Workshop on State Failure: Reframing the International Economic and Political Agenda

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Introduction to the Workshop

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The origins of this project was a shared disquiet about the concept of state failure as it was increasingly being used in the policy world and in research focused on that policy audience. I say that with some embarrassment because my own analysis of the disintegration of the former Yugoslavia and the accompanying wars (Slovenia, Croatia, Bosnia-Herzegovina, Kosovo, Macedonia, thus far) in the early 1990s insisted on the primary causal role of state collapse, and I continue to argue, along with many others, that the phenomena we currently identify with the label "state failure" should be explained with the state in some way.

The current use of the term, however, is noticeably vague, often even tautological. It covers very different phenomena and conditions, without much apparent recognition of that variety and heterogeneity. That includes all the related terms of fragile states (USAID), wobbly states (my favorite, from David Sogge), crisis states (LSE), states at risk of instability (UK Cabinet Office study, now simply "risk of instability"), warlord states (Will Reno), and so on.

The shared disquiet reflects at least three concerns:

(1) the lack of clarity on the goals and targets of the new international agenda, leading many to view the concept as an additional pretext for intervention and thus as genuinely threatening and many others to resist the designation for fear of the consequences of being so classified (linked primarily to the newest aid selectivity);

(2) the implicit assumption that the range of concrete threats attributed to state failure are the sole responsibility of states and their leaders, not equally a consequence of the international economic or political order and the responsibility of major political and economic powers or their international institutions; this applies to the causal analysis[1] and the proposed remedies of domestic reforms; and

(3) related to this, the focus on state failure as a threat to the security of wealthy states (the United States, the EU member states), not the security of the citizens and residents of such a country; also the extent to which that security agenda in practice may actually be increasing the insecurity of targeted states or their populations. The attempt to restore attention to the concept of human security as an antidote neither addresses the new security focus of the first group (above all the United States) nor resolves its own deep ambivalence about the state.

Because this project takes off from a policy agenda and that agenda has gained particular prominence from the United States National Security Strategy of September 2002 (followed by the EU and some of its member states), it is worth asking whether the US shift of at least rhetorical focus to democratization and "freedom" in January 2005 has supplanted concern with state failure. Is this subject of our workshop obsolete? My

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[1] For example, "Weak or failed states are the source of many of the world's most serious problems," writes Francis Fukuyama in *State-building: Governance and World Order in the 21ˢᵗ Century* (Ithaca and New York: Cornell University Press, 2004).

own view is that the change is minor: these new goals are aimed at the same international and national security concerns, use the same basic policy tools, and have the same model of a state as a causal variable. While it appears that only the packaging has changed, however, the relation between democratization or partial democracies and violence and instability established in the academic literature[2] does raise a question about priorities, if the new US agenda is actually generating more state failure. We may wish to spend some time discussing this: has the focus shifted substantively and does it matter?

The literature on this subject (although one has to do a bit of creative searching and combining to suggest that there is a "literature"; it is newer, sparser, and less substantive than I had expected), if I judge it correctly, has 5 separate foci:

1. operational measures – how does one measure, identify, and code failed, failing, and fragile states, and to what extent are our current data bases adequate?

2. regional variation – there appear to be regionally defined issues, although it is not clear why variation should be regional. For example, in African scholarship, the focus appears to be on empirical research on alternative forms of political community to the state and to critical analysis of the large literature on the African state, and especially the notions of neo-patrimonialism, predatory states, and the criminalization of the state.[3] Among Latin American scholars, both reality and American policy dictate a focus on

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[2] The State Failure/Political Instability Task Force has consistently demonstrated a robust statistical relationship between partial democracy and state failure, while the argument made by Ed Mansfield and Jack Snyder (e.g., "Democratization and War," *Foreign Affairs* 74:3 [May/June 1995]: 79-97) that the process of creating a democracy – democratization – is particularly prone to violence and war, while generating much debate, has not yet been refuted.

[3] For example, Abdul Raufu Mustapha, "States, Predation and Violence: Reconceptualizing Political Action and Political Community in Africa," 10th General Assembly of CODESRIA, Kampala, 8-12 December 2002.

criminal violence, usually within functioning states, on human rather than state security, and on alternative relations between states and violence than the concept and the state literature imply. I am told that there is little attention to issues of security in the Middle Eastern region because there is a widespread perception that one can have little influence in this sphere whereas there is much attention currently to the pressures for political reform in the Arab world.

