



STATE BUILDING IN SITUATIONS OF FRAGILITY

INITIAL FINDINGS - AUGUST 2008

BACKGROUND

The OECD-DAC “Principles for Good International Engagement in Fragile States and Situations” prioritise state building as the central objective of international partnerships in fragile situations and in countries emerging from conflict. In 2007, the DAC’s Fragile States Group (FSG) initiated a workstream on state building to assist the international community arrive at a more consistent understanding of what state building means. This fact sheet summarises the FSG’s initial findings on the nature of state building in situations of fragility.

CONCEPTUAL FINDINGS

The FSG concludes that state building is:

1. An endogenous process to enhance capacity, institutions and legitimacy of the state driven by state-society relations: In its simplest form, state building is the process of states functioning more effectively. Understood in this positive context, it can be defined as an endogenous process to develop capacity, institutions and legitimacy of the state driven by state-society relationships.

Positive state-building processes involve reciprocal relations between a state that delivers services for its people and social and political groups who constructively engage with their state. This necessarily requires the existence of inclusive political processes to negotiate state-society relations (see below).

In stable, contemporary states, people expect certain benefits from the state to be provided on an inclusive basis, including security, justice, enabling conditions for the pursuit of economic livelihoods, as well as public services such as education and health care. People also expect that states respect the free exercise of social, political and economic rights and that governance is based on accountability. In return, they have obligations to the state to pay taxes, to accept the state’s monopoly on coercive force and to accept other restrictions to their freedom according to the law. It is the specific context and history of a given society and the experience of its people with the state, however, that will shape the levels and nature of expectations towards the state and the way social and political groups engage with it.

Beyond people’s expectations, the international community also has certain expectations of how states should perform. These are expressed in international declarations, norms and standards and include, *inter alia*, international human rights obligations.

Various international actors have sought to identify core state competencies or functions, although recent state-building research suggests that these are highly context-sensitive. While lists of universal core state functions contribute to the current thinking about the purposes and obligations of the state, these must be used with care to avoid overambitious reform agendas.

2. Founded on political processes to negotiate state-society relations and power relationships among elites and social groups: State building is intimately connected to the political processes through which social/political relations and power relationships between holders of state power and organised groups in society are negotiated and managed. This process is often violent, but it can provide the basis for developing state capacity and legitimacy, if the parties involved can identify common interests and negotiate arrangements to pursue them.

A resilient state must be able to effectively deliver functions that match the expectations of societal groups. Equally important, it must be able to manage the process of change in those expectations and to withstand and/or manage internal and external shocks associated with change without recourse to violence. Changes in expectations can generate fragility: if people expect a different relationship with the state than the one they have, this can result in political tensions that may require a re-negotiation of the rules of the game.

Fragility can also arise from exclusion: where societal or political groups are excluded from the state or its key institutions, they may seek to challenge the state. Failure to manage such challenges through political negotiation or other responses may lead to these groups to have recourse to violent opposition. While state-building processes may initially be shaped by power relations between elites and well organised groups in society, the exclusion of those social groups with less access to state power - such as women and disabled people - risks undermining positive state building in the long run.

3. A virtuous cycle of legitimacy: Legitimacy aids the process of state building, and is reinforced as state building delivers benefits for people. The state's ability to manage state-society expectations and state-building processes is influenced by the degree of legitimacy it has in the eyes of its population.¹ As such, legitimacy is both a means and an end for successful state building.

Legitimacy has various domestic forms and sources that vary according to context and may not necessarily coincide with a particular model of democratic legitimacy. State-building processes will draw on certain existing sources of legitimacy but will also generate new sources over time. Sources of legitimacy include: i) performance legitimacy that can, for example, arise from effective and equitable service delivery; ii) legitimacy, derived from socially accepted beliefs about the rightful source of authority, derived for example from the principle of popular sovereignty, moral authority or from prior state-formation or historical dynamics; and iii) process legitimacy, for example the constitutional rule of law and/or appropriate accountability mechanisms. Legitimacy can also derive from international recognition and support.

4. Based on minimum administrative capacity: A state does not exist without a minimum of administrative capacity. The key elements of an administrative structure are a reasonably well functioning civil service and public financial management system and the ability to raise funds, particularly through taxation.

Strengthening the capacity of central and sub-national administrative structures across all levels of government is thus essential to establishing government presence. It is also fundamental for successful state building, in particular in new or re-emerging states. The integrity and effectiveness of the civil service in turn will influence the legitimacy of the state. It is important to recognise the social foundations in which bureaucratic organisations are embedded and that these will vary according to context.

