conflict zones, and in each case generate specific strategies of violence and insecurity.

Resources not only create the risk of the emergence of violent conflicts and provide opportunities for enrichment, they are also a critical quantum both for the survival of the civilian population and of various types of armed organizations. While the civilian population in resource-rich zones is subjected to the specific risks of indiscriminate violence (cf. WEINSTEIN 2006), the recruitment of new fighters is more difficult in resource-poor regions, if they cannot be economically compensated (WEINSTEIN 2005: 599). However, a substitute strategy is available for the leadership of armed groups under certain conditions: if rebel groups, warlords or local militias are unable to distribute profits or maintain material motivation, they can

rely on social relationships and provide credible promises of future payments (WEINSTEIN 2005: 599).

Particularly specialized entrepreneurs of violence make profits by lootings *and* protection services, thus jacking up the "protection screw" (MEHLUM *et al.* 2002). Looting has a dual function here: first, it enables better mobilization of resources to permit the financing of combat; second, it permits expenditures for the pay for combatants to be reduced (cf. e.g. AZAM 2006). In the long run however, the looting of the civilian population also raises two problems: on the one hand, the number of competitive armed groups can rise over time, and hence, too, the number of violent incidents; on the other hand, this situation permits no phases of regeneration for the population, during which they might produce new resources to loot. Both problems imply a marginal utility of looting over time.

In areas with only weakly organized armed organizations by contrast, the civilian population can theoretically be considered as a freely accessible resource, and is thus constantly endangered by over-looting (see KURRILD-KLITGAARD & SVENDSEN 2003: 257).[20] In situations of competition between armed groups, these conditions in fact intensify. Under conditions of incomplete information armed groups most likely come to no mutual agreement as to where and to what degree looting is to be undertaken, so that the probability of over-looting increases. Altogether, it is to be assumed that areas of limited statehood are often exposed to the risk of over-looting. A sustainable practice of extraction, which allows for regeneration phases for the population, can theoretically hardly be expected in situations in which armed groups are highly fractured into splinter factions and in which there is a high demand for resources and specific organizational structures.

These issues are closely related to organizational dynamics, i.e. to the degree of organization of the armed organization. If military capacities expand, the expenditures for the maintenance of a military organization – payment for the combatants and maintenance of military equipment – increase at the same time. To put in other words, an increased degree of organization implies higher maintenance expenses and hence an increased demand for resources. The marginal utility of looting can therefore occur in a dual manner: first, via over-looting as described above, by which non-coordinated looting and the potential increase of armed groups in effect result in over-plundering and the loss of potential profits; and second, the profit no longer covers the regular expenditures of maintenance. According to economic theory, the positive beneficial effects for the civilian population increase with a minimum of

20 Nonetheless, such over-looting-related arguments like those developed by OLSON (1993) or KURRILD-KLITGAARD & SVENDSEN (2003) have the problem that they merely attach the extraction logic of violent actors to the civilian population, but leave aside alternative structures of opportunity.

security, since it can invest in production instead of protection services. A well established armed organization can therefore certainly seize a dominant position in the course of the conflict and then take the opportunity of sharing in the profits of increasing productivity by taxation of protection in a defined territory – and thus institutionalize the initial rudiments of an order of violence.

4.2 Geographic Opportunities

In addition to the material structures of opportunity, geography is intuitively a critical momentum for the explanation of the dynamics of violence and also for the development of security markets. Appropriately, research on international war began as early as the 1970s to conceptualize geographical conditions as direct *neighborhood* and spatial *distance* as explanatory factors for the occurrence and diffusion of armed conflicts and wars (cf. e.g. DIEHL 1991; STARR 1991). Somewhat belatedly, recent civil war research has discovered the "geography of war". Current studies show that topographical variables, like forests and mountains, not only affect the manner in which internal violent conflicts are carried out but also are important in determining the prospect of winning a battle or the war (cf. GATES 2002; BUHAUG & GATES 2002; BUHAUG & RØD 2006). At the same time, geography also limits the number of potential violent actors and provides information for an understanding of organizational logics of violent groups. Both formal models and empirical evidence indicate that greater distance between contending groups affects the probability that competitive violent groups will emerge (GATES 2002: 127).

