

Regional and global drivers of conflict: Consequences for fragile states and regions¹

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The most meaningful definition of “state fragility” is one that highlights a state’s vulnerability to conflict. This is what makes “fragile states” distinct from the general category of “poor” or “least developed” states. Fragile states are generally those where the reach of the public authority - the organisations and institutions of the state – is limited and challenged by non-state organisations. This can be particularly captured by looking at the extent to which the state can provide security to the population within its territory shielding them from the threat of organised large-scale violence, the extent to which the state exercises a monopoly over tax collection and the extent to which state institutions trump those of rival organisations.

While not all poor countries are characterised by “state fragility”, most fragile states are poor, with populations that live on the margins of survival. Characterised as they are by a limited reach of state authority, fragile states are particularly vulnerable to external shocks of all kinds. This brief paper is an effort to highlight some of the negative externalities that can exacerbate conflict in fragile states. Here I identify six of the most important, but this is by no means an exhaustive list and, as will become clear, a number of these negative externalities are inter-related.

External military intervention

External military intervention into the territory of a state, particularly where there is an asymmetric balance of military power in favour of the invading country, can lead to the outright collapse of the state and the unleashing of widespread violence. The military conquests of territories, both historically and in recent times, have caused collapse of state organisations and greatly increased mortality rates over extended periods of time. External military interventions have always been undertaken with an ideological justification, whether it was the “*mission civilisatrice*” of colonial times, or interventions to safeguard international security around a self-defence logic, to protect human rights, to overthrow dictatorship or to fight terrorism, which have been the official and unofficial justifications for more recent military interventions. While some recent military interventions can be argued to have led to pacification and state-building (Sierra Leone), others as in Afghanistan, Iraq, the Democratic Republic of Congo and Palestine have led to prolonged periods of state collapse and conflict.

Recent research has shown that military interventions since 1945 make democracy less likely, increase the risk of coup d’état and have a deleterious effect on economic development (Gutiérrez and González, forthcoming).² This is not an argument for the international community to abstain from mounting interventions in a cause that is

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² The negative impact of military interventions on democracy appears to be related to the destruction of conflict resolution mechanisms, unleashing polarised nationalist and identity driven politics, promoting alliances with elites least favourable to democracy and promoting general instability.

deemed just by international law, for instance to halt a genocide, but the record of interventions give pause in relation to many of the other goals of military intervention, which often have been articulated by invading powers.

Trans-border non-state armed groups and the movement of refugees

The fact that many non-state armed groups operate across the borders of fragile states means that a war “next door” can become the source of extreme instability and conflict in a neighbouring state even when the causes of war may have been absent in that state (de Waal, 2000; Fearon and Laitin, 2003). This was the case after World War II in the Southeast Asian region, in the Andean region and in Southern Africa and continues to be the case more recently in East and Central Africa, in the Middle East and, of course, in Central and South Asia. Insurgent armed movements create the condition for the rise of armed movements in neighbouring countries, by demonstration effect and through tactical alliances between insurgent movements. In fact, a major indicator of a “resilient state” is where peace and stability is maintained despite warfare in neighbouring countries (like Thailand during the war in Indochina or Tanzania and Zambia in the recent wars in Southern and Central Africa).

The unsettling effect of modern terrorism as perpetrated by the self-proclaimed network *al q'aida* can be understood as one case of trans-border non-state armed organisations fomenting conflict. It is important to keep in mind that while much of the Western discourse about militant political Islam is concerned with the danger of terrorist strikes in the developed world, the brunt of the impact of these organisations has been felt by the populations of fragile states.

A related driver of conflict and instability is the movement of refugees across borders from wars “next door” (Lischer, 2005). The sheer resource strain that a large influx of refugees into territories where demographic pressures on land and water are already great, or where populations generally exist on the margins of subsistence, or the presence among refugee populations of armed actors from neighbouring conflicts can be the source of extreme instability.

Impact of externally imposed structural reforms in fragile states

Many of the countries in Sub-Saharan Africa that experienced exacerbated conflict and, at the extremes, state collapse, in the last two decades of the 20th century were subjected to severe constraints imposed on their states through structural adjustment and pressures to democratise during the years preceding the outbreak of warfare (Hesselbein 2009; Putzel, 2005). This is because reforms imposed to downsize inefficient states that had presided over economic mismanagement or to press for the introduction of competitive politics in the face of autocratic governments paid little heed to the extent to which existing arrangements had “bought peace”. While structural reforms may not ultimately have been the cause for the outbreak of warfare, many countries experienced what can be called a “deadly sequence”, seeing sharp external economic shocks, followed by draconian programmes reducing the size and finance of states and accompanying pressure to introduce democratic forms of politics and finally the outbreak of internecine conflict.

This can most properly be understood as the interaction between externally designed reforms and internal structural weaknesses. Usually, prescriptions for radical reforms were designed without an understanding of the “political settlements” that underpinned the state where they were adopted. They were also often introduced after very short time spans that states had to consolidate the organisations and institutions of independent statehood and to build the economic foundations of the state. They neglected, as well, prior experiences of economic growth, which could have formed the basis for alternative growth enhancing strategies of development (Makandawire, 2001).