The exception to a regional pattern, of course, is the growing literature on post-war state-building – how to create or restore a state after it has failed, in Afghanistan, Bosnia-Herzegovina, DR Congo, Haiti, Liberia, Somalia, or (with appropriate caveats) Iraq?

3. analysis of causes and consequences: much of the literature seems to focus on establishing patterns of correlation between state failure and particular outcomes such as armed conflict, civil war, terrorism, trafficking of illegal drugs, arms, human beings, etc., and systematic abuse of human rights, in large part for the purposes of early warning (with newer, welcome attention to prediction rather than statistical correlation); it appears richer on the analysis of causes of state failure than on the causal mechanisms to explain the relation between state failure and these outcomes, and the best analyses of the causes of state failure are case studies; I do not see any agreed common features of state failure that might support the development of a general theory of state failure, but there is a growing emphasis by case specialists on the importance of process and of vulnerability (with the implication that there are common

elements, that such processes are not inevitable, and that therefore good prevention policies can be effective);[4]

4. models of the state: the concept of state failure requires greater attention to one's concept of the state; for some the critical concept is regime type (authoritarian regime; democracy; types of intermediate regime types such as partial democracy and anocracy), for others, the causal focus should be on specific governmental institutions that are responsible for specific outcomes, for example, preventing or exacerbating violent outcomes; a third group identify a conflict between the specific normative *model* of the state at the core of intervention and assistance policies (e.g., the liberal state or the service-delivery state) and the model that is appropriate to specific goals (e.g., a transition from war to a stable peace or the transformative tasks of sustainable economic development and growth) or to alternative historical developments.

5. policy levers/instruments: the bulk of the literature, I submit, is a policy literature, and it is therefore subdivided into sectoral, functional, or bureaucratic spheres, such as early warning and risk analysis, counterterrorism, or peacebuilding and postconflict reconstruction; humanitarian, development, and security actors; DDR, rule of law, capacity-building, and so forth within peacebuilding; policy evaluations and assessments of specific programming; and lessons learned and best practice manuals for specific programming or agencies. Three recent developments

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[4] Jack Goldstone and his colleagues on the Political Instability Task Force go so far as to argue that the more fruitful avenue of inquiry on the causes of state failure is analysis of the causes of state stability.

are worth noting: (1) greater discussion among donors about accountability and "good donorship" (e.g., the DAC, ODI) and about the difficulties of providing assistance and respecting "ownership" under conditions of state failure or weakness; (2) a recognition that even the best empirical research on cases and patterns does not yield direct policy advice and that separate analysis is required of the "policy levers" (Frances Stewart and CRISE) available in specific cases; and (3) what I would call the "Stanford school" (Krasner, Fearon, Laitin, et al.) focus on the inadequacy of current policy tools "to 'fix' badly governed or collapsed states"[5] and proposals for new institutional forms, such as "neotrusteeship" and "shared sovereignty."

This list is not intended to shape or constrain our discussion at this workshop. The purpose of the workshop is to expose the concept of state failure to open and critical discussion about its theoretical and empirical bases, to share our own perspectives on these issues, and to identify priorities, gaps and "black holes," and future research directions. You may wish to challenge specific aspects of what I have written above and/or to add to it based on your knowledge of what research is being done, what interests and policies are currently guiding policy circles you know, and what you yourself are doing. My own primary objective is to develop a useful critique of the concept as it is currently being used and useful alternatives to the current conceptualization, research questions, and understanding of the state implied in this agenda. That requires, first, however, an assessment of what we think has been accomplished thus far and where it is heading.

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[5] Stephen D. Krasner, "Sharing Sovereignty: New Institutions for Collapsed and Failing States," *International Security* 29:2 (Fall 2004): 85.

