Expert consultation on DFID state-building paper: summary of views on state-building

(January 2008)

Professor Patrick Chabal, King's College, London

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Professor Chabal stresses the need for a greater examination of the historical as well as specific cultural and geographic context of the emergence of the state, as the post-colonial state is fundamentally different from the Western state. His premise is that states play a determinant role in development (and indeed there can be today no development without state involvement) but that state structures and institutions reflect local political dynamics. Therefore, the "political settlement" is constantly being negotiated, and the state-society relationship is defined by the power relations between different groups in society. He cautions strongly against a normative approach implying that donor action can bring solutions.

Chabal argues that states need to increase their ability to function through creating autonomous institutions that transcend parochial divisions (a process of institutionalisation). This takes place when elites are committed to such institutional autonomy, often through lack of any other option, as occurred in Europe. In many states in Africa, however, the reality is that the elites are not necessarily interested in having a functioning state because a weak state serves their 'neo-patrimonial' interests better. Chabal considers that the paper neglects the role of "culture" between different societies as a critical factor in how states are shaped, function and whether they succeed in their developmental role.

Chabal agrees with the concept of the "core functions", but emphasises that "expected functions" will vary across different institutions and they will not always reinforce the state. Donors should focus much more on understanding how local (especially informal) 'institutions' work. This would help assess where the "threshold" lies below which the state is in decline. Strengthening the state is complex and does not just involve promoting the three distinct, core elements set out in the paper. Donors need to acknowledge much more explicitly the limits (and at times the counter-productive effect) of aid and concentrate on mitigating the negative aspects of the pressure to spend. As part of addressing the knowledge gaps, DFID should try to conceptualise the state, state-building and consolidation in the post-colonial state without too many pre-conceived or received ideas.

Dr Ha-Joon Chang, Reader in the Political Economy of Development, University of Cambridge.

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Prof. Chang's central argument is the importance of clarifying how different state-building processes are undertaken. The necessary "will", and "leadership", can only be pursued by individuals, or groups of people. Institutions cannot lead the state-building process. It is also essential to distinguish between the functions of the state, (eg. provision of security) and the outcomes that those functions need to produce (eg. Rule of law). Furthermore, the term "state-building" should be consistently applied to mean the process of state-building itself, rather than the theoretical approach.

Dr Toby Dodge, Reader in International Politics, Queen Mary, University of London.

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"A state's sustainability is anchored, in the first instance, in its ability to control coercion, then its ability to deliver services to the population and finally its skill in justifying these functions in terms of an inclusive ideology".

Dr. Dodge emphasises the importance of the initial stages of state-building during which the state struggles to gain control over the deployment of coercion. State power, ultimately rests on its coercive capacity. This then acts as a guarantor of institutional capacity as it is built and gains legitimacy. In order for institutional capacity to gain legitimacy it has to penetrate society in a regulated and sustainable way to become meaningful to and ultimately shape the survival strategies of the population. Dodge presents two models of state-building. The first is based on early European state-building where the state obtains relative autonomy from society. The second is a more liberal model, based on 20th century post-democratisation Europe, where the state is shaped, to a certain degree, by interaction with political organisation in society in a constant, symbiotic relationship. Dodge is concerned that by being overly and ahistorically reliant on the second model, there is a risk that DFID underplays the necessary autonomy from both society and politics that state institutions need to develop in order to function. Against this background Dodge worries that if the "political settlement" is the starting point, then state institutions risk being hostage to the political process and dominated by the strongest factions in that process to the detriment of others within society. The captured state cannot then develop legitimacy or an arbitration role, instead it simply becomes another player in or site of the conflict.

Dodge argues that in early Europe, the nature of the state shaped the political settlement, not vice versa. European states democratised *only* after they had been built and consolidated. He emphasises the difference between a "conflict prevention" approach, which includes all groups who are potential spoilers and a "state-building" approach, where the state acts as guarantor of the rule

of law. A "conflict prevention" approach would stress elite participation in institutional capacity development, service delivery and the rule of law which is not conducive to state-building or long term stability. Dodge also argues that there has to be a hierarchy of functions – in particular order and then service delivery are crucial for all else to flourish.

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Merilee S. Grindle,
      - Director, David Rockefeller Center for Latin American Studies, and
      - Edward S. Mason Professor of International Development, Kennedy
       School of Government,
Harvard University.
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"State-building involves a process of domination and legitimation that produces both winners and losers."

