

Under Pressure: States in the Global Era



Seminar in Madrid

03

Conference Report / Informe de Conferencia

2008

Conference Report / Informe de Conferencia

About FRIDE

FRIDE is an independent think-tank based in Madrid, focused on issues related to democracy and human rights; peace and security; and humanitarian action and development. FRIDE attempts to influence policy-making and inform public opinion, through its research in these areas.

Conference Report

The FRIDE series of conference reports provides concise accounts of debate at major events tackling issues and trends of key concern for Europe and the world

Under Pressure: States in the Global Era

Rapporteur: Laura Tedesco, Research Associate, FRIDE

This report has been prepared by FRIDE following a two-day seminar held in Madrid in September 2007 on the challenges to the state in the contemporary international system, which forms part of a broader research programme into fragile states supported by the Ford Foundation.



Buitenlandse
Zaken



Buitenlandse Zaken
Ontwikkelings
samenwerking



Koninkrijk
der Nederlanden

FRIDE extends its gratitude to the Embassy of the Kingdom of the Netherlands in Madrid for its support in the staging of this seminar.

© Fundación para las Relaciones Internacionales y el Diálogo Exterior (FRIDE) 2007.

Goya, 5-7, Pasaje 2º. 28001 Madrid – SPAIN

Tel.: +34 912 44 47 40 – Fax: +34 912 44 47 41

Email: fride@fride.org

All FRIDE publications are available at the FRIDE website: www.fride.org

This document is the property of FRIDE. If you would like to copy, reprint or in any way reproduce all or any part, you must request permission. The views expressed by the author do not necessarily reflect the opinion of FRIDE. If you have any comments on this document or any other suggestions, please email us at comments@fride.org

Contents

Introduction	1
Perspectives on the state: history and governance	1
The state in the global economy	9
Challenges for the international community	12
Concluding remarks	17
Bibliography	18

Introduction

The construction of legitimate and effective states has become a centrepiece of international policy since the end of the Cold War. Borrowing from models in the industrialised world as well as successful examples of development from Asia and Latin America, multilateral organisations and national governments in Europe and North America have prescribed public state reforms, democratic institutions and integration in the global economy as the universal bases for progress and stability.

Yet in spite of this new standardised version of statehood, the contexts and performances of national public authorities appear to be more divergent than ever. In the developed world, public fear has focused on the loss of state control over basic economic levers caused by globalisation and epitomised by a supposed “race to the bottom” in welfare state provision, taxation and labour regulations. At the same time these states have endeavoured to defend their authority by pooling sovereignty (such as in the case of the European Union), asserting new forms of control over citizens’ lives, and showing increasing readiness to protect national interests when they are at risk.

In emerging countries, such as China, Brazil and Russia, the trend has been towards greater state power through managed capitalist development and a tough defence of sovereign prerogatives, even as societies grow more fractious. But it is in the world’s *fragile states*, estimated to number 50 and comprising one billion people, that the greatest troubles are to be found. In much of sub-Saharan Africa, the Middle East, South Asia and the Andes, state authorities have remained self-absorbed, ineffective or predatory, ruling over societies without being able to spur growth, reduce poverty or secure a modicum of social justice. Many of these countries have endured years of civil conflict, from which they have not yet recovered. Others are victims of crime waves, terror campaigns, ethnic divisions or simmering public discontent.

In the framework of its research project on *Institutionally Weak States*, FRIDE held an expert seminar entitled *The Crisis of the State in the International System* in September 2007.¹ More than 25 experts on different aspects of the study of the state came to discuss issues related to state construction in the developing world in the context of economic globalisation. This report presents the main ideas and arguments that emerged from the presentations and discussions, and includes relevant background material on current academic debate where this is considered useful for the reader.

The first section analyses theories on the state, globalisation, and the relation between the state and politics. The second section reports on the main discussions that took place on the relation between the state and economic trends. The third section, meanwhile, explores the main issues concerning the state and the international system, and the role of international donors in state-building processes. Lastly, the conclusions describe the many ideas and debates that emerged during the seminar about the state, its formation and its capacities.

Perspectives on the state: history and governance

There was broad consensus in the seminar over the significance of globalisation’s impact on the nation state. The authority of the state has been transformed due to various factors, such as the new global economic system, transnational business, communication technologies, migration, cultural changes, international legal interventions, the international trade in arms and drugs, money laundering, international mafias, trafficking in resources such as blood diamonds and

¹ This report was prepared on the basis of a two-day seminar held in the Casa de Galicia, Madrid, on September 17 and 18, 2007.

trafficking in humans. These challenges are universal, and the main concern of the seminar was to understand how national states cope with them. While some states are able to face the new challenges successfully, others are not.

Four crises

In light of globalisation and the challenges it poses, it was argued that national states should be able to respond effectively to at least four types of crises: legitimacy, capacity, identity and purpose.

Crises of the state

Crisis of legitimacy: *Does the state have a right to exist? Are the institutions of the state broadly accepted?*

Crisis of capacity: *Can the state carry out its basic functions such as providing order and security? Can the state carry out the basic functions of government, such as policy making and implementation?*

Crisis of identity: *Whose state is it?*

Crisis of purpose: *What should the state do? What are the responsibilities of the state?*

These crises are political, and their resolution involves a long-term process that could include repression, imposition, elite bargaining, coalition-building and/or consensus-building. Some of these efforts often fail, and periods of crises can emerge again and again. One of the points highlighted was that resolution of these crises must necessarily emerge at the domestic level.

The crisis of legitimacy is connected to the classic Weberian notion of a state's "legitimate monopoly of violence". Legitimacy is also related to the notion of efficiency, and the right of the state to set the rules of the game. Thus, in analysing the state one of the first steps must be to establish the extent to which the institutions of the state are considered legitimate by civil society. The classic separation

between legitimacy by origin and by exercise should be also taken into account when considering the state.²

The crisis of capacity is fundamentally connected to the good governance agenda, which is also related to the issue of legitimacy since states that fail systematically in capacity are likely to have their legitimacy questioned. The good governance agenda has been crafted by international agencies as a list of tasks that must be completed before states can achieve development. But there are different definitions of good governance. The World Bank has defined governance as the process and institutions through which decisions are made and authority in a country is exercised. Good governance is, thus, related to accountability, efficiency, transparency and respect for institutions, laws and interactions between actors in civil society, business, and politics. The International Monetary Fund defines good governance as ensuring the rule of law, improving efficiency and accountability of the public sector, and tackling corruption.³

There are, however, many problems with the good governance agenda. It lacks an order of priorities, and fails to acknowledge that some capacities depend on the prior existence of others. The agenda also envisages that all governance problems must be tackled at once, although for poor countries the demands set out in the good governance agenda are overwhelming and confusing. Likewise, one of the difficulties of the agenda is that it ignores evidence that good governance and the capacity to carry out basic state functions are generally a consequence of development. Recently, consensus has begun to emerge in the donor community that foreign pressure on weak states to build state capacity is part of the problem rather than

² The state and/or the government can be considered legitimate on the basis of its origins and institutions (whether it has been elected in accordance with the legal framework of the state, by tradition or by illegal methods), or it could be illegitimate by origin but legitimised through its provision of public goods.

³ For different definitions of good governance see Grindle, M., "Good Enough Governance Revisited", in *Development Policy Review*, vol. 25 (5): 553-574, 2007.

the solution, particularly when capacity is considered a necessary condition for development.

In order to tackle these problems, various institutions such as the World Bank or USAID have produced theoretical approaches emphasising the need to understand the context “within which policy and institutional changes, and resistance to those changes, take place in specific countries”.⁴ The World Bank’s Country Policy and Institutional Assessment (CPIA) selects four different variables to analyse the context for change, while USAID has produced a set of categories and questions to help practitioners understand domestic politics.

The World Bank’s CPIA Framework

Criteria for Country Policy and Institutional Assessments

Economic management

1. Macroeconomic management
2. Fiscal policy
3. Debt policy

Structural policies

4. Trade
5. Financial sector
6. Business regulatory environment

Policies for social inclusion/exclusion

7. Gender equality
8. Equity of public resources usage
9. Building human resources
10. Social protection and labour
11. Policies and institutions for environmental sustainability

Public-sector management and institutions

12. Property rights and rule-based governance
13. Quality of budgetary and financial management
14. Efficiency of revenue mobilisation
15. Quality of public administration
16. Transparency, accountability and corruption in the public sector

Source: Grindle, M., “Good Enough Governance Revisited”, in *Development Policy Review*, vol 25 (5): 566, 2007.

achievement of good governance, in the 2002 Report there were 116 requirements. This sharp increase has made the agenda too diverse, too general and too difficult to follow. Thus, practitioners should experiment, and adapt the agenda to specific domestic circumstances.

