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**Between Development and Security:
The European Union, Governance
and Fragile States**

Working Paper No.153

February 2009

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National Library of Australia.
ISSN: 1037-4612



Abstract

This paper presents an analysis of recently adopted EU policies on fragile states. While the European Union has incorporated governance issues into its strategies for fragile states, its approach to governance has a highly technocratic character, with a strong emphasis on public sector reform and public finance. This approach, the paper will argue, is in stark contrast with the increasing awareness in the donor community of the political-economic dimensions of governance reforms. In particular, the EU's failure to take cognisance of the lessons formulated by the World Bank on the application of political-economy and conflict analysis is highly surprising

Introduction

Over the past five to seven years, most international aid donors have started to pay attention to so-called ‘fragile states’. Generally, the interest in state fragility was spurred by security considerations in the wake of the terrorist attacks of ‘9/11’. Fragile states came to be seen as a potential incubator of state collapse, which would result in the creation of ‘ungoverned spaces’, where crime and terrorism would develop (François and Sud 2006: 145).

Overall, the focus on fragility is part of a more general trend of ‘securitisation of development’, which is preoccupied with creating conditions for stability in the developing world. As Duffield (2001: 310) has argued, ‘stability is achieved by activities designed to reduce poverty, satisfy basic needs, strengthen economic sustainability, create representative civil institutions, protect the vulnerable and promote human rights’. The reconstruction of ‘fragile states’ is the latest witness to the securitisation of development.

The European Union has been no exception to the general trend of addressing fragile states, although it took the Union roughly four years to translate the concerns about ‘state failure’ voiced in the European Security Strategy of 2003 into a policy on fragile states (Council of the European Union 2003, 2007). The linkage of the EU’s policy on fragile states to security concerns has led to an emphasis of a wide set of policy instruments that make an explicit link among development, humanitarian, military and security aspects – sometimes referred to as a ‘whole-of-EU approach’ (European Commission 2007b: 7). Within this framework, the governance dimension is emphasised – indeed, as will be argued in section 3 of this paper, the EU defines fragile states largely in terms of weak governance structures – but the way in which the agenda regarding those fragile states is implemented has strong security overtones (cf. Youngs 2008: 435).

After having emphasised more formal and technical aspects of governance since the mid-1990s (the era of the so-called post-Washington Consensus), various international aid agencies have recently started to emphasise the need for more profoundly political or political-economic analyses of the governance situation in aid-receiving countries (cf. Hout 2009; Hydén 2006). In a report on the ‘lessons learnt’ of its involvement in ‘low income countries under stress’ (LICUS), the World Bank stressed already in 2005 the desirability of performing ‘political economy and conflict analysis’ when selecting and sequencing priorities for the rebuilding of fragile states (World Bank Operations Policy and Country Services 2005: 8). This position was reinforced by the Bank’s Independent Evaluation Group (2006: 21), which emphasised the need for ‘commissioning and consuming’ good political analysis regarding countries where the Bank is actively involved.

In those instances where the European Union has incorporated governance issues into its strategies for fragile states, its approach to governance has a highly technocratic character, with a strong emphasis on public sector reform and public finance. This approach, the paper will argue, is in stark contrast with the increasing awareness in the donor community of the political-economic dimensions of governance reforms. In particular, the EU's failure to take cognisance of the lessons formulated by the World Bank on the application of political-economy and conflict analysis is highly surprising.

This paper presents an analysis of recently adopted EU policies on fragile states. The next section gives an overview of diverging interpretations of fragile states, and discusses some general observations on policies towards fragile states. Section 3 discusses the concept of fragile states as applied in the EU context. Section 4 analyses the governance approach that has been adopted by the European Commission for use in developing countries in general, and discusses the way in which this approach is used for fragile states. Section 5 provides an analysis of several Country Strategy Papers that were drawn up for fragile states in the context of the 10th European Development Fund (2008-13), and specifically the way in which concerns regarding governance rehabilitation have been entered into these documents. The final section of the paper presents some general conclusions.

Fragile states: Definitions and Approaches

Many authors have noted that the literature on fragile states has produced a wealth of definitions of state fragility. As observed by the World Bank (World Bank Operations Policy and Country Services 2005: 1), the term fragile states has gradually replaced concepts that were applied earlier – such as difficult partnerships, countries at risk, difficult environments, failing states and low income countries under stress (LICUS) – since the adoption of the Paris Declaration on Aid Effectiveness in March 2005.

Despite the widespread use of the concept, a recent review of 'thinking and practice' concerning fragile states has noted that there is no single, 'unambiguous' definition (Cammack et al. 2006: 18). The survey argues that definitions can be grouped on the basis of a limited number of characteristics. The three types of definitions distinguished by Cammack et al. (2006: 16-8) focus on, respectively:

- *state functions*: definitions of this type understand fragile states in terms of the lack of capacity or will to perform certain functions that contribute to the security and wellbeing of a country's citizens;¹
- *state outputs*: this type of definitions sees fragile states as bringing about a host of problems, including poverty, violent conflict, terrorism, global security threats, refugees, organised crime, epidemic diseases and environmental degradation; such problems may cause difficulties in neighbouring countries or across a whole region;²
- *relationships with donors*: this category of definitions understands fragile states in terms of the difficult relationship they have with a particular donor or group of donors. These definitions imply that fragility is seen to result from 'factors that have more to do with the relationship (e.g. a particular shared history) than with the nature of the state itself' (Cammack et al. 2006: 17).

