The Moral Hazard of Humanitarian Intervention
The Victims of Genocidal Violence as Risk-Takers and Fraudsters?

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BA Thesis in Political Science
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Ritgerð þessi er lokaverkefni til BA–grádu í stjórnmálafræði og er óheimilt að afrita ritgerðina á nokkurn hätt nema með leyfi réthafa.

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Abstract

Proponents of moral hazard theory argue that the norm of humanitarian intervention encourages victim groups to initiate conflicts and provoke genocidal retaliation in the hope of triggering intervention by the international community. The aim of this thesis is to analyse the theoretical plausibility of a moral hazard of humanitarian intervention, and also examine whether humanitarian intervention generates in practice the moral hazard that some authors claim it does. It is shown that while moral hazard theory is theoretically plausible, there is no discernible trend in the quantitative data consistent with moral hazard theory since the emergence and strengthening of a norm of humanitarian intervention. After applying moral hazard theory to Kosovo, often cited as the strongest case of moral hazard, the conclusion is reached that the framework proposed by proponents of moral hazard theory only partially accounts for the sequence of events and fails to explain key aspects of rebel behaviour. While there was some level of moral hazard at play in Kosovo, the conventional theories of rebellion and conflict – greed, grievance and the security dilemma – are needed to fully explain what occurred in Kosovo.
Preface

This thesis is submitted in partial fulfillment of the requirements for the degree of Bachelor of Arts in Political Science at the University of Iceland. It comprises 12 ECTS credits. My advisor was Dr. Page Wilson and I thank her for useful advice and insights.
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1. Introduction

Humanitarian intervention has had its share of critics. Realists have called genuine humanitarian intervention imprudent, some have called it immoral of states to risk the lives of soldiers to save strangers, others have questioned its legitimacy, and the illegality of any unilateral intervention is enough for some to denounce any such intervention, regardless of lives saved (Bellamy and Wheeler 2008, 527). The way humanitarian interventions have been carried out has been seen to compromise international order and security, making the world a more dangerous place (Chesterman and Byers 1999, 30). Some claim that humanitarian intervention is a cover for imperial policies (Chomsky 2008). The concept’s life-span has repeatedly been predicted to come to an end. As Charles Krauthammer boldly proclaimed after the intervention in Kosovo: “It is an idea whose time has come and gone.” (Krauthammer 1999)

Criticism of humanitarian intervention is not new. While J.S. Mill had different views as to what counted as humanitarian in his time (it often included explicit imperial rule and the “civilising” of “barbarians”), he was not too fond of the concept of helping groups through military intervention in their fight for political rights. He proposed limiting the “humanitarian interventions” of his day as they disrupted the healthy process whereby groups had to be “willing to brave labour and danger for their liberation,” and he argued that “the liberty bestowed upon them by other hands than their own, will have nothing real, nothing permanent” (Mill 1859, 6). This disruption of the process of national self-determination, Mill believed, resulted in unintended, adverse consequences (Prager 2005, 632). This thesis will likewise concern the unintended, adverse consequences of humanitarian intervention.

This thesis will explore whether humanitarian intervention generates what some scholars believe is a moral hazard, an unintended, adverse consequence of sorts. The moral hazard of humanitarian intervention refers to a situation whereby the norm of humanitarian intervention encourages rebel groups to initiate violent conflicts and provoke genocidal retaliation in the hopes of triggering external, military intervention. Because of the uncertainties involved with humanitarian interventions and the belatedness and ineffectiveness of many of them, critics of humanitarian intervention argue that these provocations often lead to mass atrocities. The norm of humanitarian intervention, some scholars (Kuperman 2008a, 51) argue, leads to rebellions and genocides that would not occur otherwise. So if accurate, the concept of moral hazard not only adds important insights to the
study of conflict and intervention but also has consequences that call for drastic policy changes.

The aim of this thesis is to examine to what extent, if any, the norm of humanitarian intervention generates a moral hazard. The thesis will be divided into three parts. One section will lay out the theoretical framework. One section will examine part of moral hazard theory’s empirical record by examining the quantitative data, as well as applying moral hazard theory to Kosovo. The final section will go towards summarising the findings and concluding the thesis.

The lion’s share of the theoretical framework will go towards explaining moral hazard theory. However, as moral hazard theory relies on there being a norm of humanitarian intervention, the first part of the theoretical framework will show how a norm of a humanitarian intervention has been emerging since the end of the Cold War. As advocates of moral hazard theory (Kuperman 2008a, 53-54) specifically challenge three traditional theories of rebellion and conflict – greed, grievance and the security dilemma – a brief account will be given of these three theories.

The part of the theoretical framework devoted to moral hazard will give an account of the theory, explore its theoretical plausibility and clarify the differences between moral hazard theory and the three conventional theories on rebellion and conflict. As moral hazard theory relies on the relationships between three actors – rebels, the regime and potential intervenors – the thesis will account for their behaviour and actions within a moral hazard framework. This thesis will examine whether moral hazard theory adds anything to our understanding of conflict and intervention, a field which has volumes of scholarship yet still lacks a consensus model on what causes civil conflicts (Dixon 2009, 731).

As moral hazard theory seeks to account for the behaviour of these three actors and as we already have an empirical record of the international community intervening on humanitarian grounds and regimes committing genocides in a way that is consistent with moral hazard, the theory’s empirical record ultimately rests on its account of rebel behaviour. That is to say, whether rebels have in fact provoked genocidal retaliation for the purposes of triggering external military intervention. The quantitative data is also analysed to see whether there is any trend of moral hazard that is consistent with the emerging norm of humanitarian intervention. This thesis will examine how Alan J. Kuperman’s moral hazard framework compares with the conventional theories of rebellion in explaining the conflict in Kosovo.
2. The Theoretical Framework

2.1. Humanitarian Intervention

There are divergent views as to what humanitarian intervention means precisely but there is a general consensus on a few characteristics. Those are that humanitarian intervention involves:

1. the threat or use of military force across state borders
2. an intrusion into the affairs of a sovereign state which has not committed an act of aggression
3. a primary intent by intervenors to protect “large-scale human rights violations” (Evans and Newnham 1998, 231) or "the innocent victims of large-scale atrocities" (Thakur 2007, 388)

Some scholars (most notably Fernando Teson and Nicholas J. Wheeler) have however criticised the primacy of humanitarian motivations as part of the definition of humanitarian intervention. Wheeler argues that "even if an intervention is motivated by non-humanitarian reasons, it can still count as humanitarian provided that the motives, and the means employed, do not undermine a positive humanitarian outcome." (Wheeler 2000, 39) Even though Wheeler's definition of humanitarian intervention with its emphasis on humanitarian outcome over intent is sound, this thesis will only concern humanitarian interventions that have primary humanitarian intent. Intent is a vital component to moral hazard theory, as any atrocities that occur as a result of moral hazard have to be unintended (as will be explained in detail in the sub-chapter on moral hazard theory). So humanitarian intervention, as defined for this thesis, is the threat or use of military force undertaken with the intent to protect large-scale human rights violations within the sovereign borders of another state.

Since the end of the Cold War, humanitarian intervention has been emerging as a norm. While Wheeler (2000) argues that there were three humanitarian interventions during the Cold War – India’s intervention in East Pakistan in 1971, Vietnam’s intervention in Cambodia in 1978 and Tanzania’s intervention in Uganda 1979 - none of the intervenors tried emphatically to justify the interventions in humanitarian terms, and none of these interventions were approved by the international community at the time, despite the
humanitarian outcomes of the interventions (Wheeler 2000).

