### Overview: Crisis States Programme (November 2003) James Putzel, Director

In this paper I lay out what I believe are some of the most important contributions made by the CSP to date. It should be read in conjunction with the 40 Working Papers, the Briefing Papers and other material on the website. In the first section I sum up our strategic approach. The second and most substantial section reviews insights emerging from our research. In the third section I suggest some of the policy implications of the research. Section four summarises operational innovations at the Centre, while section five suggests priorities over the final period of current funding. In Section 6 I raise some initial thoughts about the plans for a second five-year phase.

### **1.** Strategic Approach to our Development Research Centre (DRC)

When launching our DRC we decided to create a *programme* of research based on a series of discrete research projects all of which would engage with our big questions about crisis and breakdown.

Our objective was to make this truly interdisciplinary, both through work at different levels (global, comparative national and local) to allow us to mobilise the methods and conceptual prisms of different disciplines to explore the same big questions, as well as work that would *integrate* quantitative and qualitative methodologies and allow the application of ideas from institutional theories.

Given the lack of any precedent for setting up one of these centres, we adopted an *experimental approach to collaboration and capacity building*. We set up collaborative programmes in different ways in Colombia, India and South Africa, but sought to establish *genuine* collaboration and *mutually beneficial* capacity creation. Our collaborators have been strongest in Latin America, though we have taken steps to improve work in both India and Southern Africa.

# 2. Most important and innovative ideas emerging

The big story emerging out of our research so far is that throughout the developing world, in the context of the rolling back of the state, we have observed patterns of mobilisation against formal politics and beyond political parties leading to new sources of instability and, what Jo Beall has called, new 'fault lines of crisis'.<sup>1</sup>At the very least this is changing the equations of governance. At best, it has allowed those occupying positions within the public authority (in Madhya Pradesh) to use this new space to innovate, achieving some stability and moving development ahead.<sup>2</sup> At

<sup>&</sup>lt;sup>1</sup> I have summed up some of these insights in, 'Politics and the State in a Dangerous World', delivered to the Sussex Development Lecture Series, 23 October 2003. Jo Beall, Sibongiseni Mkize and Shahid Vawda 'Traditions, Inventions and Transitions: Framing Institutional Change in Metropolitan Governance in eThekwini (Greater Durban)', CSP Johannesburg International Workshop, 14-16 July 2003.

<sup>&</sup>lt;sup>2</sup> Manoj Srivastava, 'Good Governance Matters. But What Matters to Good Governance? An Ethnographic Study of the Politics-Governance Nexus Surrounding the Reforms in the State of Madhya Pradesh, India' CSP Johannesburg International Workshop, 14-16 July 2003.

worst, and in many places studied (Venezuela, Peru and Zimbabwe)<sup>3</sup>, this is leading to the creation of political vacuums, the unpredictability of populist politics, descent into the politics of criminality and the rise of religious fundamentalisms (in North Africa and Southeast Asia).<sup>4</sup>

I outline here what I think are some of the most innovative insights emerging from the Crisis States Programme. The work of the CSP engages with scholarship throughout the social sciences. In each of the areas discussed here, there is a rich literature<sup>5</sup> that the CSP is improving upon through a) the application of inter-disciplinary analysis; b) undertaking both implicit and explicit inter-regional comparisons; and c) engaging in rich on-the-ground case analysis.

# 2.1 On the political and social impact of liberalisation

Our research adds further substantiation to the wide body of work that is indicating that the problems of precipitous liberalisation outweigh the benefits. It underlines the requirements of late development for greater state discretion over both the pace and the sectors for liberalisation. Intervention by international actors that insists on rapid liberalisation while professing support for 'developmental governance' is inconsistent and appears to contribute to greater fragility of developing country states.

The research is demonstrating that programmes of economic liberalisation have significant political impact. In part political impact appears to be determined by the pacing of reform.

Our research at the global level, as well as work at the national level in Latin America and southern Africa, has found plenty of evidence about the manner in which *globalisation has reduced the deliberative space for national politics*.<sup>6</sup> This is so, not only in relation to compliance with international rules as in trade, but also in relation to conditionalities linked with borrowing and aid, for instance around questions of money supply and budget deficits.