The main elements of the fragile state agenda implemented by international aid donors, according to Cammack et al. (2006: 25-6), revolve around three key objectives: the promotion of human security, basic needs and peace by providing humanitarian aid and peacebuilding; the furthering of development and improvement of governance; and the provision of global security. Underlying this variety of objectives, some commentators have argued (e.g. Van der Borgh 2008: 3), is a focus on the inadequate functioning of the state, and most remedies consequently revolve around the strengthening of government institutions.

Most policy-related definitions of fragile states can be classified in terms of one of the three categories mentioned above, as their focus is, understandably, on specific instances of state fragility that agencies wish to address. For instance, the definition applied by the OECD's Development Assistance Committee falls squarely within the first of Cammack et al.'s categories. According to the OECD/DAC, '[s]tates are fragile when state structures lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their populations' (OECD 2007: 7). The World Bank's understanding of state fragility, which is laid out into two

¹ Milliken and Krause (2002: 763) have pointed out that many of the states that gained independence after the Second World War conceptualised as 'pseudo-states' rather than real states and that 'the puzzle is not how and why they may fail, but how and why they exist or persist at all'. Their perceptive analysis leads to the conclusion that such states may never have been very effective in the performance of central state functions. Although very relevant for a thorough political understanding of the dynamics of fragile states, this line of analysis is not taken up in the current paper as its focus is on donor policies rather than political processes in recipient states.

² The World Bank (2005: 27) has estimated that countries bordering on fragile states face a reduction of their gross domestic product of 1.6 per cent per year on average as a result of the spillover of such problems.

aspects, straddles the first and second categories of Cammack et al.'s classification. The first aspect that is mentioned by the World Bank focuses on the weakness of state policies and institutions; this is felt to reduce seriously the state's capacity to deliver services, control corruption and provide sufficient voice and accountability. The second aspect concerns the increased risk of countries to experience conflict and political instability (World Bank Operations Policy and Country Services 2005: 1).

Despite the desire in policy-making circles to develop clear-cut models of state fragility and differentiate fragile from stable developing countries, several important caveats have been formulated with regard to the implementation of policies on fragile states. The OECD/DAC has pointed out that state fragility is not an either-or issue, but rather a 'spectrum found in all but the most developed and institutionalised states' (OECD 2008: 12). This notion links to a wider set of factors, most or all of which highlight the need for a political response to fragility. According to the OECD/DAC, the understanding of fragility as a range instead of a single condition leads to a focus on resilience ('the ability to cope with changes in capacity, effectiveness, or legitimacy') rather than stability as the opposite of fragility: 'Resilience, we argue, therefore derives from a combination of capacity and resources, effective institutions and legitimacy, all of which are underpinned by political processes that mediate state-society relations and expectations' (OECD 2008: 12).

The emphasis of the political nature of the response to fragile states has brought both the OECD/DAC and the World Bank to call for context-specific action. The first of the 'Principles for good international engagement in fragile states and situations', drafted in early 2005 and adopted by Development Ministers and Heads of Agencies in the OECD's Development Assistance Committee in April 2007, emphasises the need to differentiate whether problems derive from a lack of capacity, political will or legitimacy. Moreover, the principles point out that policies on fragile states need to be tailored to the dynamics of the countries concerned. In line with similar conclusions reached earlier by the World Bank (2005: 13), the OECD argued that it is crucially important to recognise whether countries are going through a phase of political transition, are in a situation of deteriorating or rather improving governance, or have become locked into a political impasse (OECD 2007: 6).

In a discussion of its experience with the LICUS framework, the World Bank argued that the implementation of institutional reform in fragile states should recognise local dynamics instead of adopting a one-size-fits-all approach:

In most fragile state contexts, developing technical suggestions for institutional reform is easy; managing the political process of reform is much more difficult. It is

therefore important that institution-building initiatives avoid purely technocratic approaches, devoting considerable attention to the process of decision-making and implementation, and to well-designed participation and widespread communication of reform initiatives. The 'fit' of institutional structures with local realities has also frequently been problematic in fragile states, due to ill-adapted colonial legacies or the imposition of inappropriate external models: remaining open to new ideas for locally-driven institutional reforms and supporting local debate and discussion on options is critical. (World Bank Operations Policy and Country Services 2005: 5)

Among a host of other observations, the 2006 review of the LICUS framework by the Bank's Independent Evaluation Group produced a set of conclusions about the need for the analysis of the political situation and the causes of conflict in fragile states. An incisive comment regarding one of the fragile states targeted by the Bank illustrates the need for internalisation of political analysis:

For example, the Interim Strategy in Papua New Guinea has a good discussion of the political system. It recognizes the problems of clan loyalties, political patronage, corruption, lack of capacity, and other factors, but the Strategy then goes on to disregard some of this vital knowledge and treat these issues as technical problems. (World Bank Independent Evaluation Group 2006: 21)

In particular, four types of political analysis seem relevant for policy-making on fragile states (World Bank Independent Evaluation Group 2006: 97). *Political risk analysis* would produce an assessment of the likelihood of future instability in a fragile state, while *structural analysis* would enhance understanding of the weakness of the state as a result of structural (for instance, ethnically or religiously based) sources of conflict. The *analysis of day-to-day politics* would lead to more insight into the distribution of power at the national, regional and local level, and would provide a clue as to whether decentralisation policies are likely to succeed or not. The *analysis of the history of reform in the country and in neighbouring countries* would contribute to an understanding of which reform policies are likely to be accepted by the population and which stand more chance of being resisted.