Particularly linked to geographic opportunity structures is the concentration of resources affecting the possibilities of carrying out certain forms of violent control and making profits from the resource extraction. First, one has to bear in mind that natural resources differ considerably in their concentration and location (e.g., LE BILLON 2001, ROSS 2004). Secondly, centralized resources such as petroleum and easily accessible mines are considerably easier to monitor than geographically widely dispersed resources, such as opium plantations, alluvial diamonds or tropical forests. Third, a critical aspect is the proximity to the headquater of a rebel group or the capital of the state. It has been demonstrated empirically that natural resources which are located near the capital of a country can be monitored more easily by the existing government than more remote extraction sites (LE BILLON 2001). The reverse is just as true: the further a potential extraction site is away from the state center, the easier it is for non-state armed groups to appropriate, and the more probable it will be that violent conflicts,

and hence areas of strategic insecurity, arise. Rebel organizations which operate in resource-rich regions will, in the course of the conflict, in turn be confronted with a “principal-agent problem” (cf. ROSS 1973): if their combatants operate in remote areas, they will be difficult to coordinate and monitor internally. To respond to this dilemma, there are two contrary strategies: either, a high degree of military and social control, such as guerilla movements prefer, or more decentralized organizational forms, as in the case of the phenomenon of *warlord systems* (cf. BAKONYI *et al.* 2006). But even without access to valuable resources, the distance from the capital or from state security guarantees may accelerate a decision to accumulate the means of exerting force and to emerge as a local security provider.

Geography has yet another dimension. It not only sets certain structures of opportunity for political action or creates certain risks for the escalation of violent conflicts, but also has an inherent significance and an identity-building function for the development of security-related governance structures or even statehood (cf. KNIGHT 1994; MURPHY 1996). Referring to SACK (1986), we understand territoriality here as a spatial principle of the organization of social interaction and control. On the one hand, territoriality refers to the structural problem of shared boundaries and neighborhood; on the other hand however, it also has a clear political-organizational spatial frame of reference (SACK 1986), and involves a linkage of space and time with control and power.[21] Territorial control thus is an indispensable precondition for the specific and independent extraction of natural resources and the implementation of control by military force. At the same time this has implications for our understanding of governance: security is more closely tied to the conditions of territoriality than other consumable durables. Even “new” forms of orders of violence, such as the warlord systems in Liberia, the DR Congo or Somalia during the 1990s, draw upon the norm of territoriality.

4.3 Conflict related opportunities

Conflict related opportunities refer to characteristics of the course of conflict such as its intensity or its duration and are critical process conditions for the evolution of security governance. Through defeating their enemies or conquering main parts of the conflict zone, single actors may achieve a dominant position during the conflict and get closer to the ability to monopolize the provision of security. Long conflicts can in turn provoke external military interventions by third parties (cf. REGAN 2000) which might either change the military balance or

21 Sack (1986: 19) defines territoriality as “attempt by an individual or group to affect, influence, or control people, phenomena, and relationships, by delimiting and asserting control over a geographic area“.

even imply an externally induced institutionalization of a security order of another kind (e.g. Protectorates, Peacemaking missions etc.). Since rebel groups are said to have a decreased probability of winning wars after UN interventions but the likelihood of a treaty or truce increases (cf. DEROUEN/SOBEK 2004), violent groups might seek to increase their legitimacy in the population and refrain from looting and plundering.

Moreover, as DAVID E. CUNNINGHAM (2006) demonstrates, civil wars in which multiple actors have to approve a settlement tend to be longer, because of fewer acceptable agreements, information asymmetries and shifting incentives and alliances. The duration of violent conflicts and the number of participating actors (veto player) are thus of critical importance, since they tend to increase the likelihood of (a) violence against civilians and (b) the probability of over-looting.[22] Because the access to plunder is in principle unrestricted in times of war an increasing number of violent groups will expand the plundering effort far beyond an optimal stage[23] (cf. KURRILD-KLITGAARD/SVENDSEN 2003). As a consequence variables like *the number of violent groups* and their *relative power position* are crucial to the marginal utility of looting and might lead to strategic change of the way resources are extracted.

So, the argument goes that a decrease in the number of violent groups should imply an increase of the relative power position and the organizational size of other actors over time, which in turn should positively affect the probability of coercive security (see below). The function of violence again changes in such situations. Whereas fighting and battles are used to signal own military capabilities and gather information about the capabilities of the adversary (POWELL 2004, WAGNER 2000), the strategic use of violence might switch to the defense of territory and attacks against enemies which attempt to conquer already controlled areas.