In our work in Southern Africa and the Andean region, there is ample evidence that the transformation of production structures has led to a *sharp increase in informal employment*. These processes are already *undermining traditional sites of* 

<sup>&</sup>lt;sup>3</sup> Jonathan DiJohn, 'The Political Economy of Breakdown and Crisis in Venezuela, 1988-2003: A Research Proposal for the Crisis States Programme', presented, with commentary on initial research undertaken, CSP Johannesburg International Workshop, 14-16 July 2003; María Emma Wills, 'Peru's Failed Search for Political Stability (1968-2000)', Crisis States Programme, Working Paper no. 30, 2003; E.A. Brett and Simon Winter, 'From Crisis to Breakdown in Zimbabwe: Economic policy regimes and political decay, 1980-2003', CSP Johannesburg International Workshop, 14-16 July 2003.

<sup>&</sup>lt;sup>4</sup> Hugh Roberts, 'North African Islamism in the Blinding Light of 9-11', Crisis States Programme, Working Paper no. 34, 2003; James Putzel, 'The Philippine-US Alliance in post September 11 Southeast Asia', in Mary Buckley and Rick Fawn, ed.s, *Global Responses to Terrorism: 9/11, Afghanistan and Beyond* (Routledge, 2003).

<sup>&</sup>lt;sup>5</sup> For the purposes of this brief Overview, I do not refer to this literature, but anyone interested is directed to our publications.

<sup>&</sup>lt;sup>6</sup> Robert Wade, 'What strategies are viable for developing countries today? The World Trade Organization and the shrinking of "development space", CSP Working Paper, no.31 (June 2003); Edward Webster, 'New Forms of Work and worker organisation: case studies from Durban', paper presented to the CSP Annual Workshop, Johannesburg, 14-16 July 2003; Ann Mason, 'Authority Alternatives in Colombia', paper presented to the CSP Annual Workshop, Johannesburg, 14-16 July 2003

*organisation*, among the owners of capital, as well as labour – trade unions and the political parties linked to them have been deeply affected by these processes. While new forms of association among informal sector workers are on the horizon, it is far from clear how these will feed into national political processes. Whether these processes will lead to instability and increased violence, or increased voice for the poor in processes that deepen democracy is likely to be determined by the manner in which political organisations relate with people who work in the expanding sites of the informal sector.

What happens in this regard in the middle-income developing countries could provide insights about the possibilities for the promotion of democratic politics in the poorest countries where most employment remains in the informal sector. Our detailed study of these processes in South Africa (SWOP) and Argentina (Rodgers), as well as our wider comparative work in the Andean countries (IEPRI team and DiJohn), are generating insights about the political and social impact of liberalisation that should inform strategies in both the poorest countries as well as states emerging from prolonged periods of violence.

The sharp reduction in the legitimate space of the public sector precipitated by liberalisation has implications for both the structure of political organisation and its ideational basis. This is so whether or not public sector downsizing has resulted in improved or worsened delivery, or prospects of delivery, of services.<sup>7</sup>

In Southern Africa, our work has demonstrated a relationship between liberalisation and what we have called a *'crisis of representation'*.<sup>8</sup> Work in Latin America has identified a relationship between liberalisation and what we have called the *hollowing out of democracy* in processes which are, in Hirschmanian terms, simultaneously weakening voice and loyalty, while also making exit more difficult.<sup>9</sup> Comparative work on states emerging from prolonged violent conflict has also underlined how formulas of liberalisation may have both fuelled the conflict and made the consolidation of peace more difficult.<sup>10</sup> This raises important questions about international prescriptions that at once promote liberalisation and promote expansion and deepening of democracy.

# 2.2 The politics of conflict management and democratic reform

Our strongest work so far has been centred on problems related to *patterns of conflict in democratic systems in the context of shrinking states.* Our work is providing considerable insight into the, often unexpected, ways in which states and political processes are experiencing transformation and mutation. There are five areas in which our research is making important contributions to understanding problems of democratic consolidation and prospects for peace. First, we have observed the rise of what we call 'anti-politics' and new forms of populism. Second, we have identified

<sup>&</sup>lt;sup>7</sup> Francisco Gutiérrez Sanín, 'Fragile democracy and schizophrenic liberalism: exit, voice and loyalty in the Andes', paper presented to the CSP Annual Workshop, Johannesburg, 14-16 July 2003. Gutiérrez suggests that liberalising reforms may well have led to improved state capacity in some Andean countries – however, we might still conclude that they have reduced *political capacity*.

<sup>&</sup>lt;sup>8</sup> Edward Webster, 'New Forms of Work ...'.

