

## **Fragile States or Failed Policies: some donor-induced dilemmas**

**Kasturi Sen<sup>1</sup>, October 2008**

This paper provides an overview of the current discussion on fragile and failed states from the perspective of an NGO. We summarise some of the views of donors and governments and also try to locate the voice of civil society organisations in this debate. There appears to be some major gaps in understanding the, role and function of civil society organisations in fragile states. Exceptions to these are work undertaken by INTRAC in recent months<sup>2</sup> and feedback from NGOs and other practitioners working in countries such as Lebanon, Pakistan and Afghanistan which are described by the donor community as fragile and failed states.

### **Background – Policy debates and dilemmas**

Over the past several years much has been written on fragile and failed states. This has been concurrent with a growing tide of international insurgency and violence from both state and non-state actors. This has led to northern governments focusing on their own citizens' safety and security. The latter has been evidenced by policies combining diplomacy and defence with development assistance which has received widespread attention.<sup>3</sup> There is also the added reality of widespread conflict and division within many countries, together with rampant poverty and inequality, making the world an insecure place for most ordinary citizens. The task facing those engaged in development assistance and INGOS working with local partners in conflict prone regions is a difficult one, making it even more important to disentangle the rhetoric from the reality in the current discourse. Worryingly, as with much other policy research, concerns and measures (e.g. structural adjustment policies, poverty reduction strategies, anti-terror laws), there has been a plethora of publications supported by volumes of often contradictory evidence, analysing the situation from every angle.<sup>4</sup> Whilst some donors may find this useful, many citizens' groups argue that this level of detail can be misleading and not provide a real understanding of the situation of failing and fragile contexts.<sup>5</sup>

Part of the confusion has been generated by numerous lists, categories and indicators of fragile, failing and failed states that only add to growing lack of real direction among donors and policy

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<sup>2</sup> Fayyad A (2008) *Fragile States: Dilemmas of Stability in Lebanon and the Arab World*.

<sup>3</sup> Beall, J Goodfellow, T and Putzel J (2006), Sen and Morris (2008), Sen and Fowler in press (2008)

<sup>4</sup> Brookings Institute 2008. Also cited in this report are many other institutes that are developing different indicators, related either to conflict to state weakness or to peace building in post conflict contexts.

<sup>5</sup> Patrick, S (2006) argues that failed states where they are a actually a greater threat to their own citizens rather than to northern state and society.

makers alike. For example, the influential Washington-based policy think tank, the Brookings Institute, has adopted a meticulous statistical approach to support a 'comprehensive, measurable definition of state weakness accompanied by objective indicators and metrics to provide guidance to policymakers in the US and internationally'.<sup>6</sup> The usefulness of such an approach needs to be tested since the criteria for raising states out of crisis or failure is not a universal one and would clearly vary from one situation to another.<sup>7</sup> But can common denominators be located and are those based on the development of sophisticated indicators and variables that are useful to operationalize in the field or do they simply provide targets to be adhered to? Whilst donors such as DFID or SIDA appear more focused on the issue of context in their approach to fragile states, it is easy to fall in line with a strong security oriented definition because it preys on real fear and is supported by strong discourse, and policies linking defence and diplomacy interests of nations with development assistance in the war against terrorism.

The major concern among governments and donors appears still to be focused on 'failed functions' of the state. However, interpretation of 'failure' and 'function' vary greatly depending upon standpoint (location and geo-political interest), but one where there is some consensus is *the failure of the state to deliver to its citizens basic services and the security to go about their daily lives*.<sup>8</sup> Some donors such as DFID have adopted a more social/contextual based approach. In one of several papers produced on fragile states, DFID acknowledges that aid programmes in fragile states pose huge dilemmas and argues that from a humanitarian standpoint it is better to do something in fragile states, rather than nothing, as it saves lives in the short term.<sup>9</sup> Whilst others describe the key characteristics pertaining to instability and fragility, their solutions have a greater focus on the adoption of security measures concurrently with any poverty reduction strategy. This position is taken by the US government (a lead player in global policing) and its support agencies (USAID). They have argued that intervention is often essential to protect the security of the north to avoid the risk of spill over of southern poverty and insecurity into northern countries is high.<sup>10</sup>