Even though none of these interventions were primarily motivated by humanitarian concerns (Krain 2005, 366), it is striking that the intervenors did not forcefully make the argument that the interventions had a humanitarian outcome and were thus justified. While India primarily defended its use of force on self-defence grounds, it did invoke humanitarian claims (Wheeler 2000, 62). However, “at no point did India explicitly justify its use of force in terms of the legal doctrine of humanitarian intervention.” (Wheeler 2000, 64) Neither Vietnam nor Tanzania made any humanitarian claims whatsoever to justify their respective interventions (Wheeler 2000, 88, 118). It is indicative of how the international community at the time was unmoved by arguments of that nature and that any violation of state sovereignty, regardless of humanitarian intent or outcome, was unacceptable.

After the end of the Cold War, the UN Security Council approved a humanitarian intervention for the first time. In 1991, the UN Security Council approved of a US-led mission to establish safe havens for Kurds in Northern Iraq. Arguments have been made that this intervention came partly as a result of the ‘CNN effect’. Ken Booth (1995, 107) argues that there is little difference between Lyndon B. Johnson’s disregard of the plight of Biafrans in the 1960s and the position of non-intervention that George H.W. Bush was preparing to take in 1991. The difference was simply that the power of media had changed and the suffering of Kurds in Iraq made it unfeasible on a domestic level for the US, the only superpower left, to do nothing while a genocide was occurring.

The still-frail and emerging norm of humanitarian intervention was badly struck by a failed intervention in Somalia. Subsequent non-intervention when it was badly needed in Rwanda (the French did though intervene belatedly, saving some lives) put a big dent in the legitimacy of humanitarian intervention. It certainly substantiated Walzer's (2002) view that no intervention can be entirely humanitarian, and that other motives have to be in place for any intervention to occur. Rwanda fell between the cracks as the US - which had been at the forefront of the humanitarian intervention in Iraq and suffered a big hit in Somalia – was reluctant to get involved. Any intervention is based on will and capability. Some states have the will but not the capability and in the Rwandan case, the state with the largest capabilities did not have the will.

In 1999, a NATO-led mission undertook a bombing campaign in Kosovo against the Milosevic regime. Unlike previous humanitarian interventions in the post-Cold War period, this mission was not authorised by the UN Security Council. The international community or
at least a part of it, still haunted by the massacre in Srebrenica, would not sit back and allow atrocities to occur just because consensus could not be reached in the UN Security Council. As an indication of new norms emerging concerning humanitarian intervention, "seven members [of the UN Security Council] either legitimated, excused or acquiesced in the use of force justified on humanitarian grounds in a context where there was no express Council authorisation." (Wheeler 2000, 281) This is in stark contrast to the near-unanimous condemnation and sanctions that Vietnam suffered as a result of the invasion of Cambodia and overthrow of the brutal Khmer Rouge regime, which ended a humanitarian catastrophe of enormous proportions (Wheeler 2000, 78-110). As the case of Kosovo shows, a significant portion of the international community had become willing to legitimate unilateral interventions.

The non-intervention in Rwanda and the controversial nature of the intervention in Kosovo led to a process whereby the concept of humanitarian intervention was to be refined so that similar quandaries would not occur again (Bellamy and Wheeler 2008, 535). The International Commission on Intervention and State Sovereignty released a report in 2001 that established "Responsibility to Protect." This report formulated a set of duties or responsibilities that states carry towards their own populations, as well as to the populations of other states. Sovereignty was not envisioned as a right. The report proposed tying sovereignty to a responsibility to protect civilians from "major harm" and if "the state in question [was] unable or unwilling to end the harm" befalling its citizens, military intervention was acceptable in extreme cases (ICISS 2001, 16). Bellamy and Wheeler argue that the ICISS Report suggests a hierarchy of responsibility "starting with the host state, then the UNSC, the General Assembly, regional organisations, coalitions of the willing, and finally individual states." (2008, 536)

While the version of Responsibility to Protect that the UN agreed to at the 2005 UN World Summit was a “watered-down” version of the concept proposed by the ICISS (Badescu and Bergholm 2009, 291), all UN member states were now committed to the concept (Bellamy and Wheeler 2008, 537), although confusion remained about the precise meaning of Responsibility to Protect in practice (Bellamy 2008, 616-617). Unlike what the ICISS proposed, UN members agreed to a version of Responsibility to Protect wherein use of force would remain solely within the UN Security Council and decisions on how to implement the Responsibility to Protect would be taken on a case-by-case basis (UN General Assembly 2005, 30). In 2011, the UN Security Council would for the first time, through Resolution
1973 and in the case of Libya, authorise the use of force for the purposes of protecting civilians (UN Security Council 2011).

The genuine adherence by many states to the principles of Responsibility to Protect can be greatly questioned and a query can be held on whether a norm of humanitarian intervention has been established *per se*. Those questions deserve to be addressed at greater length than this thesis allows for but what is clear is that a norm of humanitarian intervention has been emerging and the international community is much more willing to intervene on a humanitarian basis after the Cold War than it was before. It is therefore fair to say, in light of the post-Cold War developments described above, that states which attack their own citizens or are incapable of protecting them are at a greater risk of external military intervention by the international community.

2.2. Grievance Theory

Proponents of grievance theory (most notably Frances Stewart) argue that "horizontal inequalities, that is, inequality in political, economic, and/or social conditions among culturally and/or geographically distinct groups" are a significant cause of civil war (Stewart 2002, 106). Key proxies for grievance are inter-ethnic or inter-religious hatreds, political repression, inequality and a need for vengeance. Ethnic and religious differences are often not enough to ignite a conflict, as indicated by diverse, hate-filled societies that do not have civil wars and the homogenous societies that do go to civil war. As Valentino (2004, 20) points out, there is a higher percentage of marriages between Serbs and Croats in Croatia than between blacks and whites in the US, yet there was a war in Croatia along ethnic lines in recent time while there is no risk of any such war in the US.

It is not diversity and ethnic or religious tensions *per se* that cause conflict. It is rather that these differences between groups provide an opportunity for violent mobilisation by leaders. If these ethnic and religious groups lack the same access to economic and political assets as other groups have, and their demands for change are not met peacefully, then violent mobilisation is made easier (Stewart and Graham 2007, 221-223). The objective of rebellion is therefore to achieve political power which is then used to alleviate grievances (Stewart 2002, 107). Violent conflicts may also be started by groups in a privileged position in an effort to sustain power and ward off attempts by other groups to compromise their privileged position (Stewart and Graham 2007, 223).
Horizontal inequality is different from vertical inequality. The latter refers to inequality between individuals, while the former refers to inequality between distinct groups. It is this group element that is key to grievance theory. Leaders mobilise groups by differentiating them from other groups through what Stewart (2002, 107) calls a "strategy of "reworking historical memories"." This is done to compete for power and resources. While Stewart concedes that there may be a role for greed in the motivations of rebel leaders (though there are rebel leaders who have given up wealth and safety to instigate rebellions), the desire to alleviate grievances is the dominating explanation for why non-elite rebels rebel (Stewart 2002, 106-107; Stewart and Graham 2007, 224-225).

In Dixon’s integration of the quantitative research on the subject, he finds substantial correlations between civil conflict and various kinds of inequality (2009, 716-717), certain types of political systems (2009, 718) and ethnic and religious fractionalisation (2009, 728). Much of the quantitative evidence is consistent with grievance theory.