<sup>&</sup>lt;sup>9</sup> Gutíerrez, 'Fragile democracy...'. This, of course, reverses Hirschman's idea that the exercise of exit and voice are generally *inversely* related.

<sup>&</sup>lt;sup>10</sup> David Keen, 'Demoblising Guatemala', CSP Working Paper, no.37 (November 2003)

processes of 'institutional multiplicity' that help explain contradictory trends in processes of democratic reform. Third, our research is providing considerable evidence of the ways in which weak state organisation have given rise to violent conflict and the strategic importance of strong state organisations and public authority as a condition for securing peace and consolidating the basis for democracy. Fourth, our work has thrown up new questions about the role of ethnic politics in managing conflict and consolidating democracy. Fifth, we expect to be able to provide substantial new evidence on the impact of decentralisation on the capacity to manage conflict.

- Anti-politics and populism: One of the more interesting insights emerging from • our work is the identification, in very different contexts, of a decided rise in a new type of populist politics and what we have begun to label as 'anti-politics'. This has seen an increased role, increased legitimacy and increased support within the public arena for *political outsiders* (from actors to businessmen), or 'insiders' who are discarding long-established political organisations. This arises in a context of a reduced state and the promotion of 'participation' (by NGOs, CBOs and others) outside of the political system. It is facilitated by powerful media and communications technologies and organisations both foreign and domestic, as well as the anti-corruption campaigns they have championed.<sup>11</sup> We have seen populists applying the neoliberal reform agenda in some cases while in others they are applying new forms of old clientelism (Bihar, MP, Philippines, Venezuela). Understanding the conditions that give rise to this phenomenon and the divergent outcomes should figure as an important goal for the remainder of the programme.
- **Institutional multiplicity**: We have observed, in radically divergent case studies, that political actors face multiple sets of incentives derived from modernising/liberal economic reforms, liberal democracy and indigenous traditions. This allows them to legitimise action by appealing to 'alternate rules and norms'. We suggest that this phenomenon, observed by asking institutional questions, can be explored to understand *democratic advance and relative peace* in KwaZulu Natal compared to *democratic decline and increasing violence* in Meghalaya. It may help us to explain apparent contradictory behaviour of the Chief Minister of MP (or political leaders in the Andean countries) in action legitimised *vis a vis* prevailing norms of the central state and *vis a vis* local constituencies.
- State capacity to manage conflict: The research has shed considerable light on our central problematic of the state (or public authority) and its capacity to manage conflict. We have demonstrated the value of examining the state's capacity to manage conflict across a spectrum, rather than through dichotomised categories (with South Africa at one extreme and Afghanistan at the other, with a country like the Philippines somewhere in between). Our work has provided evidence of the importance of state authority in consolidating the conditions for the growth of the associational sector. For example, in Southern Africa the

<sup>&</sup>lt;sup>11</sup> Gutíerrez, 'Fragile Democracy...' and Putzel, 'Politics and the State...'; also on political corruption, Jonathan Hyslop, 'Political corruption: Before and After Apartheid', paper presented to the CSP Annual Workshop, Johannesburg, 14-16 July 2003. This is also facilitated by the capability approach discourse of the World Bank, which in turn, is influenced by rent-seeking theory and its variants, such as North's predatory state

emergent forms of association in the context of the informalisation of employment and the destruction of old associations, will depend on the protection of the state (what we have called the 'new constitutionalism') if they are to develop. The positive contributions emerging from the associational sector in the Democratic Republic of Congo<sup>12</sup>, may come to naught without consolidation of new state authority. Successful mobilisation of the associational and non-governmental sectors to combat the AIDS crisis in Uganda and Senegal depended on leadership within the central state.<sup>13</sup> We expect that our new work on the role of law in dealing with the impact of AIDS on children in Uganda (Kuper) and in the Palestinian – Israeli conflict (Kelly) will contribute to our understanding of the role of the state in conflict management.

We need to tie these insights together through cross cutting work on the 'faultlines of crisis' and the 'sources of stress'. In our recent workshop in Johannesburg we decided to undertake new cross-cutting work to outline our views on the best ways to assess what the most common sources of stress are and identify more precisely our understanding of 'failed' and 'crisis' states. Over the last two years of the existing programme we want to privilege more rigorous *comparative* analysis between both the cases we have been studying and a broader set of countries, laying the basis for more intensive comparative studies in the second five-year phase of the programme.