This section has highlighted different understandings of the nature of fragile states and agendas to address the problems associated with such states. Moreover, the section has summarised some of the lessons drawn with regard to the political aspects of the response to fragile states. On the basis of the above, it seems safe to conclude that most understandings of fragile states revolve around the (mal)functioning of the state in developing countries as a result of limited capacity, the inability of institutions to deal with social and/or political tensions or the lack of state legitimacy. Analyses of the implementation of the policies on fragile states (by, for instance, the World Bank and OECD) point at the centrality of adopting

political analyses of processes and events in developing countries in order to understand local specificities that are causing fragility.

The EU and Fragile States

The European Union has begun to place increasing emphasis on so-called ‘fragile states’ with the adoption of its ‘security strategy’, drafted by CFSP High Representative Javier Solana, in 2003 (Council of the European Union 2003). The key threats to Europe that were outlined in the strategy included ‘state failure’, which was perceived both as a threat in itself and as a possible contributing factor toward other types of threats.

The European security strategy defined state failure as a ‘key threat’, because

‘[b]ad governance – corruption, abuse of power, weak institutions and lack of accountability – and civil conflict corrode States from within. ... Collapse of the State can be associated with obvious threats, such as organised crime or terrorism. State failure is an alarming phenomenon, that undermines global governance, and adds to regional instability’. (Council of the European Union 2003: 4)

The strategy argued that various instruments should be applied by the European Union, ranging from military force to diplomatic engagement, trade relations, development aid and humanitarian assistance. In relation to developing countries, the strategy argued that ‘[s]ecurity is the first condition for development’ (Council of the European Union 2003: 13). Further to this, the ‘European Consensus on Development’, agreed by the Council, Commission and European Parliament in December 2005, called for a ‘comprehensive prevention approach to state fragility, conflict, natural disasters and other types of crises’ (European Parliament, Council and Commission 2006: 14).

In 2003, the European Commission presented a framework on governance and development that distinguished several types of relations that would later be subsumed under the label of ‘fragile states’: ‘difficult’ and ‘extremely difficult’ partnership and ‘post-conflict’ situations (European Commission 2006d: 8). Each of these relations, the Commission argued, would require different approaches. In the case of difficult partnerships, which are ‘characterised by a lack of commitment to good governance’ (European Commission 2003: 20), alternative approaches to cooperation would have to be found, including the provision of humanitarian aid, collaboration with NGOs and civil society organisations, and political initiatives at the international and regional level. In ‘extremely difficult partnerships’ the only option would be to suspend cooperation entirely (European Commission 2003: 21). Post-conflict situations, where state institutions are either non-functioning or non-existent, would

call for attempts at reconciliation between parties involved in the conflict, a process of relief, rehabilitation and development, and the provision of humanitarian aid. The aim of the approach would be to have the authorities address governance issues, which were seen to lie at the root of the conflict in many cases (European Commission 2003: 24).

The Conclusions formulated by the General Affairs and External Relations Council (GAERC) in November 2007 (Council 2007) on the basis of the Commission's Communication understood state fragility in reference to

weak or failing structures and to situations where the social contract is broken due to the State's incapacity or unwillingness to deal with its basic functions, meet its obligations and responsibilities regarding the rule of law, protection of human rights and fundamental freedoms, security and safety of its population, poverty reduction, service delivery, the transparent and equitable management of resources and access to power. (Council 2007: 2)

The Commission's Communication referred to fragility as a feature mainly of low and middle income countries that are faced with structural weaknesses of the economy, and are vulnerable to crises, external shocks, epidemics, drug trafficking, natural disasters, environmental degradation, and endangered cultural diversity (European Commission 2007d: 5). Governance deficits, however, were seen as the main cause of state fragility: 'Fragility is often triggered by governance shortcomings and failures, in form of lack of political legitimacy compounded by very limited institutional capacities linked to poverty' (European Commission 2007d: 8).

The Council Conclusions of November 2007 contained a long list of 'issues' that should be addressed in the EU's approach of preventing and responding to state fragility. Apart from general issues such as attention for democratic governance, support of state capabilities and gender equality, the list included (Council 2007: 4-6):

- the improvement of existing governance assessment tools;
- the development of early warning mechanisms on democratic governance issues, rule of law, human rights, poverty levels and conflict;
- the strengthening of the role of Country Strategy Papers (CSPs) as the preferred framework to prevent and address fragility;
- the strengthening of allocation criteria in the various aid schemes applied by the European Community for both ACP and non-ACP countries;
- the integration of democratic governance and institutional development into the so-called LRRD (Linking Relief, Rehabilitation and Development) framework;

- the use of the EU Code of Conduct on Complementarity and Division of Labour in order to channel more funds to developing countries that display signs of state fragility and that would run the risk of being excluded from development assistance (so-called ‘aid orphans’).

