
Rebuilding State Institutions in Collapsed States

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ABSTRACT

The international community has embraced an unprecedented approach to collapsed states — those that have lost their capacity to perform even the most basic functions. While historically such states simply disappeared, divided up into smaller units or were conquered by a more powerful neighbour, collapsed states are now expected to be rebuilt within the same international borders thanks to the intervention of multilateral organizations and bilateral donors. Furthermore, there is now the expectation that these states will from the very beginning be rebuilt as democracies with strong institutions. This article examines the model of state reconstruction currently adopted by the international community and some examples of its implementation. It concludes that the approach cannot be applied to all countries, that institution-building is often undertaken prematurely, and that there is a discrepancy between the donors' prescriptions and the resources they are willing to make available.

INTRODUCTION

During the 1990s, the so-called international community — that is, the conglomerate of industrialized democracies and the multilateral agencies over which they have preponderant influence — has gained considerable experience in trying to reconstruct collapsed states. Invariably, these states have been deeply enmeshed in civil conflict or just emerging from it: civil war accompanies state collapse, either as a cause or as a consequence.

In addressing the problem, the international community has assumed that it is both possible and essential for all collapsed states to be reconstructed within their old borders. Even after the Soviet Union, Yugoslavia and Czechoslovakia broke apart in the early 1990s, the international community refused to entertain the possibility that some collapsed states may be simply too dysfunctional to be patched back together, and that other solutions might thus need to be considered. State collapse has spawned an industry in reconstruction — or rather, one in the development of new states. In historical perspective, the determination to restore collapsed states is recent. The most common practice in the past has been for the great powers of the day to annex or dismember collapsed or dysfunctional states: major

examples from the twentieth century include the break-up of the Austro-Hungarian and Ottoman empires and the splitting of India and Pakistan. No longer: collapsed states are now expected to rise again, as soon as possible, with international support. They are also expected to rise as democratic states. International intervention in collapsed states during the 1990s invariably entailed the organizing of multi-party elections within the shortest possible time — and occasionally within an impossibly short time. Increasingly, the prescribed process is taking on a stereotyped character. The July 1999 Lusaka agreement on the Democratic Republic of the Congo requires the warring parties to engage in a ‘national dialogue’ to reach agreement on a new democratic political system and to hold elections. The December 2001 Bonn agreement on Afghanistan calls for the holding of a *loya jirga* to reach agreement on a new democratic political system, to be followed by elections.

The examples of attempted state reconstruction during the 1990s are numerous. Most have involved the intervention of the international community, but there have also been some cases of internal reconstruction, where domestic actors have produced the change. External intervention has met in general with only partial success — the patients have been kept alive but not necessarily dismissed from the hospital. Mozambique is one of the most successful cases, although considerable problems still remain. Other examples are far less encouraging. International intervention has allowed Cambodia to survive as a state, but has failed to make it democratic. In Sierra Leone, the initial international intervention was unsuccessful, and the prognosis for the second intervention is highly uncertain. Bosnia remains a state on paper because a massive international presence ensures it, but there is little evidence that it will ultimately be able to survive on its own. It is paradoxical that Kosovo, a territory the international community refuses to envisage as an autonomous state, may be developing state-like characteristics more successfully than Bosnia. The major cases of internal reconstruction of collapsed states in the 1990s are Uganda, Ethiopia and Eritrea — none of which has turned into a democracy. After being a prime example of failure of externally-led reconstruction, Somalia has also turned into an instructive, though as yet unsuccessful, case of attempted internal reconstruction.

These and other examples of state reconstruction in the 1990s provide some preliminary information with which to test the prevailing wisdom of how collapsed states can be reconstructed. Conclusions are necessarily tentative because the examples are not very numerous, and each has peculiarities that preclude easy generalizations. Nevertheless, these examples shed light on the problems of state reconstruction and may help improve the design of future interventions.

This study will examine the model of state reconstruction adopted by the international community and some examples of its implementation; it will also explore the experience of some states reconstructed from inside. Before

proceeding, however, it is important to discuss two concepts which have already been used repeatedly in this introduction — ‘state’ and ‘institutions’.

Some Definitions

The idea of the modern state and the lengthy and convoluted historical process from which such states arose have already been discussed exhaustively by Milliken and Krause in the Introduction to this volume. Here, I will only differentiate among three types of state, borrowing from the work of Robert Jackson, but elaborating on it somewhat. In a seminal work, Jackson (1990) distinguished between *de jure* and *de facto* states. *De jure* states are those that exist by a fiat of the international community, which recognizes them as sovereign entities whether or not they have a government capable of effectively controlling or administering the territory. Post-colonial states, most of which owed their existence to negotiations with the colonial powers and international recognition, rather than the proven capacity to govern a territory and its peoples, often fall in this category. Collapsed states are the most extreme form of the purely *de jure* state. Somalia, without even a nominal government for a decade, is still considered a state with sovereign rights. Any neighbouring country that tried to seize a part of its territory would be accused of violating the sovereignty of this ghostly Somali state.

Jackson contrasts the *de jure* state to the *de facto* state, where the people occupying the territory are organized under or have organized an effective government. I would like to refine this concept by differentiating between two types of *de facto* states, representing the ends of a continuum. At one end is the state that enjoys international recognition and exercises control over people and territory through formal and strong, preferably democratic, institutions — this is a state *de jure* as well as *de facto*. It has an effective administrative apparatus and is characterized by the rule of law. In other words, this is the modern state in all its legal-rational Weberian splendour. This is the model the international community tries to replicate in collapsed states; for brevity, I will refer to it as the Weberian state. At the other end of the continuum is the state that receives no international recognition and has weak institutions, but where power is exercised and enforced. This state is constructed on the basis of power, not institutions. It is a state *de facto* but not *de jure*. For brevity, I will refer to this as the ‘raw power state’. An example of such a state is emerging in Somaliland or, in an even more rudimentary fashion, in the portion of the Democratic Republic of the Congo controlled by Jean-Pierre Bemba, a warlord who is busy negotiating peace deals among warring factions and appointing ‘administrators’ to various districts, despite the fact that he does not have, nor is likely to get in the short run, either an official position or international recognition. In between the two extremes are a great number of states built on a mixture of

raw power and institutions, as well as states enjoying different degrees of external recognition as states — Somaliland which has developed some institutions but has received no recognition; Eritrea which has institutionalized a non-democratic state but has received immediate recognition; and Kosovo where the international community is developing state-like institutions but which is not supposed to become a state.

