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

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Abstract

This article focuses on the recent attention in the European Union for fragile states, as expressed, among others, in the European Security Strategy of 2003 and the European Consensus on Development of 2006. It is demonstrated that most understandings of the notion of state fragility concern limited state capacity, the inability of institutions to deal with social and political tensions or problems of state legitimacy. The European Union is no exception to this general trend of seeing state fragility in terms of governance deficits. The EU's approach of preventing and responding to state fragility, which was adopted by the European Council in 2007, is being tested in six pilot countries. This article analyses the governance-oriented measures that have been adopted in the Country Strategy Papers (CSPs) agreed between the European Commission and five of the six pilot countries. The paper concludes that there is a profound gap between the political-economic analyses of the CSPs and the support policies implemented by the EU. The approach of the European Commission revolves around attempts to reconstruct state capacities in fragile states through technocratic measures. Fundamental problems of state capture, ethnic relations, human rights violations and extreme inequalities are beyond the purview of policy makers in the European Union.

1. 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.[1]

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 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'.[2] 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.[3] 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'.[4] 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.[5]

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.[6] 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. This position was reinforced by the Bank's Independent Evaluation Group, which emphasised the need

for 'commissioning and consuming' good political analysis regarding countries where the Bank is actively involved.[7]

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 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.

2. 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, 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 countrie under stress (LICUS) – since the adoption of the Paris Declaration on Aid Effectiveness in March 2005.[8]

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. 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. 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;[9]
- *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;[10]
- *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'.[11]

The main elements of the fragile state agenda implemented by international aid donors, according to Cammack et al., 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.[12] Underlying this variety of objectives, some commentators have argued, is a focus on the inadequate functioning of the state, and most remedies consequently revolve around the strengthening of government institutions.[13]

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'.[14] The World Bank's understanding of state fragility, which is laid out into two 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.[15]

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 in not an either-or issue, but rather a 'spectrum …. found in all but the most developed and institutionalised states'. 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'.[16]

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, 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[17].

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.[18]

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.[19]

In particular, four types of political analysis seem relevant for policy-making on fragile states. *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.[20]

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.

3. 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. 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'.[21]

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'.[22] 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'.[23]

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 lable of 'fragile states': 'difficult' and 'extremely difficult' partnership and 'post-conflict' situations.[24] 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', 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. 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.[25]

The Conclusions formulated by the General Affairs and External Relations Council (GAERC) in November 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.[26]

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. 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'.[27]

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:

- 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').[28]

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 Yemen were selected as pilot countries for this purpose.[29]

4. 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: Burundi, Guinea-Bissau, Sierra Leone, Timor-Leste and Yemen.[30] 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).

4.1 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 €24.1 million as B allocation for unforeseen needs, such as emergency aid, debt relief and support to mitigate instability of export earnings.[31]

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. 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).[32] 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.[33]

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. 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.[34]

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 Feburary 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.[35]

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 mentioned as a component of the programmes to be implemented in each of these areas, as well as for budget support.[36] 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:

- 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.[37]

4.2 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.[38]

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.[39] 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. 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.[40]

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 population has insufficient access to justice and the business environment is unfavourable.[41]

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.[42] 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 €27 available for this domain. Next to this, support of the National Authorising Officer and electoral support involve another €3 million. A further amount of €32 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.[43]

4.3 Sierra Leone

Under the 10th EDF, Sierra Leone received an allocation of €242 million in the A envelope and an additional €26.4 in the B envelope. Approximately 15 per cent of the A envelope will be spent on good governance and institutional support.[44]

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. 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'.[45]

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.[46]

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.[47]

4.4 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.[48]

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.[49]

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.[50]

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. 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.

