DEVELOPMENT AS STATE MAKING

Crisis States
Research Centre

The more we examine the history and current challenges facing the developing world, the more we understand that 'development is about state making'. The comparative country studies being undertaken at the Crisis States Research Centre aim to understand why some states are more resilient to crises – whether sparked by economic shocks, the influx of refugees or armed rebellion – while others spin into cycles of violence, war and collapse.

One of the more controversial findings in our research so far suggests that what accounts for state resilience may not be the same as what allows states to preside over economic growth and poverty reduction. State resilience seems to depend crucially on the inclusiveness of bargains struck among elites and the extent to which state organisations have established their presence throughout a country's territory. That means there may be trade-offs at any given time between securing peace and promoting positive programmes for economic growth and welfare.

PRIORITISING SECURITY IN STATE BUILDING

Our research on security is asking basic questions: What has allowed states to achieve and maintain a monopoly over large scale armed force in their territory? How have states developed relatively disciplined armed forces with a single chain of command that function well enough to keep any armed challengers from threatening the nation's security? What sort of political coalition needs to be established at the level of the state to ensure that conflicts are managed within state rules rather than by some elite brokers taking up arms to challenge the state?

The fragmentation of security forces has marked most processes of state collapse. In both the DRC in the latter days of Mobutu and in Afghanistan in the late 1980s, the creation of multiple military forces allowed state authorities to defeat military challenges from within the armed forces, but greatly weakened the capacity of the state to fight armed challenges from non-state forces. Whether or not armed challenges lead to prolonged periods of state destroying warfare and insecurity (as in the DRC after 1997) or are constitutive for state building and the establishment of security (as in Uganda after 1981 or Mozambique at the end of the Portuguese colonial period) remains an open question.

Nevertheless, ensuring basic security from armed challenges by non-state forces remains a crucial first step in any effort to recover from war and build or rebuild social, economic and political life. To date, the failure to make significant progress in building a disciplined national army in the Democratic Republic of Congo has left communities at the mercy of undisciplined soldiers from Kinshasa, the soldiers of the FDLR who were involved in the Rwandan genocide and are still ensconced in the Eastern Congo, and a myriad of armed forces that provide protection for their threatened communities while raiding and looting the villages and towns controlled by their rivals. In Afghanistan, the new national army remains far smaller than envisaged and still dependent on foreign trainers, while an array of militia groups are still relied

Tribal elders in eastern Afghanistan discussing land allocation at a shura, or gathering of elders

PANOS PICTURES: ASH SWEETING

LSE THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

Members of the Colombian paramilitary group the Bloque Metro, one of several right-wing groups of self-named 'Autodefensas' ('Self-defences')

DISARMAMENT, DEMOBILISATION AND REINTEGRATION (DDR)

DDR programmes have succeeded in countries like Mozambique and Tanzania only where real opportunities existed for former officers and soldiers to earn a living and provide for their families in civilian life.

In Rwanda demobilised soldiers are playing an important role in economic reconstruction. The Rwandan army is itself organising them, and its production wing is playing a central role in efforts to develop the country's dairy industry using demobilised soldiers. They now have a well-developed dairy farm with a milk processing plant that also buys milk from other farmers. Demobilised soldiers have been given loans to buy bicycles and milk cans to earn money from milk collection from outlying farmers. Elsewhere, coffee washing stations have also been established to provide employment and business opportunities for the 'de-mobs'. In addition, mulberry farms and a silk processing plant have been established for their benefit. The farms employ 'de-mobs' and local civilians and sell their unprocessed silk to the plant. Rwanda has gone much further in this respect than Uganda, where demobs were handed a few hundred dollars, farming implements and other material goods and simply sent back to their village.

upon to enforce the will of Kabul and the alliance of foreign countries supporting the Karzai government.

Our research suggests that:

• The security architecture of countries is poorly understood and the international assistance and training programmes, usually provided in a piecemeal fashion by the military organisations of developed countries, are inadequate.

