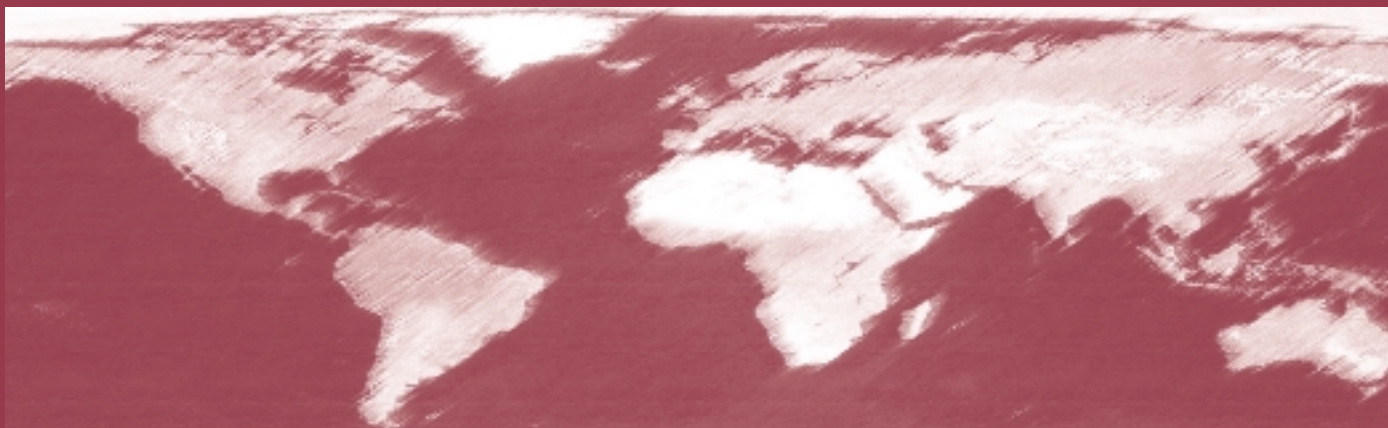# Failing States or Failed States? The Role of Development Models: Collected Works

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Failing States or Failed States?
The Role of Development
Models: Collected Works

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Fragile States or Failing Models? Accounting for the Incidence of State Collapse

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Introduction

In recent years the notion and phenomenon of 'failing' states - states incapable to fulfil the basic tasks of providing security for their populace -, has been rapidly drawing attention. The incidence has been on the increase especially among countries of the South, and particularly, though not exclusively, in Africa. Among the explanations offered, fragility of state structures, lack of capacity and 'bad' governance have been recurrent ingredients put forward, though each of these inevitably begs further queries: why are they fragile to begin with, why is there this lack of capacity, and so forth. The phenomenon continues to prompt searches for explanation as well as contemplation of international policy responses.

Not a few of such explanatory explorations have tended to look for 'inherent', 'intrinsic' or other internal factors that might be held accountable for the weaknesses concerned. To be sure, the state systems concerned, or what remains of them, are generally not 'robust'. However, if we further probe into how they came to be this way, and what models for state building and developmental perspectives have been held out to them over the years, then this will require us to extend the perspective and ask whether it is just fragile and failing states we are looking at, or whether we also have to do with failing models? It is to the merit of the Spanish Foundation for International Relations, FRIDE, to have made this question explicit for further reflection, and to organize a seminar aimed at exploring the links between failing models for state building and the realities of state failure that we can observe.

In taking this up, my point of departure will be to accept that connection and to approach the question in terms of fragile/failing states and of failing models. In exploring this further, I will start off with a closer look at the incidence of fragile states and state failure, more specifically of state collapse. Directly connected to this, I should like to raise the question of differential degrees of propensity to collapse among contemporary state systems, and to point to the tendency for regional variations in this regard.

Against this background, it will be useful to first switch back a moment and recall how the Cold War had had the effect of stabilizing various state systems in the South and re-affirming the nation-building model on the basis of which they had started out their trajectories of independent statehood. In the years following the Cold War, the global environment changed abruptly and drastically: successive waves of external inroads into the state systems of the South represented ever so many novel models for state building, though in the end leaving many of them weakened rather than strengthened to fulfil their basic functions. The hitherto prevalent idea of 'the relative autonomy' of the state suffered a severe setback in reality as well as in theorizing on the state (Doornbos 2001).

With state fragility becoming more pervasive, the incidence of state collapse also became less exceptional. Yet, to better understand and respond to situations of state collapse, I shall argue, it will be important to differentiate between different trajectories put into motion after the lifting of hegemonic frameworks. Rather than trying to develop general blueprints for intervention, external actors would do better by de-generalizing about causes and possible responses to state collapse. This would be essential in the search for meaningful fresh starts, which as a matter of principle should allow a central rather than a spectators' role to domestic political actors and give them a chance to regain a basic autonomy of action.

Incidence of State Collapse

State collapse should refer to the situations that occur when 'the basic functions of the state are no longer performed' (Zartman 1995: 5), that is, when they have ground to a halt due to severe internal conflicts, lack of proper management of resources, or other causes. Such situations tend to represent the most far-going or extreme form and 'proof' of state fragility, fragmentation and disintegration. In the light of its growing incidence in recent years, one newly emerging theme in international policy analysis has become that of addressing "the challenge of rebuilding war-torn societies" (Bastian and Luckham 2003, Journal of Peace Research 2002, Milliken 2003). The challenge refers to the increasing number of countries, in Europe as well as in Africa, Asia and Latin America, where the very fabric of society and institutional structures have been torn apart as a result of civil war and prolonged violent conflict, or in some cases due to external interventions. In several of these situations, the continued existence of countries as distinct political entities, let alone as 'national' states, has become precarious, uncertain, or outright impossible. Recent examples include Afghanistan, Somalia, Liberia, Sierra Leone, Congo, Rwanda, Cambodia, Bosnia and El Salvador. But the category may well come to embrace countries like Sudan, Burundi, Ivory Coast, Haiti, Tajikistan, Saudi-Arabia and others within the foreseeable future, as the dimension of fragility is probably much wider than can be witnessed from the instances of states that have actually fragmented or collapsed. Increasingly, international agencies, somehow representing a new type of 'staying' element in a rapidly changing global context, find themselves called upon to restore law and order and to initiate peace-building processes in such internal conflict situations (Moore 1996).

In recent years, several dozen such active UN operations have been started across the globe, a number which may be expected to further increase in the years to come. The post '9/11' era offers a rapidly changing context for the emergence and handling of these dynamics, including the possibility of unpredictable as well as unprecedented superpower interventions, or their absence precisely where they might have been called for. Recurrent external admonitions propagating 'good governance', decentralization and state restructuring in other respects, add a further layer of complexity to the relations at stake. Uncertain futures, marked by queries about the premises, direction and viability of state forms or alternative political formula, present increasingly familiar yet agonizing questions with respect to the global political landscape.

Clearly, one thing we thus need to do is to better understand trajectories of state decline: current rethinking on the past and future of states demands that we raise questions such as why do states collapse, why do some states seem to collapse more readily than others, and why and how are some states subject to pervasive degeneration while others retain greater resilience and integration? Among other things, this calls for distinctions between different types of and trajectories to collapse' And there is also the basic and intriguing question as to what lies 'beyond collapse'. In broad historical perspective, it has been argued, '[c]ollapse, far from being an anomaly, both in the real world and in social evolutionary theory, presents in dramatic form not the end of social institutions, but almost always the beginning of new ones' (Eisenstadt 1988: 293). Before any such resurrection may take place, however, the state systems concerned may well find themselves in a state of limbo or prolonged statelessness, like in recent years in Somalia.

Opposite though they are in terms of their direction, dynamics of state formation and state failure culminating in state collapse belong to the same field of analysis, conceptually speaking. State formation, which almost invariably is a long-term process, may be said to be taking place wherever a state system establishes, extends or enhances its capacity to overcome challenges to its territorial and institutional

integrity and succeeds in playing a pivotal coordinating role in initiating integrative economic and social policies. State failure may manifest itself through incapacity of the state to prevent or curb pervasive violence and insecurity, mitigate ethnic or religious conflicts, or to contain arbitrary and oppressive action by its army or other state agencies. State collapse constitutes the ultimate phase in any such spiral of deteriorating political dynamics, characterized by the wholesale disintegration and falling apart of a state's institutional fabric.

particularly those that have been heavily dependent on agricultural production but were fetching lower and lower prices on the world market, have been hit especially severely. Others, which had the mixed blessing of being mineral-rich, or becoming the producers of profitable drugs, have also proven particularly vulnerable as governable state frameworks. Yet others, particularly those that managed to make their industrial entry into the global market, have instead proven remarkably resilient.