In order to start addressing the issue of state fragility at the level of European Community development policy, the Council requested the Commission to ‘test’ the EU response in pilot cases. Burundi, Sierra Leone, Guinea Bissau, Haiti, Timor-Leste and Afghanistan were selected as pilot countries for this purpose (European Commission 2007c).³

The EU and Governance

Governance in the Country Strategy Papers

As noted above, the European Community’s ‘response strategy’ to state fragility makes a distinction between cases of ‘extremely difficult’ and ‘difficult’ partnerships. In the former cases, there is considered to be little scope for governance-oriented strategies directed at national political authorities, and EC activities would normally be limited to: humanitarian assistance or food aid; linking relief, rehabilitation and development activities; support to civil society activities, for instance in support of human rights and governance reform; and political initiatives at the regional or international level. In the case of ‘difficult’ partnerships, the Commission envisages that governance and institutional capacity building support, along with support for human rights activities, would be feasible elements of its response strategy (European Commission 2006c: 2).

The main tool in the relationship between the European Community and partner developing countries is the Country Strategy Paper. As is the case with many international development agencies, the European Community formulates a medium-term strategy for the provision of development assistance on the basis of a country’s official national policy priorities. The latter have usually been laid down in a Poverty Reduction Strategy Paper (PRSP), required for support from World Bank and IMF. The European Commission argued that the establishment of a common framework for the formulation of CSPs ‘made a significant contribution to achieving the goal of multiannual programming and to increasing the effectiveness and quality of the EU’s external aid (European Commission 2006b: 5).

³ Apparently, these pilot countries were chosen under the Portuguese Presidency of the European Council, and this may explain why countries like Guinea-Bissau and Timor-Leste were included. Yet no formal statements on the selection process have been uncovered.

As part of the ‘country diagnosis’, a Country Strategy Paper is required to contain an analysis of the political – along with the economic, social and environmental – situation in the partner country. An important set of governance indicators is included among the assessment of the political situation, such as (European Commission 2006b: 12-14):

- the main obstacles at the national level for the protection of and respect for human rights;
- the observance of democratic principles, as related to elections and change of government;
- the organisation of the government and decision-making procedures, including the division of power over different levels of government, transparency and accountability of key political institutions, measures countering corruption and other forms of economic criminality, and the rule of law and the independence of the judiciary; and
- evidence pointing at state fragility, such as the incapacity to perform basic government functions (security, social services and human rights).

In addition to these indicators, it was argued that

in fragile states, post-conflict countries and specific cases of countries that have yet to achieve ‘structural stability’ or are showing signs of increasing instability, greater attention should be given to analysing measures taken to ensure security and stability, including conflict prevention and management, post-conflict intervention strategies (demobilisation, disarmament, re-integration (in particular of women and child soldiers), rebuilding, humanitarian mine clearance, support for action against illegal arms trafficking and dissemination of small arms and light weapons, etc.), and the introduction of the rule of law and democracy (including broader participation of civil society and a more equitable distribution of power). (European Commission 2006b: 14)

The European Commission’s Governance Profile

Accompanying the Communication on ‘Governance in the European Consensus’, the European Commission set up a methodology for assessing developing countries’ governance quality. In the first instance the so-called ‘governance profile’ was developed for ACP countries, but later releases of the profile have dropped the reference to only the ACP group. The profile was set up as a ‘programming tool’, the main objectives of which are ‘to help identifying specific areas of cooperation (weaknesses) and agreeing on benchmarks and targets for reform (Government commitments), or on sectoral performance indicators, if governance is a focal area’ (European Commission 2006d: 11). The governance profile was meant for application by the European Commission, and not to reflect necessarily a common understanding of governance quality in the recipient country: ‘The governance profile is not meant to be done necessarily jointly with the partner country but its content should be shared

(*but not negotiated and agreed*) with partner country during the programming dialogue’ (European Commission 2006d: 11, italics added).

The governance profile developed by the European Commission consists of nine components, which are subdivided in a variety of specific issues. The profile is summarised in table 1.

Table 1: The European Commission’s Governance Profile

Components	Items
1. Political/democratic governance (WBI’s Voice and accountability)	a. Human rights b. Fundamental freedoms c. Electoral process d. Principles of constitutional democracy
2. Political governance/rule of law: Judicial and law enforcement system	
3. Control of corruption	
4. Government effectiveness	a. Institutional capacity b. Public finance management
5. Economic governance (WBI’s Regulatory quality)	a. Private sector/market-friendly policies b. Management of natural resources
6. Internal and external security (WBI’s Political stability and absence of violence)	a. Internal stability/conflict b. External threats and global security
7. Social governance	
8. International and regional context	a. Regional integration b. Involvement in regional initiatives on governance and peer-review mechanisms (such as APRM) c. Migration
9. Quality of partnership	a. Political dialogue b. Programming dialogue c. Non-state actors

Source: European Commission 2006d: 13-29

Note: WBI refers to the World Bank Institute’s *Governance Matters* indicators (Kaufmann et al. 1999)