One of the conclusions of the seminar regarding the good governance agenda was the need to begin thinking in terms of *good enough governance*. This means “accepting a more nuanced understanding of the evolution of institutions and government capabilities; being explicit about trade-offs and priorities in a world in which all good things cannot be pursued at once; learning about what’s working rather than focusing solely on governance gaps; taking the role of government in poverty alleviation seriously; and grounding action in the contextual realities of each country”.⁵ This concept of *good enough governance* was warmly welcomed by experts since it provides more flexibility, and helps to illuminate the scope and limitations of the good governance agenda.

“Good enough governance, as a concept, suggests that not all governance deficits need to (or can) be tackled at once, and that institution- and capacity-building are products of time; governance achievements can also be reversed. Good enough governance means that interventions thought to contribute to the ends of economic and political development need to be questioned, prioritised, and made relevant to the conditions of individual countries. They need to be assessed in the light of historical evidence, sequence, and timing and they should be selected carefully in terms of their contributions to particular ends such as poverty reduction and democracy. I suggested that good enough governance directs attention to considerations of the *minimal* conditions of governance necessary to allow political and economic development to occur” (Grindle, M., 2007, “Good Enough Governance Revisited”, *Development Policy Review*, vol. 25 (5):554).

The agenda has been growing: while in 1997 the World Development Report featured 45 requirements for the

⁴ Id. 565.

⁵ Grindle, M., “Good Enough Governance: Poverty Reduction and Reform in Developing Countries”, in *Governance: An International Journal of Policy, Administration and Institutions*, vol 17 (4): 525-548, 2004, and Grindle, M., op. cit., 553-574, 2007.

The concept of good governance has many limitations; even in terms of good enough governance it is difficult to agree, or measure, the *minimal* conditions of governance. Likewise, the achievement of good governance is a historical process, influenced by power struggles and, above all, resources. In order to secure a minimal degree of governance, weak institutions need to be able to deploy resources to improve management. While this sounds easy to achieve, in reality the road to greater efficiency and good governance is a difficult, long-term process. The classic debate over whether a healthy political environment spurs economic development, or vice versa, was mentioned in the seminar, although the answer to this fundamental dilemma remains open.

The crisis of identity, meanwhile, is a domestic issue that frequently includes international actors, especially if, for historical reasons, the identities within a given polity do not correspond to national boundaries. This type of crisis is related to the definition of citizenship, which in itself can become a source of conflict. Finally, the crisis of purpose raises the issue of what the state's responsibilities should be, and the extent to which the ideal model of the state should derive from the global hegemony of neo-liberalism.

The trinity of the state

These crises were considered political rather than technical - meaning their resolution is still largely a matter for domestic politics - and were also treated as historical processes of state formation. It was argued that the modern capitalist state is a product of several centuries of development and adaptation. In different countries across the world, economic and social development from the 17th century onwards has reflected this conflict-ridden process in all its diversity.

The state was depicted as a complex and dynamic trinity involving: an abstract idea (state-idea), a social contract (state-social contract), as well as a set of institutions (state-institution). These three dimensions are interwoven. The state as a set of institutions is indivisible from the social relations that give rise to those

institutions, which legitimise them through support (a social contract between civil society and those that manage them), or undermine them via various forms of opposition. In addition, the state as an idea is the starting point for the existence of state institutions.⁶ The social contract can then be seen as a version of the state-idea that seeks to legitimise the social relations which shape the state. In this sense, the social contract expresses the idea of a dynamic institution that changes in accordance with transformations of values and interests amongst groups of people within a national territorial space at a particular moment in time. States, as dynamic processes, will naturally be diverse and complex. As a result, there are many state forms under the umbrella of the capitalist state. They change either because a traditional *modus operandi* is no longer sustainable, or simply because values or interests change.

Thus, the state was presented as a complex and dynamic trinity that moves through different levels over the course of a long and uneasy historical process. This theoretical, historical perspective helps to explain the way the state changes over time. Despite uncertainties and crises, the state is very much alive and undergoing an ever-changing process of formation.

A variety of states

Although agreement was reached around the idea that the state has not lost all its authority in the context of globalisation, one controversial topic provoked an interesting discussion that permeated the whole seminar: *can we accept the idea that some areas of the world are not going to have a state as we know it?* Experts were puzzled by this idea, resulting in a diversity of opinions about the role of the state, the formation of the state, the continuation of the state and the current existence of feudal forms of statehood. It is important to highlight that the idea of the state, while not being questioned, was scrutinised with contemporary examples from Bolivia, Afghanistan and India, which together suggested that the Western model, related to the old Weberian definition, is not the

⁶ See Tedesco, L., "The Latin American State: Failed or Evolving?", *FRIDE Working Paper 37*, 2007.

only one available, since different countries or regions of the world understand state or societal organisation in very different ways.

The variety of state models was thus considered paramount. However, different definitions were proposed with the aim of establishing a basic consensus over what the state is and is not. Following the proposal that the state be considered an idea, a social contract and a set of institutions, the state was also defined as a set of rules and structures “as embodied in the state bureaucracy, or as the site or target of political power, implying ultimate control over the means of violence”.⁷ The agenda of the state was also presented as diverse and dynamic, since the state can have different objectives at different times, pursuing economic growth, justice and reconciliation or welfare distribution.

Furthermore, both the form and agenda of the state have been influenced by globalisation, which different states respond to with varying capacities. While European states must cope with Brussels and its power structure, developing countries have to deal with pressure from international agencies such as the World Bank or the International Monetary Fund. Likewise, the forces of globalisation can help in understanding state formation and state collapse.

“First, processes of state formation and state collapse may often be triggered by key forces from within the global context, as these may prompt the growth of more encompassing political entities but also undermine weak state frameworks insufficiently equipped to safeguard themselves. Second, the global context strongly determines the scope for manoeuvre and survival of individual state systems and their development patterns, as well as the room for the emergence of new states, as a result of increasingly tightening webs of inter-state interdependency. And third, the global context is itself subject to pervasive forms of inter-state and state-related institutionalisation, impinging upon and to an extent absorbing the role of existing states and proto-states. These impacts are closely related, each sharing grey areas with each of the others”. Doornbos, M. (2006) *Global Forces and State Restructuring. Dynamics of State Formation and Collapse*, New York: Palgrave Macmillan, p. 35.

⁷ Doornbos, M., *Global Forces and State Restructuring. Dynamics of State Formation and Collapse*, New York, Palgrave Macmillan, 2006, p. 31.

While the state has come under the influence of globalisation, the state and civil society have both become highly dependent on regional and global forces and actors. Therefore, the state reshapes itself as well as being reshaped by others. The experts emphasised the dynamism of the state and its ongoing process of formation as one of the main features of contemporary authority structures.

The Western dynamic: from the private to the impersonal state

Prior to the French revolution and the challenge this posed to European monarchic regimes, European society was dominated by social relations based on landed titles and an aristocratic elite that generated its wealth from a feudal system of production and social organisation. It is within this feudal system of monarchs and aristocrats that the origins of the modern state can be found, since one of the first functions of the early state was to administer on behalf of the monarchy. In essence, its *raison d'être* was to ensure the generation of wealth for the monarch. This wealth was managed in order to wage war and defend sovereign territory, but it was also destined for consumption, as can be seen in the elaborate architecture, furnishings and arts of the European royal families and their aristocratic allies.⁸

Two worlds co-existed at this time: a small elite bound by their landed wealth and blood ties, living in splendour; and the vast majority of the population working in conditions of poverty to create this splendour. However, the feudal system of patronage and the control over social discipline exercised by landowners led to a condition of acquiescence, in which there was little opposition to the social relations that were in place. There were examples of popular unrest throughout the continent. However, these were brutally suppressed for the most part, and it was not until the French revolution that a major shift in power relations

⁸ The next paragraphs are based on Tedesco, L., “The Latin American State: Failed or Evolving?”, *FRIDE Working Paper 37*, 2007.

between monarchy, aristocracy and civil society⁹ (defined in broad terms as individuals or groups operating in the social space between the state and the family) was achieved, leading to the development of a modern, post-monarchic state formation.