Propensity to State Collapse

But questions about the future of the state or state systems do not merely concern the changing nature of their 'core' business and related structuring. By implication they also relate to their relative capacity to 'adjust' and maintain themselves in an increasingly capricious global environment, or, in other words, to their propensity to survive rather than collapse. That, it could be argued, is also part of their core business. Ever since 'structural adjustment' was adopted as a strategy of intervention by the major global financial institutions, massive evidence has been accumulating to attest to the impacts in terms of the increasing social and economic vulnerabilities of numerous groups and individuals in countries of the South, and the weakening capacity of state systems to provide them with basic social security. In not a few instances, growing livelihood insecurities have led to widespread destitution, intensified rural-urban and trans-national migration and social conflicts, increasing the chances of political failure to cope with these deteriorating conditions, and in the end with a question as to whether state institutions will be able to survive. Nonetheless, the impacts of global forces have been differential. Not all countries of 'the South' have been equally vulnerable to state crisis and potential collapse. Some,

Regional Variations

At the risk of over-generalization, there appear to be important regional dimensions to these patterns, with more instances of state systems in Africa having fallen victim to state failure and collapse than has been the case in Asia. Africa in recent years has gone on record with the cases of Somalia, Liberia, Sierra Leone and basically Congo, while there have been other 'near-collapse' cases on an almost continuous basis. Earlier Chad, Angola, Mozambique, Uganda and Rwanda would similarly have ranked as failing, failed or collapsed states. Still, an equation of African states with state collapse needs to be qualified. In Asia and the Pacific, the cases of Afghanistan, Cambodia and earlier Lebanon, as well as 'potentials' like Papua New Guinea and the Solomon Islands, suggest that though Africa has a stronger record of problem cases, it has no monopoly on state failure or state collapse.

At any rate, asking whether there may be a stronger *propensity* for state collapse in Africa than in Asia or elsewhere may be a more relevant enquiry than just trying to count the respective numbers of state failure and collapse at either end. If one were to do this, and ask why that could be the case, then such features like the relative extent of institutional cohesion, concentration of administrative power and especially the capacity for social mobilization within and through the state framework, may need to be recognized as

being of special significance. Beyond the crucial question as to how countries have come to be inserted in the world market, it is in the end these kinds of factors which appear to make a difference as to the extent to which societies and states have remained either relatively insulated from or become vulnerable to the risks of fragmentation and collapse. 'Propensity to collapse', in other words, could possibly be conceived as an alternative yardstick for assessing the nature and relative robustness of the state in its relations with the society and global environment.

A fuller scrutiny of the 'propensity' question may also require us to look back into the respective historical records, including the differential ways in which Western imperialism has impacted on Asia, Africa and Latin America. By and large, Asian states, even if undergoing major structural transformations during colonialism like in India, have known stronger continuities of political organization than has been the case in Africa. Asia has had a number of long-standing state entities, often largely inwardly-focused and with sizeable internal markets allowing significant degrees of economic differentiation and integration. Culturally, broad civilisational continuities in some of the major countries have helped to sustain basic political and administrative cohesion and facilitate social mobilisation on virtually a mega scale (Kumar 1997). None of this was to preclude major violence and political upheavals at critical historical intervals, but surely there was a strong focus on continuity and preservation of the state systems. Colonial rule, severely impacting though it did, largely took the form of 'trickle-down' and (selective) absorption of Western elements, while by and large seeking to incorporate distinct pre-colonial polities into larger and more viable frameworks.

This stood in striking contrast to the African situation, characterized by fragmentation of the continent into arbitrary entities and the imposition of a wholly new and alien order. The resulting 'gap' in state-society relations in the African context has never really been closed since, and has been perpetuated through the lack of a political class which does *not* have its roots

within one of the characteristic states' ethno-regional groups. Economic dynamics have not been able to counter these tendencies, but have, on the contrary, for a long time reinforced the presence and continuity of essentially vulnerable bureaucratic ruling classes. As contrasted to recurrent formative economic, political and cultural processes in several of the larger states of Asia, therefore, Africa's state systems appear to have been bequeathed with a stronger baseline vulnerability and propensity for collapse.

Latin America figures less distinctively in this equation. While most Latin American countries have been notably 'statist', in some like Argentina and Chile strong state systems were ruling over largely immigrant populations, whereas in others such as in most of the Andean countries states and urban classes alike have tended to confront an amalgam of indigenous rural communities. Neither of the two kinds of systems so far have been particularly known for their propensity to collapse, though the challenges to the state from different kinds of powerful popular movements in Colombia, Bolivia, Peru and Mexico have recently been clearly on the rise.

Effects of the Cold War

For a prolonged period of time, though, these state-society gaps and the potential fragility that comes with them were largely masked as an indirect effect of the Cold War. During the Cold War, the super-powers supported any client state they could win to their side whether democratic or not, giving it the means to suppress dissidents and other unwanted elements so as to keep the regime concerned in power (not unlike what is happening again in a number of cases today in the 'war against terrorism'). Appearances of 'unity', integrity and 'sovereignty' were thus being kept up. Also, a basic 'nation state' model was not questioned.

Independence had meant 'nation-building', i.e. the idea of trying to create national states out of an amalgam of ethnic, linguistic and other groups – which often had little to do with one another or in some cases had had long histories of mutual rivalry and conflict. Quite a number of scholars adopted this perspective as well, and in fact there were few alternatives available. The 'nationalist' movement in many African cases had actually not run very deeply, however.

During the first decade or two of independence, African and other post-colonial states thus figured as the privileged partner of many aid agencies, the World Bank, and other donors, - so much so that critical voices on the left had begun to express concern about 'overdeveloped states' and their lack of performance and responsiveness to societal demands. For many years, in any case, in the implied policy debate on giving priority to strengthening governmental capabilities *versus* responding to popular demands, the collective weight of the external variable had been biased squarely towards heightening the interventionist powers of the state.

External Demands and Inroads

After the Cold War, as inadequacies in 'governance' became increasingly apparent in various cases, like in several African countries or in Bangladesh, the World Bank and IMF, followed by the wider donor circuit, initiated a whole series of interventions to promote 'good governance': structural adjustment, economic liberalization and privatisation were partly aimed at pushing back the predominance and power of state structures and were introduced in the expectation that 'civil society' would take over and play its game like in 19th/20th century Europe. This also marked the beginning of global thinking in terms of 'state failure': from that point onwards 'the state' (which until little

earlier had been seen as the prime mover of everything that needed doing) began to be blamed for innumerable kinds of failures as diagnosed from global development centres. As the notion of 'good governance' is highly amorphous while potentially referring to a wide range of qualities and indicators, state systems could be found faulty on the basis of shifting sets of criteria. Global policies at the same time began to sideline the sovereign nation-state model, making room for new departures with externally designed models for statehood in the South.

In the course of the 1980s, from policy statements as well as actions, it became clear that the global organisations and the donor community began to embrace wholesale the critique of the 'overdeveloped state' which had earlier been espoused by radical scholars (often then to the irritation of those same organisations). The international community as led by the World Bank and the International Monetary Fund showed signs of a major reversal in its appreciation of the role of the African state in particular and seemed to opt for what might, at first sight, appear an almost anarchistic route. Earlier the exclusive recipient, partner and rationale of international aid and attention, the African state's 'most favoured' status increasingly appeared to get eclipsed in the eyes of donor organizations by a veil of assumed obsolescence. Aside from the chains of the debt burden, the autonomy of the African state was increasingly being bypassed and eroded by the international donor community in a whole range of critical ways such as:

(1) advocacy of privatisation and of increasing involvement of private enterprise in aid arrangements; (2) significant diversion of aid funds *via* non-governmental organisations and channels; (3) the formation of donor co-ordinating consortia, with corresponding national counterpart 'front' organisations, which began to assume major policy roles in, for example, the planning and disbursement of food aid; (4) the rapidly growing donor specialisation and involvement in selected sectors and/or regions within African countries, facilitating a gradual shift of policy-preparation activities to donor headquarters,

away from national co-ordinating ministries or organisations for the sector concerned; (5) donor preferences to work with autonomous 'non-bureau-cratic' corporate statutory bodies, believed to combine the advantages of public jurisdiction and private discretionary powers and considered attractive as external agencies could establish close working relationships with them, thereby gaining direct influence (6) detailed specification of external parameters and prescriptions in national budgetary and policy processes; and (7) the introduction of highly advanced and sophisticated monitoring and evaluation methodologies, for which there was often insufficient national expertise available to constitute an effective counterpart in the policy discussion and implementation concerned (Mkandawire 2004, Morss 1984:465-470; Smith and Wood 1984:405-434; Wuyts 1989). Also, in decentralisation policies, privatisation and non-government initiatives were increasingly being encouraged, occasionally leaving questions as to which bodies would theoretically still be responsible for guarding the 'common interest' (Meynen and Doornbos 2004). Most of these departures have been guiding global and donor policies until in fact today.