My own current thinking on this subject is that there is a genuine contemporary issue of state fragility and failure, even though this contains great variation, and that its cause is the domestic consequences of the tension between two global trends: one, systematic efforts over the past 25 years to reduce the capacity of states for the purposes of economic liberalization and the other, increased international demands on governments, including a growing reliance on states to manage threats to international security. More specifically, the problems of state failure cannot be separated from the kind of state that has been produced by the liberal agenda of mainstream economists and development agencies, in particular by the attack on public expenditures and the concept of what is a public good itself by the IMF, World Bank, U.S. Treasury, and neoclassical growth theorists and their concept of the proper state as defined explicitly in conditions for aid and access to capital markets or, simultaneously, from the growing economic inequality within countries that is now documented as the consequence of globalization in the sense of economies open to trade and foreign investment,[6] as demanded by these same actors. At the same time, international actors of various kinds are placing growing demands and expectations on governments to be what we are now calling a "responsible state."[7] 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, in part because international norms and instruments aimed at their enforcement have expanded, in part because openness requires far greater governmental capacity for

[6] Branko Milanovic, "Can We Discern the Effect of Globalization on Income Distribution? Evidence from Household Surveys," (World Bank, Development Research Group, 22 September 2003).
[7] The concept of responsibility gained significant publicity as a result of the Canadian-financed International Commission on Intervention and State Sovereignty, *The Responsibility to Protect* (Ottawa: Canadian Ministry of Foreign Affairs, 2001); it continues in the Report of the Secretary-General's High-level Panel on Threats, Challenges and Change, *A more secure world: Our shared responsibility* (New York: United Nations, 2004), issued December 2, 2004.

flexible adjustment to unpredictable external shocks than do protected economies,[8] and in part because there has been a substantial decline in commitment to international institutions, regulation, and cooperation to solve common global or even regional problems and a corresponding rise in the expectation that states take on these responsibilities individually.

The conflict between these two trends produces a deep (and usually multifaceted) political conflict, always specific to the country itself, which is one of the reasons that it is easy to identify the problem with states and domestic orders, not an interaction with international conditions and actors. At the same time, these trends apply globally yet many states do not fail; we need more attention to why and how some manage these tensions successfully. Moreover, there are some states, such as Myanmar, whose current difficulties appear unrelated to these global trends.

Secondly, the normative model of the state in this agenda of global homogenization is a core of the problem, not because the outcomes accord with that model but because of the total lack of understanding for what makes governments effective (and thus legitimate). The effectiveness of governments depends on the suitability of a specific institution to the task at hand, according to a substantial social science literature. If the task is economic growth, or reducing poverty and status-related inequalities, or a sustainable peace after civil war, or the war on terror, to take four examples, the institutional requirements should be different. The very fact that the prescriptions are constant, in the 1980s and toward states that are a result of those

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[8] There is a large literature on this topic and why more open states tend to be larger states (in terms of public expenditures); see especially, Peter Katzenstein, <u>Small States in World Markets: Industrial Policy in Europe</u> (Ithaca and New York: Cornell University Press, 1985) and Dani Rodrik, "Why Do More Open Economies Have Bigger Governments?" <u>Journal of Political Economy,</u> vol. 106:5 (October 1998).

prescriptions, to prevent state failure and to restore failed states in post-conflict operations, should raise serious questions about what is cause and what is remedy.

Do we know why democracy is the best remedy or preventative? Do we know what facilitates *transitions* of any kind (between regimes, between war and peace, between development strategies, etc.)? Given that the primary, general cause of the breakdown of regimes and of revolutionary movements and civil war, according to a vast political science literature, is economic crisis, usually generated by external factors over which governments have little or no control, do we know the conditions and characteristics of governments that successfully manage such external shocks and economic crises? Is the "state-failure" security agenda itself placing new demands on states that increase their vulnerability or the way they manage adjustments to other external trends? Are our policies toward fragile or failed states mutually compatible, or do they create greater incoherence and resulting ineffectiveness or politically threatening trade-offs within a country?

Third, because there are multiple players in this international agenda, the question of separate interests, rivalries, and coalitions should be important to its outcomes. Where are the lines of cooperation and where the disagreements and even competition? Is this a Northern agenda, and if so, are countries in the South reacting, individually or in associations? Where are the differences within the North, or between regions? Is there a new, "structured insecurity" (Sayigh) globally, and if so, is the structural cleavage between North and South, within the South, within types of countries? Does its causes lie more in the international security realm, in the international economic realm, or in the conflicting demands of the two? Does it matter whether there are multiple "security

providers" (Sayigh) in particular countries, regions, and internationally? Does this agenda clarify the relation between states and security?

I look forward very much to hearing your own perspectives and reactions.