The bureaucratic function of administration on behalf of the monarch or religious leader was enhanced rapidly from 1500 by the print revolution and the spread of literacy. Although literacy would remain socially exclusive for several centuries, the print revolution enabled more widespread communication of regional and national affairs. As such, it was important in extending the influence of those in power, by defining social organisations and using notions of commonality as forms of social control. For example, Benedict Anderson¹⁰ emphasises that the invention of print technology helped to nurture ideas of nationalism and shared identity within sovereign states; Martin van Creveld¹¹ builds on this idea by pointing to the fact that the quantity of paperwork increased with the print revolution, and this in turn led to the development of a modern bureaucracy to manage it.¹²

This growth of an administrative cadre to support the monarch's management of society led to important changes in the balance of power within countries, and by the 1700s the state had become a notably more impersonal institution, no longer fully dependent upon or subject to the monarchy, and no longer identified solely with the monarch.¹³

⁹ The term "civil" society may be inappropriate for this period since the notion of citizenship emerged alongside revolutionary ideals in the late eighteenth and early nineteenth centuries. However, it should be noted that records of individuals managed by the Church were in existence. Therefore it can be argued that bureaucratic arrangements documenting the structure and organisation of society were already in place, and that non-elite society was formally recognised.

¹⁰ Anderson, B., *Imagined Communities: Reflections on the Origins and Spread of Nationalism*, London, Verso, 1983.

¹¹ Van Creveld, M., *The Rise and Decline of the State*, Cambridge, Cambridge University Press, 1999.

¹² An important relationship was established at this time between state and sovereignty, which becomes dominant in political theory from this point. Meanwhile, the city states of Italy provided an alternative view of the geographical reach of state structure. See Harding, A., "The Origins of the Concept of the State", *History of Political Thought*, 15, 1, 1994, pp.57-72.

¹³ Van Creveld, M., 1999, op. cit.

The objectives of the new state changed to reflect this shift in character. While the early state had been created to defend the power of the monarch by exerting influence and authority internally and through war with external or internal opposition, the impersonal state began performing these functions in its own right, exerting a dominant influence over the sovereign territory and waging war in its own defence. This marked the end of a period when war was considered a personalised affair between monarchs and seigniorial elites. It was now carried out between nation-states, brought together through state structures of order and control, and bound together by myths and iconographies of social cohesion emerging from early nationalism.¹⁴ Meanwhile, the public sphere was managed increasingly by individuals from within civil society (although the legacy of elite involvement prevailed to a large degree), and the state would become increasingly important in peoples' daily lives as institutions and activities spread across political, economic and social areas.

In light of these developments, *the state can be viewed as a historical process of conflicts over the creation and transformation of rights and obligations, and over the institutions that impose them*. In different countries across the world, above all in the West, economic and social development from the 17th century onwards reflected the great diversity of this conflict-ridden process. The majority of states in the developing world, meanwhile, are fragmented. The formation of the state in these cases has been distinct, and heavily influenced by the history of colonialism and imperialism. Many low-income nations are far from having achieved a full development of the state as understood in the Western world. Their states are weak, often combining failures and successes as well as legality, illegality, legitimacy and illegitimacy. For a group of unemployed youngsters dealing soft drugs in a *favela* in Rio de Janeiro, the state fails to provide education, health or proper housing conditions, but, generally, it successfully (and sometimes illegally due

¹⁴ For examples of the iconography and constructions of nationhood, see Hobsbawm, E. and Ranger, T. (eds), *The Invention of Tradition*, Cambridge, Cambridge University Press, 1983.

to human rights violations) applies the law by persecuting them. The failure of the state to provide basic services is connected in these cases with existing social relations, inherited state features and/or social tradition.

War, the state and peace-building

The role of wars in the formation of the European state, as suggested by Charles Tilly a decade ago, provided a further issue for discussion. According to Tilly, the preparation for wars helped to create robust administrative and durable state structures¹⁵, whereas the conflicts currently besetting a number of the world's weak or failed states – particularly in Africa – appear to do precisely the opposite. Close to 50 percent of countries that have experienced civil wars resume hostilities within five years of reaching peace. It is often in these contexts that stateless societies have emerged, frequently under the political and economic control of warlords, and unable to provide even minimal levels of good governance.

“Sorensen (2002) has argued that weak Third World states have often been fighting the ‘wrong kind of war’ to promote state formation. The state-creating wars analysed by Tilly in Europe were largely territorial, designed either to protect existing states against invasion by their neighbours, or to extend state control over previously autonomous areas; these were indeed two sides of the same coin. The territoriality of modern Third World states, however, is largely given; and the kind of wars that they fight – and collapsed or collapsing states, are characteristically engaged in virtually continuous wars – are internal. In such wars, the state’s armed forces are not organically linked to their populations, but are likely instead to be associated with one particular section of the population, or with the attempt to impose the control of an autocratic regime. The linkages between war and state effectiveness in such circumstances are not only lacking but reversed: war makes a strong state less rather than more likely”. Clapham, C., “The Challenge to the State in a Globalised World”, *Development and Change*, vol. 33 (5): 775-795, 2002, p. 786.

¹⁵ Akude, J., “The failure and collapse of the African state: on the example of Nigeria”, *FRIDE Comment*, September 2007.

Thus, although wars can be considered an element in the historical process of state formation, experts agreed that international peace and security currently represent essential conditions for successful state formation – and are themselves conditioned by the functioning of successful states. Indeed, international peace depends on legitimate states that respect the norms of international law.

In analysing the building of states after war, and the essential and widely contested role played by the international community in this process¹⁶, four elements were mentioned: institutions; local ownership and the domestic capacity to govern; a sustainable peace process; and institution-building as a starting point.

Post-war reconstruction policies are nevertheless beset by a major technical difficulty: the problem of coordination. In general terms, these reconstruction processes involve many agencies and organisations, with a vast variety of activities and goals – often working under the same donor government.¹⁷ In this context, the seminar participants agreed that it was crucial to draw on the doctrine of *do no harm*, as suggested by Mary Anderson¹⁸, as well as on the insights provided from the theory and practice of *peace-building*, which has been embraced by the European Union and generated extensive literature in recent years, referring above all to the construction of sustainable conditions for peace at the grassroots level. These studies of peace-building, which have made use of critical assessments of UN and other international peace missions in the Balkans, East Timor, West Africa, the Democratic Republic of Congo, Haiti and Afghanistan, tend to highlight the delicate, ongoing compromises that must be made between the many actors involved in post-conflict state formation.¹⁹

¹⁶ See, for instance, Chesterman, S., “Ownership in Theory and in Practice: Transfer of Authority in UN Statebuilding Operations”, *Journal of Intervention and Statebuilding*, 1:1, 2007, pp 3-26.

¹⁷ An assessment of recent efforts in Northern donor countries to establish “whole of government” approaches to fragile states, particularly in post-conflict countries, can be found in Patrick, S. & Brown, K. (eds), *Greater than the Sum of its Parts?*, New York, International Peace Academy, 2007.

¹⁸ Anderson, M., *Do no harm: How aid can support peace – or war*, Boulder and London, Lynne Rienner, 1999.

¹⁹ Discussions of these issues and debates can be found in: Burke, M., “Recovering from Armed Conflict: Lessons Learned and Next

At the heart of these compromises lies the search for a workable balance between three competing and often conflicting perspectives on state formation: the stabilisation agendas of international bodies, the history and traditions underlying political organisation in a given territory, and the urgent need to transform perceptions of peace and conflict (and thus traditional power distribution) at the local level so as to prevent a relapse into conflict. A certain trade-off between these objectives is virtually inevitable, and debate between academic experts and international practitioners over the priorities of international interventions and the relative merits of international protectorates, transitional administrations, local ownership and democracy, budgetary control, community-oriented peace-building and toleration of local power-brokers has been intense and fruitful (*see chapter three*).

Whatever the final result, these compromises should neutralise the notion that *one size fits all*; state building must be considered a unique process related to the history of the nation and the region.²⁰ These processes are highly political, and prone to generate conflicts and tensions, yet stable governments should be domestically legitimated and outsiders cautious about intervening in these power struggles. It was suggested that international actors tend to induce more uncertainty and insecurity, especially in the immediate post-war scenario. For instance, UN mandates are generally established for six months, helping to create a high degree of uncertainty about whether peace-keepers will remain or not.

Conclusion

Overall, the experts emphasised the historical character of the state, which has in turn led to the

emergence of different ideas and forms of statehood. Many participants pointed out that the Weberian, Western model of the state is not hegemonic. State formation is a long, historical process, influenced by domestic, regional and international factors that make each resulting public authority and set of institutions unique.²¹ Thus, the domestic political roots of state building are essential to the legitimacy of national authority structures, whereas the role of the international community seems to be limited, and in some cases harmful. The debate placed politics at the heart of the matter, emphasising that the building of capacity is not a merely technical problem.