The distinction between the two extreme types of *de facto* states helps underline a major difference between externally- and internally-led reconstruction. The externally-led or donors' model demands a transition from the collapsed *de jure* state to the Weberian *de facto* state; the internally-led model more modestly accepts a transition from the collapsed *de jure* state to a raw power *de facto* state that slowly develops institutions, though not necessarily democratic ones.

The latter process is closer to the way in which states have developed historically, as Milliken and Krause show — through superior military power and administrative capacity, only slowly developing institutional strength and sometimes a democratic system. The model chosen by the international community is a short-cut to the Weberian state, an attempt to develop such an entity quickly and without the long, conflictual and often brutal evolution that historically underlies the formation of states. The advantage of such streamlined transformation is obvious; but the reality suggests that these attempts often stumble on the unresolved issue of power.

'Institution', too, is a complicated concept. The dictionary definition is a good starting point. Merriam-Webster defines an institution as a 'significant practice or organization in a society' or as 'an established organization, especially of a public character'. For the purpose of this discussion, *significant* and *established* are key. For the international community, rebuilding institutions in collapsed states means organizing government departments and public agencies to discharge their functions both efficiently and democratically, following models found in Weberian states. Electoral institutions; executive agencies, particularly those dealing with finances; the parliament; the judiciary; and the military and police are usually the major targets of international efforts in collapsed states. In practical terms, the initial intervention to supervise the implementation of a peace agreement and elections is followed by the invasion of consultants who come to set up appropriate institutions in key sectors. In reality, what external agents do is set up organizations, not institutions.

It is an issue open to debate whether outsiders can ever set up institutions. They can set up organizations, but such organizations will only become significant and established — hence institutions — when the relevant actors believe that they provide solutions to real problems. Donors, however, think of institution-building less in terms of finding solutions to what local actors perceive to be problems, and more in terms of transplanting 'best practices', that is, methods that have been used successfully elsewhere (see also Chang, 2000: especially 1–5). In stable, well-established political systems, the best

practices do indeed solve local problems. In countries emerging from collapse, what the international community considers best practice is not necessarily perceived by local actors as the answer to their problems. This makes it difficult for organizations to become institutions.

The transition from apartheid in South Africa provides an interesting example. South Africa in the early 1990s was not a collapsed state, but needed new institutions to replace those of the apartheid regime. This spawned a considerable 'best practices' industry, domestically and internationally. A South African organization, the Human Sciences Research Council assembled an impressive library of documents showing how other multi-ethnic countries had addressed the problem of balancing majority rule and minority rights. Scholars of all nationalities wrote articles and even books on the topic, engaging in surprisingly acrimonious debates about the virtues of their solutions and the shortcomings of other proposals (Cloete et al., 1991; Gilliom and Schlemmer, 1989; Horowitz, 1991; Lijphart, 1985; van Zyl Slabbert and Welsh, 1979). Some of the solutions became so convoluted that only specialists could understand them. In the end, the problem was not solved by experts studying best practices, but by politicians sitting around the negotiating table (Ottaway, 1993: 89–113). Did the politicians choose the optimal solution? It is possible that some of the proposed best practices had technical advantages. What is clear is that the negotiators solved the problem of devising institutions acceptable to all major political actors.

These considerations suggest the need to take a second look at the way in which institution-building in collapsed states should be approached. Organizations can be set up from the outside with the help of experts and consultants, but organizations only endure and become significant, that is, become institutions, if they are seen as solutions to real time problems.

REBUILDING COLLAPSED STATES: THE DONORS' APPROACH

During the 1990s, a diverse array of agencies has worked in collapsed and post-conflict states; as a result, ideas on how the international community can help the reconstruction of collapsed states have evolved rapidly. Although there is no universally accepted blueprint, there is a great deal of convergence among different agencies, bilateral and multilateral, about what needs to be done. In fact, some tasks seem so basic that many agencies feel compelled to undertake them no matter what their central mandate is. The World Bank, for example, feels it must contribute to the demobilization and resettlement of former combatants because it cannot undertake economic reconstruction in post-conflict countries seething with armed men (Colletta et al., 1996).

The approach to reconstructing collapsed states has become increasingly sophisticated over the years. Learning from the problems and successes of early programmes, donors have developed a better understanding of the multiplicity of factors that cause state collapse and of the complexity of the

measures required to address them. The downside of this increasingly nuanced understanding of the complexities of state reconstruction is that prescriptions are becoming so complicated that they defy implementation — in some cases, they even defy common sense. The problem is compounded, as Boyce (this volume) shows, by the conflicting interests of the donors, which often override the conceptual framework on which prescriptions are based.