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.[51]

4.5 Yemen

Being a developing country outside the group of African, Caribbean and Pacific countries (in the Commission's parlance it is part of its relationships with 'East of Jordan developing countries'), Yemen was allocated €60 million in the 2007-2010 Multiannual Indicative Programme for support to promote good governance and fight poverty and hunger. This allocation draws on various Commission instruments, notably the Development Cooperation Instrument, the so-called Instrument for Stability, the European Instrument for Democracy and Human Rights, and certain thematic programmes.[52]

Yemen's CSP emphasises the lack of reform of the country's political system despite the continued existence of serious political problems. Notably, the CSP highlights the weak role of the legislative and judiciary institutions vis-à-vis the executive, the existence of widespread corruption in the country (referred to as a 'deal-killer' of many initiatives), continued human rights issues and discrimination of women, and security issues springing from the presence of terrorist groups in the country and the use of the country as a transit point for militants and weapons.[53] Despite its analysis, the CSP argues that 'by regional standards, democracy is reasonably well-developed in Yemen'.[54]

The four priority areas of Yemen's CSP for the 2002-2006 period (food security; poverty reduction; good governance, democracy and human rights; and business development and the strenghtening of economic institutions) were reduced to two in the current CSP. Two-thirds of the Commission's funds reserved for Yemen in the 2007-2010 have been allocated to strengthening 'the Yemeni government's capacities to fight poverty'. The €19.5 million allocated to strengthen governance quality are divided over a programme aimed at strengthening the electoral framework and institutions, groups of parliamentarians and political parties, and a programme targeting the judicial system in order to strengthen the rule of law and human rights.

Component of the programmes targeting governance quality in Yemen are the following:

- support of the Supreme Election Committee to deliver credible free and fair elections, in particular through voter education and the raising of citizens' awareness;

- assistance to a selected group of members of parliament belonging to political parties across the political spectrum in order to develop their capacity to represent citizens' interests and to link with civil society;

- support of six commercial courts and certain courts of the civil and penal judiciary to train judges and implement court rules in a transparent manner;

- attention for the mainstreaming of human rights in penal courts and the security forces, with an emphasis on dealing with suspects and interrogating them according to international standards.[55]

4.6 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 4.1 to 4.5 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 a majority of cases (Burundi, Guinea-Bissau, Sierra Leone and Yemen), 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

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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 1. Table 1 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.

Table 1: EC Support Strategies in Five Fragile States

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

Sources: Country Strategy Papers 2007-2013 Burundi, Guinea-Bissau, Sierra Leone, Timor-Leste and Yemen[56]

The listing of priority areas in table 1 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 inqualities 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 (cf. Taylor's contribution to this special issue).

5. 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"'.[57]

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 throrough 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

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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' (see the Introduction to this special issue), 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 4 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.[58] 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.[59] Policies that do not take account of the local political economy of fragile states are bound to fail.

Notes

[1] M François and I Sud, 'Promoting Stability and Development in Fragile and Failed States', *Development Policy Review*, 24(2), 2006, p 145.
[2] M Duffield, 'Governing the Borderlands: Decoding the Power of Aid', *Disasters* 25(4), 2001, p 310.
[3] Council of the European Union, *A Secure Europe in A Better World: European Security Strategy*, Brussels, 12 December 2003, at http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf,

accessed 4 September 2009; Council of the European Union, *An EU Response to Situations of Fragility: Conclusions of the Council and the Representatives of the Governments of the Member States meeting within the Council*, Note 15118/07, Brussels, 19 November 2007.

[4] European Commission, *EU Response to Situations of Fragility in Developing Countries: Engaging in Difficult Environments for Long-term Development*, Report of the External Debate, 2007, at http://ec.europa.eu/development/icenter/repository/Consultation2_Fragile_states_report_EN.pdf, accessed 4 September 2009.

[5] Cf. R Youngs, 'Fusing Security and Development: Just Another Euro-platitude?' *Journal of European Integration* 30(3), 2008, p 435.

[6] See W Hout, 'Development and Governance: An Uneasy Relationship', in *Governance and the Depoliticisation of Development*, W Hout and R Robison (eds), London: Routledge, 2009, and G Hydén 'Beyond Governance: Bringing Power into Policy Analysis', *Forum for Development Studies* 33(2), 2006, pp 215-236.