No doubt many of the policy initiatives concerned were motivated by earnest desires to raise the effectiveness of aid programmes, to make use of insights gained through experience, including earlier mistakes and generally to improve performance and outputs. Still, the combined impact, magnitude and complexity of all these incremental contributions by the collective international community has begun to constitute an overwhelming weight on the policy-making processes of individual African countries, for the totality of which nobody would take responsibility. Given the limited financial and staffing resources *vis-à-vis* this collective external expertise, the role of the national government often became necessarily limited to accepting - or possibly refusing to accept - ready-made policy packages prepared elsewhere or already agreed upon by the main donors.

Out of impatience with the poor formulation and implementation of plans by African states, various

donor organisations and governments have also sought engagement in 'policy dialogue' - a process which is based less on equal status of discussion partners than the name might suggest. However, the question is whether a critique on state *performance* justified the far-reaching interventions, verging on custodianship, which have been made into the policy determination of African states (Ravenhill 1988:179-210). One might wonder whether a point would not be reached where the state as the nerve centre for national policy-making could risk collapse under the collective weight of the international community's involvement and interventions, well-intentioned or otherwise. 'Policy dialogue', the international donor euphemism, paralleled the weakening capacity to keep control over one's own affairs in many cases.

At this point, it might be useful to further reflect for a moment on some of the implications of all the successive judgments passed in particular on African states in terms of 'state failure', usually accompanied by new rounds of admonitions as to how they should 'restructure' or go about their 'good governance'. The realities concerned, in Africa, but not only there, are indeed sobering – there is no denying about that. But again, what exactly are notions like 'failing states' supposed to denote in donor parlance? What and whose criteria are at stake and how consistent are these criteria in and of themselves? If 'failing states' and 'good governance' conceptually seem to relate to one another as chicken and egg, then was it 'failing states' which evoked new notions of 'good governance', or vice versa? More specifically, what role models for proper state performance have been implied by interventions such as the Structural Adjustment packages, aiming to make state agencies leaner and theoretically more effective, or by today's Poverty Reduction Strategy Papers, meant to produce increasingly detailed entries by which state policies are to be externally monitored?

The World Bank initiated 'good governance' agenda itself provides a good example, first, of how selected western-derived standards of governance were held up as a model to the South as to how they should go about

their state restructuring, and second, how the use of this 'model' has nonetheless since been rapidly shifting. Initially serving as a set of criteria against which political conditionalities could be demanded (meaning: we will not give further loans or aid unless you follow our prescriptions for state restructuring), it was subsequently reformulated as a *selection* criteria for aid-deserving countries (meaning: you will first have to have 'good governance', or at least show you are moving in that direction, before we will consider your requests for aid). Evidently, the latter in principle leaves all those countries that fail in this respect or that cannot muster the energy to try and fit the criteria, to their own devices.

For all the concern with 'good governance' there has hardly been a donor saying: let us know whether you would like us to assist you in building up your state institutions *your way* and we will see what we can do, no conditionalities attached. Such a posture might have begun to enable 'demanding' or 'requesting' countries to regain some sense of overall command and genuine ownership over their policy formulation and policy integration. It is this most vital aspect of any governance structure and process which has become seriously eroded due to the massive donor involvement in policy determination in many countries. Donors by and large have wanted to be in command, rather than be available on demand.

One question which thus arises is whether these interventions have made 'failing states' more robust and better equipped to face up to the vagaries of today's global environment, or whether they may in fact have deepened their fragility and failure. Notions of 'failure' of one kind or another appear to have laid at the basis of various successive interventions initiated in recent decades by World Bank, IMF and other global institutions - the 'good governance' agenda, SA and PRSPs in particular - , each time arguing that state failure of one kind or another called for new interventions and reform. It is difficult to avoid the impression however that each time the recipes concerned, rather than leading to any noticeable amelioration, after a while were put aside to make room for new rounds of diagnosis and directives. The state systems concerned appear to have been pushed into greater dependency on external (financial) support on the one hand, and with a weakening position vis-à-vis their own societies on the other. Some further in depth analysis of these successive waves of interaction between the identification of 'failing' state performance and global interventions, each time based on novel criteria and insights, would constitute a timely research project.

Different Trajectories

While many state systems in Africa and other parts of the South have been seriously weakened as a result of external inroads, in some cases they have moved from state 'failure' in one respect or another to full scale collapse. Such situations, in which all state functions come to grind down and result in potential or actual blank spaces emerging on the world's maps, have been basically unprecedented in modern history. Yet, we should not assume that there is a single 'recipe' for collapse, or a single path or set of determinants, in turn calling for a single set of responses. Short of, or beyond, the broader post-Cold War policy reversals leading to a substantially changing global context for viable statehood and prompting an increased incidence of state fragility and collapse, different political and economic constellations may have given rise to *different* trajectories to collapse. We should thus avoid starting out from *a priori* assumptions about the causes of state collapse except in terms of their pre-conditions.

The lifting of Cold War hegemonic 'support' structures should be primarily understood as implying that different social and political state systems - some of them more robust, others more fragile and vulnerable, yet each embedded within its own historically endowed socio-political and cultural context - were laid open to a whole range of political and economic forces and

interests, internal and external. Such major reversals of global (pre-)conditions should therefore not be expected to promote or induce broadly parallel tracks. The particular patterns that might ensue would depend on such factors as the structuring of political forces, societal divisions, resource endowments and so on. In facing the forces of post-Cold War globalisation, state systems with different fault lines in their social or economic structures may thus exhibit notably contrasted patterns of fragmentation.

Appreciating such different contexts and trajectories is important also with an eye on assessing the appropriateness of external responses, or for understanding new conflicts arising out of conflicting scenarios for political rebuilding (Doornbos 2002). For instance, if the key problem in a given situation were identified as one of grossly malfunctioning institutions (as is often assumed), then presumably there would be a case for major internal institutional repair or overhaul - even though this might leave unattended the root causes of arbitrary rule, ethnic grievances or other conflicts that may have been responsible for the failing institutions in the first place. But if collapse has occurred or is threatening due to a state system's extreme vulnerability to changing externally driven economic conditions, then obviously the focus for remedial action should be shifted into different directions. Again, if a basic mismatch between a country's state framework and societal structure lies at the root of collapse, then it may well be more prudent to allow fresh departures to emerge out of that situation than insisting on re-instatement of the previous failing state structures or the maintenance of ex-colonial boundaries. In other words, the routes for remedial or preventive action may need to be just as different as the tracks leading to collapse. Mistakes in identifying the patterns of causality, and thus appropriate responses, may worsen already precarious situations.

Unsurprisingly, in recent years several instances of collapse have been followed by international calls for restoration of 'order', sanctions, or even advocacy of some form of international trusteeship for certain situations. It is certainly conceivable that some contexts may require a basic restoration of order and security to start with and would call for external actors playing a key role in that. In some situations of state collapse, especially if marked by profound stalemate between rival parties, there may simply be no alternative to some form of third party engagement, at the negotiating table or otherwise.

However, external actors should beware of rapid and overwhelming interventions which in turn would create new internal-external dichotomies. Internal actors as a matter of course must be allowed - and should themselves claim - a central role in any efforts at political reconstruction. Also, following state collapse, agonising re-appraisal of the nature of the (collapsed) state system in broadly representative fashion may need to run its course, and should be allowed the time it needs. As suggested above, if the key problem has been a lack of fit between political forces and societal structures then any straight-jacketing back into the previous state forms that failed should be avoided. In any such cases, a situation of statelessness lasting for some time should not by definition be viewed as problematic, but might in fact allow much-needed re-appraisal of alternative structures, and futures.

Recognising different trajectories and their respective (potential) outcomes thus appears to be of the utmost importance when considering what responses, international or otherwise, would be most appropriate in a given situation. That message, however, does not always seem to be heeded. A recipe-thirsty international community rather appears inclined to search for readily available programmes of intervention, at times apparently irrespective of the factors that have led to actual crisis situations.