2.3. Greed Theory

Proponents of greed theory (most notably Paul Collier) argue that the combatants' desire for economic gains is a significant cause of civil war. These proponents argue that there are problems with grievance theory on a theoretical level but they also argue that the empirical evidence is flawed. The Collier-Hoeffler model shows, contrary to the data that grievance theory proponents have shown, that most proxies for grievance are not significantly correlated with conflict (Collier and Hoeffler 2004, 588). As for grievance as theory, economists who have studied rebellion and conflict have always been troubled by aspects of it (Collier 2000a, 839). One of the glaring problems with grievance as a cause for rebellion is that relief from grievance is a public good and thus the gains from alleviating grievances will benefit all, regardless of whether they did something to alleviate those grievances. Grievance alleviation is therefore a collective action problem wherein everyone benefits from it but due to the costs incurred by alleviating grievances (for instance, risking your life and livelihood by rebelling) no one can or will do it on their own.

Collier explains the free-rider problem as follows:

If I am consumed with grievance against the government, I may well prefer to rebel than to continue to suffer its continuation. However, whether the government gets overthrown does not
depend upon whether I personally join the rebellion. Individually, my preferred choice might be that others fight the rebellion, while I benefit from the justice which their rebellion achieves. This standard free-rider problem will often be enough to prevent the possibility of grievance-motivated rebellions. (2000b, 98-99)

Grievance is a motive for rebellion but a motive is not enough to actually cause a rebellion, as the collective action problem indicates. A rebellion needs both motive and opportunity (Collier and Hoeffler 2004, 563). What greed theory adds to the study of rebellion is its account of opportunity. If rebels are motivated by grievance alone then they have an incentive to free-ride. Therefore there must be something else to incentivise them to incur the high costs of rebellion. The rebels are incentivised to take up arms if they are compensated or rewarded for their participation. A rebellion is therefore dependent on the ability to recruit and reward rebels.

Low income, unemployment and economic decline are factors associated with rebellion as they make it easier to recruit rebels. When you have nothing and no prospects, the opportunity costs of rebellion are low and little is lost by rebelling. When you have something to lose, much is lost by rebelling. To illustrate this point, desertions among Reds and Whites in the Russian Civil War were ten times higher during the summer months than during winter as combatants were returning home for the harvest (Collier and Hoeffler 2004, 569). For non-elite rebels, the incentive for rebelling is therefore the improvement in their personal standard of living. High unemployment, low incomes and poor standards of living therefore increase the likelihood of rebellion by decreasing the opportunity costs of rebelling.

For rebel leaders, the motivation for rebelling is the authority and control which they are likely to gain if the rebellion is successful (Regan and Norton 2005, 323). The risks are higher but they also stand to gain much more.

Collier and Hoeffler (2004, 565) have noticed three common sources for the financing of rebellions. Those are the extortion or looting of resources, donations from diasporas and funding from foreign governments. Though earlier works by Collier and Hoeffler assumed that post-conflict gains covered the costs accrued during the conflict, they now state that "rebel groups often more than cover their costs during the conflict." (Collier and Hoeffler 2004, 564)
2.4. The Security Dilemma

The security dilemma is a phenomenon that has generally been part of realist explanations of inter-state war (Evans and Newnham 1998, 495-496). According to realists, the international system is defined by anarchy and the prime concern of states in this system is to enhance their security in order to survive (Dunne and Schmidt 2008, 93, 101-102). John H. Herz defines the security dilemma as follows:

They [states] are driven to acquire more and more power in order to escape the impact of the power of others. This, in turn, renders the others more insecure and compels them to prepare for the worst. Since none can ever feel entirely secure in such a world of competing units, power competition ensues, and the vicious circle of security and power accumulations is on. (1950, 157)

The dilemma essentially means that the improvement in one’s own security leads others to increase their own security, with the consequence of making all less secure.

The security dilemma has not only been applied to inter-state war but also intra-state war (most notably by Barry R. Posen). While states face the dilemma in the international system, Posen argues that groups may face it within states. The dilemma occurs in situations of anarchy or those resembling anarchy. For instance, in situations when governments collapse or are weakened. As a result, groups within those states are no longer provided with adequate security. As with states confined within the anarchy of the international system, groups - often defined by their ethnicity, religion and culture - have their security as their prime concern once there is a void where the government used to be. Groups respond to the power vacuum and uncertainty by accumulating power, as that is the key to security. However, the more power they amass, the bigger a threat they become to other groups and a vicious circle of security-insecurity is created that makes all groups concerned less secure (Posen 1993, 27-28).

Several conditions impact the intensity of a security dilemma. The history between groups is vital, since past behaviour is often perceived to provide clues for future behaviour. If groups have a stained past and have reason to fear each other in a power void, then the security dilemma is intense, as neither side can afford to trust the other not to attack (Posen 1993, 27-28, 31). Geography also matters, since it impacts how much of a threat a group perceives another group to be and the military strategies necessary to ensure security. If the
territory held by a group is dangerously outflanked by another group or if pockets of a group are confined within the territory of another group, preventive war may be an attractive option. Ethnic cleansing might be a viable option to get rid of hostile groups from a territory and ensure security for your own group if groups are scattered across a territory (Posen 1993, 31-34).

Melander (2009, 112) provides quantitative evidence consistent with the security dilemma that supports regional ethnic diversity as strongly correlated to war. As for qualitative evidence, Posen (1993, 35-38) argues that the security dilemma was at play in the Croatian War of Independence (1991-1995). The history - the violence between Serbs and Croats during World War II – and geography – vulnerable “islands” and the interspersion of groups within the same territory – led both groups to fear each other and influenced the effectiveness of certain military actions that were taken with catastrophic consequence.

There are two factors that make the security dilemma so prone to violent escalation. Firstly, offensive and defensive forces are often indistinguishable, especially in poorer, less developed countries. Secondly, offensive actions can be more effective at enhancing security than defensive actions (Posen 1993, 31-33). The first factor makes any honestly defensive gesture an inadvertent offensive gesture and the second factor erodes trust between groups and makes offensive actions more viable.

Posen's security dilemma is in many ways an improvement on what Posen regards as the incomplete arguments related to grievance and greed. As he puts it: the security dilemma is a powerful cause of conflict "regardless of the internal politics of the groups emerging from old empires" and he argues that "very little nationalistic rabble-rousing or nationalistic combativeness is required to generate very dangerous situations." (Posen 1993, 29)

2.5. Moral Hazard Theory

In economic theory, moral hazard is a situation where the provision of protection against risk (for example, by insurance) gives a party a larger incentive to take risks or commit fraud because they are protected from the full costs of their actions. For example, a moral hazard occurs when car owners are insured against car theft. As the car owner is insured against car theft, the owner has less of an incentive to take precautions to decrease the likelihood of car theft. The car owner may irresponsibly park his car in more convenient, cheaper parking spaces that are less secure. While there is some disagreement over whether fraud is part of
moral hazard (Rauchhaus 2005, 217), fraud will be part of the moral hazard concept for the purposes of this thesis. If the value of the insurance payout is higher than the insured property, the insured party has an incentive to commit fraud. For example, an individual with car insurance covering vandalism may torch his car to get the insurance payout. To sum it up, moral hazard is an adverse, unintended consequence in that it increases the likelihood and severity of events covered by insurance. The consequence of insurance against car theft and vandalism may have the adverse, unintended consequence of increasing car theft and car vandalism.