1. The concept of legitimacy is used to describe: i) the acceptance of political authority by a population, or ii) political authority that is acquired and exercised according to certain socially accepted normative standards and criteria.

Resource mobilisation through taxation forms the basis of bargaining between citizens and political leaders over their mutual duties and obligations. A state dependent on taxation for revenue has a stake in its citizens' prosperity. A citizenry that interacts with the state through taxation has a stake in the performance and accountability of state institutions, and a willingness to cede authority to the government. Similarly, the state budget and its preparation are at the core of a vital political process of allocating often scarce resources to the population.

5. Both a descriptive (value neutral) term and a normative concept: The concept of state building is used by the international donor community to describe a desired (“positive”) process of state building. It is important to acknowledge, however, that in reality state building is not always a positive experience for the population. For many communities, the history of state formation and the process of state building have included episodes of states seeking to enhance their institutional capacity for the purposes of political, economic and social exclusion.

6. A continuous process that is non-linear and asymmetrical: State building is neither a programme nor a project. It is not part of a post-conflict phase, nor is it limited to peacebuilding. State building is rooted in the history of a state and is an ongoing process of change and institutionalisation relevant to all states. It is worked out over the long term, although attention is often focused on its short-term characteristics.

State building is often a difficult and non-linear process in which periods of achievement are followed by periods of set-back. This reflects the fact that there is rarely a neat symmetry in state-society relations between social expectations and state capacity or will. State building is therefore a process of negotiation and sometimes of contestation and strife.

7. Central to establishing resilience: Positive state building that is responsive to the needs and expectations of the population and builds legitimacy is part of the process by which states evolve from fragility to resilience. State fragility and resilience exist on a wide spectrum and can be determined and influenced by multiple factors. However, the organisational and institutional capacity, the legitimacy, the political processes to manage expectations and the resource base of a state are critical for developing state resilience at the domestic level. External factors and the international environment will also influence state fragility and resilience.

By establishing a positive state-building dynamic, *i.e.* by developing institutions and enhancing political capacity to manage social expectations while also strengthening legitimacy, states generate resilience. The term “developing state resilience” can thus be used as an alternative term for state building.

8. A process that takes place at all levels of state-society relations: In decentralised states, state functions are organised and financed on different political and administrative levels. Developing resilience therefore requires territorial administrative integration and effective political processes to manage state-society expectations at all levels of government – from local to national. It is equally important to consider relations between different levels of government. The policy framework that defines centre-periphery relations has an important impact on state-society relations and whether tensions of unity and diversity within state and society can be managed constructively.

9. Distinct from nation building: Nation building is the process of building a sense of a common national identity, whether defined in an ethnic, cultural or political sense. Nation building can be an important part of the process of state building and both can mutually reinforce each other. At the same time, it is important to recognise that states do not have a monopoly on the idea of a nation and destabilising forces (*e.g.* rebel movements) can also seek to make use of national identity and express it in opposition to the state.

10. Distinct from institution building: State building is not a technical process of creating new government institutions or strengthening existing ones – these activities are described more precisely as “institution building”. A state-building lens draws attention to the fact that functioning institutions not only depend on formal design, but on the social context within which these institutions operate. Formal institutions need to be rooted in society otherwise they risk becoming mere shells or being captured by private or patrimonial interests.

11. Distinct from peacebuilding: Peacebuilding, understood as activities by international or national actors to prevent violent conflict and institutionalise peace, is often an important part of the state-building dynamic, helping to consolidate security and political stability and establish the foundations for trust and social reconciliation among societal groups. But it is important not to confuse the immediate challenges of peacebuilding with the long-term challenges of state building, which will evolve over generations. While peacebuilding offers modalities for overcoming some of the greatest challenges to state building, the need to build ever deeper state-society relations is likely to remain.

12. A process with which international actors can align: External actors cannot determine the outcome of state-building processes, but in line with the good practice principles of the Paris Declaration on Aid Effectiveness, they can seek to align with and support those actors who promote positive, inclusive state-building dynamics. External actors can also seek to ensure that they “do no harm”, *i.e.* that their interventions do not undermine positive endogenous state-building processes.

IMPLICATIONS FOR INTERNATIONAL ACTORS

The conceptual understanding of state building outlined above has implications for the way international actors, and bilateral and multilateral donors in particular, can support state building in fragile situations. Based on this understanding, the FSG is working to identify principles and approaches for international actors to better support state-building processes in diverse fragile situations.