• Ethnicity, ethnic conflict, identity politics: We have engaged in ways we did not expect with issues of identity and ethnic politics. While our work documents various ways in which ethnicities have been 'invented' for political mobilisation, it nevertheless demonstrates a major role of ethnic politics in settings as diverse as Meghalaya<sup>14</sup>, Ghana, Mozambique<sup>15</sup>, Afghanistan<sup>16</sup> and the Andes<sup>17</sup>. In Ecuador and Bolivia ethnic parties have become major actors and unlike in Meghalaya, they appear to be preserving, rather than weakening, democracy by organising on programmatic lines to contest elections. Our new comparative work in India examines the extent to which conflict, often interpreted as originating in ethnicity, is emergent from weak political institutions and organisations, which open the terrain for appeals to ethnicity, caste and other identities.<sup>18</sup> Roberts, in his early work for the programme, documented just such a process in Kabilya in Algeria.<sup>19</sup>

 <sup>&</sup>lt;sup>12</sup> Victoria Brittain, 'Overcoming Violence: Civil Society in the Democratic Republic of Congo', paper presented to the CSP Annual Workshop, Johannesburg, 14-16 July 2003.
<sup>13</sup> James Putzel, 'Institutionalising an Emergency Response: HIV/AIDS and Governance in Uganda

<sup>&</sup>lt;sup>13</sup> James Putzel, 'Institutionalising an Emergency Response: HIV/AIDS and Governance in Uganda and Senegal', a report submitted to DFID (May 2003). See also Putzel, 'The Politics of Action on AIDS: a case study of Uganda' in *Public Administration and Development* (forthcoming).

AIDS: a case study of Uganda' in *Public Administration and Development* (forthcoming). <sup>14</sup> Apurba Baruah, 'Ethnic conflicts and traditional self governing organisations: A Study of Laitumkhrah Dorbar' CSP Working Paper (forthcoming).

<sup>&</sup>lt;sup>15</sup> Giovanni Carbone, 'Developing Multi-Party Politics: Stability and Change in Ghana and Mozambique', CSP Working Paper, no.36 (November 2003).

<sup>&</sup>lt;sup>16</sup> James Putzel et al, 'State Reconstruction and International Engagement in Afghanistan', Report on the Symposium organised by the CSP and ZEF, Bonn, June 2003.

http://www.crisisstates.com/download/afghan/report.pdf

<sup>&</sup>lt;sup>17</sup> Francisco Gutiérrez Sanín, 'Fragile democracy...'.

<sup>&</sup>lt;sup>18</sup> Neera Chandhoke and Manindra Thakur, 'Project Proposal: Conflict and Institutional Change in India' (August 2003). They will undertake an in-depth study of patterns of conflict in Punjab, Jammu and Kashmir [with special attention to the Kashmir valley], West Bengal and Andhra Pradesh. We have supported PhD students working on these issues in Trinidad and Guyana and Tibet.

<sup>&</sup>lt;sup>19</sup> Hugh Roberts, 'Co-opting Identity: the manipulation of Berberism, the frustration of democratisation and the generation of violence in Algeria', CSP Working Paper, no.7 (December 2001).

The relationship between democracy and violence: We are examining both the impact of violence on democracy and the impact of democratic reforms (especially decentralisation) on patterns of violence. Our research in Colombia has shown a significant impact of violence (of all types) on electoral participation, but suggested a resilience of democratic organisations.<sup>20</sup> Our research is providing significant insights into the role of *decentralisation* in securing peace. In South Africa, like in India, the existence of a fairly well endowed central state forms a framework in which sub-national state organisations can contain certain kinds of pressures and better manage conflict. Delivering development resources from the centre (in India and South Africa), or failing to do so (in Afghanistan and the Philippines) has redrawn interests and the manner in which groups combine and organise at sub-national levels. Major new work on decentralisation has just been launched in Colombia that builds on our exploratory econometric work (Faguet and Los Andes team). We believe this will be our best achievement in combing quantitative and qualitative work and will help us to make some judgement on the extent to which these reforms increase or reduce conflict management capacity.

#### 2.3 Violence, War and problems of consolidating peace

Both LSE researchers and our collaborators have been investigating a wide range of issues related to violence, war and problems of consolidating peace. I underline three areas where I think we are making particularly important contributions: (1) local institutional innovations in response to crisis; (2) challenges to reigning interpretations of war and violence; (3) explanations of the rise of political Islam.