The prevalent model of state reconstruction, which I have pieced together from published sources and discussions with individuals who have direct experience with reconstruction activities, has several dimensions.¹

- *Security.* Combatants must be demobilized quickly. The majority of them need to be reintegrated into civilian life through the provision of severance bonuses and/or several months' worth of staple foods, as well as basic tools necessary for farming or an informal sector occupation. The goal is to enable them to earn a living, so they will not turn to banditry or be willing recruits for the next insurgent group. A small number of former combatants will be included in a new national army. Originally, the military dimension included only these tasks, and even demobilization often received short shrift. Increasingly, however, these steps are seen as just the beginning of a much more complex transformation of the entire security sector, which includes 'the armed forces; the police; the gendarmerie and other paramilitary forces such as the border guards; the intelligence services; customs enforcement bodies; civil oversight bodies such as the ministries of defence and justice, the legislature, the office of the president; financial management bodies such as the ministry of finance, budget office, auditor general's office; and the judicial and correction system' (Ball, 2000).
- *Political.* The conflicts that rage in collapsed states need to be brought to a halt through negotiations; immediately after an agreement, the process of setting up new, democratic political institutions must begin, sometimes, as Boyce (this volume) shows, to the detriment of efforts to build peace. Political reconstruction includes a large number of tasks: amending or rewriting a constitution, at least an interim one; crafting new election laws; developing an election infrastructure, beginning with a national election commission; and organizing an election monitoring system with the participation of civil society organizations, both to build confidence and monitor the results. But increasingly, these immediate tasks are seen as just the tip of a vast iceberg of political reforms: elected parliaments must be strengthened, and so must executive agencies; the judiciary must be built up into an independent body; organizations

1. Among the numerous relevant publications are those issued by the World Bank's Post-Conflict Reconstruction Unit, as well as Crocker and Hampson (1996); Forman and Patrick (2000); Kumar (1998); USAID (1997).

of civil society must be supported financially and provided with training so they will become more effective advocates for policy reform; and political parties must learn how they can correct their deficiencies. In other words, rule of law must be instituted with all its institutional and procedural elements, which include 'a representative government in which the executive is accountable to the elected legislature or to the electorate; the duty of the government to act in compliance with the constitution and the law; a clear separation of between the state and political parties; accountability of the military and the police to civilian authorities; consideration and adoption of legislation by public procedure; publication of administrative regulations as the condition for their validity; effective means of redress against administrative decisions and provisions of information to the person affected on the remedies available; an independent judiciary; protection of the independence of legal practitioners; and detailed guarantees in the area of criminal procedure' (Kritz, 1996: 590).²

- *Economic.* This includes, initially, relief measures necessary to assist the war-affected population, internally-displaced people and returning refugees; the immediate macroeconomic measures needed to stabilize the currency, realign revenue and expenditure, control inflation and restore conditions that make it possible for the private sector to get on its feet again; and an almost endless array of reforms, concerning everything from the banking system to the commercial codes, which will eventually make it possible for the country to become an economically viable entity.

The blueprint for reconstructing failed states has already become enormously complex and it will surely become even more so with further experience and new studies. The logic of this comprehensive approach is impeccable, because all the above issues are interlinked and a state that only addresses a few is still at risk of collapse. Comprehensiveness, however, can also lead to the absurd. Consider the experience of Sierra Leone, which is a very poor, utterly collapsed state, or even that of Croatia, a country with a per capita income of over US\$ 4,000 and a well educated population, which is not a collapsed state. Despite these fundamental differences, both countries are overwhelmed by the donors' approach.

In November 1999, the government of Sierra Leone signed a Memorandum of Economic and Financial Policies with the International Monetary Fund (IMF). This memorandum came after all parties in the civil war accepted the Lome agreement, giving the international community hope that the war was over and that Sierra Leone could finally settle down to the

2. Kritz's list is a summary of a document published by the Organisation for Security and Cooperation in Europe, which he considers to be the most detailed catalogue of what the rule of law entails.

task of physical and institutional rebuilding. In the event, this was not the case and the conflict resumed, making the memorandum irrelevant. Nevertheless, there is a lesson here.

The IMF memorandum theoretically only addressed the country's most urgent problems. What follows is the first part of the list of tasks, all requiring further institutional capacity, to which the government committed itself for the first year alone.

- Re-establish security
- Re-establish the capacity for policy planning and implementation
- Establish programmes to demobilize, disarm and reintegrate ex-combatants
- Resettle, rehabilitate and reintegrate the displaced population
- Initiate a programme of national reconstruction
- Organize elections by January 2001
- Rebuild communities, economic and social services, and infrastructure
- Develop a sound macroeconomic framework within which all programmes can be implemented
- Reduce inflation
- Develop a budget and also the capacity to modify it quickly in response to revenue shortfalls or cost overruns
- Narrow the domestic deficit but increase outlays on social services
- Start revising the tax system and build the capacity of tax collection agencies
- Liberalize the petroleum market.

I will stop here. These are the salient points contained in the first two pages of the document. Four more pages follow.

Croatia is a very different case. Although it is a new country and has suffered serious economic decline since the break-up of Yugoslavia, Croatia retains the basic policy-making and policy-implementing capacity necessary for the state to function. But even this country is being crushed by the international community's expectations for prompt transformation into a Weberian state. After the defeat of the nationalist HDZ in the elections of December 1999 and January 2000, the international community made many demands of Croatia: adopt a new constitution; increase the capacity of the parliament to legislate rather than rubber-stamp; undertake a massive reform of the judiciary; strengthen the capacity of the ministries to make and implement policy, as well as communicate it to the public; strengthen local government capacity; privatize or reform the remaining public sector enterprises and all public utilities; restructure government radio and television; reform the security services; restructure the civil service; and refurbish all financial and economic institutions. By late 2000, a paralysed parliament was facing some 200 bills.

In an attempt to remedy early mistakes and avoid future failures, the international community has developed a set of prescriptions for state

reconstruction that is so exhaustive that it cannot possibly be followed in practice. The prescriptions in essence list the institutions and processes that need to be in place in a modern, Weberian, democratic state, but fail to outline a feasible process for getting there. This is the architect's model of the finished building, but not the contractor's plan for sequencing the various tasks, from digging the first hole in the ground to applying the final coat of paint. Buildings cannot be erected on the basis of an architect's model alone.