## Defining the role of the state

Among the many issues raised by the discourse on state failure is the absence of citizen voice and participation. Related to this is the focus on the state as a functional entity, devoid of history, power relations and fluidity in composition. This technical approach on a narrow definition of the state (largely a Weberian definition which concentrates on a security role – with the ability to protect geographical territory and the state having a monopoly on violence) seems to persist, although much has changed and critique of post-war nation building has allowed us to move far from this definition. Having clear attributes that are functional may have some advantages for donors in drawing up lists of conditions and on how they might support or intervene in fragile states. But as illustrated by the recent work of the Brookings Institute (2008), categories and indicators of

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<sup>6</sup> The Brookings Institute, *Index of State Weakness in the Developing World* (June 2008)

<sup>7</sup> The complexity of weakness is highlighted for the Lebanon in the INTRAC publication by Fayyad (2008)

<sup>8</sup> DFID defines a fragile state as one where government is unable or unwilling to deliver core functions to the majority of the population. It is also unable to provide territorial control, safety and security and does not have the capacity to manage.

<sup>9</sup> DFID, *Why we need to work more effectively in Fragile states* (January 2005)

<sup>10</sup> CIA Political Instability Task Force

progress and performance might also be hard to join up and operationalise. This has been observed by NGOs working in Afghanistan, where the US and NATO follow different ground rules to 'keep the peace'.<sup>11</sup> Whilst classifications may seem to work to the advantage of individual donor policy making (meeting targets and plans) they risk ignoring the role of history and past policies that may have contributed to the situation of state failure in the first place. Some critics suggest (even more radically) that the whole concept of failed states is fundamentally flawed and premised on a false understanding of the past, as well having a strong ideological basis.<sup>12</sup>

## Impact of neo-liberal policy measures on contemporary states

In the absence of a clear understanding of the factors that contribute to collapse of not only states but also generate civil strife and violence, current policies on fragile states are at risk of failure and causing further problems in already difficult situations. One critical view from Pureza suggests that there is urgent need to deconstruct current definitions of fragile and failed state and to clarify the ideological, political and economic dimensions that lie behind the concept. He claims that this is essential to making a contribution to peace building.<sup>13</sup> His argument is supported by evidence that the failed state might entirely be a product of the neo-liberal doctrine that has dominated the development process over the past three decades. He contends that states have failed due to the minimalisation of their role as part of neo-liberal policies, and cites structural adjustment policies as a root cause.<sup>14</sup> By the mid-1990s and against growing evidence of the failure of these policies, the World Bank (acting as the main advocate of the neo-liberal message, enforcing reductions in the size the social sector and subsidies for poor people worldwide) began to acknowledge the problem of its global policies, which were visibly worsening social conditions. These policies had generally undermined the role of the state, yet were unable in most cases to substitute the market in its place. Pureza claims that it was during this period that led, by the World Bank; 'institution building' became the guiding principle of international donor concerns and also replaced NGOs as the favoured actors in development.

Whilst this may be too causal a relationship, there is much evidence to support the view that this period of global policymaking led to the growing impoverishment of populations and contributed to social collapse through universal policies of privatisation.<sup>15</sup> This argument is supported by several other critics of the failed state.<sup>16</sup> These views suggest that a combination of internal rupture and external factors have contributed to social and economic volatility as well as rising social inequalities. However the evidence from such critique and mal effects of privatisation and

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<sup>11</sup> Not all fall into this category. For example the Crisis States Research Centre (CSRC) at DESTIN LSE argues in a series of papers that development is about state-making in multiple dimensions, where the social function needs to be separated from its security and territorial one – see [www.crisisstates.com](http://www.crisisstates.com). Also Heinrich Boll's work on Afghanistan highlights the complexities of social context and conflicting external geo political strategies which make operational factors precarious.