• Institutional innovations from bottom up: We have been exploring how in crisis-ridden states, including those emergent from war, local communities have responded and whether their attempts at institutional and organisational innovation have contributed to managing conflict in peaceful ways or led to increased violence. While much of this work is on-going, we expect major insights to emerge from this local level work. We have identified important institutional innovations by local communities attempting to manage conflict in KZN (Beall and Mosoetsa projects), through the activities of local business in brokering peace in communities in Colombia (Rettberg project), through the activities of women's organisations in Bihar and MP (Sen project), the industrial workers in Southern Africa turning to informal sector workers (SWOP), and our new work examining local responses to economic crisis among the piqueteros in Buenes Aires (Rodgers). Divergent processes of local institutional change have been identified and are being explored. In work that dovetails with the discussion of the role of the state (mentioned above), we have demonstrated the problem of a mutation of local forms of organisation in the absence of the state. In different ways, the Sungusungu in Tanzania and the youth gangs in Nicaragua and Colombia were organisations formed, to some extent, on the grounds of self defence and local solidarity, but over time pursued or threatened to pursue more aggressive agendas of violence.<sup>21</sup> Much of this work suggests that conflict

<sup>&</sup>lt;sup>20</sup> Miguel Garcia and Gary Hoskin, 'Political Participation and War in Colombia: An analysis of the 2002 elections', CSP Working Paper, no.40 (2003).

<sup>&</sup>lt;sup>21</sup> Dennis Rodgers, 'Dying For It: Gangs, Violence and Social Change in Urban Nicaragua', CSP Working Paper, no.35 (October 2003) and his 'Return to the Barrio: Globalisation and Development in

management has in fact not been peaceful and perhaps will necessarily involve violence. Tim Allen's work on local responses to the AIDS crisis (due to start next year) will also contribute to this discussion.

- Interpretations of war and violence: Our work has demonstrated the negative impact of security interventions determined by US domestic priorities in studies of the Alliance for Progress and Plan Colombia<sup>22</sup> and studies of drug prohibition<sup>23</sup>. We have challenged existing theses that postulate a causal relationship between natural resource abundance and violence and war in work that suggests that the political struggle over rights and their distributive impact determines whether or not there are violent outcomes.<sup>24</sup> This is one of several ways in which our work has challenged that of the Collier team at the World Bank. Keen's work has continued to suggest alternative interpretations of violence, through new explorations of socio-pyschological dimensions of warfare.<sup>25</sup> Victoria Brittain's work has identified a cycle of reinforcing negative factors' and wars of underdevelopment.<sup>26</sup> Gutíerrez has questioned the Collier thesis in Colombia, looking at the motivations of those engaged in long-term patterns of violence.<sup>27</sup> Chandhoke's project again provides an alternative approach to investigating violent and non-violent outcomes to conflicts in four Indian states. In both the research we have conducted and the synthesis work we have carried out on Afghanistan, we have demonstrated how crucial it is to understand peace building in terms of processes of 'state making', casting further doubts on the application of models of liberalisation in these contexts.<sup>28</sup> We have also launched new work on unilateralism vrs multilateralism in international institutional arrangements for security, an issue at the heart of the current international crisis.<sup>29</sup>
- **Political Islam**: Also, in relation to the current international crisis, our work on political Islam has suggested that Sunni Islam in North Africa and Southeast Asia has been eclipsed and overwhelmed by brands of militant and even virulent Islamism, which originate from elsewhere.<sup>30</sup> Roberts, in what we believe to be one of the most important works explaining trends in modern islamist movements undertaken anywhere, asks why the religious traditions, and the political traditions

Nicaragua Seen from Below', CSP Working Paper (forthcoming). Suzette Heald, 'Domesticating Leviathan: Sungusungu groups in Tanzania', CSP Working Paper, no.16 (September 2002).