It is not difficult to understand how such inclinations may come about. While the international community considers it has a role to play in the redress of severe crisis with respect to particular countries, the time, interest and expertise to investigate how particular routes have actually led to collapse is often lacking. In the light of the perceived challenges of failing states

and instances of state collapse, many multilateral and bilateral aid agencies have in recent years set up their own programs meant to respond to the complex political emergencies to which these may give rise. A common strategy is to try to be prepared for rapid and effective action. Significantly, these tendencies have acquired a dynamic of their own, and in their pursuit of effectiveness and co-ordinated action may paradoxically lead away from, rather than towards, developing capacities to design context-specific approaches. Moreover, external agendas and an interest in capturing the moment and bringing about fundamental change may enter the equation, irrespective of the dynamics that may have led to a given situation. As was noted in a recent German report:

> '[post]-conflict situations often provide special opportunities for political, legal, economic and administrative reforms to change past systems and structures which may have contributed to economic and social inequities and conflict…In the wake of conflict, donors should seize opportunities to help promote and maintain the momentum for reconciliation and needed reforms'. (Mehler and Ribaux in *Crisis Prevention and Conflict Management in Technical Co-operation,* 2000: 37)

On the donor front, several features deserve attention. One is the tendency to search for common strategies, in part as a corrective to situations in which different external agencies were all doing their own thing, resulting in proverbial inter-agency confusion (Moore 1996). Through co-ordinated interventions, it is anticipated that effectiveness, strength, and impact can be optimised. Second and closely related is a tendency to work towards set recipes, which can be deployed at once and in all situations, again in response to perceived urgencies and demands of effectiveness (ibid.). Third, some authors and agencies are becoming less inhibited about suggesting the need to sideline the 'sovereignty' of some of the affected countries, proposing to have it temporarily replaced through a UN or some other 'mandate' (for instance, Helman and

Ratner 1992, Pfaff 1995). Fourth, there is a trend among leading multilateral agencies to see post-conflict contexts as a suitable ground, and moment, to install market-friendly frameworks, thus seeing fresh starts as the moment for fresh designs of a particular kind. Thus, a Carnegie/UNHCR document authored by John Stremlau, after noting that it 'foresees the need for fundamental changes in the definition and defence of [the] principles of sovereign equality', goes on to suggest that 'sustainable development based on legitimate combinations of market economics, democratic values and a healthy civil society can eventually provide the means for any nation to resolve internal conflicts peacefully and fairly' (Stremlau 1998: 2). A guiding hand is also offered by the newly opened State Department Office of the Coordinator for Reconstruction and Stabilization (S/CRS), tasked " to lead and coordinate U.S. Government planning, and institutionalise U.S. capacity, to help stabilize and reconstruct societies in transition from conflict or civil strife so they can reach a sustainable path towards peace, democracy and a market economy." (West 2005: 30). Similar policy projections are increasingly articulated in other official and semi-official statements. The trouble with many of such statements of intention to engage in external societal engineering is that they give little indication as to what space they intend to grant to domestic actors.

Imagining Fresh Starts

So what could be done to reverse tendencies that block fresh openings and political re-starts, and allow constructive interactions on policy priorities in rehabilitation? First and foremost, there is a need to *de-generalise*, that is, for external actors and analysts to resist the temptation to overly generalise about causes of state collapse and their solutions. Instead, due attention should be given in analyses as

well as in policy outlines to the implications of contrasted contexts, different dynamics and different trajectories that may continue to play crucial roles when trying to move from collapse to recovery. Responses should be context- and trajectory-sensitive, and must not start out from a priori positions. Donor agencies should, in this light, refrain from investing too much time and energy in the generation of generalised policy responses and blueprints. Instead, they should consider collapse and re-start situations in more specific terms, beginning with a sound understanding of the trajectories that gave rise to them, and with an adaptive position as to what these might require in terms of redress or rehabilitation. Such a more receptive posture might also instil more modest ambitions among external actors with respect to the scope and capacity they have to influence processes of political reconstruction. With less programmatic orientations determining agency responses and actions, there might be greater chance of external actors concentrating on how they could best respond to demands arising from specific situations, developing a reactive rather than a pro-active stance.

Fresh start moments, almost by definition, are delicate. They may be full of promise and expectations of brighter futures, taking distance from the past. At the same time, they are extremely fragile, as the conflicts and violence that were inherent in the processes of breakdown and collapse will still be alive at least in the memory, and could conceivably be re-ignited. Fresh starts therefore need careful handling by all, and sound understandings of the circumstances that gave rise to them. External actors have important roles to play in these episodes, especially in advisory and moderating capacities geared towards consensus and confidence building among previously hostile parties. But they should be aware of the risks of complicating the process if they expect *their* designs for new political futures and structures to play a primary role.

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Institutionally Fragile States. Fragile States, Prevention and Post Conflict: Recommendations

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The causes of state fragility and even failure are many. The label is attached to many different realities, many of them not state failure at all, such as the social revolutions taking place in Venezuela or Bolivia or Nepal where the state itself has not failed but is undergoing profound change or challenge, or Zimbabwe where the state itself is still quite capable, despite all, but the policies of the leadership are devastating to millions of Zimbabweans and its social and economic order. In Afghanistan, the interventions of first Soviet and then a US-Pakistani alliance did destroy the state, but no one cared until September 11, 2001. The state-building agenda of post-conflict peacebuilding confronts a wide variety as well. Fragility is a very complex phenomenon.

All instances of fragility, however, are highly associated with economic characteristics: an economic crisis, usually provoked by external shocks, as a trigger to political crisis and eventual change; failed development that deprives the government of even the minimal revenues to staff the state and implement policy; and the extreme inequalities among regions and groups within a country that we call unbalanced development but are increasingly the consequence of open participation in international trade and finance but which are the source of insurrectionary or secessionist movements and also political-elite contests aimed at capturing the state for personal gain. The post-9/11 international security concern with fragile states is only a new phase in a much longer concern, beginning in the early 1980s — the decade of failed development and the economic crises associated with structural adjustment policies and liberalization – and then, in the 1990s, with civil war.

The debate over development since the late 1970s has really been a debate about the state: what should be its role in promoting economic development and what should be left to the market? After almost 25 years of an attack on the role of the state and insistence on the market and the private sector, the so-called neoliberal or Washington consensus, we are now beginning to see a reversal. By 1996-97, the international financial institutions, especially the World Bank, began to talk

about the importance of institutions, good governance, and the state for taking and implementing the policies they considered necessary for growth. In places as different as Burma, South Africa, Brazil, and Venezuela, the political climate has begun to resurrect the concept of the developmental state in positive terms. Much of this latter is a response to the growing disillusionment among voters in newer democracies with democracy itself, and thus also with the economic reforms in the wider package promoted by external donors, because of its failure to bring a measure of social equity and redress of the social and economic inequalities of the previous political order. Instead inequality, unemployment, and poverty are growing at a frightening speed. A recent study of post-conflict countries shows that all current cases, with the exception of Cambodia and possibly El Salvador, have gotten worse on the UNDP Human Development Index since peace.[1]

The Bush Administration in the United States remains stalwart on an extreme version of pro-business, private sector development and on its global war on terror, but even it is facing now the disastrous effects of such policies in Iraq, as the current failure of its reconstruction program is now rightly criticized for failing to prevent an anti-American insurgency and laying the basic economic foundations – electricity, power, jobs, public services — of post-war peace and stability. Europeans, on the other hand, have never forgotten the important role of the state for economic outcomes and for political stability. It is worth observing, for example, the contrasting approaches to transition in Eastern European countries and the US; in fact, Europeans have been far more supportive of the importance of social policy and redistribution during political transitions that can so easily turn to violence, authoritarian restoration, or an exodus of desperate poor in search of asylum and jobs in the West. Social democracy, even as a way station toward more liberal policies, was seen as necessary to prevent

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1 Astri Surhke and Julia Buckmaster, "Aid, growth and peace: A comparative analysis," CMI Working Paper 2005: 13 (Bergen, Norway: Chr. Michelsen Institute, 2005) (accessible at: www.cmi.no/publications)

a reversion to authoritarian rule or violent collapse during these transitions.

We can think, then, of prevention and post-war stabilization in terms of 3 elements:

(1) the <u>causes of fragility</u> in terms of the human consequences of developmental failure and, at the level of government, the stress induced by external economic shocks to states that have neither the institutional capacity nor the social embeddedness to adjust effectively to their international environment;

(2) the particular <u>role that the state</u> must perform if those human consequences and systemic vulnerabilities are to be reduced and the transition is to succeed; and

(3) the tasks of managing <u>transitions</u> from one political and social order to another (such as those required to implement neoliberal economic reforms, to move from war to peace, or to undergo the very long process of democratisation).

The question on which I would like to focus, therefore, is, how do the aid policies and related interventions of outsiders – the EU, member states, and multilateral humanitarian, development, crisis-management, and peace support actors — help or hinder these three aspects of failure or success?

Looking at cases of success, we find that the key determinant is what <u>domestic</u> actors, capacities, and processes do, not what outsiders do. This depends, first, on what they are starting with. We find that <u>it matters what one is transitioning *from*</u> – what kind of political system, social order, and economy are being transformed or need to be changed? The history of that state's formation, for example, matters here a lot. Is it an oligarchic system with extreme inequality in the land, a one-party state with social property under pressure from outsiders to privatise, a patrimonial state based on personalized and personalistic networks, a populist or corporatist state undergoing a

neoliberal transition, a government and economy created by war where the key political parties had their formation as guerrilla or militia groups and political identities have been shaped by the loyalties and antagonisms of war? Was the challenge to the state a social revolution, an ethnically framed struggle that developed into a national question, a generational rebellion at blocked avenues of jobs, social mobility, and status, a severe financial crisis, an institutional collapse? If one is to assist such a transition, it is essential to have some analysis of the structure of political and economic power created by the war, including its characteristics and the goals of political rivals, and also to understand the remaining political issues – the questions of state transformation that remain to be addressed — not to make automatic assumptions taken from elsewhere.

