



STATE BUILDING AND GLOBAL DEVELOPMENT

WHAT IS STATE BUILDING?

State building is creating and strengthening the institutions necessary to support long-term economic, social, and political development. In the U.S. we often take these institutions for granted, but in many countries they are weak or absent. State institutions include:

- **Legislatures**, like the U.S. Congress, to make laws
- **Judicial systems**, like the U.S. federal and state court systems, to interpret laws
- **Executive agencies**, such as the Departments of the Treasury, Education, Transportation, and dozens of others, to administer the laws which control the domestic economy, education, trade, and diplomacy, for example.
- **Police and military forces** to provide security

WHAT HAPPENS WITHOUT STATE BUILDING?

In dozens of poor countries, development is simply not taking place because state institutions are precariously weak or have failed. A glance at recent headlines provides a powerful demonstration. For example:

- **Afghanistan** remains a sanctuary for Al-Qaeda terrorists and drug smugglers and produces nearly three-quarters of the world's heroin supply.
- **Haiti**, after the fall of its president in 2004, is attempting to build a working government, protect basic human rights, and escape from profound poverty.
- **Liberia** is engaged in post-conflict reconstruction after removing its dictatorial ruler in 2003, who left the country in shambles and incited conflict throughout West Africa.

It is easy to identify states that have already failed, but how do we recognize those that may be on the brink of failure? Weak and failing states constitute a diverse group, but all have one or more gaps in the basic government functions:

- **Security gap:** The state's most basic function is to ensure security and maintain control over its territory. Terrorists and other criminal groups

often take advantage of a government's inability to control its territory in order to mount violent, hostile, or illicit acts.

- **Capacity gap:** The state plays a central role in meeting the basic needs of its people by providing education, health care, and an environment conducive to economic growth. When a state fails to meet these needs, the people are vulnerable to poverty, disease, humanitarian crises, and political upheaval.
- **Legitimacy gap:** States foster legitimacy by protecting basic rights and freedoms and enabling citizen participation in the political process. An absence of legitimacy allows for violent political opposition and increases opportunities for corruption.

WHY DOES STATE BUILDING ELSEWHERE MATTER FOR THE U.S.?

The terrorist attacks of September 11, 2001, taught us that destabilizing events in faraway places can have a real impact on the interests of Americans. State weakness or collapse challenges U.S. interests in three ways:

National security—weak states pose a threat to U.S. national security interests through:

- **Illicit networks:** Terrorist and criminal networks target weak states for their porous borders and minimal law enforcement. Without a functioning government, Somalia has become a safe haven for members of Al-Qaeda. Relatively new countries such as Kazakhstan and Uzbekistan have become conduits for the trade of illicit light weapons and drugs.
- **Spillover effects:** The collapse of a government often spawns a wider regional conflict and spreads instability, in some cases drawing in U.S. troops. The activities of Liberia's former president sparked civil war in Sierra Leone and fanned the flames of conflict from Guinea to Cote d'Ivoire.

Economic interests—weak states hinder the prospects for U.S. economic prosperity through:

- **Reduced trade and economic growth:** Countries such as Bolivia, Indonesia, Nigeria, and Pakistan are weak states that could be regional economic anchors and important trade and investment partners for the U.S.
- **Unstable oil supplies:** Weak states produce about 6.8 million barrels of oil per day, or approximately 10% of global production. Many of these states—among them Nigeria, Angola,

Indonesia, and Yemen—are large enough as oil producers to have the potential to upset the global energy market and undermine U.S. energy security.

Humanitarian interests—it is the local people who suffer most when weak states fail to meet basic needs, and this often leads to circumstances that test America's moral and humanitarian resolve.

For example:

- **The HIV/AIDS epidemic:** Weak institutions, underdevelopment, and inadequate revenues make it hard for states to address epidemics. Eastern Europe and Central Asia have the fastest-growing HIV/AIDS rates in the world. In some weak states, such as Zimbabwe, 20% of the population is infected with HIV.
- **Refugees:** People who have fled their homes to escape conflict face limited access to food, shelter, water, health care, and education. Civil war in Sudan over the past 21 years has uprooted 4.4 million people. Civil war, famine,

WHAT LEADING AMERICANS ARE SAYING ABOUT WEAK STATES AND STATE BUILDING

- The events of September 11, 2001, taught us that weak states, like Afghanistan, can pose as great a danger to our national interests as strong states. Poverty does not make poor people into terrorists and murderers. Yet poverty, weak institutions, and corruption can make weak states vulnerable to terrorist networks and drug cartels within their borders.
—President George W. Bush, 2002 *National Security Strategy*
- We are also increasingly concerned over “ungoverned spaces,” defined as geographic areas where governments do not exercise effective control. Terrorist groups and narco-traffickers use these areas as sanctuaries to train, plan and organize, relatively free from interference.
—Vice Admiral Lowell Jacoby, Director of the Defense Intelligence Agency, February 24, 2004
- Weak states are cracks in the foundation of our international system. Left untended, they can threaten the entire edifice of political and economic stability...Those states can destabilize their neighbors and whole regions, creating humanitarian crises as severe as any natural disaster...With the scourge of AIDS and other diseases that know no borders, we cannot afford the existence of more states that cannot feed, house, educate, or inoculate their citizens....We have both a humanitarian obligation and a national security mandate to pay attention.
—Senator Joseph R. Biden, Jr., June 8, 2004.

and persecution by the Taliban regime in Afghanistan resulted in massive flows of Afghan refugees to Iran and Pakistan, creating a regional humanitarian crisis.