• Budget management processes in post-war states need to become 'security sensitive', ensuring the means to pay salaries of soldiers and police.

• In allocating scarce poverty reduction resources, greater concern should be paid to security issues like paying attention to the poverty-stricken condition of soldiers' families or to communities previously systematically excluded on grounds of region, religion or ethnicity.

• DDR programmes (see box above), designed to reduce the number of people under arms, need to be based on more sound economic considerations and alternatives to demobilisation may have to be designed, putting forces to work in public works or retraining them for customs enforcement.

ECONOMIC RESOURCE MOBILISATION AND THE STATE

Development – as a process of the expansion of wealth (economic growth) and well-being (human development) – is integral to processes of state formation. Crucial to the process of state making is internal national and economic integration, often underplayed by the international community in its efforts to open up economies to benefit from globalisation. In Afghanistan, a whole-sale adoption of a liberal economic model by the Karzai government meant that no effort was made to develop an industrial base and customs duties were set so low as to provide no protection from Iranian and Chinese goods that began flooding the market.

Leaving major economic elites out of the bargains on which a state is built can greatly weaken it. This is what happened historically in Uganda where the state under Milton Obote and Idi Amin excluded economically (and socially) powerful Baganda interests and Asian traders. Similar patterns led to elite ruptures in Rwanda and the DRC. Economically strong elites have exit options, due to the command of resources and possibilities of external linkages, which can undermine stability and even finance armed challenges to the state. Elites based on region or ethnicity can have alternative institutional systems to that of the state, legitimising their actions in terms of traditional rules and norms. There were conscious policies to avoid such divisive rent allocations in Zambia and Tanzania, which go a long way in explaining why these states could survive even while presiding over economic crises and deeply rooted poverty.

In countries where much of the population lives in rural areas and subsists on the basis of agriculture or livestock, the state's failure to address development in the sector can create

A locally employed surveyor at an open-pit copper mine in Zambia

extreme vulnerabilities to its authority. This is in addition to the economic consequences of failing to increase productivity in agriculture, often the most important potential source for the generation of surplus to finance broader economic development and effective state organisations. In the Congo, Mobutu's neglect of agriculture, despite feints in the direction of modernising the sector, and his failure to maintain and expand infrastructure created large areas of poverty, disconnected sites of economic activity and disaffected local elites ripe for recruitment when finally external support for rebellion was forthcoming.

Our research suggests:

• In the design of economic development programmes in fragile and post-war states much more attention needs to be given to national and internal economic integration and the infrastructure it requires.