SUMMARY ON HISTORY AND GOVERNANCE

- The state is a historical formation.
- Throughout the process of formation the state faces different types of crisis:
 1. Crisis of legitimacy
 2. Crisis of capacity
 3. Crisis of identity
 4. Crisis of purpose
- The state is a dynamic and complex institution.
- Building the state is a political process.
- There are different ideas of the state.
- The Weberian state is not hegemonic.
- The impact of globalisation on the state depends on the capacity of the state to face new challenges.
- Wars have played a crucial role in building the state, but their role appears now to have changed.
- Particular attention must be paid to local ownership of the state construction process in post-conflict situations, as well as to the needs of grassroots peacebuilding.

Steps for Improved International Assistance", *FRIDE Working Paper 22*, 2006; Paris, R. & Sisk, T. D., "Managing Contradictions: The Inherent Dilemmas of Postwar Statebuilding", *International Peace Academy Policy Paper*, 2007; Ramsbotham, O., Woodhouse, T. & Miall H., *Contemporary Conflict Resolution*, Cambridge, Polity Press, 2005, chapters 8 & 9.

²⁰ Woodward, S., Doornbos, M. and Roque, S., "Failing States or Failed States? The Role of Development Models: Collected Works", *FRIDE Working Paper 19*, 2006; Chataigner, J. M. and Ouarzazi, L., "Fragile States and the New International Disorder", *FRIDE Comment*, 2007.

The state in the global economy

A second key area of debate at the seminar focused on the state and the global economy. Globalisation affects the economy, finance, politics and civil societies at the domestic and regional level.²² While the Cold War order had a clear logic, based around an international system of states dominated and controlled by two superpowers, the end of the Cold War heralded a new spirit of idealism and optimism anchored in the notion of a New World Order. With the disappearance of major ideological conflict, there was some hope that the New World Order would be dominated by international cooperation and more ethical approaches to global problems. The pessimists, on the other hand, argued that a new chaos would reign, marked by the emergence of new types of challenges such as inter-ethnic conflict, increasing drug-trafficking, globalised and more sophisticated crime networks, and international terrorism.

The nation state's greatest challenge, meanwhile, appeared to come from economic globalisation. While globalisation and economic interdependence could be considered a source of international peace and stability, obliging domestic polities to cooperate at the international level²³, capital movements could also be

²¹ The point is well made by Fukuyama, F., *State-Building: Governance and World Order in the 21st Century*, Ithaca, Cornell University Press, 2004.

²² The bibliography on globalisation is extensive. For an analysis of the Cold War, Post-Cold War orders, and globalisation see Amin, S., *Capitalism in the Age of Globalisation*, London, Zed Books, 1997; Brenner, R., "The Economics of Global Turbulence: A Special Report on the World Economy 1950-1998", *New Left Review*, 229, 1998, pp. 1-265; Cox, R. and Sinclair, T., *Approaches to World Order*, Cambridge, Cambridge University Press, 1996; Fukuyama, F., *The End of History and the Last Man*, New York, Free Press, 1992; Held, D. and McGrew, A., "The End of the Old Order? Globalisation and the Prospects for World Order", *Review of International Studies*, 24, 1998, pp. 219-243; Huntington, S., *The Clash of Civilisations and the Remaking of World Order*, London, Simon and Schuster, 1997; Keohane, R. and Nye, J., "Globalisation: What's New? What's Not? (And So What?)", *Foreign Policy*, 118, 2000, pp. 104-125; Thompson, G. and Hirst, P., *Globalisation in Question*, London, Polity Press, 1996.

²³ See Gat A., *War in Human Civilization*, Oxford, OUP, 2006, ch. 16, for an interesting discussion of the "democratic peace" thesis.

regarded as the basis for a new era of dominance by international capital, undermining these same political authorities. A combination of these contrasting dynamics seems best suited to understanding the logic of the new international state system.

Globalisation is not a technological trend, but an ideological stance adopted by Western states. The seminar participants concurred that the nation state has not so much been undermined as transformed, with its main objective now being to facilitate the adjustment of domestic actors to the new global economic order.²⁴ Economic globalisation has been, in many ways, led and shaped by nation states²⁵, and the dominant Western states have become yet more influential due to the need to create and defend international legal frameworks and open up new markets and new opportunities in a highly competitive world. Thus, the power of the nation state has been transformed in two ways: first among nation states, and second between the nation state and the market. These processes established a logic of development and opportunities that is highly selective, since not all states are prepared to sign up to the new liberal framework or take advantage of new opportunities, even if recent years have brought surprisingly stable and high growth levels throughout the developing world (largely as a result of high commodity prices and the booms in India and China).²⁶ It is this post-Cold War context that has given rise to a novel combination of failing states and emerging regional powers, governed by unmistakably strong states.

Undoubtedly one of the key features of the globalised world is the United States' hegemony. Since September

²⁴ Stubbs, R. and Eaton, S., "State Responses to Globalisation", in Stubbs, R. and Underhill, G. (eds), *Political Economy and the Changing Global Order*, Oxford, Oxford University Press, 2006, pp 371-375.

²⁵ Sassen, S., *Territory, Authority, Rights. From Medieval to Global Assemblages*, Princeton, Princeton University Press, 2006. See also Burnham, P., "New Labour and the politics of depoliticisation", *British Journal of Politics and International Relations*, vol. 3 (2), 2001, pp: 127-149, for a fascinating account of how the British government of Tony Blair managed to strengthen its political autonomy by references to the impact of globalisation.

²⁶ See: "Emerging markets 'will help ease global downturn'", *Financial Times*, 9/1/2008; "Los países emergentes crecen el triple que los avanzados en 2007", *El País*, 2/1/2008.

11, the world has been divided between the United States, its allies and a group of “rogue states” and networks of international terrorism. In this context, the ethic of international cooperation and economic interdependence that emerged after the collapse of the Berlin Wall has been challenged by a geo-strategy that is closer to that of the Cold War. A further key feature of the new system is the role of culture as one of the defining transnational dynamics of the post-Cold War system, enhancing the power of traditions, identities and religion – even as they are unmoored from their origins in particular territorial contexts. Finally, democracy has also become a key feature, with a wave of democratisation between 1974 and the 1990s.

Therefore, from the 1970s onwards the nation-state has been influenced by the globalisation of the economy, the transformation of domestic politics and the spread of liberal democracy. At the national level, these processes were translated into economic liberalisation, driven by the “Washington Consensus” or structural adjustment programmes, and the transition from authoritarian government to democratic regimes. As experts pointed out during the seminar, this agenda was dictated mainly by Western states and international financial institutions such as the World Bank and the International Monetary Fund, both of which are dominated by Western interests.

Seizing opportunities: capacity and democracy

The world has thus become smaller, more diverse and more democratic. On this basis, the seminar debated the capacity of the state to deal, at the domestic level, with the opportunities provided by economic globalisation, with discussion focusing on how to help states strengthen this capacity. The communications revolution, the re-emergence of identities and traditions, and the spread of democracy could in principle be used at the domestic level to improve these state capacities. The issue of development and its relation with statehood was also central to the discussion: the state should be able to implement a

national development programme, and take advantage of development opportunities, in a fashion not unlike that of the export-oriented East Asian tigers.²⁷ In such cases, the role of the international community is seen as crucial, especially that of big donors and regional blocs. The experts highlighted that aid should be directed towards increasing the economic capacity of the state, building up or improving the tax system, punishing corruption and promoting regional integration. Thus, there was general agreement amongst the panellists that the state has not necessarily lost its authority. There has been a weakening of some state structures, and a more prominent role of the market as generator of economic wealth.²⁸ However, the state retains a paramount role in sustaining the legal framework needed for the market to flourish.

Dimensions of economic globalisation and its impact on the nation state

- The communications revolution cutting across state and other boundaries
- The push towards market liberalisation and deregulation
- Re-ordering of global manufacturing and service industries
- Structural adjustment
- Decentralisation
- State restructuring
- Supra-national policy-making institutions

Doornbos, M., *Global Forces and State Restructuring. Dynamics of State Formation and Collapse*, New York: Palgrave Macmillan, 2006, p. 32.

Capacity-building processes hence become the key issue. The need to coordinate programmes and strategies was considered by the experts to be central to sustainable development. While the role of international actors such as the European Union was highlighted, the role of regional institutions was

²⁷ Kohli, A., *State-Directed Development*, Cambridge, Cambridge University Press, 2004.