[7] World Bank Operations Policy and Country Services, *Fragile States: Good Practice in Country Assistance Strategies*, Washington, D.C.: World Bank, 2005, p 8; World Bank Independent Evaluation Group, *Engaging with Fragile States: An IEG Review of Work Bank Support to Low-Income Countries under Stress*, Washington, D.C.: World Bank, 2006, p 21.

[8] World Bank Operations Policy and Country Services, *Fragile States*, p 1.

[9] Milliken and Krause 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. See J Milliken and K Krause, 'State Failure, State Collapse, and State Reconstruction: Concepts, Lessons and Strategies', *Development and Change*, 33(5), 2002, p 763.

[10] The World Bank 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. See World Bank Operations Policy and Country Services, *Fragile States*, p 27.

[11] D Cammack, D McLeod, A Rocha Menocal and K Christiansen, *Donors and the 'Fragile States' Agenda: A Survey of Current Thinking and Practice*, Report Submitted to the Japan International Cooperation Agency, London: Overseas Development Institute, 2006, pp 16-18.

[12] Cammack et al., *Donors and the 'Fragile States' Agenda*, p 25-26.

[13] For instance, C. van der Borgh, 'A Fragile Concept: Donors and the Fragile States Agenda', *The Broker Online*, 9 July 2008, at http://www.thebrokeronline.eu/en/layout/set/print/articles/A-fragile-concept, accessed 4 September 2009.

[14] Organisation for Economic Co-operation and Development, *Fragile States: Policy Commitment and Principles for Good International Engagement in Fragile States and Situations*, DCD/DAC(2007)29, 2007, at http://www.aideffectiveness.org/web/images/pdf/38293448.pdf, accessed 4 September 2009.

[15] World Bank Operations Policy and Country Services, *Fragile States*, p 1.

[16] Organisation for Economic Co-operation and Development *Concepts and Dilemmas of State Building in Fragile Situations: From Fragility to Resilience*, OECD/DAC Discussion Paper, Paris: Organisation for Economic Co-operation and Development, 2008, p 12.

[17] World Bank Operations Policy and Country Services, *Fragile States*, p 13; Organisation for Economic Co-operation and Development, *Fragile States*, p 6.

[18] World Bank Operations Policy and Country Services, *Fragile States*, p 5.

[19] World Bank Independent Evaluation Group, *Engaging with Fragile States*, p 21.

[20] *Ibid*, p 97.

[21] Council of the European Union, *A Secure Europe in a Better World.*

[22] *Ibid*, p 13.

[23] European Parliament, Council and Commission, 'The European Consensus on Development', *Official Journal of the European Union*, 24 February 2006, C46, p 14.

[24] European Commission, *Staff Working Document Accompanying the Communication 'Governance in the European Consensus on Development: Towards a Harmonized Approach within the European Union'*, SEC(2006)1020, 30 August 2006, p 8.

[25] European Commission, *Governance and Development*, Communication from the European Commission to the European Council, the European Parliament and the European Economic and Social Committee, COM(2003)615 final, 20 October 2003, pp 20-24.

[26] Council of the European Union, *An EU Response to Situations of Fragility*, p 2.

[27] European Commission, *Towards an EU Response to Situations of Fragility: Engaging in Difficult Environments for Sustainable Development, Stability and Peace* Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, COM(2007)643 final, 25 October 2007, p 8.

[28] Council of the European Union, *An EU Response to Situations of Fragility*, pp 4-6.

[29] See European Commission, *Fragile States*, 2007, at http://ec.europa.eu/development/policies/9interventionareas/governance/fragile_states_en.cfm, accessed 4 September 2009. 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.

[30] No CSP was available for Haiti.

[31] République de Burundi–Communauté européenne, *Document de stratégie pays et programme indicatif national pour la période 2008-2013*, Lisbon, 9 December 2007, p 23, at http://ec.europa.eu/development/icenter/repository/scanned_bi_csp10_fr.pdf, accessed 4 September 2009.

[32] 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. For instance, M B Jooma, *'We Can't Eat the constitution': Transformation and the Socio-economic Reconstruction of Burundi*, ISS Paper 106, Pretoria: Institute for Security Studies, 2005.