• It is necessary to understand and sometimes even support processes of rent allocation that include potentially rival elites and allow them to accumulate wealth and develop a stake in the state building process.
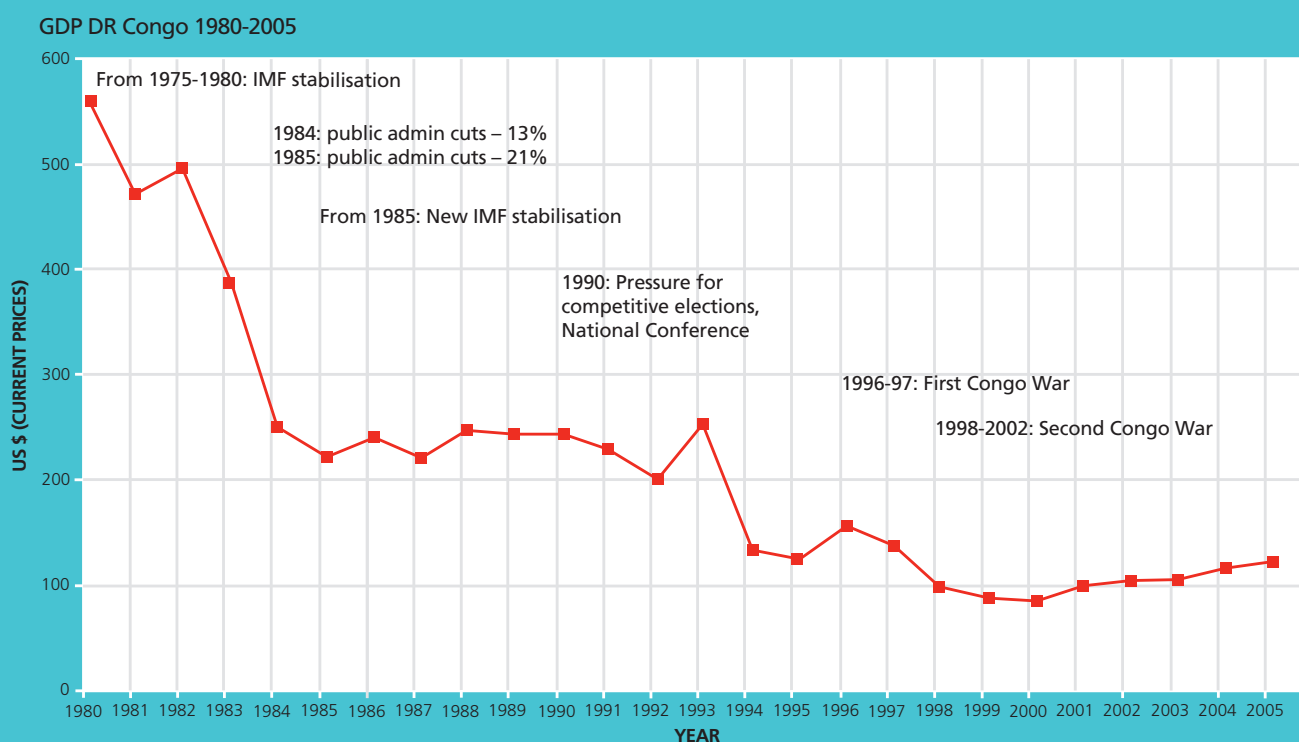

Rwandan agriculture occupies all cultivable land

• Economic programmes that can shore up fragile states or lay the foundation for state building after war need to be focused much more on the detail of economic production, especially in agriculture, and lay the basis for increases in productivity and lasting poverty reduction.

• The costs of economic reform need to be measured not only in terms of economic efficiency, but how they may affect elite bargains and potential patterns of ethnic or regional inequality.

A DEADLY SEQUENCE – ECONOMIC CRISIS, AUSTERITY AND PRESSURES FOR DEMOCRATISATION

In a number of countries, we have observed a 'deadly sequence': a sharp economic decline, often caused by a steep decline in primary commodity export prices or a rise in oil prices and severe government mismanagement, was followed by austerity programmes imposed by the international community, then pressures to introduce competitive electoral politics and finally the outbreak of widespread violence and war. Here, the sequence is illustrated in the Democratic Republic of Congo. A similar process can be observed in the period leading up to the Rwandan genocide of 1994.

GDP DR Congo 1980-2005

From 1975-1980: IMF stabilisation

1984: public admin cuts – 13%
1985: public admin cuts – 21%

From 1985: New IMF stabilisation

1990: Pressure for competitive elections, National Conference

1996-97: First Congo War

1998-2002: Second Congo War

SOURCE: IMF World Economic Outlook Database, October 2007

WHAT'S BEHIND THE TALIBAN'S PROGRESS IN AFGHANISTAN?

An analysis of jihadi movements in Afghanistan over the last 30 years reveals the varying roles of ideological activists, warlords, tribes and local notables. The current Taliban insurgency resembles in many ways the initial phase of jihad against the pro-Soviet regime in the late 1970s. There has never been a large constituency for ideological struggle.

