STABILITY-ENHANCING DEVELOPMENT

By

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FRAGILITY AND THE AFRICAN SECURITY CONTEXT

Africa's security environment is marked by its diversity. Extremism, insurgencies, warlordism, natural resource competition, narcotics trafficking, transnational organized crime, identity conflict, piracy, the youth bulge and growing urban violence, among others, are all serious concerns. A common thread to many of these threats is state fragility – the systematic weakness of a state to provide basic security and social services for all parts of its territory. The destabilizing actors behind these threats, moreover, are almost always non-state organizations whose effectiveness depend on how well they can integrate within and undermine a society from within. In this way, they act much like a virus that is more effective in a host whose immunity has been compromised.

Fragility also defines Africa's many post-conflict contexts (16 African countries have faced conflict in the past 10 years) and the challenges these societies face in digging themselves out of the conflict trap (i.e. the strong pattern of recurring conflict).[1] In fact, 12 of the top 20 most vulnerable countries on the 2010 Fragile State Index are in Africa. More generally 34 of Africa's 53 states are categorized as either demonstrating a high or very high level of fragility. Accordingly, while Africa has experienced a steady decline in the number and magnitude of conflicts over the past 15 years, this pattern could easily be reversed. Contributing further to the dynamic nature of these threats is the fact that Africa is rapidly urbanizing. It is estimated that in the next 15 years, for the first time

[1] Marshall, Monty. 2010. "Major Episodes of Political Violence: 1946-2010," Center for Sytemic Peace.

ever, a majority of Africa's poor will live in urban vs. rural areas. With this demographic transition is a shift towards greater levels of urban fragility and violence.[2]

State fragility is exhibited through social, economic, and political underdevelopment. In fact, low income and static economic growth are almost as strong of predictive factors for conflict as previous conflict. Putting this in more concrete terms, the probability of a country with a per capita income below $2,000 being in conflict in a given year is one in four. For countries between $2,000 and $4,000, this rate drops to one in seven. Above $4,000, this ratio falls to one in 55.[3] Unsurprisingly then, countries in Africa experiencing conflict tend to have per capita incomes that are 25 percent lower than the median for the region. To be sure, there is variance in this relationship. There are many poor countries in Africa – but not all are conflict prone. Consider the relative stability of Tanzania, Zambia, Malawi, Senegal, Mali, and Benin. Still, poverty clearly matters for stability.

Along with poverty, one of the most powerful co-factors contributing to fragility is poor governance. Specifically, autocratically governed low-income countries are several times more likely to become failed states.[4] Autocracies are also more conflict-prone overall and are responsible for over 80 percent of the continent's refugees and internally displaced

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[2] Commins, Stephen. Forthcoming. "Africa's Growing Risk of Urban Fragility," *Africa Security Brief*, Africa Center for Strategic Studies, Washington, D.C.
[3] Halperin, Morton, Joseph Siegle, and Michael Weinstein. 2010. *The Democracy Advantage: How Democracies Promote Prosperity and Peace* (revised edition). New York: Routledge.
[4] Bates, Robert, David Epstein, Jack Goldstone, Ted Robert Gurr, Barbara Harff, Colin Kahl, Marc Levy, Michael Lustik, Monty Marshall, Thomas Parris, Jay Ulfelder, and Mark Woodward. 2003. *Political Instability Task Force Report: Phase IV Findings.* George Mason University.

persons.[5] Their development track record also lags that of democratically-governed low-income countries. On average, their growth rates are a third slower, infant mortality rates 20 percent higher, cereal yields 25 percent lower, secondary school attainment levels 40 percent inferior, and life expectancy nine years shorter.[6] In short, autocracies like Cameroon, Chad, Eritrea, Gabon, Swaziland, and Zimbabwe, on average, have higher levels of deprivation than democratically governed countries like Botswana, Ghana, Lesotho, Mauritius, Malawi, Mali, and Zambia. The absence of a political outlet through which citizens can change their leaders further reinforces a sense of despair in these populations. In these contexts, violence is rationalized as a necessary alternative to effect change. This is consistent with social psychology research that finds that relative social deprivation coupled with a sense of helpless to change their circumstances is a powerful impetus to instability.[7]

Such patterns are attributed to the generally weaker institutions of accountability found in Africa's autocracies.[8] These political systems have minimal checks and balances allowing leaders to pursue brazen or radical policies with few restraints from within a cabinet, party, or other branches of government. Independent voices and media are suppressed preventing the consideration of alternative narratives or information. The effect is a leadership that is above the law. Since these leaders do not face competitive

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[5] Siegle, Joseph. 2006. "Democratic Divergence in Africa: Lessons and Implications for Aid," in *Africa Beyond Aid*, Brenthurst Foundation.
[6] Halperin et. al. 2010.
[7] Staub, Ervin. 2003. "Notes on Cultures of Violence, Cultures of Caring and Peace, and the Fulfillment of Basic Needs," *Political Psychology* (24) 1: pp. 1-21.
[8] Siegle, Joseph. 2006.

elections, they do not feel compelled to prioritize needs of the general public or demonstrate responsiveness to their concerns.