²⁸ Strange, S., *The Retreat of the State*, Cambridge, Cambridge University Press, 1996.

identified as key to the success of development strategies, especially in the African context. However, African regional organisations have not yet developed adequate mechanisms for conflict mediation and intervention, signalling a continuing lack of capacity at the regional level.

The problem of linkages was also discussed, with particular reference to the relationship between economic and political liberalisation. The classical question over whether democracy is a necessary condition for sustainable economic development was mooted, with experts agreeing it is somewhat naïve to believe that democracy can take root in developing countries as a result of international help, promotion policies or imposition. Analyses of development in post-colonial and low-income countries since 1945 also suggest it is naïve to believe democracy will promote growth.²⁹

In the context of the seminar, the question was whether the state can build its capacity to face the challenges of globalisation without democracy: must a state be democratic to build the economic capacity needed to take advantage of globalisation? Or is democracy not a necessary condition? The discussion thus concentrated on the structural dynamics of the state. It is difficult to think that a state characterised by predatory practices, patrimonial rule or cronyism could evolve into an institution able to integrate itself in the global economy for the benefit of all its citizens.³⁰ In order to be able to build this type of capacity, the state must first have a significant degree of autonomy from sector-based interests. Four tools could then be considered crucial for a state to build the necessary capacity to face globalisation: power, legitimate authority, technical competence and autonomy.³¹

The experts also discussed the now classic examples of China and India, as developed by Amartya Sen.³² Sen's discussion of the obligations that a democratic regime imposes on elected governments in confronting natural disasters as opposed to the absolute power of authoritarian regimes shows that democracy can create greater welfare opportunities, although it does not guarantee success. The response of the government to the suffering of its citizens depends on the pressure they can put on the government via the exercise of their political rights. The challenge is to make democracy work for ordinary people.

More recently, the idea of *traps* has emerged as a means to understand the obstacles faced by certain low-income countries in their bid to overcome poverty. The economist Paul Collier has suggested four traps in which the poor countries are caught: armed conflict, dependence on natural resource exploitation, poor governance, and geographic isolation from development markets.³³ Other experts such as Jeffrey Sachs have argued that the traps are poor nutrition, debilitating disease, terrible infrastructure and high fertility.³⁴ These analyses show the extreme difficulties that poor countries face, ranging from urgent humanitarian problems to deep structural deficiencies.

Meanwhile, in regions marked by high poverty rates and weak state structures – and which are often caught within these development traps – conditions can be ideal for alternative forms of enrichment. International organised crime networks, whose outlets tend to be in the developed world, have flourished in recent years in regions such as West Africa and Central America, both of which are ideal for transshipment (especially of drugs) and whose state institutions can easily be corrupted. The concern in these areas now focuses on the creation of a breed of “captive states”.³⁵

²⁹ See Leftwich, A. (ed.), *Democracy and Development*, Cambridge, Polity Press, 1996.

³⁰ See Akude, J., “The failure and collapse of the African state: on the example of Nigeria”, *FRIDE Comment*, 2007.

³¹ Leftwich, A. (ed.), *op. cit.*, p. 286.

³² Sen, A., *Development as freedom*, Oxford, Oxford University Press, 1999.

³³ Collier, P., *The Bottom Billion*, Oxford, Oxford University Press, 2007.

³⁴ Sachs, J., *The End of Poverty: Economic Possibilities for Our Time*, Penguin, 2005.

³⁵ Briscoe, I., “Crime and Drugs in Fragile States”, *FRIDE Comment*, 2007.

Conclusion

The reality for developing countries is extremely complex. The debate on democracy and economic development is open. If one of the conclusions of the first section was that the state is formed historically through a long, dynamic and complex process, the debate on economics shows that the state, although still powerful, has been transformed, and that poverty remains the main obstacle to and influence on the process of state formation (even if growth in the developing world has been startling in recent years). Indeed, the formation of the state in a context of poverty, armed conflict, organised crime, poor infrastructure and isolation increases the chances of endless power struggles. States and governments in developing countries face many challenges in the pre- and post- globalisation era. To build the state from the economy requires as a precondition legal institutions that are able to direct the growth process, and enhance the state's legitimacy from a fiscal perspective. The process of state formation is a complex road, involving a combination of economic and political power struggles. Poverty and globalisation remain the biggest threats and challenges.

SUMMARY ON THE STATE IN THE GLOBAL ECONOMY

- Globalisation is not a technological trend but an ideological stance adopted by Western states.
- The nation state has not been undermined, but its power and functions have been transformed. Emerging powers have arisen, as have failing states.
- The state's main objective is to facilitate the adaptation of domestic actors to the new global economic order.
- The internal political dynamics and poverty of certain states makes it extremely hard for them to take advantage of global economic opportunities.
- Democracy is no guarantee of growth; building state capacity is essential.

Challenges for the international community

The third part of the debate looked at the role of the international community, specifically international donors, in helping states in crisis. One of the main issues that emerged during the debate was again related to democracy, with particular concern expressed over the imposition of democracy by force in the cases of Iraq and Afghanistan.³⁶ Meanwhile, Haiti stood out in the debate as one of the failed states now being aided by the international community.³⁷ The overriding concern expressed by the experts was the extent to which a failed state's institutions can be repaired and strengthened *only* with international aid. Somalia and the Democratic Republic of Congo were presented as further examples, with a detailed analysis of the role of the European Union in the region.

The European dilemma was described in terms of the need to combine short and long-term policies, and also to have realistic expectations about what can be done and what can be expected from international aid, democracy promotion and humanitarian relief. The factors that create state fragility are diverse and manifest in different forms³⁸, making the prioritisation, coordination and coherence of strategies and objectives crucial to eventual success. This is underlined by the fact that the fragile state agenda is extremely diverse, and actors working on this agenda need to work simultaneously on humanitarian aid, peacekeeping and peace-building, disarmament and demobilisation, post-conflict reconstruction, arms proliferation, anti-terrorist

³⁶ See Suhrke, A., "Democratisation of a dependent state: the case of Afghanistan", *FRIDE Working Paper 51*, 2008.

³⁷ Gauthier, A. & Bonin, P., "The Voices of the Actors: Research Project and Recommendations for the Mandate of the Stabilisation Mission in Haiti", *FRIDE Working Paper 52*, 2008.

³⁸ See Vallings, C. & Moreno-Torres, M., "Drivers of Fragility: What Makes States Fragile?", *PRDE Working Paper 7*, London, DFID, 2005, for a concise account of the principal factors underlying fragility.

activities, combating organised crime, alleviating poverty, reinforcing state institutions and promoting good governance and service delivery, while also containing diseases such as HIV/AIDS, and addressing trade and economic issues, etc.

It was argued that in practice there is no rigid separation between humanitarian, development and security-related issues, as there is no rigid separation between conflict and post-conflicts phases. However, many donors have rigid mandates and fixed programmes that ignore the need to adapt to multiple demands.

Donors' dilemmas

- Addressing short *and* long term needs
- Immediate results *versus* sustainability
- Disengagement *versus* pro-active engagement
- Donors' capacity *versus* political will
- Combining democratisation *with* peace-building
- Promoting reforms *versus* ensuring stability
- With whom to work? Alignment *versus* direct actions
- Combining national *with* regional and sub-national approaches
- Linking security *and* development

Source: Faria, F. and Maghalaes Ferreira, P., *An adequate EU Response Strategy to address situations of fragility and difficult environments, Study for the Portuguese Presidency of the EU*, European Centre for Development Policy Management and Instituto de Estudos Estrategicos e Internacionais, 2007.

These dilemmas are challenges that most international donors face. It is clear, for instance, that quick solutions and palliatives will not solve structural problems, but many times in the field donors need to address urgent needs with quick and efficient solutions. One of these challenges is to find the "right timing and sequencing of reforms that can contribute to state-building without fuelling social and political tensions".³⁹

³⁹ See Faria, F. and Maghalaes Ferreira, P., "An adequate EU Response Strategy to address situations of fragility and difficult environments, Study for the Portuguese Presidency of the EU", European Centre for Development Policy Management and Instituto de Estudos Estrategicos e Internacionais, 2007.

Living without the state

Many urgent questions were posed in this debate: if the Weberian state is not a universal phenomenon, how can experts and practitioners begin to understand different models of the state? Can the international community work without national states? Is the international community truly helping to build any states?

A variety of examples was offered as a means to explore the new relationships between fragile states and the international community. As regards Africa, the experts agreed that for any nation state to be able to cope with the challenges of globalisation, it must first be considered legitimate. Many African states, however, have to face domestic threats to their legitimacy such as poor economic performance, external debt crises, food deficits, the HIV/AIDS pandemic, corruption, bad governance, military intervention, warlord insurgency, state fragmentation, civil wars and low intensity local conflicts. Their capacity to deal with the challenges imposed by globalisation is thus limited, although there are examples of relative success such as Tanzania and Zambia, which have both been able to avoid extreme political violence and hold free and fair democratic elections.