Second, however, in all cases, whether of success, partial success, stalemate, or utter failure, these domestic processes take place within external constraints that limit what domestic actors can do. The case of South Africa is particularly instructive here because it appears to be an exception — decisions taken at the point of transition from the apartheid regime in 1990-94, and especially by the new ANC-led coalition government in 1994, were not imposed by outsiders. Nonetheless, the decisions on economic policy were shaped by the choices that government felt it had within the international environment – as they said at the time, "we had no choice." These external constraints, in other words, may be direct or indirect, but their substance appears quite uniform across all cases.

Thus, while there is much debate about whether state fragility is a result of domestic or external factors, in fact, it is a result of both: domestic actors working within a set of external constraints, but these constraints are primary, because domestic actors can only adjust and adapt within them, within the realm of choice that remains.

Let me turn then to these external constraints because that is us. There are two notable characteristics of

these external constraints: (1) despite the major disagreements among the countries shaping these constraints, on the best role of the state, approach to economic development, and understanding of security, such as human security or more militarised, hard concepts of security, and especially the relatively clear difference between the current US government and most European governments on these matters, there appears to be no difference among them in the economic and political models, sets of expectations on local actors, and templates for state and institution-building they actually promote and fund. Moreover, the primary emphasis and drive over the last ten years in most post-conflict operations and in institutional approaches to crisis prevention and management is on donor coordination and policy coherence; the argument is, if the multiple external donors and actors could agree to coordinate their actions and reduce the incoherence driven by multiple policies, they would be more likely to succeed. That is, the emphasis is on greater unity, not greater flexibility and alternatives. Such unity, however, favours those with the greatest political and economic weight in such a coordination effort – the World Bank, among development actors, for example, or the United States, if it is a player militarily or politically – so, a hegemonic model; (2) the policies, models, and approaches funded are the same regardless of the goals, whether prevention or post-war reconstruction, and no matter what the type of domestic order undergoing transformation or tasks that the particular state must accomplish. This observation should cause great concern. If states are fragile or even failed, and require remedial or reconstructive policies, why did the policies aimed at prevention not work? And if they did not work, why do we repeat them on the other end? The answer usually given is that politicians were not willing to enact or implement the reforms proposed by outsiders, that local politics or corruption interfered with good advice, but this is an answer very difficult to sustain against the wide variety of cases, locations, and types of regimes that failed.

To address the core of the problem, we need to ask what the <u>purpose</u> of states is – state fragility and

institutional failures are measures of what states are not doing or cannot do in relation to what our expectations are. Some of those expectations are normative – <u>our</u> idea of what a good state (e.g., "good governance," "market-friendly," "human-rights protecting," "democratic," and so forth) is. Some are practical. There is a very rich social science literature on governmental effectiveness. It demonstrates that particular designs for and types of institutions do not have intrinsically more or less effectiveness; their effectiveness depends entirely on whether they are effective for the particular task at hand. The relationship between task and appropriate institution is essential. <u>This set of expectations</u> of states is, in my view, the crux of the problem.

States have always primarily had an external function first – defence of territory, definition of a political community distinct from others, capacity to interact internationally, that is, in the international state system. As the external environment of a state changes, its tasks or way it performs those tasks must also change. Today, states are considered fragile or even failing if they do not satisfy particular needs of dominant actors, whether states, organizations, or capital, in the international arena. I call this set of expectations the <u>responsible state</u> model. Its goal is a state that is a responsible member of the international community, one able and willing to implement international norms and obligations such as human rights, minority rights, refugee protection, border control (over illegal trafficking, organized crime, unregulated population movements, customs), arms control and non-proliferation regimes, debt servicing and repayment, and the many obligations that membership in the World Trade Organisation, the United Nations, and so on, entail. Even insistence on the "rule of law" or "free and fair elections" comes from the outside and, like these other responsibilities, entails accountability to a state's international partners and obligations, whether or not it entails accountability to domestic politics and groups. The conventional wisdom that economic growth and poverty reduction require foreign direct investment, means economic policies, regulations, and capacities

for enforcing those regulations suited to attract those foreign investors. Moreover, this set of international expectations of states is growing with the decline in commitment to multilateralism and international cooperation to solve common global and regional problems and the corresponding expectation that individual states take full responsibility for international order.

This idea of an internationally responsible state and reliable partner for powers in the international community is most blatant in post-conflict peacebuilding cases, although it applies generally wherever donors are active in providing economic and political assistance. There, nothing can occur until an internationally legitimate leadership is identified; elections must occur early to establish their international legitimacy; Memorandums of Understanding (MOUs) and Status of Forces agreements (SOFs) must be signed; delays occur in a large number of decisions if the legal risk cannot be borne by local authorities and so might make members of the international mission liable.

The effect of this approach to the state, however, is to create far greater fragility and instability, at least in the short run. As I said above, the extent to which states can meet these expectations depends on their strength domestically. There are at least 3 reasons why this approach worsens state fragility:

1. <u>Overload:</u> the set of expectations is simply too great, and all studies of the causes of revolution historically point to a state that is overburdened in relation to capacity and the political conflicts this then forebodes. Capacity is a relative concept. Indeed, contrary to the image evoked by fragility, failure, and weakness, poorer states now need far greater capacity than did the wealthy core states of western Europe and North America at equivalent levels of economic development and income; openness to the international economy, for example, requires far greater governmental capacity for flexible adjustment to unpredictable external shocks than do protected economies, and successfully open

economies do have larger public expenditures. State failure is not necessarily a collapse in what a particular state was doing before but an inability to meet these new demands from outside.

Donors have not been oblivious to this problem, although I believe its significance is not appreciated. The Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), at least, has recognized the need for principles of good donorship on their part to complement the demands for good governance on the recipient side, but this goes only to the effort to reduce and consolidate the huge array of bureaucratic forms that must be filled out for each donor separately, to harmonize requirements, and so forth. In terms of the time alone spent by government ministers and civil servants in the recipient country on the transaction costs of aid, this is a huge issue that must be resolved. The current trend, however, is to treat the problem of state capacity as a constraint, not as a condition to be overcome. Some argue for what they call shared sovereignty, in which states are urged to subcontract governmental tasks to external (often private) providers[2], and the related emphasis on partnerships with private, external actors (by UNDP or DFID). Even more dominant is the new trend to urge both donors and local populations to be "realistic," that is to allow existing capacity to define what can be done and to define a narrow list of "core" tasks or activities, pre-set by donors such as the World Bank, of course, which states should do and leave the rest to others.[3]

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2 Stephen D. Krasner, " The Case for Shared Sovereignty," *Journal of Democracy* 16:1 (January 2005): 69-83.

3 For example, the 1997 *World Development Report* of the World Bank, *The State in a Changing World* (New York: Oxford University Press, 1997), in chapter 2 (" Refocusing on the Effectiveness of the State") argues that if states try to do too much, over regulation and attempts at regulation that exceed state capacity will hurt development. The Report proposes a strategy of " deregulation, privatisation, and less demanding approaches" as a means of leaving space for the private sector and voluntary groups to grow (summary prepared by Jason Harle).

2. <u>Loss of legitimacy:</u> even a casual glance at the many expectations in this list will make clear that no set of political leaders can meet them all because many are themselves in conflict, to do one, for example, precludes another, yet not to meet some international expectation risks a loss of international legitimacy and support; the attempt to satisfy these multiple demands simultaneously can easily lead to deadlock and stalemate, a sure sign of fragility or weakness, and raising criticisms and frustrations from many sides; and most crucial for state failure, when the expectations present a choice between international obligations and domestic accountability, because, as leaders will tell you, they felt they "had no choice" in relation to outsiders, the consequence is a loss of domestic legitimacy.

This conflict lies not only in the realm of choice but also in capacity-building. Empirical evidence from post conflict cases is producing a surprisingly uniform complaint, that most capacity-building programs focus on building up the capacity of the international actors, whether agencies, NGOs, or mission staff, not on the capacity of domestic authorities. Bosnians currently, for example, are very worried about the transfer of authority to them from international officials because the capacity necessary to take over at once has not been built. This problem is exacerbated by the distortions of an international presence on the local labour market, that international organizations attract most of the skilled as drivers, translators, and local staff, depriving the government itself of the talent and knowledge that make the actual difference between institutional capacity or incapacity. Institutional capacity depends on the quality of staff.