The governance profile as used by the European Commission draws heavily on the work done by staff at the World Bank Institute, resulting in the *Governance Matters* indicators and dataset (Kaufmann et al. 1999). The first six components are based on the six elements of the *Governance Matters* dataset. The final three indicators (on social governance, international and regional context, and quality of partnership) have been developed by staff at the Commission. Of the nine components, two (political/democratic governance and internal and external security) seem to address political issues of governance most directly, while two (internal and external security and international and regional context) appear to be most directly related to the problems faced by fragile states. Two components (political governance/rule of law and control of corruption) primarily assess the presence of legal instruments, while two (government effectiveness and economic governance) are essentially meant to scrutinise the management of economic policies and policy-making. The component

on social governance relates to the implementation of a variety of social policies. The final component is geared to assessing the implementation of Community development projects and programmes. Also, the inclusion of an item on migration in the eighth component appears to be informed mainly by concerns in the European Union about possible immigration.⁴

Strikingly, the governance profile does not contain an assessment of the factors that are considered to be crucial variables in the production of state fragility: the legitimacy of institutions and office-holders, and the delivery of key public services. The profile considers mainly formal indicators of governance performance, and does not relate to major political issues in many developing countries, such as the exclusion of particular social groups, inequalities within the population, or the domination of the political system by the executive and the difficulty in mounting opposition against the ruling party. This bias has led Youngs (2008: 434) to criticise the EU's emphasis of 'the capacity and procedural efficiency of the state', rather than 'democratic plurality'.

Governance-Oriented Responses to State Fragility: Analysis of Country Strategy Papers

This section contains an analysis of governance-oriented responses in several of the 'pilot' countries selected by the European Commission: Afghanistan, Burundi, Guinea-Bissau, Sierra Leone and Timor-Leste.⁵ The analysis is performed on the basis of the Country Strategy Papers that have been concluded by European Community and the countries concerned in the context of either the Development Cooperation Instrument (for non-ACP countries) or the 10th European Development Fund for the period between 2008 and 2013 (for ACP countries).

Afghanistan

Afghanistan has been a target country for support from the European Community since the 1980s, while EC support was stepped up in the Country Strategy Paper 2003-6 that had been concluded after the removal of the Taliban regime as part of the 'war on terror' declared by former US President Bush. The CSP 2003-6 was oriented to reconstruction, in particular of infrastructure and basic government institutions (European Commission 2007a: 3).

⁴ The Communication on 'Governance in the European Consensus' announced the introduction of an incentive reserve related to countries' governance plans, amounting to €2.7 billion out of the €22.6 billion allocated to the 10th EDF. The incentive reserve would be distributed with the use of the governance profile on the basis of 'the assessment of the [governance] situation and the reform commitments given in the dialogue' (European Commission 2006a: 12). In a recent paper Molenaers and Nijs (2008) indicate that the governance incentive has, so far, amounted to little more than a formal exercise.

⁵ No CSP was available for Haiti.

Allocations as part of the DCI 2007-13 demonstrate that Afghanistan has clearly obtained priority in EC policy-making. The EC has allocated around €1.03 billion to Afghanistan for the 2007-13 period (European Commission 2007a: 4), which amounts to roughly 6.1 per cent of the funds available in the DCI during this period (European Parliament and Council 2006: 64). Priority areas for EC support are threefold (rural development, governance and health), while other activities (such as reform of the security sector and education) are left to other donors (European Commission 2007a: 17-9).

The CSP 2007-13 for Afghanistan contains an analysis that points at some deep-rooted problems threatening the country's political system. In particular, the political analysis addresses:

- the risk of state capture by groups involved in narcotics trade, which is the country's major source of income;
- the country's fragile security situation as a result of the insurgency of the Taliban and other armed groups;
- the political division of the country along ethnic lines and the strong and conflict-prone centre-periphery divide; and
- the poor human rights situation (European Commission 2007a: 7).

As part of the CSP's focus on governance, the EC's 'response strategy' contains two priorities: the rule of law, in particular the reconstruction of the justice sector, and public administration reform. The emphasis on the reconstruction of the justice sector is linked to the desire to enhance the effectiveness of counter-narcotics policies. In addition, the recruitment of judges and prosecutors is seen as an important element in the strengthening of the rule of law in Afghanistan (European Commission 2007a: 22-3).

Public administration reform in Afghanistan would be focused on two main targets: democratisation and improvement of local governance, and strengthening of financial management and accountability. The first of these components relates to the organisation of regular elections for local and regional bodies and the enhancement of the capacity of local administration to deliver basic services, for instance, by training young civil servants. The second element concerns the development of capacity for revenue collection by customs and tax authorities and the fight against corruption (European Commission 2007a: 23-4).

Burundi

In the framework of the 10th EDF, Burundi has been allocated €188 million as so-called A allocation under the ACP-EC Partnership Agreement for macroeconomic support, sectoral policies and for programmes and projects in support of focal and non-focal areas of

Community assistance. The country will be receiving another €4.1 million as B allocation for unforeseen needs, such as emergency aid, debt relief and support to mitigate instability of export earnings (République de Burundi – Communauté européenne 2007, hereafter referred to as Burundi CSP 2007).

The analysis of the political and institutional situation in Burundi in the CSP points at the continuing violation of human rights and the rule of law despite the ‘political will’ to make improvements in both respects. The failure to bring an end to the armed struggle between the government and the rebel Hutu party is ascribed to the lack of experience and capacity of the armed forces and the police (Burundi CSP 2007: 3). The constitutional guarantees for ethnic and religious diversity, adopted in 2005, and power-sharing arrangements in state institutions and state-owned enterprises are judged to have improved the relations between the rivalling ethnic groups (Hutus and Tutsis).⁶ The democratic process is still felt to be fragile; further democratic consolidation is seen to require better cooperation between the majority party, the other political parties and civil society (Burundi CSP 2007: 3-4).