Some scholars (Crawford 2005, Crawford and Kuperman 2005, Kuperman 2005, 2008a, 2008b, 2009; Rowlands and Carment 1998) claim that the dynamic of moral hazard occurs in conflict and intervention. In applying moral hazard to humanitarian intervention, the international community serves as the insurer and the victim group as the insured. The insurance is an intervention that pays out when the victim group is suffering or about to suffer genocidal violence. The argument goes that, as with typical insurance, the victim group has less of an incentive to guard against risks because it does not bear the full costs of its actions. For instance, rebels that are unlikely of succeeding militarily against a regime are likelier to rebel if they think the international community will protect them against genocidal retaliation from the state. The rebel group may even provoke violence against itself if mass atrocities are necessary to trigger an intervention which the rebels may need to reach their political goals. Proponents of moral hazard theory essentially argue that victim groups take risks and act fraudulently as a consequence of the emerging norm of humanitarian intervention.

Concepts that are linked to moral hazard, such as unintended consequences, perverse incentives and negative precedents, have already been applied to conflict and intervention (Crawford 2005, 179). Rowlands and Carment (1998) were the first in the literature on conflict and intervention to identify moral hazard specifically. They argue that moral hazard occurs when the intervenor’s actions create “incentive structures” that lead groups to “reduce their effort to avoid calamity.” (Rowlands and Carment 1998, 271) Other scholars (Crawford 2005, Crawford and Kuperman 2005, Kuperman 2005, 2008a, 2008b, 2009) have since then further developed and applied the concept of moral hazard.

Kofi Annan reiterated a similar argument as the one made by proponents of moral hazard theory in the Millennium Report: “[Some critics] felt that it [humanitarian intervention] might encourage secessionist movements deliberately to provoke governments into committing gross violations of human rights in order to trigger external interventions that
would aid their cause.” (Annan 2000, 48) The ICISS report on Responsibility to Protect also took note of the destabilising potential of a norm of humanitarian intervention: “When internal forces seeking to oppose a state believe that they can generate outside support by mounting campaigns of violence, the internal order of all states is potentially compromised.” (ICISS 2001, 31)

There is a clear distinction between moral hazard and the conventional theories on conflict and intervention. Moral hazard theory does not focus solely on the relationship between the rebel group and the regime to explain the causes of rebellion, as the conventional theories for rebellion - greed, grievance and the security dilemma – arguably do. The international community, as a potential intervenor in the conflict, is a necessary component of rebellion according to moral hazard theory. So unlike typical insurance which is between two parties: the insurer and the insured, moral hazard theory takes into account three relationships:

1) The relationship between the rebel group and the regime
2) The relationship between the rebel group and potential intervenors
3) The relationship between the regime and potential intervenors

Kuperman, an advocate of moral hazard theory, argues that greed, grievance and the security dilemma fail to account for why groups vulnerable to genocidal retaliation risk provoking that retaliation by rebelling. As he puts it: “Suicide does not satisfy greed, rectify grievance, or mitigate insecurity.” (Kuperman 2008a, 54) Kuperman (2008a, 55) argues that suicidal rebellions – that is, rebellions by groups vulnerable to genocidal retaliation - may occur for five reasons:

1) The rebels do not perceive the threat of retaliation by the state as credible
2) The rebels expect to be victimised regardless of whether they rebel, so they have nothing to lose by rebelling
3) The rebels expect the rebellion to succeed at a tolerable cost without intervention
4) The rebels expect that intervention will enable victory at a tolerable cost
5) The rebels are not behaving as unitary, rational actors
So rebellion in the face of credible threats of retaliation, where rebels know that they are incapable of succeeding without intervention and where rebels will not be victimised if they do not rebel, can only be explained by rebels behaving irrationally or by rebels behaving rationally and that they are rebelling because they expect a victory-enabling external intervention at a tolerable cost.

The implications of this, if the theory is correct, are that the norm of humanitarian intervention causes suicidal rebellions and the very same atrocities that humanitarian interventions are intended to prevent. The moral hazard, if unaddressed, ought to increase as the precedents of humanitarian intervention pile up and the international community shows stronger support for a norm of humanitarian intervention.

Why would potential intervenors intervene if the rebels are the ones provoking the violence though? Why would the regime “take the bait”, commit genocide and provoke intervention? You would not kill yourself to cash out a life insurance policy so why would a victim group provoke atrocities upon itself or “commit suicide”? Moral hazard theory allows for the possibility of bad outcomes for all three parties. Rebels may expect intervention to come at a tolerable cost and thus rebel, and the regime may respond to rebellion with genocidal violence in the expectation that there will not be an intervention. Intervention may occur but as often happens, it may come late and be ineffective which leads Kuperman (2005, 150) to claim that “the norm [of humanitarian intervention] causes some genocidal violence that would otherwise not occur.” The rebels may achieve intervention at a cost beyond what is tolerable, the regime may have to succumb to the rebels’ political demands as a result of the intervention and the international community will have caused genocidal violence. How can rational decision-making lead to such adverse consequences for these three actors?

**Rebel Behaviour**

The first perplexing point that needs explaining is why a victim group would opt to provoke violence upon itself when intervention often comes belatedly and may be ineffective at stopping atrocities. Firstly, the victim group is a diverse group with individual actors in it. The victim group will not necessarily suffer violence equally. Some will be disproportionately hit while others will be spared. Geographical location, ethnic composition and partisanship are all variables that may spare or hurt individuals and groups within the victim group. So from village to village, the perceived risk of retaliation varies. Attitudes to the strategy of
provoking retaliation may therefore be different. People from an area likely to avoid retaliation may be more willing to rebel and provoke a genocidal retaliation if the genocidal retaliation will mainly be felt by other groups (for instance, villages that will predictably suffer violence if a conflict were to start).

In trying to answer this question, Nzelibe (2009, 1186) points out how the risk of genocidal violence and the rewards of intervention do not apply equally to rebel leaders, rebels and the victim group as a whole. Rebel leaders and rebels may have superior information to the rest of the victim group and they may as a result be in a better position to save themselves and those they hold dear. Rebel leaders and rebels are also in a position to greatly improve their status if intervention occurs. As greed theory points out, both rebel leaders and rebels are often compensated for their participation, unlike the rest of the victim group.

Nzelibe makes a comparison between self-harm in domestic torts and self-harm in civil conflicts to trigger an intervention. In domestic torts, victims will be rewarded in order to restore their status and thus they have no incentive to harm themselves for the sake of rewards. In civil conflicts however, rebel leaders may greatly improve their status if they trigger an intervention and thus have an incentive to take risks with their own and other lives to trigger intervention (Nzelibe 2009, 1175).

**Regime Behaviour**

While self-interest and disregard for the plight of strangers, and the Machiavellian qualities of rebel leaders are understandable, the reasons why regimes commit genocidal violence, despite the risk of humanitarian intervention, are not as straightforward. Much of the criticism of moral hazard theory has honed in on the seemingly irrational behaviour of regimes in the face of external intervention (Kydd and Strausz 2013, 2-3; Nzelibe 2009, 1194; Western 2005, 234). The critics suppose for argument’s sake that moral hazard does apply to humanitarian intervention. If there is such a thing as moral hazard, once a suicidal rebellion has been launched for the purposes of triggering a humanitarian intervention which is deemed likely to occur at a tolerable cost to the rebels, the regime, desiring to end the rebellion, should bargain with the rebels precisely to avoid the external intervention that is likely to occur if it were to launch a massive campaign to go after the rebels. The critics, in effect, argue that moral hazard suffers from inherent contradictions, and that an assumed rational choice by the rebels
must result in a rational decision by the regime. The rational choice by the regime must be to bargain with the rebels if there is a risk of intervention.