DONOR-DIRECTED RECONSTRUCTION IN PRACTICE

The strengths and weaknesses of the donors' approach to state reconstruction can be illustrated by three cases: Mozambique and Cambodia, which can be considered typical examples of the donors' early approach to state reconstruction; and Bosnia, which illustrates the more comprehensive approach which evolved later, as well as the greater political commitment by the United States and the European countries.

In Mozambique and Cambodia, the processes started with the negotiation of an internationally-brokered agreement between the warring parties. Once the agreement was in place, UN peacekeepers and administrators were deployed to monitor the implementation of the agreement; provide interim administration; demobilize the combatants and reintegrate them into civilian life; organize elections for a new government; and, finally, facilitate the consolidation of the new democratic institutions. The scenario, in other words, envisaged a transition from state collapse to democracy (see Brown, 1998; Turner et al., 1998). The reality fell far short of the model. First, there was a severe imbalance between the goals set and the resources the international community was willing to devote to attain them; second, in both countries the *de facto* power of the contending parties trumped the *de jure* power of the new institutions.

The resources devoted to state reconstruction in the two countries were not negligible, particularly in proportion to the countries' own resources, but they were nevertheless insufficient for the level of reconstruction envisaged by the international community. Furthermore, the intervention was relatively short-lived in both cases, leaving the two countries to complete the task of state reconstruction on their own, but stuck with a model that was costly and left basic problems unsolved. ONUMOZ (United Nations Operation in Mozambique) spent approximately US\$ 471 million from December 1992 to December 1994, with an estimated US\$ 90 million devoted to the elections alone.³ UNAMIL (United Nations Advisory Mission in

3. Total cost: United Nations Department of Public Information Website; election cost in Turner et al. (1998: 156).

Cambodia) and its successor UNTAC (United Nations Transitional Authority in Cambodia) together spent US\$ 1.6 billion between November 1991 and September 1993.⁴ At the height of the deployment, UNTAC had 15,900 military personnel, 3,600 policemen and 2,500 civilian administrators on the ground (Brown, 1998: 91). The amount of money spent by the international community appears particularly large when compared to the GDP of the two countries at the time — US\$ 1.4 billion for Mozambique and US\$ 2.7 billion for Cambodia. But this level of commitment was not sustained after the elections. Instead, the UN withdrew its troops and administrators, leaving behind shaky political situations.

Cambodia faced the more difficult problem: despite the peace agreement and the presence of UN peacekeepers and civilian administrators, the major parties still controlled instruments of power independent of election results. In an attempt to hold to the timetable and contain costs, UNTAC went ahead with the elections before the demobilization of combatants was complete, thus leaving the parties with the option of using force again. Indeed, the Khmer Rouge refused to disarm at all, or to participate in the elections. The former ruling party, Hun Sen's Cambodian People's Party, had not only men under arms but also a political machine entrenched in the ranks of the administration; the elections proved that it also enjoyed a considerable degree of political support. The main opposition coalition, known as FUNCINPEC, had greater voter support but no control over either military or political instruments of power. The electorate gave FUNCINPEC 45.5 per cent of the vote and the CPP 38.2 per cent. At that point, the fate of power imposed itself: FUNCINPEC should have formed the government but the CPP would simply not bow to the election results and allow FUNCINPEC to dominate. The two parties solved the problem by forming a highly irregular coalition government with two prime ministers, and the international community acceded. Even this accommodation soon gave way under the reality of power distribution. In July 1997, the CPP felt strong enough to drive the leadership of FUNCINPEC and other opposition parties into exile and to seize power in a military coup. Raw power appeared to have triumphed over the institutions the international community had sought to put in place. However, great international pressure forced the CPP to allow the return of the political exiles, and to organize new elections. This time the CPP won and the situation stabilized, largely because the election results conformed to the *de facto* power distribution in the country (see also Chong, this volume).

Mozambique fared better. First, the international community — still in shock over the failure of the internationally sponsored 1992 elections in Angola, Portugal's other major former African colony — decided to slow down the process and postpone elections until the demobilization process

4. United Nations Department of Public Information Website.

was completed. Second, the international community went to great lengths to level the playing field, providing ample funding to help Renamo, the armed opposition movement, transform itself into a political party. Third, there were only two sides to the conflict and both were utterly dependent on outside aid and unable to continue fighting. Both parties in the end abided by the election results, although the leader of Renamo, Afonso Dhlakama, had to be bribed with additional last minute funding not to withdraw from the contest. Nevertheless, seven years after the transitional elections, the commitment of Renamo and Frelimo to elections as the mechanisms for allocating power remains weak. The two parties have remained deeply suspicious of each other, with each election providing a new occasion for exchanging accusations of fraud. At present, the best guarantee that the state will not explode into renewed fighting is the lack of resources for war by the two sides, particularly Renamo, rather than the strength of the political institutions.

The case of Bosnia is quite different. From the beginning the international community undertook the operation knowing full-well that a strong military and civilian international presence would have to be maintained for an indefinite period of time. Sure enough, seven years later, the end is nowhere in sight. The goal of the international community in Bosnia, spelled out in the Dayton Peace Accord of November 1995, was the same as for other collapsed states: to keep the country together as an independent state, preventing its break-up and the annexation of parts of its territory by neighbours; and to build institutions that allow all citizens, no matter their ethnic or religious identity, to live at peace and without discrimination. Given the starting point — a deeply divided population, raging civil war, several years of ethnic cleansing, and Serbia's and Croatia's support for extremists — the goal was not simply ambitious, it was almost Utopian.