In sum, conflict related opportunities point to the fact, that the conflict setting (duration, domination, intervention) and the available resources (long run negative externalities of plundering) might change over time, confronting violent groups with an incentive rather to invest in the buildup of areas of strategic security and not to perpetuate strategies of plundering and

[22] One weakness of previous approaches (Eck/Hultman 2007; Kalyvas 2006; Weinstein 2006; Valentino et al. 2004; Azam/Hoeffler 2002) has been that the analyses have remained state-centered and oriented solely toward conflicts between governments and rebel groups. However, in areas of limited statehood the problem is that one can assume the presence of neither a state with a fully funtioning regular army, nor a *dyadic* conflict structure (state vs. rebel group). Instead, these areas are characterized by the fact that the state's control of the use of force is severely limited or has broken down and *several* entrepreneurs of violence compete as providers of security or perpetrators of insecurity.

[23] An efficient level of plundering is reached as long the marginal benefits are equal to marginal costs. Any plundering effort beyond that point is not profitable anymore (cf. KURRILD-KLITGAARD/SVENDSEN 2003: 257).

looting.[24] We now turn precisely to the process of such an institutionalization of coercive security.

5. Paths to Security in Areas of Limited Statehood

Why should violent actors rather invest in the institutionalization of security and not proceed with their strategies of looting and violence against civilians – or as Olson puts it become *stationary bandits*? As we demonstrated so far the formation of security governance might be caused by three opportunities which are again connected to the access and ability that violent organization have while extracting resources, compete on the battlefield, and maintain their own organizational design. Against this backdrop we hypothesize that varying opportunity structures change the preference for and the function of violence against civilians.

At first, opportunity structures serve as the *basic level* for a Two Level Theory[25] (cf GOERTZ/MAHONEY 2005) of Security Markets - they frame market opportunities and activities. Economic, geographic and conflict related conditions are closely connected to efficiency aspects of resource extraction and the marginal utility of looting. On a *secondary level* of the theory two variables are of critical importance for the causal pathway to the formation of coercive security in Areas of Limited Statehood: the overall *number of violent organizations* over time (and the implications that come along for security markets) and their *organizational design* (size and structure). The point of gravity of the Logic of Security Markets can be stated along the following causal chain:

The higher the number of active violent groups (market participants) the less efficient (marginal utility) are plundering and violence against the civilian population over time. Additionally, an increase in organizational size (through a dominant military position) implies an increase in organizational maintenance cost which again increase the incentive for a more efficient resource extraction. As a result roving bandits might decide to become stationary (Olson 1993).

[24] In this paper we limit our considerations to the above mentioned conflict related opportunities. Other opportunities, such as the construction of identity over time mediated through the ethnic composition in a conflict might be integrated too.

[25] "Two-level theories offer explanations of outcomes by conceptualizing causal variables at two levels of analysis that are systematically related to one another. One level represents the core of the theory, focusing on the central causal variables and main outcome under investigation. The variables at this level refer to easily grasped and remembered concepts around which our social science vocabulary is primarily organized. […] A second level focuses on causal variables at a less central level of aggregation, often at a lower level. The variables at this "secondary level" are also causes of the main outcome under investigation, but their effects cannot be understood independently of their relationship with the causal factors at the basic level. Thus, one must grasp the structure of the relationship between the basic level and the secondary level before the theory as a whole can be understood and evaluated." (GOERTZ/MAHONEY 2005: 497-498)