This does not have to be the most rational course of action however. As humanitarian interventions are launched on a case-by-case basis and vary in size and method, if they occur at all, the regime may perceive the likelihood and scope of intervention differently than the rebels do. This occurred during the insurgency in Macedonia in 2001, where insurgents thought that the international community was more sympathetic to their cause than it truly was (Auger 2008, 34-35). The regime may even expect intervention but still go ahead with genocide if it thinks the intervention may be ineffective. This occurred in Kosovo where Milosevic calculated that he could withstand the accurately predicted initial Western plans of a three day to a week-long bombing campaign (Judah 2000a, 323-324).

Other problems for regimes concern the nature of bargaining with rebel groups. A primary reason for these difficulties is that the objects which a rebel group and a regime are bargaining over, may be indivisible or irreconcilable. Territory and degrees of regional autonomy are much harder to divide than monetary rewards (Nzelibe 2009, 1189). Political and social ideologies may also contradict each other, and can not easily be reconciled. Albanian nationalism and greater autonomy for Kosovo could not be reconciled with Serbian nationalism and the serbianisation of Kosovo.

Another complicating factor is that rebel groups are not necessarily unified, organised groups with an agreed-upon leadership. Any peaceful settlement reached may not be complied with as the rebel group may splinter or leaders of the rebel group will not be able to make members of the group comply with the agreement. Making negotiated compromises with violent rebels also sets a negative precedent that may spur the same rebel group to re-ignite hostilities or encourage other rebel groups to get violent in order to obtain negotiated compromises (Tull and Mehler 2005, 391-393). Power-sharing agreements at the end of civil wars fail to prevent the recurrence of war nearly half the time (Mukherjee 2006, 480).

The literature on genocide points to many reasons why regimes ultimately choose indiscriminate violence over bargaining or precision attacks on rebels. Kalyvas (2006, 166-172) concludes that indiscriminate violence is likely to emerge when the constraints of carrying out precision attacks are too heavy. The reason why regimes resort to indiscriminate violence instead of precision attacks against rebels is that the nature of civil conflicts often blur the difference between rebels and non-combatants, and precision attacks may be impossible to carry out effectively. Kathman and Wood (2011, 737-738) argue that regimes
often initially pursue other options to genocide and only turn to genocide when those other options have failed or are too costly. Sussing out insurgents and employing selective violence can be much more costly than using indiscriminate violence (Kalyvas 2006, 166).

**The Behaviour of the International Community**

Why would the international community, with its goal of reducing atrocities, intervene on behalf of groups which are provoking atrocities precisely to trigger intervention? One of the reasons is that there may be an information asymmetry between the international community and the rebels. The international community may be unable to perfectly monitor the rebels’ actions (Rauchhaus 2005, 217). The international community may therefore be unable to determine their intentions. The chaotic nature of civil conflict environments and the lack of access to conflict zones makes fact-finding difficult for the international community. While the information available is scarce, much of the information available may be coming through rebel or regime ranks.

Rebels with their prime access to information on the ground are able to release information sympathetic to their cause, alter information and hide information. High casualty estimates and heart-wrenching media images cause domestic publics to pressure their governments to intervene. Fears over being blamed for future atrocities may be enough to push the international community into premature action while information is very incomplete. Two recent conflicts where an information asymmetry has been observed are the Libyan Civil War and the Syrian Civil War. In Libya, casualty figures were wildly exaggerated (Guardian 2013a). In the Syrian civil war, rebels and the regime have repeatedly blamed each other for various attacks (BBC 2012, Guardian 2013b, Reuters 2013).

Even if the international community is aware of the situation on the ground and that the rebels are the provocateurs of violence, and the international community tries to rein in the rebels, the international community, just like the regime, faces difficulties in negotiating with the rebels. Rebel groups that may have the unity to provoke atrocities with the goal of triggering intervention may lack the structure necessary to elicit compliance from within the rebel group to any agreement that comes as a result. Also, if the international community were to sit down with the most violent faction in a civil conflict where there are many factions, this might signal to other factions that violence is needed to get a seat at the negotiating table (Tull and Mehler 2005, 391-393).
Even if we have a situation with a unified, organised rebel group that is capable of making its members comply with decisions taken by rebel leaders, there may not be much of an incentive for rebel leaders to agree to cease hostilities and to cease provoking violence from a regime. The international community or potential intervenors may be incapable of physically preventing the rebel group from provoking violence and will be bound to intervene to the rebels' benefit anyway. The likelihood of all potential intervenors agreeing not to intervene once they spot the moral hazard and understand what the rebels are up to, seems low if the cost of non-intervention is atrocities. The international community is after all often blamed for the atrocities it does not prevent, as shown by public outrage over inaction in Rwanda, Srebrenica and Darfur.

If the rebels can not be stopped (or at least not at a cost that the international community is willing to pay) then the most effective way to solve the situation and reduce atrocities in a conflict may be to forcefully push the regime to accept the rebels’ demands, despite the negative precedent it sets. This is what makes moral hazard such a potential threat. While some moral hazard proponents argue that it is the unitary behavior of rebel groups that make moral hazard such a potential threat, there is reason to believe that it is a combination of the rational choice by some to provoke violence and the inability of the rebel group to contain itself once violence escalates that makes moral hazard a theoretical plausibility. Assuming that rebels are unitary actors is a simplification (as will be illustrated in the section on the case of Kosovo).
3. The Empirical Record

We already have an empirical record of the international community intervening on humanitarian grounds and we have an empirical record of regimes committing genocide under the threat of intervention. The key component of moral hazard theory’s empirical record is therefore the controversial point of whether victim groups have actually provoked violence upon themselves to trigger intervention.

Moral hazard has been applied to conflicts in Bosnia (Kuperman 2005, 157-159; 2008, 56-64), Darfur (Kuperman 2009a) and Macedonia (Auger 2008, 34-37). None of these cases are particularly strong and Kuperman’s account of moral hazard in Bosnia has convincingly been challenged (Western 2005, 228-229, 232-234; Bellamy and Williams 2011, 551-552), as has his account of moral hazard in Darfur (Bellamy and Williams 2011, 554-556). The Macedonian case is fairly undeveloped and needs substantially more information on the motivations and actions of the rebels, as well as the capabilities of the regime. Contrary evidence shows that the rebels were capable of succeeding militarily and that rebellion was hardly suicidal (Lund 2005, 244). The author also needs to show that the rebellion had the aim of triggering intervention and not just simply improving the rebels’ bargaining position vis-a-vis the government in Skopje.

Moral hazard has also been applied to Kosovo (Kuperman 2005, 159-160; 2008a, 64-75). In this chapter, there will be a thorough analysis of the conflict in Kosovo, often said to be the strongest case for moral hazard theory (Grigorian 2005, 196; Kuperman 2009b; Western 2005, 235). A contrast will be made between moral hazard theory’s account of the conflict in Kosovo and those of the conventional theories of rebellion. This chapter will however first proceed with an examination of the quantitative data relevant to moral hazard theory.