<sup>12</sup> Gruffydd Jones, B 'The global political economy of social crisis: towards a critique of the failed state ideology', RIPE 15:2 May2008:180-205

<sup>13</sup> Pureza, JM *Peace building and Failed States: some theoretical notes* (2006)

<sup>14</sup> This view is supported by other critics such as Menzel (2004) and Ottawa (2002), cited in Moxham (2008)

<sup>15</sup> Many of these critiques came from policymakers, researchers and practitioners, but more recently from the World Bank itself which, for example, admitted that user charges, a main plank of neo-liberalism, had failed to reduce overall demand and improve equity in access to services such as health care.

<sup>16</sup> Fayyad (2008), Aguirre (2006)

minimisation of state role during the 1980s and 1990s remains largely neglected in the fragile states discourse; policies of unequal development continue to be promoted in different guises, in both developed and developing countries despite the history of failure.<sup>17</sup> Some suggest that such policies also contributed to the ethnicisation of conflict (where the underlying causes are worsening poverty) and led to dislocation and disaffection among large numbers of citizens. Thus the current discourse on fragile states has been described as rather a hollow one, which rides roughshod over the poor and expresses the power of the north over the south, and of the rich over the poor. Those such as Pureza argue that it is not possible to understand the reality of failed states without taking into account internal and external factors.<sup>18</sup> Fritz and Menocal have also argued that the current models of state building programmes are too narrowly focused on a combination of democracy and market economics<sup>19</sup> which are increasingly failing to deliver basic rights to their citizens despite carrying the label of democracy.<sup>20</sup>

## Citizens' voice

In the literature available there appears to be little that is concerned with the role citizens themselves might play in taking their governments to task and which may contribute to determining the quality and course of government.<sup>21</sup> Whilst many donors acknowledge that transparent government and respect for the rights and supporting basic needs of citizens is an essential criteria to justify development assistance, few if any have worked out the need for consultative measures or a dialogue with citizens and their representatives in conflict prone, fragile and failed states. Citizens' voice appears remarkably absent in this whole debate. The role of local NGOs in fragile states has been largely relegated to humanitarian assistance, where despite evidence of need there are other concerns. More worrying is the fact that work undertaken by INTRAC on terror measures worldwide revealed that the lack of support for civil society has led many states to take advantage of the situation and label many CSOs as a threat to national security. This has frequently provided the rationale for harassment of social activists and CSOs, particularly those working for rights and advocacy (Sen and Morris 2008; Palisa 2007). Not surprisingly, at the heart of the donor debates is a lack of coherence and understanding about how best to provide for the security of citizens despite the global rhetoric about helping the poor.

Some governments and donors, in the case of frontline states in the war on terror (Somalia, Sudan, Afghanistan, Iraq and Palestine), have sought to adopt a military stance in their assistance to states in crisis to support security sector reform. Often this has had very negative consequences for civilians.

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<sup>17</sup> Libraries could be filled with the literature on the effect of two decades of SAPs. To quote only a few see Sen and Koivusalo (1998), Qadeer, Sen and Nayar (2001), Sen (2003), Sen and Sibai (2004). Mainly concerned with the health and social sectors, these field studies highlight the loss of citizenship and the dismantling of safety nets worldwide, particularly in South Asia and the Middle East as a direct result of consequence of SAPs

<sup>18</sup> Pureza (2006), Fayyad (2008) Op Cit

<sup>19</sup> Fritz, V and Menocal, A (2006) (Re)Building Developmental States: From Theory to Practice. ODI, London

<sup>20</sup> Aguirre, M (2006) The State of Democracy in Latin America. [www.opendemocracy.net](http://www.opendemocracy.net) January 2006

<sup>21</sup> Though much is written about accountability and governance, e.g. Ghani and Lockhart on the Sovereignty Index or Browne (2007) on Donor Accountability.