HOW DOES THE U.S. SUPPORT STATE BUILDING?

Investing in prevention: The long-term development of a country's political and economic institutions is the only workable solution to the challenges faced by weak and failed states. U.S. leadership, commitment, and resources have been important in many countries . . .

- **Effective, targeted development assistance:** The U.S. uses some development assistance to jump-start economic growth and promote reform. U.S. aid to Botswana and postwar Korea in the early stages of their development helped them become the two fastest-growing low-income countries over the past 40 years.
- **Support for democracy:** The U.S. commits roughly \$1 billion a year in support of democratic institutions around the world.

U.S.-funded programs in Kenya helped build momentum for Kenya's 2002 democratic transition by training parliamentary watchdogs to monitor government abuses and to press for democratic reform.

...but the U.S. could do better:

- **Make countries safer:** The U.S. lacks the resources to provide effective security assistance to weak states and is restricted by law from helping other security forces improve their capabilities. The U.S. government is even limited in its ability to help demobilize soldiers after a conflict—a key task in moving toward peace.
- **Promote broad-based development and poverty reduction:** U.S. development assistance would be more effective if it were complemented by more open trade with developing countries, wider and deeper debt relief, and greater support for foreign direct investment.

To learn more about U.S. policies that affect development, see the Rich World Poor World brief “Why Development Matters for the U.S.” at <http://www.cgdev.org/section/rwpw/>.

FIGURE 1.
A SNAPSHOT OF WEAK STATES

No two weak or failing states are alike. Each has its own combination of economic, social, political, and security factors that put it at risk of failure. This figure offers a snapshot of just four of the many countries in need of state building.



HAITI

POPULATION: 8.4 MILLION

ANNUAL INCOME/PERSON: \$400

Haiti is embarking on its second rebuilding effort in the past decade. With the highest rates of poverty and HIV/AIDS in the Western Hemisphere, it faces an uphill battle.

CHAD

POPULATION: 8.6 MILLION

ANNUAL INCOME/PERSON: \$240

Terrorist groups with documented links to Al-Qaeda have found a home in the desert hinterlands of impoverished Chad. The weak central government lacks the resources and the capacity to patrol and secure its vast territory, which is three times the size of California.

INDONESIA

POPULATION: 215 MILLION

ANNUAL INCOME/PERSON: \$810

Indonesia's fragile democracy is struggling to cast off its long-standing legacy of corruption and to combat the rise of extremism espoused by groups such as Jemaah Islamiyah.

NIGERIA

POPULATION: 136.5 MILLION

ANNUAL INCOME/PERSON: \$350

Nigeria is the fifth largest supplier of crude oil to the U.S., but unrelenting ethnic, religious, and communal tensions afflicting the country could jeopardize this supply.

Source: World Development Indicators, World Bank, 2003

Seizing opportunities: Moments of transition out of conflict or into democracy present opportunities to help a weak state grow stronger or to halt a slide toward failure. In many places, the U.S. has acted decisively to seize opportunities for positive change...

- **Post-conflict reconstruction:** After the peace agreement in 1996, the U.S. provided about 25% of the reconstruction assistance given to Bosnia and Herzegovina, funding programs ranging from repairing war-damaged infrastructure to promoting independent forms of media.
- **Peace and reconciliation:** When the civil war ended in Sierra Leone in 2000, the U.S. helped place the country on a path to peace by contributing to democracy and governance programs, the UN mission, and the creation of a war crimes tribunal.
- **Support for reformers:** When Nigeria underwent a transition to democracy in 1999, the U.S. quickly removed restrictions on engagement with the Nigerian government, increased development assistance, and supported democracy and conflict management initiatives and reform programs for the country's police and military services.

...but the U.S. could do better:

- **Enhance the ability to move quickly:** The U.S. lacks the flexibility and coordination required to provide a rapid response to assist countries hoping to avert a crisis, working toward a democratic transition, or rebuilding after conflict.
- **Improve skills and expertise:** When a country is in transition, one of the most valuable resources is specialized knowledge on how to

QUESTIONS ABOUT WEAK AND FAILING STATES

If you think global development is important for the United States, talk with your friends, neighbors, civic leaders, elected officials and candidates about it. Here are some questions to get you started:

1. How should U.S. foreign policy address the development challenges of weak and failed states? What would you do to ensure that the U.S. reacts quickly and effectively to prevent crises before they start or to respond to crises once they have begun?
2. Recent development assistance initiatives are focused on “good performers.” Should there be a similar commitment to improve conditions in weak and failed states?
3. The U.S. military is overextended across the globe, performing many tasks considered part of “nation-building.” Would you endorse creating a civilian capacity to perform many of these tasks in order to reduce the burden on our military?
4. The consequences of failing governments are shared by many countries. How should the U.S. engage with its allies and international organizations in addressing this challenge?

build government capacity. The U.S. has no significant, rapidly deployable capability to assist in the tasks of building democracy, strengthening the rule of law, and reforming economic policy.

To learn more about U.S. strategies for state building, see the report of the CGD Commission on Weak States and U.S. National Security at http://www.cgdev.org/section/initiatives/_archive/weakstates.

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