3.1. A Trend of Moral Hazard?

It logically follows from the moral hazard of humanitarian intervention that each precedent of humanitarian intervention and stronger international support for the norm of humanitarian intervention should, all else being equal, lead to more suicidal rebellions. Bellamy and Williams (2011, 545-546), two critics of moral hazard theory, point out that we should expect
to see modest growth in suicidal rebellions in the early 1990s, while the norm of humanitarian intervention was first being developed, and as the number of international deployments for humanitarian purposes increased significantly. Between 1995 and 2005, we should see an even higher growth in suicidal rebellions as the norm gained wider acceptance and as Responsibility to Protect was presented in the ICISS Report. As the international community strengthened its commitment to Responsibility to Protect in 2005, suicidal rebellions should be occurring at the highest frequency post-2005.

Episodes of genocidal violence should also gradually increase if moral hazard theory is correct (Bellamy and Williams 2011, 547-548). Bellamy and Williams argue that the rebels, behaving consistently with moral hazard, should reject peace compromises in the expectation of triggering intervention. It is argued that as a consequence there should be more prolonged rebellions, more rebellions that escalate into major armed conflict and longer durations of episodes of genocidal violence (Bellamy and Williams 2011, 548-549). Rebels who are unable to succeed militarily are less likely to end their rebellion if there is a higher likelihood of intervention. Rebellions are therefore also more likely to escalate into major armed conflicts as rebels are ready to take more risks. Rebels are also more likely to keep going if the regime resorts to genocide and there is a higher likelihood of humanitarian intervention.

Bellamy and Williams, using data from the Uppsala Conflict Data Program, show how there is actually an inverse correlation between the number of international deployments for humanitarian purposes and the number of prolonged rebellions, the number of rebellions against established governments, the number of rebellions that escalate into armed conflict and the number of episodes of genocidal violence (Bellamy and Williams 2011, 549-550).

While Bellamy and Williams convincingly make the case that the norm of humanitarian intervention and Responsibility to Protect have a significant net positive effect on conflicts and genocide based on the quantitative research, this is not proof that moral hazard does not occur. Moral hazard may well occur, and cause conflicts and atrocities that would not happen otherwise, while other variables cause rebellions to be fewer and less severe.

While the quantitative evidence may not conclusively dispel the existence of a moral hazard, Bellamy (2008, 631-632) also argues that the way Responsibility to Protect has been refined should, in theory, make moral hazard less likely to occur as:
1. Responsibility to Protect sets tougher criteria for intervention. Namely cases involving genocide, crimes against humanity, war crimes and ethnic cleansing. These are criteria that peace operations previously authorised under Chapter VII of the UN Charter have not necessarily met.

2. Responsibility to Protect encourages governments to address legitimate grievances of nonviolent groups.

Responsibility to Protect should therefore make nonviolent rebel challenges more viable, as the Responsibility to Protect, in theory, will encourage regimes to address legitimate grievances from nonviolent groups. As a consequence, the opportunity costs of violent rebel challenges will be higher because of the increased viability of nonviolent challenges. The Responsibility to Protect should therefore, in theory, make violent rebellions less likely and nonviolent challenges more likely.

3.2. Kosovo

Kosovo was provided with substantial autonomy in the 1974 Yugoslav constitution after a long struggle for political rights. Tito’s death in 1980 led to renewed political instability and nationalist unrest as Kosovars demanded that Kosovo become the seventh republic in Yugoslavia, as opposed to remaining a province. In the years that followed, there were increasing tensions between Serbs and Kosovo Albanians (Judah 2000b, 93-94).

Reports of the supposed “physical, political, legal and cultural genocide” of Kosovo’s Serbian population in the SANU Memorandum of 1986 provided Milosevic with a cause to pursue. Milosevic rose to the top by exploiting fears of Serbians with nationalist speeches, promising to “win the battle for Kosovo”, alluding to the Battle of Kosovo in 1389 between the Ottoman Empire and Serbia (Ramet 2006, 348-349). In 1989, Milosevic became President of Serbia (one of the republics of Yugoslavia). He moved to abolish Kosovo’s autonomy and he would go on to establish discriminatory and arduous laws targeting Kosovo’s Albanian population (Bellamy 2001, 112-113). In the years that followed, Kosovo’s Albanian population would suffer repression and major human rights violations (Human Rights Watch 1996).

During the same period when Croatia (1991-1995) and Bosnia (1992-1995) were violently seceding from Yugoslavia, the prevailing wisdom in Kosovo was that nonviolence
was the best way to ensure the re-establishment of Kosovo’s political autonomy. In the period following Milosevic’s crackdown, Kosovo’s Albanian population elected a shadow government led by Ibrahim Rugova, a staunch believer in nonviolence as a means to achieve autonomy for Kosovo (Bellamy 2001, 114).

The Kosovo Liberation Army (KLA) was formed in 1991 (Hedges 1999). Contrary to Rugova’s philosophy and the wishes of most Albanians, the KLA wanted to secede by the use of force (Judah 2000c, 109-110). The Dayton Agreement of 1995 and the Albanian Unrest of 1997 were the two big events that led to rise of the KLA. In the aftermath of Kosovo’s non-inclusion in the Dayton Agreement (which ended the Bosnian War and led to the independence of Bosnia and Herzegovina), Albanians were increasingly losing faith in nonviolence as a strategy to regain Kosovo’s autonomy. In 1997, unrest in Albania sparked by the failure of a pyramid scheme led to the raiding of the state’s armories. Subsequently, weapons flowed into Kosovo (Judah 2000c, 111).

With arms and greater public support, the KLA launched a series of attacks on Serbian police and civilians. The Serbian police retaliated and the violence escalated until the Serbian police massacred 26 people on 28 February 1998 and 58 people on March 4th. War had broken out. The KLA went on to capture territory in early military victories but the Serbs launched a massive counter-offensive in July 1998 that pushed the KLA into the hills and displaced 200,000 people (Judah 2000c, 112-113).

The international community, “gravely concerned” by what was happening (UN Security Council 1998), stepped in and negotiated a ceasefire on 15 October 1998 (Walker 2000, 127-128). The ceasefire was repeatedly violated and a pattern of KLA attacks and Serbian reprisals emerged. These attacks culminated in the Racak massacre on 15 January 1999, where 45 Kosovo Albanians were massacred. At this point, NATO was decisive in reaching a settlement between the parties (Judah 2000c, 113-114).

The Rambouillet talks began on 5 February 1999. A deal was offered that proposed that Kosovo regain political autonomy but remain within Former Yugoslavia as a republic. Hashim Thaci, leader of the KLA, accepted the deal while Milosevic did not (Judah 2000a, 322-323). As a result of Serb intransigence, NATO without UN Security Council authorisation launched a bombing campaign against the Federal Republic of Yugoslavia to end all military action in Kosovo, compel the withdrawal of hostile forces from Kosovo, return refugees and displaced persons, and establish a political framework for Kosovo based on the Rambouillet Agreement (NATO 1999). In response to the bombing campaign,
Yugoslav forces launched an ethnic cleansing campaign and expelled hundreds of thousands of Kosovo Albanians from Kosovo (Bellamy 2001, 121). Eventually, on 3 June 1999, Milosevic signed a peace agreement that allowed a peacekeeping force to enter Kosovo (Judah 2000a, 331).

Many scholars consider Kosovo to be the strongest case for moral hazard theory. Kuperman (2005, 159-160; 2008a, 64-75) argues that Kosovo Albanians:

1. perceived the threat of retaliation by Serbia as credible in case of rebellion
2. expected intervention to come at a tolerable cost in case they rebelled
3. did not expect victimisation in case they did not rebel (so they had something to lose by rebelling)
4. behaved as unitary, rational actors

Kuperman contends that the only satisfactory account of suicidal rebellion in Kosovo is that Kosovo Albanians expected intervention to come and thus enable victory at a tolerable cost (Kuperman 2008a, 54).