Closely related to the issue of governance is inequality. By definition, autocrats rely on an exclusive power base – typically a combination of minority ethnic group, the army, a dominant political party, and selected entrepreneurs – to retain their hold on authority. The political economy of autocracy dictates that autocratic leaders' primary incentives are to ensure the prosperity of their narrow group of supporters.[9] These groups are generally linked through patronage networks that provide them disproportionate access to public resources, licenses, property, or credit. In some cases, allegiance to the dominant party or political leader shapes not only access to jobs – but educational opportunities for family members, social advancement, and opportunities to travel abroad. A system of disproportionate and sustained access to income and opportunity fosters strong inequalities – and grievances – which, in turn, make a society much more prone to conflict.[10] Still from the perspective of autocratic leaders, investing in broad-based development does not serve their political economy interests. In fact, successful development, by dissolving the privilege a chief executive can bestow, represents a potential threat to their leadership.

Another distinctive feature of many contemporary security challenges in Africa is that they tend to be geographically localized rather than national in scope. That is, we tend to

[9] Bueno de Mesquita, Bruce and Hilton Root. 2002. "The Political Roots of Poverty: The Economic Logic of Autocracy," *The National Interest* (Summer) (68): pp. 27-37.
[10] Stewart, Frances. 2004. "Development and Security," *Centre for Research on Inequality, Human Security, and Ethnicity*, Working Paper #3.

talk about the security threat in *eastern* DRC, *northern* Nigeria, the Niger Delta, *northern* Uganda, or *northern* Mali. Similarly, when we consider the challenges of extremism, piracy, or identity conflict, these tend to have a local focus – which if unaddressed can spread. The related paradox is that while Africa's security threats may emerge at the local level, they frequently have an international driver to them – be it ideology, funding, training, or arms. Still, there is typically considerable variance in the level of security threat at the sub-national level. This suggests that there are distinguishing features of these regions that put them at risk.

These variances are commonly attributed to localized dynamics of illegitimate or unaccountable governance and inequality. There is also often an ethnic dimension to such tensions. Leaders representing the local majority may be able to perpetually exclude the local minority from economic, legal, property, or land rights fueling deep-seated resentment with little room for legal recourse (e.g. the "settler" vs. "indigene" categorizations in Jos, Nigeria).[11] The grievances and attitudes of injustice that characterize excluded communities cultivate a ready constituency for violence when mobilized by radicalizing actors. Militant Islamists, for example, find such regions attractive targets for their message of (violent) opposition to the government.[12] This process of radicalization may take years or even decades. Islamic extremists, often funded with wealthy external patrons, will target a poor, marginalized region to build madrassas, youth programs, and cultural centers. Lacking other options for educating

[11] Ostien, Philip. 2009. "Jonah Jang and the Jasawa: Ethno-Religious Conflict in Jos, Nigeria," Muslim-Christian Relations in Africa, Sharia in Africa Research Project.
[12] Ahmed, Chanfi. 2009. "Networks of Islamic NGOs in Sub-Saharan Africa: Bilal Muslim Mission, African Muslim Agency (Direct Aid), and al-Haramayn," *Journal of Eastern African Studies*, (3) 3: pp. 426-437.

their children, local community members will send their children to these programs. The outcome is a much more ideologically conservative brand of Islam and willingness to challenge the local government among youth than that seen by their elders.

When political, social, and economic inequities persist over time they become the accepted norm for a society. That is, personality-based, monopolistic, highly centralized, and unaccountable power structures are the only model that most citizens know. Recognizing this is critical to the success of a stabilization effort. Stabilization is not starting from a neutral institutional playing field that merely requires putting the correct infrastructure or policies in place. Instead, the institutional environment is almost always highly dysfunctional. Political authority is seen as a means of self-enrichment rather than public service. In such a winter-take-all environment, where losers face permanent exclusion, political competitors will resort to whatever is necessary to win. Unsurprisingly, then, political polarization characterizes many of Africa's fragile states.[13]

Considering these factors in total illustrates that stabilization in Africa is almost always a state-building exercise. These societies lack a consensus on the role of the state vis-à-vis society and the "rules of the game" defining political institutions. Lacking a history of clear, state structures to begin with, the goal of simply *rebuilding* the previous status-quo is not viable. Indeed, it was this dysfunctional institutional arrangement that contributed to the instability in the first place. Establishing a stable state will require something different.