There was no shortage of resources. The total cost to the international community of the Bosnian operations between 1992 and 1998 alone has been estimated at over US\$ 53 billion, including some US\$ 19 billion for the military costs of the United Nations Protection Force (UNPROFOR) and the NATO operations (IFOR and SFOR) (Talentino, 1999: 27). The rest is accounted for by humanitarian aid and reconstruction efforts. Since 1998, military costs have decreased considerably, but humanitarian and reconstruction efforts are continuing. These figures for Bosnia are not strictly comparable to those provided earlier for the cost of intervention in Mozambique and Cambodia, which only included the cost of the UN operation. Nevertheless, it is clear that the intervention in Bosnia has been of a very different order of magnitude. Furthermore, the commitment has been open-ended rather than limited to two years.

Yet, even this degree of commitment has not ensured the reconstruction of the Bosnian state and its institutions. It is true that the fighting ended once the Dayton agreement was signed and that Bosnia has not been dismembered, which had seemed probable before 1995. But Bosnia is not

becoming a state. The Bosnia envisaged by the Dayton Accords was a convoluted state composed of two major entities — Republika Srpska and the multi-ethnic Bosniak/Croat Federation of Bosnia and Herzegovina, itself composed of a Moslem and a Croat entity only marginally less suspicious of each other than of Republika Srpska. Under the accord, the central institutions of the state were supposed to become progressively stronger and the separate identities of the ethnic entities to weaken. Instead, central institutions have remained weak, and the three entities have become more institutionalized. Elections held under international supervision confirmed the separateness of the three population groups, with each voting for its nationalists. The return of refugees has been painfully slow, particularly in the case of people who are minorities in their hometown. The International Crisis Group (1999: i) has concluded that:

Today Bosnia and Herzegovina has three *de facto* mono-ethnic entities, three separate armies, three separate police forces, and a national government that exists mostly on paper and operates at the mercy of the entities ... The few successes of Dayton — the Central Bank, a common currency, common license plates, state symbols and custom reforms — are superficial and were imposed by the international community.

In general, progress has been so slow and resistance so high that it does not seem warranted to conclude that, if the present trend continues, the Dayton Accords will eventually be fully implemented. Rather, a break with the present trend would be necessary for Bosnia to become a self-sustaining state. This is cause for great concern, because Bosnia has probably received as much aid for and support in rebuilding its institutions as any country is ever likely to receive. Failure in Bosnia would call into question the donors' approach to state reconstruction.

INTERNAL STATE RECONSTRUCTION

There is no blueprint for internal state reconstruction that can be derived from publications. The domestic actors that reconstruct states are military men and politicians more prone to act than to write, and scholars have devoted little attention to the issue. But patterns of internal state reconstruction can be gleaned from the experiences of the last decade. Most of these examples come from Africa, which is not surprising since Africa is the continent with the largest number of state collapses. I will discuss briefly three cases — Uganda, Ethiopia and Eritrea⁵ — where the rebuilding of the state was relatively successful and one — Somalia — where success remains elusive. The first three countries have been reconstituted as *de facto* states, although they are not Weberian states nor are they completely free of civil conflict. Nevertheless, they have governments capable of reaching decisions

5. The discussion of Uganda, Ethiopia and Eritrea is based on Ottaway (1999).

and enforcing them over most of the territory, and life has returned to normal for most citizens. Somalia remains a *de jure* state, but the recent attempt to rebuild it as a *de facto* state has failed. On the other hand, a *de facto* new state has emerged in Somaliland, but it has received no international recognition.

The collapse of the Ugandan state was brought about by a decade of ethnic politics after independence, followed by another eight years of brutal though ineffectual rule under Idi Amin in the 1970s. Amin was eventually brought down by the intervention of the Tanzanian army on behalf of former president Milton Obote. But the Tanzanians soon left and Obote failed to generate enough power to remain at the helm of the country. Multi-party elections in 1980 gave formal legitimacy to his presidency, but also re-ignited the conflagration of ethnic politics that had consumed the country earlier. Within months of the elections, Yoweri Museveni organized a National Resistance Army and in 1986 finally prevailed. The reconstruction of the state started under his leadership.

The collapse of the Ethiopian state started with the overthrow of emperor Haile Selassie in a military *coup d'état* in 1974. For fifty years, the emperor had managed to hold the country together in feudal style by building a personal network of supporters. With his departure from the scene, the network was destroyed and the country started to fall apart. The separatist movement in Eritrea stepped up its resistance and ethnic liberation movements soon sprang up in other regions. The army was not strong enough to suppress the insurgencies by force, and the Soviet-style party, which the military junta set up, failed to generate any real support or even intimidate the population into passivity. In 1991, the combined forces of the Eritrean and Tigrean insurgents defeated the Mengistu government. A deal between the winners resulted in independence for Eritrea, while in the rump of Ethiopia the new leadership set about creating an ethnic federation in an attempt to defuse ethnic nationalism.

In all three countries, thus, the first step towards reconstituting (or constituting) the state was a military victory: force is what made state reconstruction from the inside possible. This is not surprising, since there are no other means at the disposal of internal actors. Institutions have by definition ceased to function in collapsed states, so there is no way to generate the authority needed to govern a state through legitimate, institutional mechanisms. Negotiations among the factions could theoretically generate agreement about a new institutional framework, but usually there is far too much strife in a collapsed state for such a peaceful process to unfold — this is why the state collapsed in the first place. The only alternative is recourse to the raw power generated by superior force.

Raw power is not an effective tool for governing a country: ruling at gunpoint is difficult. Even the most authoritarian governments (and those of Uganda, Ethiopia and Eritrea were and remain quite authoritarian) need to transform that raw power into authority by crafting regular processes and

institutions of government that earn some acceptance from the population. For Uganda, these included strengthened local government, elections under a 'movement' (or no-party) system, and a new constitution. For Eritrea, building structures of authority hinged on transforming the armed liberation movement into a political party. For Ethiopia, the steps included the transformation of a country into a federation of states built on ethnicity but held together by a strong network of political parties. For all three, finally, the effort to transform raw power into authority also depended on a degree of economic reconstruction, urgently needed not only to improve human conditions, but also to give the government the resources to govern. The restoration of these collapsed states was thus based on, first, developing raw power through an armed movement and, second, trying to transform that raw power into authority by regularizing institutions and processes of government. This led to the reconstruction of the state, but not to the emergence of democratic states. Major components, free choice and popular participation, were missing.