Grindle emphasises the importance of putting power dynamics at the centre of any analysis of state-building. The relationship of power to critically important issues such as order and security that makes state-building so difficult. Emphasis should therefore be placed on negotiating political settlements as a highly contested, often violent process, that continues for decades, and can fail after long time periods (eg. Soviet Union). The focus on "survival functions" is important in that it prevents overloading agendas for weak and fragile states, but what is meant by those "functions" needs to be clearly articulated in order that the list is kept short.

The state-building process, whilst highly dependent on internal actors, also gives a significant role to external actors, particularly through processes of "legitimation" or "certification". The way in which the global economy interacts with internal state-building processes can also have a significant effect. Furthermore, questions of leadership are important, and need to be looked at further, to determine whether they make a difference at particular stages of the process. Grindle considers that it would be possible to set out the different contexts of state-building, the different challenges and therefore different approaches international actors might take.

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Mushtaq H. Khan, Professor of Economics, SOAS, University of London
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"In each case, state-building is about developing the governance capabilities that enhance the capacity of the state to enforce political stability and enhance economic viability".

Prof. Khan strongly endorses the importance of looking at the political settlement in each particular context. He distinguishes between the "political settlement" (a description of the way power is organised between different groups which can be stable or unstable depending on how easy it is for other groups to change it); and "political stability", (necessary for viable economic development but requires particular political settlements for particular contexts). Political settlements can be inclusive, but not necessarily viable (eg. Bosnia Herzegovinia), or stable (ie. difficult to change) but still not lead to political stability (eg. Afghanistan). Donors therefore need to analyse the political settlement and determine whether the particular political settlement is viable in the context. Khan gives a strong caution about the assumption that "inclusion", will result in more viable political settlements.

Having analysed whether the particular political settlement is appropriate, Khan argues that the second step is to determine which institutions and governance capabilities are most important to prioritise *given the political settlement*. The dominant groups will want to increase their dominance by developing institutions to strengthen the stability of the polity, and enhance economic activity. Where they do not, this is likely to be because these two goals are incompatible. However, the particular capabilities or institutions required will vary between states. Generic prescriptions to work on "security and the rule of law" are unlikely achieve their goal of enhancing the viability of the state in the relevant time period. In some contexts the political settlement is such that no institutions or governance capabilities are likely to make a reasonable impact on the state-building process. In which case, little progress can be made until the political settlement is changed.

Dr Adrian Leftwich, Department of Politics, University of York.
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"State-building is essentially about getting those fundamental rules of the game agreed, established and legitimated."

Leftwich defines the state as the "modern state", which is inextricably linked with the transition to a market economy, (as demonstrated by the fact that a central function is protection of property rights and enforcement of contracts). The process of state-building is the process of contestation (often violent) with which sub-national elites and coalitions renegotiated the division of power at the national level. "The people" will generally follow or be controlled by elites. It is essential to understand how diverse leaders, elites and coalitions stand in relation to each other and the whole state-building project.

Leftwich considers it essential to distinguish between the "state" and "government". The **state** is the set of institutions or rules of the game which specify the sources and means of access to power – ie. the *structure*. These rules can change over time, through slow and contested means. The **government** consists of the *agents* and agencies which shape, implement,

enforce and interpret policies within the rules. Politics is about how different interests gain control of the government. Enhancing capacity for effective governance is only likely to be successful if the state is secure. However, effective government and effective governance can deepen the legitimacy of the state and consolidate its institutions. Capacity building of governments and its organisations needs to be kept distinct, but linked to state-building.

The "political settlement", rather than being a direct contract between state and citizens, is also a result of elite bargaining. However, we do not understand sufficiently about how these bargains come about and how they are renegotiated. One important aspect is the role of economic settlements as part of the political settlement. Leftwich also emphasises the importance of unpacking "legitimacy", which he defines with four broad elements (geographic, constitutional, political and performance), all of which are important.

Professor David Leonard and Professor Mick Moore, Institute of Development Studies, Sussex.

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"State-building substantively involves three main processes: building the state as a recognised sovereign entity, the state as an arena for political engagement and the state as redistributors of resources"

Professors Leonard and Moore recommend distinguishing between different types of states, which they refer to as "Stage 1 - where (a) there is no (single) state or (b) the formal state authority faces so many challenges" and "Stage 2 - a recognised state that exercises considerable authority, but is unable to exercise that authority over a sufficient proportion of its territory, population or resources to promote development".

The second element of state-building – (the state as an arena for political engagement) is of critical importance for donors, who should always ask: "Will this mode of providing resources encourage significant domestic political actors actually to bring their concerns to forums where they will negotiate with other actors under the general aegis of the state?"