However, a large number of African states face situations of extreme fragility. Three categories of fragile states were presented: conflict-prone, war-torn and post-conflict societies. Examples of conflict-prone societies include Zimbabwe, Cameroon and Nigeria; of war-torn countries, Somalia, The Democratic Republic of Congo, Liberia under Charles Taylor and Sudan; and of post-conflict countries, Liberia, Sierra Leone, Angola, Côte d'Ivoire and Burundi.⁴⁰ It was argued that rebuilding the state is a huge challenge in these countries, and is primarily a domestic task. The case for African solutions to African problems was made, with the argument that this should not be an idealistic approach but a strategy to increase the capacity of

⁴⁰ Aguirre, M. & Sogge, D., "Crisis of the State and Civil Domains in Africa", *FRIDE Working Paper 30*, 2006; Sogge, D., "Angola: Global Good Governance Also Needed", *FRIDE Working Paper 23*, 2006; Doornbos, M., "Transition and Legitimacy in African States: The Cases of Somalia and Uganda", *FRIDE Working Paper 17*, 2005.

African states and regional bodies to build and rebuild social organisations in these societies.⁴¹ Domestically, the establishment of a working tax system was seen as a crucial condition for the building of the state, its capacity and its legitimacy.

It was also argued that while certain states are not innovating to increase their capacity, there is innovation on the part of non-state actors. The problem with innovation and increasing capacity is that weak states - either fragile states in Africa or Latin American states that combine elements of weakness and strength - are unsuccessful because these states have little to offer their citizens. They do not offer good, efficient, reliable public services, nor security or a supportive environment for business activities. Thus, it is difficult to gain citizens' support or increase their legitimacy. In this context of generalised poverty, non-state actors are becoming very relevant.

NGOs have been replacing the state for decades, providing health, education and housing for many deprived communities in developing countries. While the good work of these organisations must not be ignored, there is also a risk that the state may be bypassed or effectively replaced, for a variety of reasons: governments do not see the need to build the capacities of the state to provide public services; the services provided by NGOs or the private sector are regarded as better; rights becomes needs, and development is considered a technical rather than a political process.⁴²

The limits of democracy

The experts agreed that international donors find it very difficult to work with organisations other than the state. However, it was argued that the state is not always the solution, and that incapable, incompetent and unwilling states must be carefully assessed and differentiated

⁴¹ See: Omeje, K., "Human Security: a Focus on Africa", *African Renaissance*, vol. 2 (6), 2005, pp: 97-104.

⁴² See: Tedesco, L., "NGOs and the retreat of the state: the hidden dangers", in Buxton, J. and Phillips, N. (eds), *Developments in Latin American Political Economy: States, Markets and Actors*, Manchester, Manchester University Press, 1999.

before appropriate alternative modalities of aid are chosen. As discussed in the last section, democracy is considered a significant advance, but is not a panacea for political and socio-economic problems. In extreme cases, the return to democracy can exacerbate existing tensions and destabilise the state.

Democracy has been defined as organised uncertainty, which "can mean that actors do not know what can happen, that they know what is possible but not what is likely, or that they know what is possible and likely but not what will happen".⁴³ While theoretically this assumption would appear to be valid, the seminar participants stressed that in practice this structural uncertainty is not so evident in most of the developing world since a small proportion of the population has its interests protected while the majority has not. The reasons for this lie in the weak institutions of democratic states that have emerged from transitions, and which have proved ill-equipped to manage and resolve social conflicts and gross inequalities while maintaining a democratic political environment.⁴⁴ Where these inequalities are explicitly targeted, as in Venezuela under Hugo Chávez, formal democratic institutions have tended to be undermined.

One of the main weaknesses of the state has been its inability to establish *equality before the law*.⁴⁵ Crucially, Przeworski notes that "the decisive step toward democracy is the devolution of power from a group of people to a set of rules".⁴⁶ This has not happened in developing countries, where it seems that a proportion of the population is still beyond the rules due to widespread corruption, the implicit acceptance of tax evasion or capital flight, and the use and abuse of

⁴³ Przeworski, A., *Democracy and the Market*, Cambridge University Press, 1991, p. 14.

⁴⁴ See Grugel, J., "State and Business in Neo-Liberal Democracies in Latin America", Smith, H. (ed), *Democracy and International Relations*, London, Macmillan, 2000, pp. 108-26.

⁴⁵ Joe Foweraker and Roman Krznaric undertook an analysis of the new democracies and identified a lack of civil and minority rights, due to the ongoing dominance of oligarchic power and patronage. "The Uneven Performance of Third Wave Democracies: Electoral Politics and the Imperfect Rule of Law in Latin America", *Latin American Politics and Society*, 44, 3, 1999, pp.29-60.

⁴⁶ Przeworski, A., *Democracy and the Market*, Cambridge University Press, 1991, p. 14.

contacts with, for instance, the political class or high-ranking state employees. The uncertainties embedded in democracy can be reinforced, and the structural dependence on capital corrected⁴⁷, by the implementation of rules and the creation of institutions, since these give opposition political forces the possibility of achieving their objectives even if, in the short-run, they have to deal with unfavourable situations or outcomes. Defeats can be accepted if the institutional framework allows for potential future success.⁴⁸ However, the state institutions that have thus far emerged in the developing world do not provide this balance between defeats and successes, since they have failed to establish equality before the law for all citizens, and also because horizontal accountability is weak.⁴⁹

New threats and challenges

In addition, it was argued that new political forces (often with transnational origins) and international interventions in a number of fragile states have enhanced the support and legitimacy of non-state actors – and are thus posing new challenges to the international state-building agenda. Three examples were given to illustrate this point:

- Islamist movements are proposing not just an alternative government ideology, but a different, more legitimate model of the state. They offer an image of a virtuous state based on the principles of Islam that is radically different from the corrupt, ineffective states of today. In response, several states, such as Egypt and Morocco, have sought to co-opt the Islamist impulse, with uncertain results over the long-term.

⁴⁷ Przeworski, A. and Wallerstein, I., "Structural Dependence of the State on Capital", *American Political Science Review*, 88, 1988, pp. 11-31.

⁴⁸ Przeworski, A., *Democracy and the Market*, Cambridge University Press, 1991, p. 19.

⁴⁹ Horizontal accountability refers "to the capacity of state institutions to check abuses by other public agencies and branches of government". It complements vertical accountability, "through which citizens, mass media and civil associations seek to enforce standards of good conduct on public officials". See: Schedler, A. Diamond, L. and Plattner, M. (eds), *The Self-Restraining State*, Boulder and London, Lynne Rienner, p.3 and O'Donnell, G. "Horizontal Accountability in New Democracies" in Schedler, A. Diamond, L. and Plattner, M., (eds), *The Self-Restraining State*, Boulder and London, Lynne Rienner, 1999, pp.29-53.

- International aid donors are both building and undermining the state in Afghanistan. The Afghan state is weak with an extremely low capacity to administer or to deliver services. In this context, international donors channel most of their aid through international NGOs that in turn work with local NGOs, tribe leaders and local communities. The central government complains that this is undermining the power and the capacity of the Afghan state. There is, thus, a paradoxical situation in which international aid donors are trying to build up a legitimate Afghan state while, at the same time, they are undermining the state.⁵⁰ There is no easy solution to this problem, and in some cases cooperation between the government and NGOs is minimal or non-existent, making the prospects of working together even more remote.
- Iraq is currently the most extreme case of a foreign intervention that undermines the domestic state. After the occupation in 2003, the United States tried to establish new institutions for the Iraqi state by entrenching the democratic process while, at the same time, introducing the principle of sectarian representation in all institutions. The US reliance on tribal militias to fight insurgents in the Sunni regions has also created parallel institutions in those areas. Indeed, tribal leaders are fighting the insurgents but at the same time becoming warlords. The use of private security companies, meanwhile, weakens Iraq's security forces. Thus, the attempt to combat the insurgency, which neither the United States nor the weak Iraqi state could control, has further weakened the state.

These examples clearly show the complexities of building a democratic state or increasing the capacity of an existing state to cope with global forces and domestic challenges. Haiti, meanwhile, was raised as an example of a country where state institutions have come close to total collapse at the end of a post-colonial history marked by military rule, dictatorship and the spread of organised criminal networks.