Certainly, this way of theorizing the conditions for the institutionalizing of the provision of security as a public good is closely related to Olson's ideas (1993) and to what Charles Tilly conceptualized as the four main activities the agents of states carry on (TILLY 1985: 181). To guarantee, that security or the use of force is not substituted by competitors, violent groups in fact aim to eliminate or neutralize their rivals outside (war making) and inside (state making) "the territories in which they have clear and continuous priority as wielders of force" (TILLY 1985: 181). The monopolistic status that comes along with these activities allows them to provide security as a public good inside this territory (protection). To acquire the means of carrying out these activities they extract resources from their client population through a taxation system (extraction). The evolution of nation states is finally said to be a function of the mutual reinforcement of these activities. However, whereas Olson (1993) missed to conceptualize the precise switch point at which roving bandits become stationary (cf. KURRILD-KLITGAARD & SVENDSEN 2003: 257), in Tillys' account the growth of state organizations proceeds rather unintentional and is said to be a path dependent function of the demand for military capabilities to defeat adversaries (cf. TILLY 1985: 172). Although this institutional logic might not necessarily apply to civil wars of the 21th century (cf. SØRENSEN 2001), we follow this idea to the point that maintenance costs do in fact lead to an incentive to organize a more efficient extraction of resources, since a greater organization acquires greater costs.[26] Thus, the Logic of Security Markets does not necessarily entail an evolutionary logic to state-making i.e. the modes of security discussed here might not be embryonic to statehood – although they can be. In contrast to Tilly, we assume that there is no path dependency between organizational growth and political order. Authority by violent groups can be temporally and spatially limited and is by no ends always stabile. The stability and institutional development of coercive modes of governance rather depends on the time horizon (cf. FROHLICH/OPPENHEIMER 1974). If a violent organization expects to stay in control indefinitely, then the optimal strategy is to tax appropriate and not to confiscate everything produced by the civil population.

If security is ranked in a hierarchy of public goods as the central precondition for a functioning political order (cf. ROTBERG 2003; KONRAD & SKAPERDAS 2005), which is necessary to obtain positive beneficial effects in other realms, it follows that its rudimentary institutionalization can be restricted to the establishment of a system of protection and taxation. This implies, first, formal and informal institutions which organize the monetary transaction between

[26] For a discussion why Tillys' concept might not work in the developing world see TAYLOR & BOTEA 2008 and SØRENSEN 2001.

the provider and the recipients of protection, and also an organizational framework which guarantees territorial integrity towards third parties. On the basis of a neo-institutionalism perspective, this process gives rise to security expectations, both on the part of the civilian population and of the dominant armed actors. The civilian population can assume, on the bases of information as to the military capacities of the protection provider, a certain degree of effectiveness, i.e. the protection provider in fact appears as a reliable security monopolist in the eyes of the population (cf. WEINSTEIN 2006: 169f). Moreover, it is assumed that the productivity of the civilian population will increase due to the perceived territorial security, since more time and resources can be invested in production than in self-protective means. In turn, the armed organization achieves reliability regarding a regular income which it obtains through the institutionalized taxation system. Thus armed groups secure not only their own organizational structures, but also take into account future investment decisions which can therefore take on the quality of a public good – if the investments are made in sustainable economic means of production (cf. see Olson 1993; KURRILD-KLITGAARD & SVENDSEN 2003). In sum, one could posit the hypothesis that the success or stability of such non-state control systems depends on the quality of formal and informal decision-making rules related to the system of protection and taxation, the credibility of deterrence of internal and external military challengers, and the reliability of agreements between the military leadership and the civilian population. Over time, however, even violent actors have to engage themselves in processes of legitimation. Theoretically, it can be assumed that coercive political orders tend to establish an endogenous or exogenous frame of stabilization over time. Related to the former, an expansion of public related services into other sectors (e.g. finance, health, education) characterizes the development of quasi-state structures (e.g. Somaliland) that require a minimum of output-legitimacy (cf. BAKONYI & STUVØY 2005). In case of exogenous stabilization one has to consider the benefits that come along with statehood (e.g. licencing, credits, development aid). From this point of view, it is not surprising, that coercive modes of security governance may possibly change into statehood (as happened in Liberia with Charles Taylor) and make use of externally guaranteed sovereignty.[27]

6. Conclusion

Linking security with governance stimulates an interest in the handlig with violent conflicts and threats, scrutinizing the modes of protection, the provision of security services, their link-

27 Empirically, this pattern often can be found in cases, in which former rebel groups or warlords take part in elections to run for office.

age at different levels of analyses, and, thereby, the formation of alternative security structures. By starting with the argument that war-torn areas of limited statehood can be characterized both by zones of permanent insecurity and by the institutionalization of protection and taxation systems (areas of strategic security), only in the second variant do structures of political and social order emerge which are interesting from a governance perspective – and which should ultimately be examined in terms of efficiency, effectiveness and also of stability and legitimacy aspects.