In order to make inroads inside Afghanistan the Taliban had to incorporate local communities and opportunistic local leaders, each with their own agenda. As of early 2008, the insurgency is still in a relatively early stage except in a few provinces where it has sunk deeper roots. The potential for geographic expansion of the insurgency rests on the recruitment of local leaders more than on the enlistment of ordinary individuals. In fact, the Taliban have consistently been approaching local leaders to enlist their support for the insurgency. Should they be successful in this regard, the shape of the insurgency will change and resemble the anti-Soviet jihad in its 'mature' phase (1982-1989).

Central to the Taliban's further progress will be their ability to draw local players and communities into the insurgency. To date the Kabul government has appeared unable to effectively manage its appointees in the provinces and offer them clear direction, opening up the landscape for an expansion of armed activity opposed to the Karzai government and its foreign allies.

GOVERNANCE: POLITICAL ORGANISATION AND INSTITUTIONAL MULTIPLICITY

Fragile states often face an aggravated problem of what we call 'institutional multiplicity', where many rival institutional, or rule, systems exist beyond the formal legal, or constitutional, rules of the state. Warlords, criminal gangs, regional power brokers, traditional authorities and religious organisations each have their own institutions and anchor their claims to legitimacy within them. Often in post-war states the very boundaries of the state and the definition of who is a citizen are highly contested. The independent institutional frameworks that emerge within situations of war, based on power bases anchored in regional, religious or ethnic identities and economies exercise enormous influence. The task for those involved in state building or reconstruction after war is to expand the legitimacy of state institutions and the capacity of state organisations. This is a matter of political organisation and our research suggests that it is political organisation that is the determining factor behind state resilience and successful state reconstruction after war.

The inclusive elite bargains that have underpinned state resilience in countries like Tanzania and Zambia have been organised through political parties. Probably, more than any other factor, it was the ruling party Chama Cha Mapinduzi (CCM) that was responsible for Tanzania's long period of relative peace, despite serious economic crisis, persistent poverty, the influx of refugees from, and the activities of rebel armies in, its neighbouring war-torn states.

There are two reasons for this. First, the CCM provided the arena for all elite competition and a set of rules that ensured relatively equal sharing of the benefits of rents and welfare and the costs of economic decline and poverty, unlike in Obote's Uganda. Secondly, the party, which was inclusive in its organisation and actively marginalised alternative institutional bases of organisation, like tribe or region, incorporated a set of checks and balances to ensure against the kind of abusive action by executive authorities of the state seen in Mobutu's Zaire or Habriyarimana's Rwanda.

Our research suggests:

• Without the establishment of programmatic political parties, standard templates of democratic political reforms – particularly competitive elections – are problematic in post-war states. Elections are often less an exercise of democracy than a census of loyalties commanded by previously warring groups. Where there is no effective (even when there is constitutional) agreement on citizenship, like in the DRC, precipitous elections may serve more to shape future parameters of violent conflict than establish the grounds for peaceful reconstruction.

• The ability of Museveni's National Resistance Movement and Kagame's Rwanda Patriotic Front governments to establish relative peace in their territories was based largely on their creation of disciplined forms of political organisation, effective 'power sharing' and limited open political competition through elections – something likely historically important to Tanzania's state formation.

• In Afghanistan it is far from clear that elections, which in rural areas were mainly hijacked by warlords, militias and strong men, have played a major role in legitimising the Afghan state established under Karzai. After 2001 the introduction of competitive elections stimulated political parties (often based on ethnic constituencies) and individual candidates to seek popular support using, among other arguments, concepts of ethnic discrimination, both among the minorities and the Pashtun majority.

• Attempting to resolve armed conflicts, even in middle income countries like Colombia and the Philippines, without attention to the basis and character of political organisation, will be futile. Political parties in Colombia based on a particular array of social and regional interests could not solve the agrarian problem, which provided the room for armed movements to become deeply rooted in territories beyond the state's reach.

ISAF Helicopter flying over war torn Kabul

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