Somalia, on the other hand, has now seen two attempts at state reconstruction, one external and one internal. In 1993, after attempting to restore a state in Somalia through endless negotiations and an armed intervention, the international community gave up and left the country to its own devices. An uneasy peace returned to the country, but not a central government. Instead, regional entities started consolidating, above all in the north, where a proto-state emerged in Somaliland. In 2000, those Somalis committed to the restoration of a united country held a lengthy series of meetings in neighbouring Djibouti, which resulted in the formation of a transitional national assembly, comprised of representatives of all clans and sub-clans, and of a new government. The problem is that the new government has no real power, thus its writ does not run in any part of the country where a warlord or clan leader has established a power base. Success thus remains highly uncertain, because many groups resist the solution and have the weapons to disrupt it.

ASSESSING ATTEMPTED STATE RECONSTRUCTIONS

Both donor-directed and internal attempts to reconstruct collapsed states are fraught with difficulties, as the above examples indicate, and by no means certain to succeed. The international community wants to ensure the maintenance of a *de jure* state in most cases; given the political will to commit sufficient resources, it probably can. That political will, however, is often absent, and in any case political will and resources are not sufficient to ensure the reconstruction of a *de facto* state, and thus in the end may sustain the very type of state that is vulnerable to collapse. In internal reconstruction efforts, the actors want to reconstruct a *de facto* state, but they may not have the resources to do so. Furthermore, the actors who have

the capacity to reconstruct the *de facto* state are also likely to be reluctant to curb their newly acquired power and move from raw power to institutionalized politics and the rule of law.

Donor-directed and internal attempts at state reconstruction differ significantly in two respects. The first is cost. Internal attempts are much cheaper than donor-directed ones, where a very large part of the money goes to pay for the services of international peacekeepers and administrators. The second is process. Internal attempts hinge on re-establishing power, the donor-directed ones on building institutions. The institutional route to state reconstruction, which donors prefer, appears at first sight vastly superior, because countries in which strong institutions regulate the exercise of power and in which the rule of law prevails are more likely to avoid political instability and the danger of renewed collapse. The problem is that what is good in the long run does not work so well in the short run, because in the short run power trumps institutions. Newly-developed institutions do not generate authority and cannot curb the raw power of different political factions. Entrenched power can only be broken by the intervention of a strong countervailing force, which relies on either military superiority or overwhelming popular support. Elections, unfortunately, achieve little against entrenched power.

Reconstruction can only be successful when sufficient power is generated to break the hold of existing groups. In internal processes, that power is usually based on superior force. In externally-directed reconstruction, fighting may not be necessary because the international community can deploy, if it wants, sufficient means of coercion to make resistance by internal factions unlikely or at least short-lived. Once IFOR and then SFOR moved into Bosnia, for example, fighting quickly abated. But the international community is rarely willing to deploy overwhelming force, because such deployment has high financial and political costs; if intervention is only half-hearted, the international community may find itself stuck in a quagmire, as in Somalia and Sierra Leone.

In both types of state reconstruction, a major challenge is moving from order imposed through power to the institutions that will maintain it in the long run. In internal reconstruction processes, that second phase of state reconstruction often fails to take place, because those who have consolidated power have little incentive to limit its exercise by developing institutions. In donor-directed processes, the international community rushes to develop institutions, but tends to withdraw the power that buttresses them far too soon, leading to failure, as in Cambodia.

LOOKING AHEAD

There is no simple solution to these dilemmas of state reconstruction. The suggestions that follow draw on the experiences of the donor-directed and

internal attempts at state reconstruction discussed above and seek to highlight problems the international community needs to address urgently in order to improve its state reconstruction efforts.

The restoration of a collapsed state cannot start with the building of institutions

Institution-building is a slow process. Donors can create organizational structures that bear a resemblance to the functioning, legitimate institutions of stable states, but converting these organizations into real institutions in states recovering from collapse is an entirely different matter. The first task — establishment of organizations — can be accomplished with money and technical assistance. Their transformation into legitimate institutions is the result of domestic political processes that take time and can only be marginally affected by donors.

States do not collapse because institutions are weak, but because the mechanisms for generating the power and authority necessary for any regime to govern cease to function. In some cases, these mechanisms are institutions, but in weak states, they are not. Regimes with weak or even non-existent institutions can last for a long time — Mobutu Sese Seko governed Congo/Zaire for thirty years without the benefit of institutions. The state finally collapsed under Laurent Kabila not because something happened to the institutions, but because he failed to generate power by manipulating friends and foes as Mobutu had done. Emperor Haile Selassie in Ethiopia lasted fifty years without the benefit of institutions. Paradoxically, his demise was caused by the only strong institution he ever cared to develop, the military. Furthermore, there can be states with strong, well-established institutions that collapse because at some point those institutions can no longer generate sufficient power and authority — the collapse of socialist regimes is a case in point.

The first challenge that recovering collapsed states must face is thus not the creation of institutions, but the creation of some mechanisms — necessarily not institutionalized at the outset — for generating power and authority. It is only when that basic problem has been solved that it makes sense to talk about building institutions that will regulate the exercise of power.