**Kuperman’s Account of Kosovo Analysed**

On some of these points, Kuperman argues convincingly and is correct. The Serbian threat of retaliation in case of a violent attempt at secession in Kosovo was considerable. Kuperman (2008, 67) catalogues statements by both Serbs and Albanians that illustrate this threat. Albanians were well aware of the great risk that a violent uprising carried. Ibrahim Rugova had preached nonviolence to prevent similar atrocities occurring in Kosovo as had occurred in Croatia and Bosnia (Judah 2000c, 109).

Kuperman is also correct in arguing that there was an expectation of intervention in case of atrocities in Kosovo. Serbia under Milosevic had become a pariah state which the international community had repeatedly sanctioned and on two occasions authorised the use of military force against. Forces were already in the region, which facilitated quicker and easier deployment. The U.S. had also repeatedly warned Serbia against aggression in Kosovo, stretching as far back as George H. W. Bush’s “Christmas warning” in 1992 (IICK 2000, 56).
Kuperman (2008, 69-71) has catalogued various interviews with Kosovar leaders that show that they were aware of the likelihood of intervention.

Where Kuperman’s account of events in Kosovo falls short however, is on the point concerning the expectation of victimisation and on the point concerning the victims acting as unitary rational actors.

**The KLA as Unitary, Rational Actors**

The KLA does not fit Kuperman’s narrative. The origins of the KLA are hazy but they are thought to be descended from an Albanian nationalist movement in the 1980s. The 1980s were a period of political upheaval in Kosovo. In amongst the more rational demands to solve economic and political problems in Kosovo, there was a particular Albanian nationalist movement which called for an armed uprising in order to secure republic status for Kosovo, eventual secession, and a purely Albanian Kosovo (Judah 2000c, 108-109). These demands were launched at a time when Kosovo had substantial autonomy and the calls for an armed uprising were therefore far from rational. Even as Milosevic abolished Kosovo’s autonomy in 1989, the calls for an armed uprising by this “marginal, extremist and underground organization” were still regarded as ridiculous by Kosovars (Judah 2000a, 318-319).

The KLA, descendants of this extremist organisation, was founded in 1991 and launched attacks as early as 1993. At this point in time, the KLA were a small group run by radicals. It was not until 1996 that the KLA started launching large-scale attacks against Serb police and with the availability of arms in the aftermath of the Albanian Unrest in early 1997, the KLA stepped up its campaign of violence (Hedges 1999).

Despite the availability of arms, increasing Albanian frustrations about nonviolence as a strategy post-Dayton and the KLA’s increased prominence through high-profile attacks, the Albanian population did not join the KLA. Despite having launched 31 attacks in 1996 (Kubo 2013, 85), sources claim that the KLA were only around 150 “active” members up to 1997 (Judah 2000, 118) and “...until late 1997, active armed resistance groups in Kosovo were very small and without permanent bases in the province.” (IICK 2000, 52) The KLA did not attract much sympathy from Albanians, and while the Serbian police did mistreat Albanians and engage in the occasional extra-judicial killing (IICK 2000, 53), there were no large-scale atrocities.
That is to say, until 28 February 1998 and 5 March 1998 when Serbian police massacred 26 people and then 58 people, among them many women and children. Even though Kosovars were, as proponents of moral hazard theory argue, supposedly trying to provoke these kinds of reprisals, Judah (2000c, 112) describes Kosovars as shocked by the magnitude of these massacres. These massacres made Kosovo’s Albanian population rise up. Judah (2000c, 112) describes the impact of this event on Kosovars as follows: “Kosovars were now seething... The sleepers “awoke”, village militias began to form, and clan leaders... decreed that now was the time to fight the Serbs. Whether they were KLA or not, they soon began to call themselves KLA.” The escalation of violence between the KLA and Serb forces had now culminated in two massacres. The violence had increasingly put non-rebels at risk of violence. Partly in response to this increased sense of a threat in the aftermath of the massacres and partly due to an urge of vengeance, Kosovars rose up in significant numbers. This larger KLA was composed of rag-tag village clans which launched attacks on local initiatives (Judah 2000c, 113).

Kuperman’s focus on the KLA leadership during the period when the KLA were small and launching sporadic attacks gives a misconception of how the KLA functioned as the conflict escalated. The KLA were not a top-down structured organisation. Most KLA members joined after the massacres in late February and early March, and they launched attacks on local initiatives. Tim Judah (2000c, 113) credits the catastrophic local initiatives by two KLA groups as the backdrop to the Serbian decision to launch a major counter-offensive in July 1998.

To illustrate how diverse the range of actors within KLA were and how much the organisation lacked a structure, there was a parallel organisation to the KLA, called the Armed Forces of the Republic of Kosovo (FARK). This organization was in a rivalry with the KLA. This rivalry eventually ended with the assassination of a FARK leader after the KLA branded him a traitor. After the assassination, FARK units confusingly just started to operate under the KLA name instead of FARK (Judah 2000c, 113). As this episode shows, the KLA were a hodge-podge of groups seemingly with the only common purpose of taking up arms against Serbs.
The Expectation of Victimisation

Like Kuperman argues, there was no expectation of victimisation by Albanians in Kosovo as long as they did not rebel. That was however in the early- and mid-1990s. The situation faced by Kosovars and the environment in which they decided on whether to join a “suicidal rebellion” was much different in 1997 and 1998 than it was five years earlier. Gradually through 1997 and 1998, there was an increased expectation of victimisation by those who were non-participants in the rebellion. The more the violence escalated and the more indiscriminate it got, compliance with the Serbs and nonviolence became less and less of a guarantee of security. It was a gradual build-up of repression, violence and the indiscriminate nature of the violence that caused KLA ranks to swell so massively in the spring of 1998 as Judah’s (2000c, 112) account of events show. It was the show of indiscriminate violence – the murder of women and children - in Drenica that made Kosovo Albanians rise up.

There was no longer an expectation of being able to live peacefully if you did not participate in the violence. Kalyvas (2006, 129) argues that the loss of Serbian control of areas in Kosovo spawned a self-reinforcing dynamic whereby areas that were perceived to be pro-KLA incentivised these areas to actually become pro-KLA because they feared that their perceived status as pro-KLA might result in indiscriminate reprisals by Serbs. A similar dynamic was in play in Kosovo as the one Posen describes in his formulation of the security dilemma. Serbian attempts to curtail the rebel threat (and thus increase their own security) increasingly compromised the security of non-rebels. As non-rebels observed that their security was compromised by Serb attempts to repel the rebel threat and that they were at increased risk to overhanded Serb attacks against rebels or that worsening violence was a prelude to genocide or ethnic cleansing, as had in recent memory occurred in Croatia and Bosnia and had been implicitly threatened by Serbs, there was an increased incentive for individual Kosovars to take up arms and preemptively strike back at Serbs as the violence crept up on their doorsteps.

A lot of factors concerning the motivations and actions of the rebels and the population are also consistent with grievance theory. The situation for Kosovo’s Albanian population got gradually worse after Milosevic moved to suspend Kosovo’s autonomy in 1989. A loss of political rights, discrimination, systemic lay-offs from public jobs and police repression defined Kosovo in the Milosevic-era (IICK 2000, 41-42). Milosevic was doing nothing short of serbianising Kosovo as he banned the official use of the Albanian language,
restricted the use of Albanian symbols and successfully tried to get rid off Albanians from Kosovo and increase the Serbian population. The education system was to be run by Serbs, a Serbian curriculum taught and the Serbian language used to teach (Bellamy 2001, 114-115). Philipps (1996, 822) describes this process of serbisation as “quiet ethnic cleansing.”