⁵⁰ This issue is discussed at length by Suhrke, A., "When More is Less: Aiding State-building in Afghanistan", *FRIDE Working Paper 26*, 2006; and Suhrke, A., 2008, op. cit.

From 1993 to 2007, Haiti hosted seven UN missions; the largest of these, MINUSTAH, has been in operation since 2004.⁵¹ There is stability in the sense that there have not been any coups, and security conditions in poor urban areas have improved. However, Haiti exhibits some of the problems faced by international interventions in circumstances of extreme institutional degradation, economic informality and civil breakdown. In particular, the task of coordinating the strategies and objectives of domestic and international actors has proved particularly demanding.

Thus, the new challenges faced by the state in the context of globalisation – particularly in the developing world – include the internationalisation of the agenda of state-building, and the rise of new, often transnational social and political movements with strong capacities for mobilisation. In the first case, the promise of greater aid and technical assistance is frequently bedevilled by the undermining of local political processes, and the spawning of new political players in the form of warlords, criminal networks and insurgent leaders; achieving the right balance between foreign intervention and domestic control in missions to countries such as Afghanistan and Haiti is a conundrum that is not likely to disappear soon.⁵²

Secondly, the rise of new transnational social and political movements empowered by communications technologies, migratory flows and globalised belief systems has in the most extreme case – that of the Al Qaeda terrorist network – become synonymous with an assault on Western values, including that of democracy and the liberal state. Debate continues on how best to adapt to this Islamist terrorist threat⁵³, and it was argued at the seminar that India provides an interesting example of a state which remains strong and democratic even if the number of strident identity-based political movements (including those based on ethnicity, religion, language and caste) have multiplied

since independence. An estimated 15 insurgencies are currently underway in the country, yet the architecture of the state and the political culture of India have ensured that none of them represent a threat to the integrity of the central state.

A further transnational danger to statehood can be found in international crime networks, which tend to be attracted to poor, weak and easily corruptible states that are close to financial centres and regions of the developed world. Meanwhile, transnational social movements, notably global NGOs, have also grown in power since the end of the Cold War. While they have so far proved unable to help build state capacities, they have been successful in influencing the national and international agenda, denouncing human rights violations, denouncing the consequences of globalisation and climate change, and putting pressure on the most powerful actors rather than merely pressuring developing countries to implement changes to cope with the global situation.

Conclusion

The experts agreed that the Weberian model of the state can no longer be considered hegemonic, yet the question that arose at the very beginning of the seminar – *can we accept the idea that some areas of the world are not going to have a state as we know it?* – remained open. The continuity of the state, the endless formation of the state and the transformation of the state open the door to many forms of statehood. This diversity does not mean that the state is near to its end. On the contrary, it reinforces the state's role as a key organisation in society, and one that has the ability to take many different forms.

⁵¹ Gauthier, A. & Bonin, P., 2008, op. cit.

⁵² Woodward, S., "Fragile States: Exploring the Concept", *FRIDE Comment*, 2006.

⁵³ Manikkalingam, R. & Policzer, P., "Al Qaeda, Armed Groups and the Paradox of Engagement", paper presented to seminar on non-state groups, Harvard University, 2007.

SUMMARY ON CHALLENGES FOR THE INTERNATIONAL COMMUNITY

- Competing priorities and different circumstances (donors' dilemmas) makes state-building one of the international community's most onerous tasks.
- The legitimacy crisis in low-income fragile states is acute.
- Regional institutions in the developing world can help build capacity at the domestic and at the regional level.
- New actors – international donors, peace-keeping missions and NGOs - aim to help the state, but often serve to undermine it.
- New social and ideological movements promise to relegitimate the state, through moral rule (Islamism) or through redistribution (the radical left in Latin America), but their impact on democracy and liberal rights is ambiguous. Organised crime, meanwhile, seeks out weak states to work in.
- The state, however, remains in place, and shows an ability to survive and renew itself in unpromising circumstances.

problems of fragmented states even though it has often come into existence in the form of a pact with established oligarchic powers. However, the state and democracy, as two dynamic historical and political processes, are constantly evolving and adapting to challenges, even as alternative sources of political authority arise and pose threats to the integrity and very existence of the state.

The main ideas discussed during the seminar can be summarised as follows:

1. Globalisation has had a profound impact on the development of the state and processes of state formation.
2. While some states have been the driving force behind globalisation, others had to adapt their economic structures to the new conditions.
3. Each state has faced these challenges according to its capacity.
4. The state as a historical, dynamic organisation must face different crises throughout its process of formation.
5. The resolution of these crises is primarily a political, domestic task.
6. The good governance agenda entails problems and difficulties in its implementation, while "good enough governance" offers a more flexible approach to building state capacity.
7. There are different ideas of the state. The Weberian model is not hegemonic.
8. There are parts of the world which are not organised as states. Is it possible for the international community to accept this new reality? Globalisation, making the world smaller, has highlighted the diversity of the world.
9. The process of building a state and its capacity should be governed by the principle of *do no harm*, and incorporate processes of peace-building.
10. The building of state capacity is primarily a domestic, political task.
11. The coordination of strategies is key to achieving any degree of success. Priorities, coordination and coherence are crucial for the actions of international donors and the international community.

Concluding remarks

The state is under pressure. Globalisation has meant that the state must reformulate its domestic political life and economic controls so as to help it become integrated into the international system. Obligations incurred via international treaties mean it must also establish policies on economic development, environmental protection, human rights, the resolution of refugee crises, the fight against drugs, and the struggle against terrorism. Thus states need to engage with international and transnational actors, central governments, and a wide range of domestic, economic and social actors.⁵⁴ Democracy is also under pressure, since it is expected to solve the economic and political

⁵⁴ See Hurrell, A., *On Global Order*, Oxford, Oxford University Press, 2007, p. 292.

12. There are many dilemmas for international actors and NGOs, such as how to build the state without undermining it.
13. Democracy in the developing world has often been synonymous with structural inequalities. New political challengers in the developing world promise to re-legitimize, transform or destroy weak states.
14. All development actors must understand the uniqueness of each state, its history, its economic and political structure, its social formation and its legal form.

Bibliography

- Aguirre, M. & Sogge, D., "Crisis of the State and Civil Domains in Africa", *FRIDE Working Paper 30*, 2006.
- Akude, J., "The failure and collapse of the African state: on the example of Nigeria", *FRIDE Comment*, September 2007.
- Amin, S., *Capitalism in the Age of Globalisation*, London, Zed Books, 1997.
- Anderson, B., *Imagined Communities: Reflections on the Origins and Spread of Nationalism*, London, Verso, 1983.
- Anderson, M., *Do no harm: How aid can support peace – or war*, Boulder and London, Lynne Rienner, 1999.
- Brenner, R., "The Economics of Global Turbulence: A Special Report on the World Economy 1950-1998", *New Left Review*, 229, 1998, pp. 1-265.
- Briscoe, I., "Crime and Drugs in Fragile States", *FRIDE Comment*, 2007.
- Burnham, P., "New Labour and the politics of depoliticisation", *British Journal of Politics and International Relations*, vol. 3 (2), 2001, pp: 127-149.
- Burke, M., "Recovering from Armed Conflict: Lessons Learned and Next Steps for Improved International Assistance", *FRIDE Working Paper 22*, 2006.
- Buxton, J. and Phillips, N. (eds), *Developments in Latin American Political Economy: States, Markets and Actors*, Manchester: Manchester University Press, 1999.
- Chataigner, J. M. and Ouarzazi, L., "Fragile States and the New International Disorder", *FRIDE Comment*, 2007.
- Chesterman, S., "Ownership in Theory and Practice: Transfer of Authority in UN Statebuilding Operations", *Journal of Intervention and Statebuilding*, vol. 1: 1, 2007, pp 3.-26.
- Clapham, C., "The Challenge to the State in a Globalised World", *Development and Change*, vol. 33 (5): 775-795, 2002.
- Clemens, M., "Smart Samaritans", *Foreign Affairs*, September-October 2007.
- Collier, P., *The Bottom Billion*, Oxford, Oxford University Press, 2007.
- Cox, R. and Sinclair, T., *Approaches to World Order*, Cambridge, Cambridge University Press, 1996.
- Doornbos, M., "Transition and Legitimacy in African States: The Cases of Somalia and Uganda", *FRIDE Working Paper 17*, 2005.
- Doornbos, M., *Global Forces and State Restructuring. Dynamics of State Formation and Collapse*, New York, Palgrave Macmillan, 2006.
- Faria, F. and Maghalaes Ferreira, P., *An adequate EU Response Strategy to address situations of fragility and difficult environments, Study for the Portuguese Presidency of the EU*, European Centre for Development Policy Management and Instituto de Estudos Estrategicos e Internacionais, 2007.
- Foweraker, J. and Krznaric, R., "The Uneven Performance of Third Wave Democracies: Electoral Politics and the Imperfect Rule of Law in Latin America", *Latin American Politics and Society*, 44, 3, 1999.
- Fukuyama, F., *The End of History and the Last Man*, New York, Free Press, 1992.
- Fukuyama, F., *State-Building: Governance and World Order in the 21st Century*, Ithaca, Cornell University Press, 2004.