The conflict also has a third corrosive effect on local views of international values when they see their political leaders "talking the talk" of democracy, rule of law, and so forth, what they call a "democracy discourse," to satisfy outsiders, but whose skilful rhetoric has little to do with what happens on the ground. Donors anxious for success stories tend to accept the rhetoric for the reality and thus reinforce this disconnect.

3. <u>Political struggle:</u> most of these expectations require institutional changes, but institutions, by definition, represent particular distributions of power and privilege; thus, any institutional alterations and reforms mean a threat to existing distributions of power and privilege; some will lose and others will gain. Thus, these expectations inevitably provoke a political contest, where the economic and political resources at the time affect bargaining advantage; that political contest can easily lead to violence, can itself destroy the state, as in Yugoslavia, and whatever the outcome, is always in the short-run destabilizing. In the post-conflict cases, this operates at the same time as people within the country are trying to transform the inherited state to address the causes of the conflict and to solve the questions necessary to peace.

Donors and other international actors, however, must be blind to this struggle in order to protect the norm of sovereignty and its corresponding requirements that they work with the government and appear neutral. The result is a model of the state devoid of politics and attention to power, what one might label a public administration view of the state. Yet this technical approach to the state still has influence on the balance of local power, it only prevents donors from assessing the effects of their influence. This, it seems to me, is both irresponsible and foolish. Secondly, no government is, at a particular moment, separable from the party in office; by working with the government, donors are also strengthening the party in power and weakening, by implication, those in opposition – this is true of capacity, resources, popular perceptions, and legitimacy. This hinders the process of transformation and usually reinforces centralization in its negative aspects, not its aspects of effective governance. Especially, the relative balance of political forces that most favours democratic stability and peaceful competition is

thus not promoted, and the asymmetries of power that increase fragility are intensified. If outsiders do take political positions, as occurs in the labelling of their favoured politicians and parties as "moderates," "reformers," and pro-Westerners, this tends actually to worsen the asymmetry by substituting local legitimacy with international legitimacy and making them an easy target of nationalism or frustration with international demands at home.

To conclude this framework discussion, the revival of interest in the state and increased respect for its importance for both economic prosperity and political peace has, on the part of donors and development agencies, in my view, begun to repeat the mistakes of the extreme market proponents in the early 1980s. Now, the state appears to be the source of all problems, including many global forces beyond its control, and also their panacea, the universal solution. But just as solely market-friendly governments cannot address questions of redistribution – inequality of income, access to quality education and health care, regional disparities, and poverty – so the current focus on participatory planning, community development projects, decentralization, privatisation, and good governance along the lines of technical assistance from the World Bank, IMF, and UNDP – is no substitute for economic investment and a development strategy. Indeed, one gets the feeling that the particular models of state-building and capacity building now promoted, at least in post conflict cases, are ways of avoiding the two main issues: (1) they are designed to avoid working with the central government in the first stages of a peace process because the donors do not trust it, either politically or in terms of fiscal management, and (2) a way for development agencies to do something within the strict fiscal constraints of priority to macroeconomic stability and the IMF approach to it, that is, to admit the negative consequences of neoliberal economic policy for peace and an effective state while not challenging its continuing dominance and role.

The crux of the matter is the role of the state, but specifically: what its particular purposes and goals

are in a particular political context. This cannot be determined in advance, universally, and externally. It has to be a domestically driven public debate, to which donors and various NGO, humanitarian, and developmental actors contribute resources, expertise, recommendations as to options, and eventually funds for the development of local institutions and capacity.

Recommendations

Rather than concrete policy recommendations, which should be left to the donors themselves, I propose a set of basic considerations and criteria that I hope they will take seriously:

(1) States are both (1) moral entities – authority which sets rules for everyday life and enables rulers to rule, and (2) structures of implementation ("administration"). Authority, the first, is prior to capacity, the second.

The role of the state in creating, perhaps even coercively in some ways, a sense of membership in a political community and loyalty to that community cannot be replaced. Nor can it be a result of external intervention. The durability of state authority, as one anthropologist working on Bosnia writes, results from a "collectively held assumption" that their states are eternal identities rather than historically contingent ideological formations with no existence independent of social practices. An ideology and values for the moral organization of their everyday social relations are critical, not the constructed, contingent, and arbitrary nature of state authority so visible in externally directed operations. The state, therefore, is culturally specific and "cultural difference matters." International state-building projects and programs that assume cross-cultural understanding and similarity will not build the trust

essential to institutions or the expectations about others' behaviour that are embodied in institutions.[4] It is important to notice how much the issue of local values, and expressions of anger at internationals for their lack of respect of these values – "Afghan values," "African values," and so forth – is surfacing in internationally supported post conflict cases.

(2) As administrative apparatuses, states coming out of civil war, in particular, face an overload of expectations from outside actors that is way beyond their resources and capacities. This may well be its greatest threat, far more than corruption or lack of legitimacy, as current fashion argues. Donors have an obligation to acknowledge and review their expectations and offer guidance on what takes priority and why, if they continue to make demands. This is where donor coordination could be useful, to identify their own priorities and reduce the list of these external demands so that local authorities have some time and resources left to focus on the local tasks that will determine success or not of the post conflict political process.

(3) State fragility is always linked to economic fragility; the economic bases of political stability must return to the centre of our attention. Above all, this requires assessing and acknowledging the distributive consequences of proposed models, policies, and institutions. We must not make the current mistake of thinking that promoting democracy, whether elections or local participation, will promote development. It will not. They are very separate and initially unrelated processes. They are <u>both</u> important and both must be addressed.

To protect democracy, we need to acknowledge that the political process after the fighting stops will be deeply contentious, as it should be. We also need to recognize that our conventional view of a "strong state," as one that provides external security and has, therefore, a strong security apparatus and executive power, is misplaced. Strong states, as apparatuses of power and authority, in fact, are ones that are closely linked with multiple channels of information and accountability with their own societies, where there is a social basis in economic resources for democratic governance, and with genuine authority at the centre.

To support development, I strongly recommend to you the principle being promoted by a Mozambican economist, Carlos Castel-Branco: the "purpose of aid should be to reduce the necessity of aid." Despite massive aid to its peace process, there has been no development in Bosnia and Herzegovina. In Sri Lanka, the peace process has repeatedly not received electoral support because the UNF government's neoliberal development strategy did not, and could not, create a social base for peace within the southern electorate.[5] In Mozambique, the sources of economic growth are foreign direct investment in the minerals energy complex in the south, aimed at the South African economy, and foreign aid aimed at providing the social services that the state cannot provide. Where, writes Castel-Branco, will the autonomous, sovereign resources for growth come from so that those social services, poverty reduction, and the social bases of peace can be sustained?

4 Andrew Gilbert, "Research Findings," memo written for participation in Workshop on Post-Conflict State Building: The Academic Research, The Graduate Centre, City University of New York, November 4, 2005.

5 Sunil Bastian, "How development can undermine peace" (International Centre for Ethnic Studies, Colombo, September 2004).

FRIDE

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Peacebuilding Processes and Weakening Strategies in the States of Angola, Guinea-Bissau and Mozambique:
A Comparative Study

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The main aim of the *Peacebuilding Processes and State Failure Strategies* project is to analyse the impact of cooperation policies on the consolidation or weakening of state-building processes and, at the same time, the way they affect peacebuilding. The starting point is three former Portuguese colonies: Angola, Guinea-Bissau and Mozambique. The project's theoretical framework is critical with the dominant international agenda that classifies States as failed or weak without taking into account the external factors that give rise to this weakness. The project's specific objectives are, in the first place, a comparative analysis of the declared strategies of aid development policies adopted within the framework of peacebuilding systems; secondly, a comparative analysis of these policies' results in the three countries mentioned. Lastly, we will try to identify alternative policies at international level.

There are three <u>fundamental hypotheses of methodological and political precaution</u> that inform this analysis.

1) We acknowledge that the plurality of concepts such as weak, failed, poor performer, complex emergencies, etc. corresponds to the complexity and multiplicity of the identified situations: central authority collapse, neo-patrimonial policies, low bureaucratic, administrative and financial capacity, armed conflict situations and repressive systems. We understand that these expressions do not refer to only one type of State in particular, but that they characterise many situations shared by these States: non-developed, non-peaceful, non-democratic States, in other words, non-Western States.

2) However, criticising conceptual and operational limitations, or the potential for manipulating concepts, does not mean that concrete needs and problems should be denied, nor should acting on them be renounced in any way. In this way, we intend to ascertain the traps and mistakes we could easily fall into if we accept abstract recreations of reality as objective data.