Power and authority can be generated from the inside, when one domestic actor prevails over the others, or at least in part from the outside, when the international community intervenes to restore order. Force does not necessarily mean violence: the mere display of military might by the international force in Bosnia was sufficient to stop the fighting, although this was not true in Kosovo. Force is more likely to be exercised with restraint when it is part of a UN intervention. Nevertheless, it is important to recognize that the use of force always plays a role in the restoration of power and authority in collapsed states, because there is no other means.

A high degree of commitment by the international community allows a process of institution-building to start early

The prospects for early institution-building are enhanced when the international community, rather than a domestic actor, uses force. When a domestic actor successfully uses force, the chances are high that the original leadership will continue to control power and that it will only develop institutions that enhance its power or at least do not detract from it. Eritrea built up the single party. Uganda built up local institutions that increased the capacity of the leadership to administer the country, but not central institutions that might curb that power. The international community, on the other hand, has an incentive to build institutions as quickly as possible, because they are the key to terminating the intervention.

How soon this process can start after mechanisms for generating power and authority are in place depends on the degree of international commitment. If the international community is willing to devote abundant resources and remain engaged with a strong military and civilian presence, then the process of building state institutions can and should start as soon as the intervening forces have established sufficient security to operate in the country. If such commitment does not exist, early efforts at institution-building are pointless.

Early institution-building with major foreign involvement is an extremely intrusive social engineering approach: the international community devises a model for the reconstructed state, builds its component parts and hopes that, after being forced to adhere to the model for long enough, the country will accept it and respect it without supervision. It is a procrustean approach: the model is given, and the country will be pushed and pulled to conform to it. People will be taught to transfer their allegiance from the existing regional, ethnic or religious leaders or armed groups to the new national institutions; if they resist, they will be forced to conform. Competing factions will be forced by the international presence to accept the verdict of elections. Citizens will be taught to accept new national symbols, devised by outsiders if they cannot agree among themselves. Although the outcome of this process is supposed to be a democratic country, there is nothing democratic about the process.

Such an approach requires a long time, at best, and it is not clear that it works, except in rare cases. Democratic institutions were implanted in Germany and Japan after World War II, but under special circumstances: first, the military defeat had fundamentally destroyed the power structure in both countries; and second, both countries had a history of rule by law and institutions, although not democratic ones. But the attempts by the colonial powers to build democratic institutions in their colonies before granting them independence failed in almost all cases, with India being the major exception. The so-called institutions remained empty shells, and power was

exercised through other channels. Soon even the institutional façade was abandoned in most countries, often because of a military *coup d'état*. The jury is still out on more recent attempts at rebuilding institutions in collapsed (or new) states, and it will be for a long time. If the international effort can be sustained long enough, it may eventually work — but nobody knows what 'long enough' means.

Early engineering of democratic institutions by outsiders, oxymoronic as it may sound, is in theory the best approach to reconstructing collapsed states. For the international community, it would mean the development of a state on the basis of prevailing international principles, a state that could thus be expected to be a good, trouble-free international actor in the future. For the citizens of the collapsed state, such intervention would offer a shortcut to stability, democracy and good governance. But two large 'ifs' loom between theory and practice: *if* it works, and *if* the international community is willing to sustain the commitment indefinitely.

When the international community is not deeply engaged, the possibility and the timing of institution-building depend largely on the distribution of power in the country

It is extremely unlikely that the international community will make a major, long-term commitment to many countries, and in particular to larger countries. Military, political and economic costs would simply be prohibitive. It is not accidental that the approach is being implemented only in Bosnia and Kosovo at present. In most countries, so-called institution-building is not part of a sustained, open-ended international commitment to remain involved until the process is completed, but rather part of an exit strategy — donors want institutions in place so they can go home. Is it worthwhile to try to build institutions in such a quick and cheap way? The question depends on how power is distributed in the country: whether power is open, up for grabs; whether it is fragmented; or whether the situation is closed, with power already controlled by one group.

An open situation exists in collapsed states where several groups seek to control the state, but none can prevail and all know this is the case. An example of such an open situation was offered by Mozambique, where in the early 1990s neither Frelimo nor Renamo could maintain the illusion that they could eventually win. In fact, neither side could even continue fighting, having lost their international backers and lacking access to sufficient domestic resources. The international community's effort to rebuild the country along democratic lines, putting in place electoral procedures, democratic institutions and a new military, did make sense under the circumstances. With the conflict stalemated, the institutional solutions proposed by the international community offered a way out to both sides and that is why the process was reasonably successful.

In situations where power is extremely fragmented, institution-building is unlikely to work, even if the situation is open in the sense that no group can prevail. Extreme fragmentation makes it impossible to reach an agreement among all parties and also makes it more difficult for them to see that a stalemate has been reached — there is always the hope that a shift in alliances might produce a winning coalition. An example is offered by Somalia, where both international and domestic efforts have been stymied by the fragmentation of power. The issue may arise again in Afghanistan, given the fragmentation of the country and the international community's understandable unwillingness to occupy and administer the country directly.

Least conducive to genuine institution-building are the closed situations, where one group already controls power. Under such conditions, building institutions means one of two things: consolidating and legitimizing the hold of those who are already in power, or reopening conflict. Liberia is a case in point: the attempt to put in place a democratic election process in 1997 was pointless because power was already firmly in the hands of Charles Taylor and the population knew it. In fact, there is ample evidence that many Liberians voted for Taylor not because they supported him, but because they were afraid that the victory of an opposition candidate would re-ignite civil war (Lyons, 1998). A closed situation is likely to be found in states where one side has emerged victorious from a conflict, as in Liberia, or where the power distribution is lopsided, as in Cambodia.

International attempts to rebuild the institutions of collapsed states without a strong international presence is not only futile, but can also lead to dangerous outcomes, unless the donors understand how power is distributed in the country and act accordingly.