Understanding the state as an arena for political engagement also raises questions about the importance of the "rule of law". Our commentators argue that there is a clear distinction between "direct rule" by formal state institutions, and "indirect rule", by collective autonomous local actors. State-building is therefore about how those local actors come together in the wider state-building process, not necessarily about projecting a central "rule of law".

Dividing states into two stages (as above) enables distinction between the priority actions for each stage. Moore and Leonard argue that tax raising should not be an additional short-term burden (in stage 1), and that elections

are also likely to be unhelpful if they result in a "winner-takes-all" conclusion in a highly contested state.

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Joel S Migdal, Robert F Philip Professor of International Studies, University of Washington.

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Migdal notes the importance of the concept of political settlements, but cautions that they are much more easily recognisable in hindsight, and are very difficult to spot in reality. State-building should be seen as something that takes place across the country, not just in the centre, and the relationship between the local state and the central state is of fundamental importance. He argues that international actors can have an important role, particularly if they are present over the long term outside the centre, as their presence will change the incentives for local state officials.

Migdal emphasises the changing nature of the state over time, and particularly changing expectations of the state (eg. An assumption of a welfarist state in the 1950s has been replaced by acceptance of privatisation of state services). Donors should not just focus on the state-side of the state-society relationship, but also engage with society actors and the private sector. The type of state-building that donors might engage with will depend on their overall objectives – a differentiated approach across the state (not just between states) would be more appropriate than having a comprehensive plan.

Migdal stresses the difference between state-building and nation-building, which will have an impact on the different societal groups with which the state engages. Dominant groups will have more of an interest in nation-building and state-building than marginalised groups, who might have an interest in an effective state, but not want to be part of the inclusive ideology. Groups that are a threat to the state will view state-building as a threat to them. The concept of legitimacy is very important in understanding how different citizen groups react to the state authority, sometimes in non-rational ways. The relationship between institutional forms and successful state-building is not straightforward – it depends on the interaction between those institutions and society – which will vary in different contexts.

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Donal B Cruise O'Brien, Professor of Politics of Africa, School of Oriental and African Studies, University of London.

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"To try to do too much, and comprehensively fail, is very much worse for the state than to do nothing at all."

Cruise O'Brien advocates a strong emphasis on realism in state-building, and emphasises the limits of what very weak states can do. However, he also argues for the need to look at why very weak (particularly post-colonial) states have survived at all. This could be partly attributed to "affection" by citizens for the weak state, which is in itself a form of legitimacy. The question of nation-building is essential in why a political community stays together. As part of that, there is an important role for "national ritual" (eg. Monarchy, Parliament in the UK). In Africa, elections play this vital role in a way that nothing else does. Whilst caution about the divisive or destabilising role that elections can play is important, elections have a crucial role as a correctly performed ritual that builds a national community and a stronger state. Arguably Senagalese President Diouf, did more for Senegal by leaving office in 2000 (helped by a prestigious international position) than the incoming President did in office.

Whilst there are ways in which "strong" societies weaken a state (nepotism, ethnic divisions etc) it is also important to recognise ways in which the state can gain strength as the necessary arbiter of social divisions. This gives the different social elements a common interest in a stronger state.

Professor Eghosa E. Osaghae, Igbinedion University, Okada, Nigeria

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Professor Osaghae emphasises the need for greater attention to the historicity of the state – specifically, the reasons why state-building is so difficult, and the importance of external factors. He cautions against over-optimism in the paper, and the dangers of prescribing a normative state-building approach in different local contexts. DFID should be clear about the different typologies of fragility and stability, rather than giving too much attention to post-conflict situations. Nation-building is essential, but there needs to be greater attention to how it can be supported. Analysis of the political settlement should draw out more about how to promote "multi-ethnic democracy" and how to address identity problems.

Development discourse moves from one extreme to another quickly. Osaghae recommends that the positive lessons from promoting civil society engagement are maintained in donor efforts on state-building, just as the negative aspects should be addressed. Similarly, he cautions against any move away from poverty reduction which could result from focusing on elite settlements. The role of the military as a stabilising or de-stabilising factor is should be given due weight given its prominence as an issue in many fragile states (eg. Pakistan, Niger Delta). Osaghae that "political culture" should be considered a factor contributing to successful state-building as it is a dominant force in shaping political society. Finally, he argues that the structures and institutions of globalisation such as trade rules etc, have an important effect on the prospects for state-building.