3) We will try to discern whether external determining factors contribute to perpetuating the *realities* called failed States despite stating the opposite goal. To what extent do *adjectives* justify policies judged as "appropriate" at international level? What is the role of aid in this field? What processes does it reinforce and conceal?

The study we propose has the advantage of comparing countries of very different sizes, geopolitical contexts and economic importance. All three countries have in common the fact that they have received significant amounts of international aid. This fact is associated with late independence and the hope that they would learn from past experience. However, in 2005, all three were at the bottom of the Human Development Index: Angola (160), Mozambique (168), and Guinea-Bissau (172), out of 177 countries. How can it be explained that these countries, whose recent history is so different, are so similar regarding their development? Why is it that a country like Mozambique, where war finished 13 years ago, is so close economically and socially to a country such as Guinea-Bissau that has been experiencing instability for the last five years? What enables us to compare them?

There are some <u>common denominators</u>, some similarities among them in terms of building processes and also state weakening. Regarding <u>state-building processes</u>, late decolonisation through armed struggle is one that should be pointed out; the colonial legacy of an autocratic system and out-of-date bureaucracy is another; and finally, strong independence movements, for the most part united and coherent, with widespread popular support (although there are some differences between them; the *Partido Africano da Independencia da Guiné e Cabo Verde* – PAIGC has wider support than the *Movimento Para a Libertação de Angola* – MPLA, for example). In evaluating shared decolonisation programmes with socialist leanings (and with different degrees of implementation with regards to economic models), national unity projects were created, based on a modern approach, a rejection of traditionalism, and acceptance of the colonial borders. These projects have led to one-party regimes.

At the same time, more traditional movements with ethnic tendencies have arisen and they have tried to go against the power of *criolla* (Westernised)[1] societies and of course, there are different organisational forms previous and alternative to the modern State-nation.

We can also identify some <u>similar weakening processes</u> without forgetting the specific historical and political evolution of each country. Although, of the three countries Guinea-Bissau is officially the one most considered to be a failed State or a *difficult partnership* according to the DAC/OECD designation, there are some common traits which, to a greater or lesser extent, should be considered.

In the first place, the analysis' starting point: all have experienced armed conflict although of greatly differing length, intensity and causes (in Angola 27 years, in Mozambique 15 years and in Guinea-Bissau 18 months) and subsequently with very different consequences.

In the second place, there was a tendency, which began during independence, of power concentration, of corruption and clientelism, nurtured by a patrimonial system of securing resources within the context of building African States. These states were characterised by a logic of accumulation and exchange instead of production and investment.

In the third place, progressive liberalisation of the economy and weakening of the State structure (with the exception, perhaps, of their police and military capacities) have led to extremely high unemployment, irregular functioning of State institutions and their incapacity to guarantee essential social services; growth of the "real" or informal economy; significant differences between rural and urban worlds and the incapacity (voluntary or not) of the State to reach poor rural areas. In short, we are referring to the incapacity to create development that is more balanced and equitable.

In the fourth place, we are witnessing the evolution of centralised regimes towards minimal or formal democracies; in Angola and Mozambique they have been influenced by peace processes, and in Guinea-Bissau the aim is to guarantee the continuity of structural adjustment programme payments. Curiously, the only country which has seen the rotating of governing parties is now witnessing the return of the leader who governed for 19 years and who retired after the conflict, President Nino Vieira in Guinea-Bissau.

Lastly, there are mechanisms whereby the elites in power (political and military) can appropriate aid funds, taking advantage of the collusion of donors who have fostered oppressive regimes.

This last trait introduces the problem of the <u>role of external intervention and the models it promotes in creating stability</u> <u>and peace</u> in these countries.

On the one hand, we have noted that the immediate post-conflict response is naturally centred on emergency activities, infrastructure reconstruction, demobilisation, demilitarisation, organising elections, and technical help with legal and legislative reforms.

On the other hand, development models are similar to those in other countries: institutional capacity, decentralisation, poverty reduction strategies, governability, support for civil society, etc. Nobody knows what these models mean and they are almost never applied. Simultaneously, reforms must be carried out regarding liberalisation, privatisation, control of public accounts, etc.

The declared aim of these policies is to strengthen peacekeeping processes, based on the existence of strong States and good governability. However, the discrepancy between aims and outcomes is enormous. This means that it is necessary to investigate, on the one hand, the real application of these policies, and on the other, how formulae are adapted to specific cases. We know, for example, that:

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[1] Patrick Chabal, "The construction of the Nation-State", Chabal et al., *A History of Postcolonial Lusophone Africa*, London: C. Hurst & Company, 2002 (29-87).

1) Up until now, aid has not contributed to strengthening the State in terms of public and social services;

2) Very often aid ends up strengthening State elites and promoting the accumulation of resources in their hands.

Our hypothesis is that the real impact of the policies applied depends on factors such as the type of relationship established with the receivers, the priority given to regional stability, economic benefits, and the reproduction of old problems and old answers in a mechanical and standardised way. Therefore, there are differences and specific contextual factors that can influence, either positively or negatively, State reinforcement and the guaranteeing of peace.

a) The first aspect is the degree of dependence and the existence of natural resources in these countries. For example, Angola is a petrol producer and it can negotiate in a very different way to Mozambique. The power to impose and the independence of the international community is a variable which is used positively and negatively.

b) A second aspect is the geopolitical and economic context, the country's regional size and influence, its potential for regional stabilisation and the flows that it maintains in other conflicts (weapons, mercenaries, etc.)

c) A third factor has to do with the intensity of the conflict, its causes and immediate responses. The conflicts in Angola and Mozambique were fomented by the Cold War and apartheid. The conflict in Guinea-Bissau belongs to the post-Cold War era with interferences from Senegal and Guinea Conakry, supported by France. Sources are varied but always related to external interventions and within the regional context. Joint international responses are also different in the size and mandate of the United Nations missions in each country (UNAVEM in Angola, UNOGBIS in Guinea-Bissau, ONUMOZ in Mozambique).

d) A last factor is related to the existence or not of social unrest, internal struggles and demands, the strength of other actors in society and the existence of mechanisms for expressing social instability.

Mozambique: How Aid can Contribute to Peacebuilding

The *Frente de Libertação Nacional de Moçambique* – FRELIMO received technical and financial assistance until the end of the eighties from the former Soviet Union, Cuba and the Eastern European States, in order to successfully carry out its socialist programme of nationalisations and production centralisation. The Nordic countries, some members of the European Union, and Canada helped the government to put a halt to the ambitions of the opposing group, the *Resistencia Nacional Moçambicana* – RENAMO.

With the drastic reduction of aid from 1987 onwards, Mozambique began to receive considerable aid from the US, the World Bank and the International Monetary Fund. In the same year, it initiated a stabilisation and structural adjustment programme with the aim of creating an economy stimulated by private initiative and market forces. This phase of external assistance and the accepting of reforms justified the subsequent response of the international community towards the peace process. As a result, substantial international investment went into creating ONUMOZ, a peacekeeping mission (with far greater resources than the Angolan mission), responsible for organising the 1994 elections.

Thirteen years after the end of the civil war, Mozambique is considered by the international community to be a successful story and an example for other less developed countries. One of the most usual

ways of explaining it is by pointing out the importance of the United Nations' role. In fact, for some time, the UN formed a parallel government in the country. In the international context, in which 50% of negotiated peace processes return to conflict situations within the first five years, the absence of war for over a decade is evidently noteworthy. Mozambique's economic growth in the last years and its capacity to attract foreign investment are frequently used as a demonstration of the stabilisation policies' success and consequently of the development model proposed by international financial institutions.

However, this notable growth is due to a small number of very substantial investments, almost all of them in the south of the country. Most of the population does not benefit from the growth figures. At the same time, some reforms have led to the collapse of important industries such as the *caju* and textile industries. Social sector expenses have been drastically reduced at the behest of the IMF. This means that almost 70% of the population lives under the poverty line. The unequal distribution of wealth is undeniable, especially if we take into account the rural urban differences, and between the north and the south of the country. Marginal populations are under the protection of external aid and bear witness to the State's weakness and dependence on external aid.

The greatest challenge is, without doubt, to overcome this dependence, and to know who is really governing Mozambique and who is benefiting from economic growth. However, there are other problems such as controlling the widespread violence and criminality which could, in the long term, pose a threat to social stability.

Angola: How Aid, by Omission, Contributes to Reinforcing an Authoritarian State and to Creating an Economic Giant

Twenty-seven years of armed conflict between the MPLA (*Movimento Popular da Libertação de Angola*) and the *União Nacional para a Independencia Total de Angola* – UNITA have produced 1 million deaths, 500.000 refugees and 4.3 million internally displaced persons. These figures, linked to the almost total destruction of the country's infrastructure and economic system, and to a legacy of millions of landmines, imply a violent rupture in the social and economic balance. Twenty-seven percent of the population lives on less than 70 cents of a dollar a day. The crisis situation and humanitarian emergencies have evolved positively since the end of the war but there are geographical differences. There are still serious problems that could pose threats to positive peace: there is no real integration of UNITA ex-combatants; implementation of a real civil population disarmament process is still incomplete; the increase in social violence and criminality is associated with a situation of economic and social exclusion for most of the population who are extremely young and who do not have legal economic opportunities for survival. Lastly, the majority of citizens are politically marginalized, indicating the absence of a real and inclusive process of national reconciliation.