 <sup>&</sup>lt;sup>22</sup> Luis Eduardo Fajardo, 'From the Alliance for Progress to the Plan Colombia', CSP Working Paper, no.8 (April 2003).
<sup>23</sup> Carlos Medina & Hermes Martínez, 'Violence and Drug Prohibition in Colombia', CSP Working

 <sup>&</sup>lt;sup>23</sup> Carlos Medina & Hermes Martínez, 'Violence and Drug Prohibition in Colombia', CSP Working Paper, no.32 (August 2003) and Fabio Sanchez, CSP Working Paper (forthcoming).
<sup>24</sup> Jonathan DiJohn, 'Mineral-Resource Abundance and Violent Political Conflict: a critical assessment

<sup>&</sup>lt;sup>24</sup> Jonathan DiJohn, 'Mineral-Resource Abundance and Violent Political Conflict: a critical assessment of the rentier state model', CSP Working Paper, no.20 (October 2002).

 <sup>&</sup>lt;sup>25</sup> David Keen, 'Demoblising Guatemala' and '"Since I am a Dog, Beware my Fangs": Beyond a 'rational violence' framework in the Sierra Leonean war', CSP Working Paper, no.14 (August 2002).
<sup>26</sup> Victoria Brittain, 'Women in War and Crises Zones - one key to Africa's Wars of Under-

Development', CSP Working Paper, no.21 (December 2002).

<sup>&</sup>lt;sup>27</sup> Francisco Gutiérrez Sanín, 'Criminal Rebels? A discussion of war and criminality from the Colombian experience', CSP Working Paper, no.27 (April 2003).

<sup>&</sup>lt;sup>28</sup> Antonio Giustozzi, 'Respectable Warlords? The Politics of State-Building in Post-Taleban Afshanistan' CSP Working Paper, no 33 (September 2003), Putzel, et al. 'State Reconstruction

Afghanistan', CSP Working Paper, no.33 (September 2003). Putzel, et al, 'State Reconstruction...' <sup>29</sup> James Putzel, 'The "New" US Imperialism and Possibilities for Coexistence', paper presented to the 9<sup>th</sup> Annual International Karl Polanyi Conference: "Co-existence", Concordia University, 12-16 November 2003.

<sup>&</sup>lt;sup>30</sup> Hugh Roberts, 'North African Islamism...' and Putzel, 'The Philippines-US Alliance...'.

derived from these, which are native to Algeria and Egypt have been unable to sustain themselves and retain a hegemonic status in the Algerian and Egyptian religious fields? The work in both these regions demonstrates that the al-Qa'ida network is not a simple expression of Wahhabism, but of something much more specific, the anti-American wing of Wahhabism, which has developed only in the last decade in reaction to American policy, above all the US military presence in Sa'udi Arabia, but then taken on a wider field of action and grounds of legitimation. This work is suggesting that the rise of militant Islamism has essentially been caused by failures to develop law bound government and strong state organisations.

# 2.4 Where have we gotten to in institutional analysis?

We have developed our approach to institutional analysis over the past three years. When we launched our programme, we defined institutions as 'the rules that govern behaviour in economic, social and political systems and organisations'. We emphasised the importance of historical analysis and saw institutions as reflecting the distribution of power and rights in our economic, political and social systems – the product of past conflicts and 'settlements' of those conflicts. As such, these rules embody distributional advantages and can only continue to serve their purpose by retaining their legitimacy. Incorporating the insights of social theory, which sees institutions in terms of the degree of their 'embeddedness' in society, allows us to assess their legitimacy at any given point in time and assists in understanding *processes* of conflict, crisis and institutional change. Increasingly, we have also recognised the limitations of institutional analysis unless applied with a theory of history and agency that can account for the role of ideas, political programmes and leadership in processes of social change.

Emerging out of our research, is a notion of 'institutional multiplicity', which exists in perhaps aggravated forms in developing countries – where actors find themselves confronting and acting upon very different 'sets of incentives'. The institutional arrangements that favour 'progress' (defined as enhanced human well-being) in one domain, may actually appear to inhibit it in another domain. At our recent workshop in South Africa there was general agreement around four ways in which institutional analysis contributes to our endeavours: (1) examining institutional arrangements can help to identify the distribution of power and rights in a system; (2) looking at institutions helps to understand what is considered by the actors we are studying as legitimate/illegitimate; (3) undertaking an anatomy of institutions helps us to see the incentives that govern action/behaviour/ agency in systems; and (4) institutional analysis allows us to look at political, economic and social dimensions of social processes with a common analytical toolkit.