Burundi’s Strategic Growth and Poverty Reduction Framework (Cadre stratégique de croissance et de lutte contre la pauvreté, CSLP), adopted in 2006, contains four central ‘axes’, among which improvement of governance and security was considered a ‘sine qua non’ for national reconciliation and economic development (Burundi CSP 2007: 10). The main activities relate to the security sector, such as: general and permanent cease-fire; disarmament, demobilisation and reintegration (DDR) of former combattants; professionalisation of the security forces; and disarmament of the population. Further, strengthening of the rule of law and the fight against impunity are mentioned as central to the strengthening of governance (Burundi CSP 2007: 11).

The CSP for 2008-13 notes that various measures on good governance that had formed part of the previous CSP (for 2003-7) concluded between Burundi and the European Community had not been implemented until February 2007. The €19.75 million involved will be allocated to strengthening the central and local legal system, public sector management, and decentralisation of public administration (Burundi CSP 2007: 14).

In the CSP 2008-13, rural development and health are chosen as the concentration areas for EC support. Good governance issues, most notably public finance management, are

⁶ The CSP does not refer to other than ethnic and religious causes for the tensions between the Hutus and Tutsis. This is in contrast to analyses of deeper structural political-economic causes of the conflict, related to the unequal distribution of and access to resources, which have been mentioned in the literature on Burundi (cf. Jooma 2005).

mentioned as a component of the programmes to be implemented in each of these areas, as well as for budget support (Burundi CSP 2007: 20-1). Governance-oriented projects and programmes, which are included in the non-focal areas of the CSP, will receive an allocation of €10 million during the 10th EDF. These funds are meant for (Burundi CSP 2007: 22):

- state reform with an eye to issues of justice, decentralisation, civil service, security, and land and infrastructure;
- reinforcement of control mechanisms such as the national auditor's office, anticorruption services and inspection services;
- bringing in line national legislation with international human rights norms;
- support to decentralisation policies; and
- cofinancing of the next elections.

Guinea-Bissau

The CSP agreed between the European Community and Guinea-Bissau for the 2008-13 period resulted in an allocation of almost €103 million to the country. The A allocation of €100 million contains an allocation of €27 million for programmes aimed at strengthening the rule of law and democracy (République de Guinée-Bissau – Communauté européenne 2007: 36, further Guinea Bissau CSP).

The political and institutional analysis of Guinea-Bissau points at the country's history of political violence and coups d'état. The causes of the political problems, according to the CSP, are diverse, and include the country's weak economic basis, its lack of social cohesion produced by ethnic cleavages, and the recent military conflict (Guinea-Bissau CSP 2007: 29).⁷ The CSP considers the national elections of 2004 and 2005 as steps on the way to a normal constitutional and political situation, despite the fact that political stability has remained fragile as a result of tensions between the president and the parliamentary majority (Guinea-Bissau CSP 2007: 5). Moreover, the CSP notes that civilian control over the armed forces and the presence of arms among the population remain problematic, and necessitate reform of the security sector (Guinea-Bissau CSP 2007: 6).

The CSP argues that Guinea-Bissau's public administration structures, in particular public control institutions, are weak. The low degrees of transparency in resource management and public finance are seen as serious issues, as weaknesses in these areas lead to corruption, fraud, money laundering and tax evasion. As the legal framework is weak, the

⁷ Magalhães Ferreira (2004: 54) adds several 'structural conditions' to these causes, brought about by the country's unequal distribution of wealth and the grip on the country's resources by the political group in power, which rules by maintaining profound clientelist networks. The structural conditions mentioned by Magalhães Ferreira include poor and inefficient governance, profound divisions within the political elite and the military, incapacity of public institutions to provide basic social services, corruption, poverty and dependence on foreign aid.

population has insufficient access to justice and the business environment is unfavourable (Guinea-Bissau CSP 2007: 6-7).

Guinea-Bissau's poverty reduction strategy for 2006-8 (Documento de Estratégia Nacional para a Redução de Pobreza, DENARP) contains a focus on strengthening governance, modernising public administration and improving macroeconomic stability, along with promoting economic growth, improving access to social services and basic infrastructure, and improving the living conditions of vulnerable groups (Guinea-Bissau CSP 2007: 19). The CSP 2008-13 emphasises, in particular, measures to support the rule of law and democracy, aimed at the consolidation of central state organs, public sector reform and reform of the security sector, including reintegration of former soldiers. These activities receive 90 per cent of the €7 available for this domain. Next to this, support of the National Authorising Officer and electoral support involve another €3 million (Guinea-Bissau CSP 2007: 37-8). A further amount of €2 million in budget support is meant for economic stabilisation, and should assist Guinea-Bissau on the way to establishing 'good economic governance' and public finance management (Guinea-Bissau CSP 2007: 31).

Sierra Leone

Under the 10th EDF, Sierra Leone received an allocation of €42 million in the A envelope and an additional €6.4 in the B envelope. Approximately 15 per cent of the A envelope will be spent on good governance and institutional support (Sierra Leone – European Community 2007, Part 2: 1, further Sierra Leone CSP).