[33] République de Burundi–Communauté européenne, *Document de stratégie pays*, pp 3-4.

[34] *Ibid*, pp 10-11.

[35] *Ibid*, p 14.

[36] *Ibid*, pp 20-21.

[37] *Ibid*, p 22.

[38] République de Guinée-Bissau–Communauté européenne, *Document de stratégie pays et programme indicatif national pour la période 2008-2013*, Lisbon, 9 December 2007, p 36, at http://ec.europa.eu/development/icenter/repository/scanned_gw_csp10_fr.pdf, accessed 4 September 2009.

[39] *Ibid*, p 29. Magalhães Ferreira 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. See P Magalhães Ferreira, 'Guinea-Bissau: Between Conflict and Democracy', *African Security Review*, 13(4), 2004, p 54.

[40] République de Guinée-Bissau–Communauté européenne, *Document de stratégie pays*, pp 5-6

[41] *Ibid*, pp 6-7.

[42] *Ibid*, p 19.

[43] *Ibid*, p 31, 37-8.

[44] Sierra Leone–European Community, *Country Strategy Paper and National Indicative Programme for the Period 2008-2013*, Lisbon, 9 December 2007, Part 2, p 1, at http://ec.europa.eu/development/icenter/repository/scanned_sl_csp10_en.pdf, accessed 4 September 2009.

[45] *Ibid*, p 6. Keen 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. See D Keen, *Conflict and Collusion in Sierra Leone*, Oxford: James Currey, 2004, pp 289-296.

[46] Sierra Leone–European Community, *Country Strategy Paper*, pp 6-7

[47] *Ibid*, Part 2, pp 3-4.

[48] Timor-Leste–European Community, *Country Strategy Paper and National Indicative Programme for the Period 2008-2013*, Lisbon, 9 December 2007, p 2, at http://ec.europa.eu/development/icenter/repository/scanned_tl_csp10_en.pdf, accessed 4 September 2009.

[49] *Ibid*, pp 9-12.

[50] *Ibid*, p 23.

[51] *Ibid*, pp 70-77.

[52] European Commission, *Multiannual Indicative Programme (2007-2010)*, pp 3-4, at http://ec.europa.eu/external_relations/yemen/csp/mip_07_13_en.pdf, accessed 4 September 2009.

[53] Yemen–European Community, *Strategy Paper for the Period 2007-2010*, pp 12-14, at http://ec.europa.eu/external_relations/yemen/csp/07_13_en.pdf, accessed 4 September 2009.

[54] Yemen–European Community, *Strategy Paper*, p 12. Hill has pointed out that the government of Yemen, which faces the risk of civil war in the north of the country, a separatist movement in the south, as well as the activity of terrorist groups, has gradually been losing its control over the country as the oil revenues that support the government have started to fall. As a result of this, Hill argues, the government is less able to maintain its tribal power base that had supported by the 'web of personal loyalty through the distribution of oil rents'. See G Hill, *Yemen: Fear of Failure*, Chatham House Briefing Paper MEP BP 08/03, London: Royal Institute of International Affairs, 2008, p 6.

[55] European Commission, *Multiannual Indicative Programme*, pp 6-8.

[56] République de Burundi–Communauté européenne, *Document de stratégie pays*, pp 20-22; République de Guinée-Bissau–Communauté européenne, *Document de stratégie pays*, pp 31-38; Sierra Leone–European Community, *Country Strategy Paper*, part 2, pp 3-4; Timor-Leste–European Community, *Country Strategy Paper*, pp 70-77; European Commission, *Multiannual Indicative Programme*, pp 6-8.

[57] I Briscoe, 'The EU Response to Fragile States', *European Security Review*, 42, 2008, p 9.

[58] P Chabal and J-P Daloz, *Africa Works: Disorder as Political Instrument*, Oxford: James Currey, 1999, p 4.

[59] V Fritz and A Rocha Menocal, *Understanding State-Building from a Political Economy Perspective: An Analytical and Conceptual Paper on Processes, Embedded Tensions and Lessons for International Engagement*, London: Overseas Development Institute, 2007, p 44.