- Gat, A., *War in Human Civilization*, Oxford, Oxford University Press, 2006.
- Gauthier, A. & Bonin, P., "The Voices of the Actors: Research Project and Recommendations for the Mandate of the Stabilisation Mission in Haiti", *FRIDE Working Paper 52*, Madrid, 2008.
- Grindle, M., "Good Enough Governance: Poverty Reduction and Reform in Developing Countries", *Governance: An International Journal of Policy, Administration and Institutions*, vol. 17 (4): 525-548, 2004.
- Grindle, M., "Good Enough Governance Revisited", *Development Policy Review*, vol. 25 (5): 553-574, 2007.
- Grugel, J., "State and Business in Neo-Liberal Democracies in Latin America", in Smith, H., *Democracy and International Relations*, London, Macmillan, 2000.
- Harding, A., "The Origins of the Concept of the State", *History of Political Thought*, 15, 1, 1994, pp.57-72.
- Held, D. and McGrew, A., "The End of the Old Order? Globalisation and the Prospects for World Order", *Review of International Studies*, 24, 1998, pp. 219-243.
- Hobsbawn, E. and Ranger, T. (eds), *The Invention of Tradition*, Cambridge, Cambridge University Press, 1983.
- Huntington, S., *The Clash of Civilisations and the Remaking of World Order*, London, Simon and Schuster, 1997.
- Hurrell, A., *On Global Order*, Oxford, Oxford University Press, 2007.
- Keohane, R. and Nye, J., "Globalisation: What's New? What's Not? (And So What?)", *Foreign Policy*, 118, 2000, pp. 104-125
- Kohli, A., *State-Directed Development*, Cambridge, Cambridge University Press, 2004.
- Leftwich, A. (ed.), *Democracy and Development*, Cambridge, Polity Press, 1996.
- Manikkalingam, R. & Policzer, P., "Al Qaeda, Armed Groups and the Paradox of Engagement", paper presented to seminar on non-state groups, Harvard University, 2007.
- O'Donnell, G., "Horizontal Accountability in New Democracies" in Schedler, A. Diamond, L. and Plattner, M. (eds), *The Self-Restraining State*, Boulder and London, Lynne Rienner, 1999, pp.29-53.
- Omeje, K., "Human Security: A focus on Africa", *African Renaissance*, vol. 2 (6), 2005, pp: 97-104.
- Paris, R. & Sisk, T. D., "Managing Contradictions: The Inherent Dilemmas of Postwar Statebuilding", *International Peace Academy Policy Paper*, 2007.
- Patrick, S. and Brown, K., *Greater than the Sum of its Parts?*, New York, International Peace Academy, 2007.
- Przeworski, A., *Democracy and the Market*, Cambridge University Press, 1991.
- Przeworski, A. and Wallerstein, I., "Structural Dependence of the State on Capital", *American Political Science Review*, 88, 1998, pp. 11-31.
- Ramsbotham, O., Woodhouse, T. & Miall H., *Contemporary Conflict Resolution*, Cambridge, Polity Press, 2005.
- Sachs, J., *The End of Poverty: Economic Possibilities for Our Time*, Penguin, 2005.
- Sassen, S., *Territory, Authority, Rights. From Medieval to Global Assemblages*, Princeton, Princeton University Press, 2006.
- Schedler, A. Diamond, L. and Plattner, M. (eds), *The Self-Restraining State*, Boulder and London, Lynne Rienner, 1999.
- Sen, A., *Development as freedom*, Oxford, Oxford University Press, 1999.
- Smith, H. (ed), *Democracy and International Relations*, London, Macmillan, 2000.
- Sogge, D., "Angola: Global Good Governance Also Needed", *FRIDE Working Paper 23*, 2006.
- Strange, S., *The Retreat of the State*, Cambridge, Cambridge University Press, 1996.
- Stubbs, Richard and Underhill, Geoffrey (eds), *Political Economy and the Changing Global Order*, Oxford University Press, Oxford, 2006, pp. 371-375.
- Suhrke, A., "When More is Less: Aiding Statebuilding in Afghanistan", *FRIDE Working Paper 26*, 2006.
- Suhrke, A., "Democratisation of a dependent state:

- the case of Afghanistan", *FRIDE Working Paper 51*, 2008.
- Tedesco, L., "The Latin American State: Failed or Evolving?", *FRIDE Working Paper 37*, 2007.
- Tedesco, L., *NGOs and the retreat of the state: the hidden dangers*, in Buxton, J. and Phillips, N. (eds), *Developments in Latin American Political Economy: States, Markets and Actors*, Manchester, Manchester University Press, 1999.
- Thompson, G. and Hirst, P., *Globalisation in Question*, London, Polity Press, 1996.
- Vallings, C. and Moreno-Torres, M., "Drivers of Fragility: What Makes States Fragile?", *PRDE Working Paper 7*, London, DFID, 2005.
- Van Creveld, M., *The Rise and Decline of the State*, Cambridge, Cambridge University Press, 1999.
- Woodward, S., "Fragile States: Exploring the Concept", *FRIDE Comment*, 2006.
- Woodward, S., Doornbos, M. and Roque, S., "Failing States or Failed States? The Role of Development Models: Collected Works", *FRIDE Working Paper 19*, 2006.
- Amélie Gauthier, FRIDE, Spain.
- Merilee Grindle, Harvard University, USA.
- May Jayyusi, Palestinian Institute for the Study of Democracy.
- Sarah John de Sousa, FRIDE, Spain.
- Ram Manikkalingam, University of Amsterdam, The Netherlands.
- Vidal Martín, FRIDE, Spain.
- Robert Matthews, FRIDE, Spain.
- Rocío Muñoz, Ministerio de Asuntos Exteriores y Cooperación, Spain.
- Kenneth Omeje, Africa Centre, University of Bradford, UK.
- Marina Ottaway, Carnegie Endowment for International Peace, USA.
- Michele Pierre-Louis, Fokal, Haiti.
- José Manuel Pureza, Universidade de Coimbra, Portugal.
- Nicole Resink, Dutch Embassy in Madrid, Spain.
- José Manuel Romero, FRIDE, Spain.
- Pierre Schori, FRIDE, Spain.
- David Sogge, Transnational Institute Amsterdam, The Netherlands.
- Laura Tedesco, FRIDE, Spain.
- Thierry Vanvert, Médicos sin Fronteras, Spain.
- Rafael Vilasanjuan, Centro Catalán de Cultura Contemporánea, Spain.
- Annette Weber, SWP, Germany.
- Susan Woodward, University of New York, USA.

List of Participants

- Mariano Aguirre, FRIDE, Spain.
- John Akude, University of Cologne, Germany.
- Ricardo Arredondo, Argentine Embassy in Madrid, Spain.
- Maria Avelló, International consultant, Spain.
- Ivan Briscoe, FRIDE, Spain.
- Luís Castelo Branco, Instituto Português de Apoio ao Desenvolvimento, Portugal.
- Jean-Marc Châtaigner, Foreign Affairs Ministry, France.
- Roy Culpeper, The North-South Institute, Canada.
- Martin Doornbos, Institute of Social Studies, The Netherlands.
- Fernanda Faria, ECDPM, The Netherlands; IEEI, Portugal.
- Juan Garrigues, FRIDE, Spain.

FRIDE

From the sovereignty pool of the European Union to the authoritarian capitalism of China and the outright collapse of Somalia, the state in the modern world has undergone extraordinary changes since the end of the Cold War. Whereas some countries have managed to profit fully from the opportunities of a fast-moving, connected globe, others have fallen by the wayside, or been swept up in the currents of organized crime, ethnic conflict and international terrorism.

Based on a seminar of over 25 international experts held in Madrid, this paper assesses the main challenges facing the state system, and in particular the dilemmas of the world's conflict-ridden and impoverished "fragile states". Is the state facing extinction in parts of Africa and Asia? Does economic globalization really eat away at the state? Is democracy a solution, or can it make matters worse? And what more could the international community do to repair damaged states?

www.fride.org