The CSP's analysis of the political situation focuses on the impact of the civil war, which lasted from 1991 until 2002, destroyed the country's infrastructure and political institutions, and led to a massive outflow of refugees to neighbouring countries. The roots of the civil war are traced to the centralisation of power, the absence of accountability in the co-opted civil service and widespread corruption (Sierra Leone CSP 2007: 5-6). The EU's assessment is that the country 'remains an extremely "fragile state", with a poorly resourced civil service that lacks capacity, operated inefficiently and lacks even the basic facilities to deliver adequate services' (Sierra Leone CSP 2007: 6).⁸

⁸ Keen (2004: 289-96) points at the deep-rooted causes of the conflict in Sierra Leone, which are related to the underdevelopment of the country's economy and the pervasiveness of social exclusion. In his view, the lack of education, unemployment and failure of local justice produced grievances among all participants in the Sierra Leone conflict, and the violence that swept the country in the 1990s can be explained largely in terms of group efforts to draw attention to these grievances.

Despite the fact that national and local elections were held since 2002, the CSP concludes that Sierra Leone is lacking democratic and effective governance, and effective oversight mechanisms (such as Parliament and the judiciary). Regionalism and locality are important in the country, and political allegiance, according to the CSP, is based in social networks that are tied to particular places. The danger of internal instability is assessed to be real (CSP 2007: 6-7).

The Joint Response Strategy, set up by the EC and the UK, is aimed at governance, peace and security; the promotion of pro-poor growth; and basic service delivery and human development. Measures that are suggested to support good governance and institutional reform are:

- the strengthening of democratic institutions by improving the country's capacity for holding free and fair elections and by giving assistance to the electoral process, including voter and civic education, political registration and awareness-raising;
- support of the decentralisation process (a first phase focusing on finalisation of the legal framework and capacity-building in financial management, procurement and human resources, and a second phase of capacity-building aimed at the management structures of decentralised sectors and services);
- support of civil service reform, aimed at restructuring and 'right-sizing', and capacity-building within the civil service for the implementation of the country's Poverty Reduction Strategy; and
- support for a variety of actors in the public sector and for civil society (Sierra Leone CSP 2007, part 2: 3-4).

Timor-Leste

In 2007, Timor-Leste received an allocation of approximately €64 million as part of the 10th EDF multi-annual agreements, €63 million of which is assigned in the country's A envelope (Timor-Leste – European Community 2007: 2, further Timor-Leste CSP).

Timor-Leste's CSP stresses that the country's road to independence was rather violent, with Indonesian military forces attempting to maintain the country's grip on East Timor. After independence in 1999, there were several periods of violent unrest, most recently in 2006. Causes for the 2006 crisis included the resurfacing of divisions that predated 1999 – in particular the failure to do justice in view of the crimes preceding independence – and poverty among youth and urban population, resulting in a legitimacy crisis of the government. Although peaceful elections were held in 2007, several sources of instability persist, such as the presence of many weapons among the civilian population, the vast number of displaced persons and the widespread discontent among members of the security forces. (Timor-Leste CSP 2007: 9-12).

Under the 9th EDF, a CSP was agreed in 2006 for support to rural development and institutional capacity-building. The latter priority led to a focus on the development of a trade policy, support for electoral processes and the electoral system, and institutional capacity-building in the area of public finance management (Timor-Leste CSP 2007: 23).

The EC's assistance under the 10th EDF aims to support the government's National Development Plan in three areas: rural development, health and institutional capacity-building (Timor-Leste CSP 2007: 70). Institutional capacity-building, which is supported with €13 million, or 21 per cent of the means provided in the CSP, focused on five main activities:

- support of the judiciary, such as the training of judges and lawyers and capacity-building of various courts;
- improvement of the capacity and performance of the civil service and support for decentralisation processes;
- strengthening of the institutional capacities of the national Parliament;
- support of communication media, with the aim of enhancing understanding and providing information within institutions and with the population; and
- support to the National Authorising Officer to improve implementation of EC programmes in Timor-Leste (Timor-Leste CSP 2007: 75-6).

Apart from assistance for these activities, the CSP contains support for non-state actors and for governance-related joint initiatives with Portuguese-speaking African countries (Timor-Leste CSP 2007: 77).

CSPs and the EC Response to Fragile States

The discussion of the Country Strategy Papers agreed by the European Commission with various fragile states has illustrated some of the challenges inherent in the formulating of a strategy to deal with state fragility. As all CSPs follow the same format, it has been possible to compare the political(-economic) analyses that are underlying the EC's approach to the different fragile states, as well as the main components of the EC's response strategy for these countries.

The analyses of the political-economic situation in the five cases described in sections 5.1 to 5.5 illustrate the resolve of the European Commission to ground its response strategy in an understanding of the local dynamics of the countries concerned. From a methodological point of view, one could question the transparency and reliability of the analyses, which do not provide an insight into the sources on the basis of which judgements are made, and have apparently not involved independent analysts from outside the Commission. The Commission's account of political-economic problems in the countries concerned

demonstrate, however, the wish to present a substantively sound and policy-relevant comprehension of the main causes of state fragility. In three cases (Burundi, Guinea-Bissau and Sierra Leone), it was argued, with reference to some independent accounts, that the Commission’s analyses did not seem to dig deep enough to uncover the structural or root causes of the problems experienced by the countries concerned. Yet, despite this criticism, it is clear that the Commission’s analyses reflect a general agreement about the manifestation of the problems in the five fragile states.