Illicit trade in drugs, arms and minerals

The existence of international trading networks in illicit products has also fuelled conflict in fragile states. The markets for illegal drugs are based largely on demand within the richest economies and the interdiction of these drugs has created huge rents that provide finance for both major criminal activities (Gambetta, 1993) and non-state armed challenges to state power (Medina and Martinez 2003). The “farm gate” price commanded by these crops, reflecting the rents to be had, provides incentives to poor rural producers to keep up production despite the risks that may be involved. The international effort to arrest the increasing negative impact of drug use in the wealthy countries has focussed overwhelmingly on attempting to eradicate supply – the “war on drugs” – which could be said to only worsen violent conflict and wreck the lives of poor producers. This is as true in Afghanistan as it is in Colombia today, as it was in an earlier period in the Golden Triangle of Southeast Asia. (Vargas, 1999; Glenny, 2009). The single biggest means to remove a huge source of finance from non-state armed actors – the legalisation and regulation of the illicit drugs trade – is still seen to be politically unacceptable internationally, thus ensuring this driver of conflict in fragile states will remain a crucial one.

Related, but of a different order, are the trading networks in arms and minerals, where criminal networks and non-state armed organisations participate through illegal means in what are ultimately legal markets. Here the relentless drive to liberalise international trade has expanded exponentially the opportunities for non-state armed actors and criminal networks to both arm themselves and finance their wider activities. Efforts to curb the negative impact of the arms trade through economic sanctions have tended to fuel conflict further (Naylor, 1999).

Trade in minerals has also provided the possibility for non-state armed networks to finance their operations. In the Great Lakes Region this was exacerbated by the radical informalisation of the mining sector, which was both a legacy of structural adjustment and of war. Some headway has been made in some sectors through such international mechanisms to regulate trade as the Kimberly Process and the Extractive Industries Transparency Initiative. However, calls for sanctions in other sectors are likely to hit the livelihood of millions of families dependent on artisanal mining without removing war finance (Mitchell and Garrett, 2009). Only a drive towards the incorporation or reincorporation of the mining sector in the formal economy is likely to curb profits from going to merchants of violence.

International financial crisis

The international financial crisis had an immediate impact in fragile states despite the fact that their financial systems have often only been poorly integrated with global financial systems. First, the economy of many fragile states is heavily dependent on the extraction of primary commodities, particularly minerals. While important commodities like copper saw a price decline, it was nowhere near historic lows, since copper futures have remained the object of a buoyant trade throughout the crisis, but the operations of large multinational firms in fragile states were scaled back almost immediately as credit to finance new exploration and operations disappeared. The contraction of demand internationally has taken its toll. This has had a huge impact on employment and on revenue generation in states dependent on the export of one or two commodities for most of their foreign exchange (IMF, 2009). The crisis has also taken a heavy toll on remittances, a particularly valuable source of foreign exchange, livelihood income and investment finance in many fragile states. Overall, fragile states were the first hit by the crisis and are likely to be the last to feel recovery once the crisis is transcended. While, so far, OECD countries have not significantly scaled back their aid budgets, which are particularly important to state survival in many fragile states, as OECD governments begin to wrestle with the high level of deficit spending caused by shoring up the financial sector, foreign aid budgets are likely to be put into question. Unless there is a much more radical re-regulation of international finance, it is highly likely that the global financial system will experience further crisis (Palma, forthcoming) with devastating impact on fragile states.

Climate change

By definition fragile states will have a much more difficult time in dealing with the impact of climate change due to both their poverty and their lack of institutional resilience (Birdsall, 2007). Flooding and drought, of the sort that has, and is likely to, affect countries like Bangladesh, risk unleashing huge waves of internally displaced people, stretching state capacity far beyond its limits and having a similar impact to the influx of refugees from war. The pressure put on low productivity lands exacerbates the conditions for the emergence of conflict over resources. The impact of climate shifts is likely to worsen already precarious access to food security, clean water and shelter, thus widening the terrain in which conflict can flourish (Wijeyaratne, 2009). While the direct link between climate change and conflict is often the subject of scare mongering (see Hartman, 2009), the pressures placed on the weak organisations and institutions of fragile states by radical shifts in climate are likely to exacerbate conditions of fragility that leave countries vulnerable to the outbreak of violence.

Conclusions

We have only briefly touched on the type of externalities that are likely to have a major impact on fragile states in the coming decades, which need to be taken into account in examining the challenges of state-building. Many of these challenges are inter-related, making it all the more important that state leaders and donors consider the unintended consequences of particular interventions and reforms. The idea that non-productive and inefficient organisational arrangements that became the object of structural adjustment in the late 1970s and early 1980s may have contributed to

maintaining peace in what we now call fragile states was never considered by those who initiated reforms.

The nature of the problems facing fragile states and the manner in which external processes, events and shocks can affect these states imply a rethinking of the sequencing and strategy of development interventions. Renewed importance needs to be placed on promoting *internal* economic integration in fragile states, which appear necessary as a prelude to establishing conditions where states can benefit from trade. It is only by developing economic infrastructure and productive processes in today's fragile states that there can be any hope to deal with the political impact of food scarcity or climate change. Particular emphasis needs to be placed on constructing fiscal capacity within fragile states. As the rich countries begin to readjust their spending to deal with the huge burdens of financial crisis, particular attention needs to be accorded to maintaining aid budgets to the most fragile states.

In the medium term, it is necessary to consider the evidence about the efficacy of military interventions in promoting progressive change. Violent conflicts cannot be understood outside of their regional dimensions, though regional organisations may be singularly unsuitable to making advances in securing security.³ Long-standing issues like the focus on the supply-side of the trade in illegal drugs need to be fundamentally reconsidered, as the “war on drugs” may actually be causing increased state fragility and violent conflict. Radical thinking is required to ensure that there are resources to channel to fragile states in times of international crisis, since they lack the organisational and institutional resilience to cope with external shocks. All of this means that those within fragile states and those in the donor community involved with providing assistance cannot be content with “business as usual”.

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³ A forthcoming study on the role of regional organisations in security led by Laurie Nathan of the Crisis States Research Centre provides strong evidence in this regard.

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