

External action to overcome fragile structures:

What can development policy achieve?

Development policy has to deal with the full spectrum of fragility in developing countries, which can range from individual deficits, for example in guaranteeing security, to the total collapse of state structures. The scope available to development policy and other external actors is always limited. Nevertheless, starting points are often on hand to achieve some measure of stability and help overcome weak state structures.

Inadequate state structures, poorly functioning governments or a lack of government legitimacy, and the problems associated with them are increasingly being recognized as a major challenge for the international community. The UK's Department for International Development (DFID) identifies 46 fragile states with a total population of around 870 million, which clearly illustrates the scale of the problem (DFID: *Why we need to work more effectively in fragile states*, London 2005). Some are especially difficult cases of failed states, while many others are «vulnerable» or «susceptible» systems in which the state, although perhaps functioning effectively, may be unable to enforce its monopoly of power in some parts of the country, or its representatives may lack adequate legitimacy. Studies also highlight the transnational effects of fragile statehood. Having a fragile state as a neighbour reduces a country's economic growth rate. And lastly, the threats posed by fragile states to international security are also highly significant. The National Security Strategy of the United States of America, published in 2002, and the European Security Strategy, published in December 2003, both attach considerable importance to the problem of fragile states. In other words, weak and failing states have an immense impact on the directly affected countries and their populations, on the regional context and international security.

So what can be done to address the causes and effects of fragile statehood? This question is difficult to answer, especially when it comes to the contributions that can potentially be made by external actors (bi- and multilateral development organizations, other international institutions, etc.). The cases in which state structures have been (partially) replaced temporarily by external bodies are few and far between, although some participants in the debate would like to see a greater focus on this approach (Stephen D. Krasner / Carlos Pascual: *Addressing State Failure*, in: *Foreign Affairs*, July/August 2005). But even assuming that there is the political will to act and that such action is legitimate, a de facto trustee relationship such as that established in Kosovo or Afghanistan cannot be replicated very often. In many cases, the requisite financial resources and military capabilities are not available or cannot be mobilized for political reasons. Furthermore, withdrawal from such situations is generally a far more complicated and lengthy process than originally anticipated. At the opposite end of the scale of possible options is non-engagement by the international community or major actors (UN, EU, USA, etc.).

Providing for security and building up collapsed infrastructures be it in the cities or rural areas are among the main tasks for international development assistance.

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Photo: GlobalAware



Development measures: Effective in fragile states too

Case studies show that starting points can exist at individual project level even when conditions are difficult. For example, the World Bank has analyzed the impacts of individual measures undertaken in East Timor, Northern Uganda, Cambodia and Afghanistan (World Bank (ed.): *Making aid work in fragile states: Case studies of effective aid-financed programs*, Washington D.C. 2005). A study on Afghanistan undertaken by the Institute for Development Studies shows, for example, that one project («Community fora») in Mazar-e Sharif, Afghanistan, which began as a UN Habitat project in 1995, was able to achieve impacts in the target areas of health and education even under the difficult conditions created by the Taliban regime, and also had indirect positive effects on local political conditions. A Global Fund study on HIV/AIDS, tuberculosis and malaria projects in fragile countries also concludes that useful measures can be implemented in conditions of fragile statehood (*Global Fund Investments in Fragile States: Early Results*, Geneva 2005). Provided that there is a sound structure for implementation and local partners can be identified, which is generally possible, the outcomes that can potentially be achieved are substantial because measures carried out in fragile states have a greater impact than in other partner countries where a wide range of projects and programs are already operating.



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Opportunities for external actors to bring influence to bear on weak or failing states arise in various policy fields, primarily foreign, security and development policy.

What can development policy contribute?

Development policy has to deal with fragile statehood in almost all its forms and phases. Over the long term, it can help achieve some measure of stability when systems are more or less consolidated. In weak states, it can help development-oriented regimes establish functioning structures. In failing states and, to some extent, even in collapsed states, it can help create incentives for government action. The following background is useful to foster an understanding of the development policy perspective on fragile statehood. Firstly, as a result of the debate in the late 1990s on the need to maximize the effectiveness of development spending, there has been an over-concentration on «good performers». Responding to this situation, an intensive debate is currently under way in the OECD's Development Assistance Committee (DAC) and other relevant development policy forums to determine which approach should be adopted in future towards countries which are identified as fragile and are receiving low levels of official development assistance (ODA) measured against their needs. The fluctuations in ODA flows to fragile countries are also far higher than for other developing countries. This lack of secure funding is unsurprising given the difficult conditions

existing in fragile states, but limits the benefits that can potentially be achieved with the funding being deployed. A further problem has emerged recently: being a particular focus of US and European security interest appears to be a major trigger for countries to receive higher ODA payments. According to the DAC, Afghanistan and Iraq have benefited from substantial increases in funding, receiving total ODA in excess of US\$ 5 billion in 2004. Secondly, there has been a rapid conceptual shift in the field of development policy. In the early and mid 1990s, the focus was on developing occasional crisis-relevant measures, an approach which evolved into the concept of civilian crisis management in the second half of the 1990s. Now, however, the conceptual focus is oriented towards interdisciplinary strategies as a means of promoting stability and security. This new approach prioritizes «joined up» thinking and action among security, foreign and development policy actors. But it certainly does not preclude goal conflicts and incompatibilities among the various stakeholders: Whose security should be prioritized in any operation: the security of the local community, or that of the donor countries? How should the success of any engagement be measured, etc.? This has triggered fresh debate about the eligibility criteria for ODA funding, among other things. Thirdly, concern about fragile states is increasingly making the state – and therefore also governance – a focus of development policy. Here, there are numerous thematic overlaps (democracy-building, decentralization, direct crisis prevention,

and conflict transformation) which have yet to be «joined up» in practice.