In helping recovering collapsed states rebuild institutions, the international community must set modest targets to avoid weakening fragile states by demanding too much, too soon

Which institutions should donors try to build in collapsed states? Today's conventional wisdom has it that collapsed states must be rebuilt immediately and comprehensively along the lines of democratic countries with market economies. Not very long ago, the conventional wisdom had it that new or collapsed states needed strong charismatic leaders, single parties and a large measure of state intervention to put the economy on the path to development. The evidence is clear today that such conventional wisdom was wrong, because strong charismatic leaders turned into predators and dictators, and state intervention suffocated rather than promoted development.

This does not mean that today's conventional wisdom is correct. Above all, it is far from clear that what is desirable in the long run is also possible in the short run. As I have argued above, the international community made

absurd demands of Sierra Leone and risks suffocating even a relatively rich and capable country like Croatia.

Donor-supported institution-building can put an unbearable burden on fragile states and become self-defeating. The process must be much more selective, with a clearer sequencing of tasks. In recent years the international community has acquired a much more sophisticated understanding of all the changes needed to transform a country into a free-market democracy. Unless it also gains a more sophisticated understanding of how the reforms can be sequenced and spaced out in a reasonable manner, and can discipline itself to be selective in its prescriptions, institution-building may turn into a farce. This is an issue that requires urgent attention.

Problem-solving, best practices and institution-building

In the haste to build institutions in collapsed states, the international community has interpreted institution-building to mean largely adopting 'best practices', that is, methods that have been used successfully elsewhere. But in successful countries, strong institutions tend to be the result of efforts to solve specific problems that the country faces. Similarly, strong institutions can only arise in states emerging from collapse when the organizations and processes being developed are perceived to offer solutions to real problems. Such solutions do not necessarily overlap with democratically sanctioned best practices, particularly in the short run.

Just as 'best practices' are not necessarily the best short-run solutions, the best short-run solutions are not necessarily something that should be institutionalized. Rwanda emerged from the genocide of 1994 with a huge case load of some 125,000 suspected *genocidaires* to be tried, in a country with about 7 million people and a gutted judicial system. The international community offered two solutions to this issue, both falling in the 'best practices' category: it set up the highly professional — and very expensive — International Criminal Tribunal in Arusha, Tanzania, and it offered assistance in rebuilding the Rwandan judicial institutions along the lines of an independent judiciary. Best practices did not solve the problem. By early 2000, the expensive international tribunal had only tried seven cases and detained some forty people. Although the pace has picked up somewhat recently, the tribunal offers no real solution. Help in rebuilding the Rwandan judiciary was also slow in coming and certainly insufficient to meet the country's unusual needs. As a result, Rwanda is now trying something which does not conform to best practices: it is experimenting with local popular courts, the *gacaca*. It is a risky solution, because such tribunals could become instruments of revenge rather than justice, but it is probably the only solution at present. It is not, however, a solution that should be institutionalized and thus become permanent. In the long run, the problem of Rwanda is not going to be that of processing large numbers of suspects under emergency

conditions, but of ensuring fair trials to a limited number of suspected criminals. Institutions need to address long-term, not short-term problems.

Donors should be careful not to promote best practices prematurely, because they can become obstacles to politically viable solutions. They should be equally careful not to encourage the institutionalization of transitional or emergency practices.

CONCLUDING REMARKS

Rebuilding institutions in collapsed states is a difficult process, fraught not only with the danger of failure, but also with the danger of reversing fragile processes of rebuilding and further damaging such states. Particularly in the initial phases, when a country is just beginning to emerge from conflict and state collapse, institutional solutions easily fail. Yet, the international community tends to favour such solutions in an attempt to bring closure to the crisis of state collapse.

Overall institutional solutions can be attempted with some hope of success only if the international community makes a major, sustained commitment, as in Bosnia or Kosovo. This is an imperial option, albeit a benevolent one. It relies on force, or better on the threat of force, to coerce the groups that have caused the state to collapse to submit to external 'best practices' solutions. It involves the presence of foreign troops and the direct intervention of international agencies willing to make and impose policies. It is not a democratic option, but it can end conflict immediately and it can perhaps restore stability and eliminate the threat of a new breakdown in the long run. It is also a very costly option, thus it cannot be implemented in all collapsed states.

In most cases, the international community has little choice but to take a back seat approach and let domestic groups take the lead in restoring the collapsed state or in destroying it completely. This is a cheap option, which requires little political will, and can always be implemented. It will eventually lead to an outcome sustainable without international presence, but not necessarily to one free of cost for the population or even the international community. International neglect allowed Somalis to find a *modus vivendi* among themselves, but it is now clear that it also allowed the implantation of terrorist groups on Somali soil. In Rwanda, the international community's decision not to intervene led to the death of close to a million people. Even short of such ultimate horror, neglect can easily lead to outcomes the international community does not want, such as the fragmenting of states or the consolidation of new authoritarian regimes.

The approach to the rebuilding of collapsed states with the greatest appeal to the international community at present can be called the bargain-basement imperial solution. This is the attempt to rebuild a collapsed state according to a favourable model but with minimal resources. It involves

measures with which we have become very familiar in the last ten years: half-hearted interventions by too small a peacekeeping force, as in Sierra Leone; attempts to build a new army before combatants are demobilized, as in Angola; creation of hollow institutions of democracy while a warlord rules the country, as in Liberia; or attempts to push governments that have minimal capacity to embark on ambitious programmes of institutional reform, as in countries too numerous to mention. This is the easiest way for the international community to address the problem of rebuilding collapsed states. It is relatively cheap. It soothes the international conscience because something is being done. It is based on international principles of democracy and human rights. Unfortunately, it does not appear to work.

The lesson so far is that there are no easy choices in seeking to help collapsed states to recover. Institution-building is part of the reconstruction process and it is a good idea. But it is not always an idea whose time has come. And it is not always an idea the international community knows how to implement or is willing to fund adequately.

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