#### 3. Some of the Policy Implications Emerging from the Crisis States Programme

We have only begun to discuss the policy implications of our research, but will be putting more emphasis on this in dissemination of our research product over the next two years. We have begun to do this by publishing briefing papers that distil what we believe are some of the major policy-relevant insights of individual projects, in a form we hope is accessible to the practitioner community. However, we need to discuss ways in which *cross-cutting* policy oriented work might be undertaken in the next two years. Here I raise some initial policy insights emergent from the research around three broad headings:

#### 3.1 Liberalisation

- (1) Our work has provided more evidence for the strategic importance of undertaking political impact assessments of liberalising reforms;
- (2) The research offers considerable evidence for being wary of rapid 'big bang' liberalisation or radical comprehensive liberalisation late developers' 'space' for *state making* is being overly constricted;
- (3) In post-war state reconstruction, impulses for providing services (from fiscal arrangements, through health and security) through contracting out and the pursuit not necessarily of liberalisation as much as erecting liberal rules on the ashes of fallen states, may be undermining the possibility for state reconstruction altogether.

#### **3.2** Governance policies and programmes

- (1) It is vital that the donor community understand the *differential* impact that programmes of state 'modernisation' and 'good government' have produced, sometimes having no effect on patterns of conflict, sometimes exacerbating violence and sometimes curbing it, thus the importance of much more nuanced analysis of the way in which altering state structures affects society;
- (2) The promotion of free media and unregulated importation and operation of information and cultural products may have major unintended consequences when combined with weak states and absent or declining political parties;
- (3) Donors pushing reduced states and channelling funding to NGOs may be preempting the formation of political organisations, indicating that they should be looking to local political initiatives and *state making* activities;
- (4) Anti-corruption campaigns in the context of weakening political parties and expanded media may be contributing to a general devaluation of the very institutions of public authority, including democratic ones, that donors profess to support, indicating the necessity of cautious and more directed work on corruption, informed at least by some historical insights.

# 3.3 Violence, War and post-war policy

- An unexpected outcome of our research has been the emergence of considerable evidence supporting calls for legalisation and regulation of the production and trade in drugs (evidence generated through studies of drugs, criminality and violence in Colombia, from the study of youth gangs and from work on Afghanistan);
- (2) Political Islam: Our work is challenging prevailing policy views on the rise of militant Islam, pointing, for instance in North Africa, to the *necessity of a revival of liberal-constitutionalist nationalism* and participation and

leadership of Islamic communities in that - as the only process that might stem the tide of rising violence in these societies, with analogous insights in Southeast Asia and Afghanistan.

#### 4. Operational innovations in our Crisis States Programme

We believe there are at least three key operational attributes of our Programme that are worth underlining.

First, we have taken seriously DFID's exhortation to us at the outset to build *collaborative programmes* of research. A major part of our resources were designated for collaborators in the South and we have ensured that this has happened and that researchers in Colombia, South Africa and India play a major role in our work. With time, we have built these into truly collaborative arrangements and developed links and bonds across the programme. At our workshop in Johannesburg, this was evident in the engaged debate and discussion of research outputs by all those involved in the programme. This is clear as well in the outputs that are being generated in our Working Paper series. In some cases, we have been able to build truly integrated research projects, while in others we are now seeing initiatives for jointly authored papers by partners from various corners of the programme.

Second, we have invested a significant amount of resources and time in *capacity* building, again understood as an important objective of DFID in launching the development research centre model. The most important achievement in this regard was our support for the establishment of post-graduate development studies, with a particular focus on problems of crisis, in Wits, where the programme is now thriving, attracting students from other parts of Sub-Saharan Africa and spawning a new research initiative in interdisciplinary studies of development and crisis within Wits. But we have also invested much time with colleagues in ADRI in Patna to develop their capacity for undertaking research, the outcome of which still remains to be seen. Our work with partners in Colombia has been one of much clearer mutual capacity building through exchanges and cross participation in seminars and collaborative research on the ground. In the LSE, we have recruited many new PhD students to work on areas related to the programme on the intellectual grounds of our work. We have only provided a modest fund for PhD students, which so far has funded only a few of our students' fieldwork. We believe devoting more resources to fully-fund research students could be an important part of a second phase for the Centre.

Third, we believe we have provided excellent *value for money*, consciously using the core funding provided by DFID to *leverage wider resources*. We have attracted ESRC post-doctorate for young scholars based at the Centre and PhD students working on themes related to the Crisis States programme have succeeded in gaining ESRC studentships. We have engaged in collaborative activities with the Centre for Development Research in Bonn and all participating universities have contributed generously to support the work of the programme.