The content of the response strategies for the fragile states shows, however, a profound gap between the political-economic analyses and the measures adopted in the EC’s support packages. The various measures are compared in table 2.

Table 2: EC Support Strategies in Five Fragile States

	Afghanistan	Burundi	Guinea-Bissau	Sierra Leone	Timor-Leste
Public sector reform	x	x	x	x	x
Decentralisation	x	x		x	x
Public finance management	x	x	x		x
Electoral support		x	x	x	
Security sector reform		x	x		
Support/reform of justice sector	x				x
Support of Parliament and central state organs			x		x
Anti-corruption		x			
Civil society support				x	

Sources: European Commission 2007a: 22-4; Burundi CSP 2007: 20-2; Guinea-Bissau CSP 2007: 31-8; Sierra Leone CSP 2007, part 2: 3-4; Timor-Leste CSP 2007: 70-7

Table 2 illustrates the dominance of certain types of responses to the problems in fragile states: public sector reform, decentralisation and public finance management are key to the EC’s approach in all cases analysed above. Also, support of electoral processes at the national or local level shows up as a measure in a majority of the fragile states studied. Security sector reform, support of the justice sector and support of central state organs are each mentioned in the case of two of the five fragile states. Finally, anti-corruption and civil society support show up in one case.

The listing of priority areas in table 2 makes it clear that the general approach of the European Commission is to assist in *reconstructing* state capacities in fragile states through

essentially technical and managerial measures. In a good number of the cases analysed in this paper, such technocratic measures do not seem to square with the analysis of the problems made either in the CSPs or by independent analysts. Issues raised in the analyses of state fragility relate to problems of state capture, including patronage and clientelism, violent resistance of groups against central government, ethnic divisions, human rights violations, weak socio-economic basis, and extreme inequalities and social exclusion or marginalisation of particular groups. The failure to address the fundamental problems underlying state fragility raises serious questions about the effectiveness of the EC's policy on fragile states.

Conclusions

This paper has tried to make sense of the current focus, within the European Union, on the issue of state fragility. The paper has argued that the EU's concern with the issue has had strong security overtones, and that the EU response fits in with the overall trend of securitisation of development. The choice of countries for inclusion in fragile state framework seems to reflect the central role played by security considerations, but the paucity of data at this moment do not permit more than a provisional answer. In this context, Briscoe has made an important observation that may serve as a hypothesis for further research. He argued that the choices made in Europe and North America on fragile states have been informed by 'the significant role played by many of the world's most fragile states in supplying to the developed world energy and raw materials, producing and trafficking drugs, purchasing arms, generating off-shore capital, or serving as significant outposts in the "war on terror"' (Briscoe 2008: 9).

The EU's approach to fragile states has tended to concentrate on the governance dimensions of the problems in the countries concerned: the definition of state fragility that was adopted by the General Affairs and External Relations Council in November 2007 reflects this focus. The EU's understanding, discussed in section 3 of the paper, is that state fragility implies a breakdown of the social contract due to a state's failure to perform its major functions, including the provision of the rule of law, security, poverty reduction, service delivery and resource management.

As was argued in section 2 of the paper, the recent discussion on governance and fragile states in policy-making circles has produced several lessons for external actors. In particular, assessments of earlier interventions have led organisations such as the World Bank and the OECD to emphasise context-specific action, based on thorough knowledge of the local situation, and the need for a political analysis of processes and events spurring state

fragility. The EU's approach to governance and state fragility does not seem to pay sufficient attention to these insights. The EU's methodology on assessing governance, as reflected in the recently adopted 'governance profile' (section 4.2), emphasises formal indicators of governance quality and pays insufficient attention to salient political or political-economic issues, such as social exclusion, inequality and state capture. Moreover, the analysis of various Country Strategy Papers in section 5 has illustrated that the European Commission's 'response strategies' for the pilot fragile states show quite some disparity between the understanding of local political-economic dynamics and the measures adopted to support the fragile states. In particular, the CSPs focus on the reconstruction of state capacities dominantly by technical and managerial means that overlook more fundamental political-economic problems in the countries concerned.

It seems safe to conclude that the EC's approach to reconstructing fragile states reflects the view, discussed in section 2, that the real problem of these countries lies in the inadequate functioning of the state, i.e., inadequate when looked at from prevalent Western conceptions of the 'modern' state. This approach overlooks the fact that the state is essentially an institution that is embedded in local social, political and economic realities, and that the way in which the state functions (or not) needs to be understood in terms of specific social, political or economic interests. In this respect, the analysis made by Chabal and Daloz in relation to the African state is very pertinent. These authors have argued that judgements on the 'failure' of the state in Africa are essentially a function of the Weberian approach to the state. The dominance of the 'fundamentally instrumental concept of power' has given rise to the 'informalisation of politics' and the 'instrumentalisation' of the state (Chabal and Daloz 1999: 4). The question, therefore, is not so much whether the fragile state 'works', but rather *for whom* it works. Attempts to reconstruct fragile states need to be grounded in an understanding of the political-economic realities of the countries concerned, in particular of the incentives, challenges and opportunities faced by various actors (Fritz and Rocha Menocal 2007: 44). Policies that do not take account of the local political economy of fragile states are bound to fail.

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