In fact, the Angolan State does not satisfy its population's basic human needs, but that is one of the ways of forming a strong State, with an impressive security system and controlling almost all the national territory. The construction of the Angolan State has

followed the logic of appropriating resources and profits for personal gain. It is not so much that the State's capacity to govern has been weakened by external or internal issues, but that the governing elites have clearly opted for a particular model of government based on redistribution between clienteles, and also on opacity regarding the managing of natural resources with the aim of financing their tenure in power.[2]

Angola is also an unusual case because of the way it establishes its relationships with international donors. In fact, almost invariably, Angola's regime has not needed donors' support and it has managed to avoid the imposition of structural adjustment measures, with the exception of an agreement with the IMF, signed in 1995 and abandoned a few months later. In this context, the trend in focussing on poverty reduction does not form part of the political priorities regarding cooperation in Angola. Donors would be loath to risk a deterioration in their relations with the Angolan government thus safeguarding the interests of their respective petrol companies and their external policies. Current credit negotiations with the Chinese government have two concrete goals: 1) with these funds the Angolan government does not need the international community's agreement regarding its governability practices and respect for human rights coming up to the next elections; 2) the community of bilateral donors does not make any direct demands in the area of fundamental freedoms and rights.

Guinea-Bissau: How Aid Does Not Succeed in Achieving Stability

Guinea-Bissau is a small country with 1.3 million inhabitants and it is one of the poorest countries in the world, but also one of the most dependent. According to the OCHA, external aid represents 80% of the State's budget[3] and external debt was estimated at 888 million dollars[4] in 2003.

The evolution of State strengthening and weakening processes has also been determined by the evolution of development policies, that is to say, the country has been involved in the variables of economic, political and technical conditionality.

Structural adjustment, allied with internal determining factors, had long-term consequences in forming the State in Guinea-Bissau (in terms of debt payment and legitimacy). The consequences with regards to social services have been disastrous. For example, education represented 15% of the State's budget in 1987; in 1995 it was just under 10%. Non-payment of army salaries was often related to the many crises. The road to democratic transition in Guinea-Bissau was also undertaken by external imposition, during the absence of African democratisation in the nineties. In 1994, elections confirmed PAIGC continuity in power and of Nino Vieira (1980-1999), and he was thus legitimised before the international community.

Until the end of the eighties, Guinea-Bissau's external policy, while formally having socialist leanings, was able to arouse Western sympathies (Holland, Canada,

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2 Tony Hodges, *Angola. Do Afro-Estalinismo ao Capitalismo Selvagem.* Cascais: Principia, 2002 (264).

3 OCHA, *Report Mission to Guinea-Bissau*, June 2005
4 According to the National Strategy Document for Poverty Reduction by the Guinea-Bissau Government in 2004.

Scandinavian countries) thanks to the diplomatic legacy of Amílcar Cabral and to the fact that, as opposed to Angola and Mozambique, it had not started a civil conflict after independence. However, from 1994 onwards (with multiparty elections) and with the worsening of the situation in 1998 (beginning of the conflict that would end in 1999), many donors distanced themselves. The only bilateral European Union donors present in the country are Portugal and France and both have played a decisive role in the development of the conflict, the former in resolving it and the latter in prolonging it.

The post-conflict period was not very successful despite an intermediate phase (2004-2005) when the government managed to obtain international credit, even from financial institutions. During Kumba Iala's presidency (the first President elected after the conflict), the country was led by an apparently ethnic current and State structure (or what was left of it) was destroyed. In 2003, Kumba Iala's disastrous performance in power and the country's period in isolation came to an end with a coup d'état. The new presidency (since July 2005) could represent a regression to the pre-war period. President Vieira resigned from the government elected in the last parliamentary elections (2004), some months after gaining power.

The truth of the matter is that Guinea-Bissau is not a political or development priority, and for this reason several agencies have opted to locate the coordination of their activities in Dakar or Abidjan offices, giving priority to a regional approach.[5]

On the other hand, the role of the international community, aside from aid contributions, has contributed to political and economic instability in Guinea-Bissau, either by omission or through active support. Nino Vieira's return is usually seen as the expression of an (external) determination to stabilise the country, although in practice it means a step backwards in democratic terms. At the same time, good governability, administrative and military reform, as well as regional integration are being encouraged.

Guinea Bissau's limited possibilities for negotiation with donors could change if exploitation of petrol reserves goes ahead. Moreover, Guinea-Bissau's marginal position in the world system should also be revised according to criteria such as inclusion in drug trafficking routes (between Latin America and Europe) and weapons dealing (conflict areas in Western Africa). Consolidation of peace is still an unanswered question.

We have seen that aid, together with other factors, can make an impact on an internal context which is, of course, already positive and of appeasement, helping it to move towards stabilisation, so that its objectives coincide with some evident improvements in consolidating economic recovery (Mozambique). On the other hand, depending on the interests of the main donors and receivers, there are issues which still need to be resolved, either due to a conflict of interests (aid vs. external policy, for example) or because of incapacity (bearing in mind the capacity for adapting internal debate to formal international demands). These are essentially, the consolidation of viable, equitable and redistributive economic models; the consolidation of democratic processes other than merely formal ones, based on endogenous schemes which could be either participative or traditional; and the control of widespread social violence (Angola, Guinea-Bissau and, to some extent, Mozambique).

[5] Patrícia Ferreira and Sérgio Guimarães, "A resposta política e de desenvolvimento da União Europeia na Guiné-Bissau" (Documento de reflexão ECDPM 30). Maastricht: ECDPM, 2001

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FRIDE

Fragile States or Failing Models? Accounting for the Incidence of State Collapse by *Martin Doornbos*

What models for state building and developmental perspectives have been held out to the postcolonial states over the last 50 years? It is just a problem of fragile and failing states, or should the international community be facing the problem of failing models of development? This document explores the link between development models and state weakness and the different degrees of propensity to collapse among contemporary state systems and in some particular regions.

Institutionally Fragile States. Fragile States, Prevention and Post Conflict by *Susan Woodward*

The current research and debate about state fragility and failure is structured around a series of oppositions: international or domestic causes; historical dynamics particular to a country or externally driven templates that disregard context; development or democracy; more development assistance or more selectivity; and so on. This presentation will offer an alternative framework that combines these elements into one. The sources of fragility can be seen most clearly in external assistance to restore state capacity and reduce fragility in post conflict environments, but the same sources occur in policies aimed at prevention. In brief, success depends on domestic factors, yet that domestic process occurs (1) within constraints defined by donors, their economic and political models, and their expectations and (2) in a domestic context shaped by the power relations and political order that actually exist at the point of this attempted transformation. Two problems in the external approach will be discussed: (1) donors' expectations that states be reliable partners of the international community, which requires substantial capacity, and their simultaneous efforts to get countries to lower their expectations of what the state can and should do to existing capacity; and (2) the attempt to solve economic development and poverty reduction with state transformation and political instruments. The presentation will raise the question: how can external constraints and donor assistance change to make possible a "democratic, developmental state" and one that does not have to choose between two accountabilities – to international obligations and its own citizens?

Peacebuilding Processes and Weakening Strategies in Angola, Guinea-Bissau and Mozambique: A Comparative Study by *Silvia Roque*

Attempts to identify States considered to be fragile within the international system have led to a proliferation of concepts corresponding to the complexity and multiplicity of the situations identified. As a result, there are some political and methodological provisions that should be taken into account. Why are some States considered failed and others not? Is there any external reason that justifies the label or not? We will try to determine how external factors contribute to perpetuating these realities called Failed States, by imposing adjectives that confirm their existence as well as "appropriate" policies at international level. What role does aid play in this area? What processes does it reinforce and conceal? In this study we compare countries of very different sizes, geopolitical contexts and economic importance. What do Mozambique, Angola and Guinea-Bissau have in common? What allows us to compare them? This analysis has an apparent common starting point: the post-conflict policies implemented in these three countries. These policies all have the same declared aim which is the strengthening of peacemaking processes seen as a consequence of the existence of strong States and good governability. However, the discrepancy between aims and outcomes is enormous. The real impact of the policies applied depends on factors such as the type of relationship established with the receivers, the priority given to controlling regional stability, economic gains, and the reproduction of old problems and old answers in a mechanical and standardised way.

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