In accordance with greed theory, the costs of participating in the rebellion were lowered as the ranks of the KLA got bigger. The bigger the ranks got, the higher the likelihood of a successful rebellion. The larger the ranks got, the less likely each individual rebel was to suffer violence in case of a failed rebellion. The larger the ranks got, the less of a guarantee non-participation was, at least judging by the Serb reaction to the rebellion in Bosnia where they scoured areas for males on their mere capability to provide resistance against Serbs (Jones 1994, 124).

Economic gains also provide clues for the motivations of the KLA. Before, during and after the Kosovo war, KLA members were affiliated with organised crime and were suspected of involvement in drug trafficking, prostitution and the trade in consumer goods (Yannis 2003, 176). In an environment with scarce economic opportunities and with an economy in decline, earning a living in the informal economy of the KLA may have been an attractive option for the large number of unemployed, young Albanians.

The opportunity costs for joining the rebellion were low in Kosovo, much lower than they were in the richer republics of Bosnia and Croatia when they went to war with the Serbs. Kosovo was the poorest province in Yugoslavia and repression from Belgrade added to the miserable situation in Kosovo (Caplan 1998, 751). Laws passed in Belgrade, for instance, banned the sale of real estate owned by Albanians unless with permission from Belgrade. Albanians holding public jobs were also fired en masse (Bellamy 2001, 116). Kosovar students were expelled from Pristina University and Kosovar faculty fired (IICK 2000, 63-64). It has been estimated that up to 70 percent of ethnic Albanians were unemployed in 1995, among them many young men (Hedges 1999). Hundreds of thousands of Albanians left Kosovo in the early 1990s and by 1996, it was estimated that the majority of total economic activity in Kosovo took place in the informal economy (Bellamy 2001, 116-117).

Remittance flows from the Albanian diaspora also provide important clues as to the escalation of violence. For a long time, diaspora remittances went to Ibrahm Rugova, known as “the Gandhi of the Balkans” (BBC 1996), and those funds were diverted into alleviating economic hardships in Kosovo. Those funds were, in effect, underwriting Rugova’s non-violent approach as they went towards alleviating grievances and improving living standards.
in Kosovo. In the aftermath of Dayton, remittances increasingly went to the KLA. Less resources were thus spent on improving living standards in Kosovo (with the effect of decreasing the opportunity costs of rebellion) whilst more resources were spent on the KLA’s violent struggle (with the effect of decreasing the costs of rebellion). This change in remittance flows thus decreased the opportunity costs of rebellion while also decreasing the costs of carrying out a rebellion (Ballentine 2003, 263-264).

Spoils of war were definitely a reality in Kosovo as well. In post-conflict Kosovo, Yannis (2003, 185) notes how ”...organized criminal groups suspected of ties to the KLA swiftly took over apartments, real estate, and formerly “socially owned” economic assets... there has been a considerable expansion of the already large influence of criminal elements throughout Kosovo...”

There is no one dominating explanation for what occurred in Kosovo but a combination of greed, grievance and elements of the security dilemma seem to have been strongly at play. Kuperman’s conceptual framework only partially applies and his proclamation that the norm of humanitarian intervention caused the genocidal violence through the dynamic of moral hazard is rash and unconvincing. While there was some element of moral hazard in Kosovo, it only seems to make sense in the context of greed, grievance and the security dilemma. Moral hazard theory provides an incomplete account of Kosovo and relies on the conventional theories.

Bellamy and Williams (2012, 556-557), in their critique of moral hazard theory as proposed by Kuperman, call it reductionist and that is a fairly apt description. Boiling down the sequence of events in Kosovo in the decades that lead up to the NATO bombing campaign to the desire of an extremist group to trigger intervention is an awfully simplistic and limited account of what happened. It assumes a level of cooperation within the KLA which simply did not exist. It simplifies the diverse set of motivations driving individuals in Kosovo to take up arms and it ignores what Jon Western calls “an on-going and gradual escalation of political contestation, repression and opposition, and ultimately violence.” (2005, 230)

At one point, Kosovars preferred nonviolence. At another point, they preferred violence. The supposed reason why they preferred violence later on is that they expected external intervention. However, as Western points out, the threat of external intervention was at its highest in 1992 with Bush’s “Christmas warning” against Serb aggression in Kosovo. The likelihood of intervention from the US was arguably lower in 1998 as they had at that point claimed that they would not intervene in Kosovo (although they did send mixed
messages). In 1992, the US sent a strong message specifically referring to Serb violence in Kosovo in a way that made it clear that the US saw Kosovo differently than it did violence in Bosnia (Western 2005, 234).

Yet Kosovars rose up in 1998, not in 1992. The conventional theories of rebellion explain why they rose up in 1998, moral hazard theory does not. While greed and grievance were at play in 1992, they were not as intense as they were in 1998 after a “quiet ethnic cleansing” had been going on for years. As the political and economic repression got worse, more Kosovars supported the KLA. Funding from abroad was diverted to fund the violent activities of the KLA, which made the KLA capable of launching more violence. While the KLA had grown after Dayton, they were still a marginal organisation without broad sympathy among Albanians. This changed as the violence escalated and Serbs massacred civilians in the Drenica region. Non-participation was no longer a guarantee against Serb violence. It was at this point that Kosovars rose up in significant numbers.
4. Conclusion

Moral hazard theory provides an intriguing perspective on rebellion. The victims of state-sponsored violence are not mere passive objects that the international community and regimes squabble over. The victim group is an active participant whose behaviour may influence the behaviour of the regime and the international community. To its credit, moral hazard theory bravely highlights a potentially insidious side to groups generally perceived to be the innocent victims. Victim groups are capable of being Machiavellian players that bait the international community and the regime into calculated action.

Victim groups are however also capable of being irrational, disorganised and ultimately self-defeating, a consequence of the diverse set of motivations – greed, grievance and insecurity – within the group. Proponents of moral hazard theory assume too easily that victim groups must necessarily be the former when in reality they are probably a combination of both. To simplify the diverse and inter-connected motives and actions of a group during the on-set of conflict, in the way some moral hazard theory proponents do, does not aid in our understanding of conflict and intervention.

As for the occurrence of moral hazard in Kosovo, moral hazard theory only tells half a story and the story does not unfold consistently with Kuperman’s framework of moral hazard. Contrary to what Kuperman claims, the “suicidal rebellion” in Kosovo was not caused by moral hazard. Where moral hazard theory falls short, the conventional theories of rebellion and conflict escalation step in. Moral hazard did though play some part in Kosovo and seems to have influenced the behavior of some rebels to an uncertain extent. The explanatory power of the traditional variables for conflict and rebellion in Kosovo is however much greater.

As moral hazard fails to fully explain events in Kosovo, supposedly the strongest case of moral hazard, it is not surprising that by examining the quantitative research on the number of humanitarian interventions and the proxies that are a logical consequence of moral hazard, that there is no discernible trend of moral hazard consistent with the emergence and strengthening of a norm of humanitarian intervention. By looking at the data, the only noticeable trend is a steady, negative correlation between the number of humanitarian interventions and the proxies for moral hazard.
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