Security as a governance commodity is directly connected to the ability to perform control over violent means and to provide protection goods. Therefore, it must be taken into account that the provision of security has an explicitly territorial component and is tied to the logic of the use of force and of resource extraction. Changing geographical and economic structures of opportunity contribute to the fact that even non-state armed groups may prefer the provision of security to the use of violence against the population, particularly if considerations of efficiency predominate. In this context, the making of governance should be expected as a preferred strategy of exercing control over a defined territory and population under certain material conditions (i.e. within economic valuable territories) in order to overcome or balance the risks of survival and negative economic effects (over-plundering) in zones of permanent violence. The formation of security structures may fail or turn into the unmaking of governance if armed groups abstain to provide both a minimum of internal security and deterrence from external threats, resources are limited or become scarce, and support within the armed group or population descreases. While Somaliland (1991-) and Puntland (1998-) clearly represent alternative formations of security governance beyond the state, partially institutionalized macro-networks of strategic security like “Taylor-Land” in Liberia (1991-96), “Nkunda-Land” (2004-) in the Eastern Congo or the Islamic Courts in Somalia (1999-2006) both stand for the conflictual making of security structures within war-torn areas of limited statehood *and* for the failure or transitional character of such orders of violence.

The potential paths of governance formation discussed here suggest, first, that the provision of security as a governance service can be provided by a variety of non-state groups without the state; second, that it may be organized on the basis of a variety of regulatory structures and processes (different organizational forms, degrees of institutionalization); and third, that it varies in its effective range (territoriality and consumption). Moreover, recourse to considerations of conflict theory (*opportunity structures*) and formal economics (*markets of security or protection*) in governance research is more than worth it. As it has been shown, the quality of security has to be linked to the functional logic of the markets of security in areas of

limited statehood. At the same time, economic or geographical opportunity structures shed light on the conditions under which entrepreneurs of security governance choose between strategic actions (production of civilian goods and services vs. investments in conflict perpetuating means) and interact with the civilian population or armed predators.

Conceptually, these considerations also indicate conscious points of reference to the concept of markets of violence (ELWERT 1997)[28], which more recently has been systematized along a continuum of the institutionalization of power. JUTTA BAKONYI & KIRSTI STUVØY (2005, 2006) distinguish between two ideal types of non-state orders of violence: *warlord configurations* which constitute an only weakly institutionalized type of order, are not territorially consolidated, and hardly have any organizational apparatus; and *quasi-states*, which are best characterized as highly institutionalized orders of violence akin to basic functions o the state, but which may not enjoy formal recognition by the international community (such as Somaliland). Nonetheless, *quasi-states* have monopolized the provision of security within their territorial areas of influence, and control parts of a territory, together with its economic resources (cf. BAKONYI & STUVØY 2006: 41-42). Both variants ultimately indicate the coexistence of alternative structures of order in areas of limited statehood. But whereas BAKONYI & STUVØY reflect security only as a byproduct of the institutionalization of power, the advantage of linking security with governance lies in focussing attention on the intentional provision of security services for defined social groups and providing both micro-foundations for the institutionalization of different qualities of security and for changes in the temporal and spatial dynamics of violence.

That does not mean that the state loses its significance entirely in such areas. It may very well remain the central framework of reference for non-state armed actors and also fits well into the logic of structures of opportunity. The example of "Taylorland," which at times embraced over ninety percent of Liberian territory and developed a currency and even a banking system of its own, demonstrates that institutionalized security systems can break down again relatively rapidly if the constellations change. Despite the territorial and economic independence which Charles Taylor established within his system of rule, Taylor finally, in 1997, aimed for the presidency of all of Liberia – with the well-known result of the renewed escalation of violence in the war in Liberia, and his arrest in March 2006. Aside from the ultimate fate of Taylor himself, it is clear that the state apparatus and the perspective of international recognition remain important resources, both internally (political legitimacy, advantages over

28 ELWERT (1999: 86) defines „markets of violence“ as „economic fields dominated by civil wars, warlords or robbery, in which a self-perpetuating system ermerges which links non-violent commodity markets with the violent acquisation of goods”. As highly profitable systems these markets may achieve stability for certain periods of time.

political rivals) and externally (e.g., in the form of international financial aid or by access to international assistance). It can therefore be assumed that opportunity structures such as the form of a state and the norm of sovereignty will in the future continue to determine the options for action of (some) private armed groups.

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