There is growing consensus, as illustrated by Browne (2007) Ghani and Lockhart (2008) and even among donors such as DFID (2005) that many aid programmes are on the wrong track regarding fragile and failed states.<sup>22</sup> Browne argues that, with some exceptions, donors have appeared at the 'wrong times and with the wrong attitudes' and have sometimes even undermined development progress in their policies towards fragile states.<sup>23</sup> Ghani and Lockhart in their recent publication *Fixing Failed States* claim that state building cannot be imposed from outside, it needs to take place through internal consensus and not just by external agreement. This view has been echoed by many, including INTRAC's recent work on the Lebanon as a fragile state, where western interference rather than assistance has been identified as a key factor in undermining the functioning of a plural system of government (Fayyad 2008). Thus despite the varied context of the literature (geographically placed, economic social political and cultural dimensions of state formation) there is unity in many of the critiques that donors have largely failed to address the issue of state fragility and proneness to failure and collapse. This perspective appears to be a consistent one, echoed in the literature that has appeared on fragile states over the past decade.

## Civil society in complex situations

Civil society is also a contested term and its form, function and purpose is hugely varied from one region to another. This would be even more the case in situations of conflict or crisis. Generalisations about civil society can create further confusion and factionalism among non-state actors. Research by the Heinrich Boll Foundation in Afghanistan highlights some of the pitfalls of not having an in-depth understanding or scrutiny of civil society in each situation, worsened by subjecting civil society to conflicting interests and priorities of different donors. One effect is for donors to work only with civil society groups that are acceptable in terms of values and outlook. The reality on the ground can often be very different and such modes of working become divisive. The questions posed by these studies provide an invaluable guide to drawing some general lessons about CSOs in fragile states, even if the example of Afghanistan is an extreme one.<sup>24</sup>

Researchers and advocates from the south appear to have a very different view about conflict zones or about states in crisis to those adopted by northern experts. Whilst southern views are also varied, there is trend that claims that the understanding of state and citizenship by northern governments and donors is a flawed one based on 'northern experience'. The application of policies based on a particularistic view may be unrealistic and unsuitable (e.g. strengthening institutions, promoting democracy and governance). Aguirre (2006), for example, claims that promotion of good governance and democracy in many parts of Latin America by donors in recent years has not always produced the intended results for citizens; the return to democracy has far from resolved several fundamental problems of the state. He cites Tedesco and Barton among others who argue that key dilemmas of states that have been given currently approved as democratic includes states where there are enormous deficits on defending rights and livelihoods:

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<sup>22</sup> Browne S (2007) *Aid to Fragile states: Do donors help or hinder?* United Nations University, WIDER Helsinki, Finland

<sup>23</sup> Pureza et al (2006) *Peace building and Failed States: some theoretical notes*

<sup>24</sup> Heinrich Boll Foundation (2006) *Publication Series on Promoting Democracy under Conditions of State Fragility*, see chapter 1; Schetter, C *The Dilemma of Reconstruction in Afghanistan*. pp. 9-21

"Historical inequality in social relations which has remained relatively unchanged following the neo-liberal reforms; the perpetuation of the notion that this inequality is inevitable and almost necessary; the spread of economic exclusion; the de facto restrictions of civil liberties for those economically excluded; the persistence of important degrees of social and political authoritarianism; the injustices of the judicial systems; and unresolved ethnic and racial issues."<sup>25</sup>

In similar vein citizens' groups in India also argue that globalisation has altered the meaning of citizenship and that it is imperative to reclaim rights in a context that goes beyond the boundaries of the nation state. They call for the need to reassess the meaning and role of democracy in this new environment where too many crimes are committed against vulnerable groups such as migrant labour among others, by so-called democratic governments, such as in India.<sup>26</sup>

In a recent paper for the ODI (2008) Othieno writes that despite the proximity to a violent conflict in its neighbourhood, Somaliland has been able to promote peaceful structures of governance through local participatory measures. He suggests that donors need to think more carefully about their approach to fragile states, with greater attention to indigenous state-building and development processes.<sup>27</sup> There are suggestions from some quarters that if Afghanistan is historically better suited to participatory forms of local government how could this be incorporated into the process of strengthening of institutions rather than having a sole focus on a central authority?