Goals and goal conflicts

In relation to fragile statehood, three typical goals can be identified for development and other policy fields:

- Strengthening the democratic legitimacy of the state (also through the participation of civil society groups), institutions and procedures (government, parliament).
- Delivering support to partner countries as a means of fostering their commitment and capacities to act (i.e. to make them effective actors in their own right), provided they have legitimacy. For example, this could mean making the state visible and establishing it as a positive presence in rural regions through the provision of basic public services (health, education, road construction).
- Finally, countering the proliferation of violence by establishing and strengthening an effective and legitimate state monopoly of power. In this context, too, minimum standards of governance are extremely important.

But development policy is beset by various goal conflicts. Tobias Debiel, Stephan Klingebiel, Andreas Mehler and Ulrich Schneckener have described some of the dilemmas typically facing external actors working in this field (*Between Ignorance and Intervention: Strategies and Dilemmas of External Actors in Fragile States*, Policy Paper 23, Development and Peace Foundation, Bonn 2005). One of the key challenges facing development policy and other external actors is the conflict between the normative desire to promote a legitimate state monopoly of power and the effective need to deal with a variety of non-state actors who resort to violence. Warlords and traditional (armed) authorities in Afghanistan, rebel groups in the Casamance region of Senegal or in Sri Lanka, and even private security firms, whose importance has increased rapidly in many African countries for example, often challenge the state's claim on the monopoly of power or form an oligopoly of violence which may even have some degree of legitimacy (on this issue, see Andreas Mehler: *Oligopolies of violence in Africa south of the Sahara*, Discussion Paper, Institute of African Affairs, Hamburg 2004). Regardless of the legitimacy of these non-state violent actors, external actors wishing to operate in the country concerned must «deal» with these groups, e.g. in order to gain access to key target groups, ensure that the security of their own staff is not put at risk, or con-

tribute to conflict transformation. A further difficulty facing external actors is the real or apparent goal conflict between the stability of the regime and the stability of the state. Uncritical support for an authoritarian regime – perhaps for fear of the destabilizing effects of a democratization process – may not necessarily lead to long-term «stability». Where democratization and transition processes are being obstructed, disintegration processes or violent escalation may be reinforced.

While always keeping in mind the limited opportunities for development policy to exert influence, there is nonetheless some scope to respond to the challenges of fragile statehood in various meaningful ways. Besides the degree of fragility (is it that the institutional structures are «just» weak, or has the state actually collapsed?), a crucially important question is whether a government is development-oriented in practice but lacks all or some of the requisite capacities (finance, qualified personnel, etc.). Countries which are not oriented towards development and whose government representatives lack legitimacy are an entirely different case. As a rule, there is in each country a mix of scenarios which is in a constant state of flux. Against this background, «typical» development action may be impossible in many fragile states, or may only be possible to a limited extent. The reasons are manifold: clientelism and corruption often have a stranglehold on the state's structures on the partner's side, while cooperation with the country's government may run the risk of development actors losing their credibility or becoming compromised.

Starting points and strategies

This raises a number of challenges for development policy. Political monitoring,

using simple and rapid analytical tools, is especially important in this context. Adequate know-how is essential if basic development cooperation issues are to be resolved (for example, with which government is there scope to conduct a dialogue based on partnership? How can donors achieve a coordinated approach?). Here, many donors have greatly improved the mechanisms available to them in recent years, for example in the field of conflict analysis or crisis early warning.

«Staying engaged» is increasingly emerging as a key policy principle in the context of fragile states. Of course, this does not mean automatically supporting the existing power relations. If the governance framework is problematical, other forms of cooperation can be identified, perhaps via local non-government partners or political foundations. At the same time, it is extremely important, from a strategic perspective, to consider the possible «costs» of withdrawing from a country, which may result in the loss of communication structures and international transparency, disrupted access to target groups, etc.

Close cooperation among the various actors is also essential to generate synergies. This applies both to the opportunities for inter-ministerial coordination by individual donors (e.g. between foreign, security and development policy) as well as to interlocking approaches with the international community's overall efforts (e.g. via the World Bank's Consultative Group meetings). Various donors have focussed in detail on this type of strategy, operational approach and experience in recent years. For example, the World Bank, through its LICUS Initiative (Low Income Countries Under Stress) has, among other things, devised various practical measures which can be effective in this group of countries. Individual donors such as the United States Agency for International Development (USAID) and DFID published strategy papers on this issue in 2005,

and the DAC has put together a list of Principles for Good International Engagement in Fragile States. The topic of fragile statehood has thus become a key focus of attention in the international development debate.

How effective is development cooperation in fragile countries?

The implementation of the Paris Declaration on Aid Effectiveness, which was signed by representatives of donors and partners in March 2005, is also likely to result in major progress towards more effective international development cooperation. The Declaration dedicates an entire section to «delivering effective aid in fragile states», making it clear that weak and failing states pose a challenge, but that more effective aid is an especially relevant topic in fragile countries.

Overall, fragile states are one of the key challenges facing international politics and, not least, development policy today. Development policy has a range of instruments available to foster good governance, help establish state structures, and offer incentives for development-oriented action. Instability and insecurity, poor governance and weak implementing capacities are hallmarks of fragile states. These conditions are not necessarily conducive to development policy. Yet effective development measures that can help overcome them are extremely important. For that reason, it is essential to capitalize upon the potential of development policy and broaden its scope for action. The focus of the current debate is not «whether», but «how» to address the situation. A range of positive examples already illustrate how development policy can make meaningful contributions in fragile states.

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