In the Lebanon, Fayyad claims that endemic ethnic tension has been worsened by interference from outside powers in the name of promoting democracy but this has had the opposite effect and led to the deepening of social divisions.<sup>28</sup>

Browne (2007) argues that among the newest states in Africa many share their origins in the creation of national boundaries that have been 'clumsily etched along ethnic lines-with enforced western traditions of education religion and culture mostly under the aegis of colonial powers'. Statehood has further been superimposed upon local elites and became identified with the 'strong man' and often resulted in patriarchal, autocratic leadership. Hence institutional building cannot be imposed without taking into account economic, political, geographic and historical factors which have divided families and socially aligned groups such as tribes through artificial boundaries that have laid the foundations for conflict.

In terms of a historical context, Browne illustrates that with fragility in the African continent, donor policies are unrealistic and interventions and measures or too often based on donor interests alone. He argues that such policies are not working to alleviate chronic poverty and inequality.<sup>29</sup>

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<sup>25</sup> Aguirre (2006) *The State of Democracy in Latin America*, www.opendemocracy.net January 2006

<sup>26</sup> *Redefining Citizenship in the Era of Globalisation: Citizens Campaign for Preserving Democracy*, Hazards Centre, Delhi, India 2008

<sup>27</sup> Othieno, T (2008) 'New donor approaches to fragile societies: the case of Somaliland', ODI Opinion paper, 103 July 2008

<sup>28</sup> Fayyad, A (2008) *Fragile States: Dilemmas of Stability in Lebanon and the Arab World*. Intrac 2008

<sup>29</sup> Browne S (2007) Op cit

## Conclusion – devolving and local ownership

Despite this complex picture what is missing in much of the discourse on fragile states is how to utilise citizens in the rebuilding of democratic government, rather than focusing on fixing failed states according to an external donor agenda. Despite the lack of fashion at one level and outright hostility at another, the role of civil society in supporting vibrant democracies is well established in both developed and developing countries. Donors and policymakers could rely less on the myriad of indices that have been created to help with nation building and consider the role of citizens in conflict resolution. These would include understanding and engaging with diverse citizens' groups, in particular those supporting women in rebuilding local economies which have received little attention in the literature on fragile states, and those which might fall outside of the rubric of how western experts view CSOs.<sup>30</sup> Some have argued that rebuilding physical infrastructure (which provides basic services such as health care and education) should be coupled with the provision of employment, improving credit for small scale local businesses, supporting livelihoods destroyed by economic crisis and fragile conditions and providing capacity building support to local organisations to manage the administration of basic welfare provision. These tasks, undertaken in liaison with citizens, might be better than trying to rebuild the state on a national scale. Two main issues have also been raised in the literature reviewed; the important need for better coordination among donors working in fragile, failed and collapsed states or in conflict zones;<sup>31</sup> and a need to keep to a humanitarian rather than a politico-military agenda on the ground.

The extent to which any devolved strategy would work should be gleaned from an appraisal of what has worked or not in existing fragile state scenarios and what may be relevant and valid in particular circumstances. Less ambitious community based projects could be a first step towards national level programs of support for fragile societies. There is a parallel urgent need to explore and understand what the term 'local' and what 'civil society' mean in different contexts, as illustrated by Afghanistan (an extreme but not necessarily unusual case among those which have collapsed). An understanding of the diversity of this context, which INTRAC is aware, has been replicated elsewhere, as in the post-Soviet Central Asian republics, is an important step towards building relations and trust in fragmented and fragile societies.

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<sup>30</sup> Schetter in Heinrich Boll (2007) claims that imported ideas about civil society are often a mismatch to that which exists on the ground in many conflict prone and fragile settings.

<sup>31</sup> The cluster approach has been considered by humanitarian aid agencies over the past year as a positive example of trying to coordinate rather than duplicate development assistance in conflicts as well as in crises. See: 'What is the cluster approach?' [www.humanitarianreform.org/Default.aspx?](http://www.humanitarianreform.org/Default.aspx?) Downloaded 14.8.08.

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