[13] Marshall, Monty. 2005. "Conflict Trends in Africa, 1946-2004: A Macro-Comparative Perspective," *Center for Systemic Peace.*

The political, social, and economic underpinnings to Africa's fragile states underscore the importance that development can potentially have on stability. Indeed, it is central to correcting the institutional dysfunctions that have directly contributed to the ongoing fragility. In other words, stabilization requires more than getting rid of the worst actors – but creating functional institutions. Similarly, it is important to recognize that most fragile contexts did not become so overnight but have experienced a long period of deterioration.[14] Accordingly, restructuring these institutions and establishing more accountable norms will take time. That said, efforts to stabilize fragile states in the early stages of deterioration have a much wider scope of action and potential impact. Preventative international engagement in these contexts has been found to be 60 times less expensive than responding once a state has failed.[15]

Recognizing the long-term nature of the stabilization effort is not intended to diminish prospects for short-term gains. Indeed, there are finite windows of opportunity in which rapid progress can be realized, especially in post-conflict contexts. Moreover, the direction taken in the short term will shape the long-term institution-building path. Absent a sustained push for reform, the gravitational pull toward the familiar norms of the status quo will simply reassert themselves.

[14] Lund, Michael. 2009. *Engaging Fragile States: Lessons Learned from Recent Research and Practice.* Washington: Woodrow Wilson International Center for Scholars.
[15] Ibid.; Muscat, Robert. 2002. *Investing in Peace: How Development Aid Can Prevent or Promote Conflict.* New York: M.E. Sharpe.

To assess the roles that various actors (USG and otherwise) can and should play in fostering the development-security nexus requires first having a clear understanding of the ways that development can augment stability. This paper reviews some of the primary channels and best practices by which these development contributions unfold. With this foundation to draw on, the paper then turns to the respective roles that USG actors can play in enhancing the impact that development can have on stability.

Development Drivers of Stability

Recognizing that development is a key to stabilizing Africa's fragile states begs the question of what types of development should be prioritized to maximize stabilization. Naturally, the specifics of this will vary by the circumstances of a given context. What can be done in a pre-conflict stage when there is a greater degree of functionality of state institutions is going to be much different than in a post-conflict setting where there may not be a recognizable government, grievances are deeper, and political factions are highly polarized.

It is also important to recognize at the outset that a degree of security is required before development can take place. Development can't create stability on its own if the security context has already seriously deteriorated. Rather, development impact comes through the prevention of this deterioration or by complementing security efforts in a counter-insurgency or post-conflict context. While this review focuses on the developmental contributors to stability, it does not in any way imply a diminished value for the security dimensions of the equation.

Another key principle to recognize from the beginning is that the goal of development in a fragile state context is different than in a typical development setting. That is, the priority is on stability (rather than, for example, economic efficiency). That's not to say that other goals are unimportant. However, since the starting point and risk of conflict of a stabilization context is different than a typical development situation, then so too must the approach differ. It cannot be business as usual.[16]

The following sections will review some of the primary development sectors are of great relevance for stabilization.

Macro-economic monetary stabilization

Rampant inflation is arguably the most destabilizing economic factor in a fragile state or post-conflict setting. Rapidly rising prices caused by an oversupply of a currency (typically due to an undisciplined government hurriedly printing currency to finance immediate consumption) or declining confidence in a currency results in a sharp decline in the value of household income and savings. It simultaneously makes acquiring basic goods and services much more expensive – sometimes unattainably so. As the entire population is affected by rising prices, the household effects are widespread – and the

[16] Del Castillo, Graciana. 2008. *Rebuilding War-Torn States: The Economic Challenges of Post-Conflict Reconstruction.* Oxford: Oxford University Press.

collective impact is profound. The rapidly deteriorating value of money sets in motion a psychology of immediate consumption, a seizing up of credit markets, an unwillingness to invest in long term projects, and an undermining of contracts. Capital flight ensues, leaving even fewer assets to invest and stimulate the local economy. Bartering becomes increasingly attractive, undermining efficiencies that viable financial markets provide to an economy – compounding the economic decline. These actions reinforce one another creating an accelerated vortex of short-term decision-making ultimately leading to widespread panic, loss of confidence in the future, and political instability.

Inflation is particularly hard on the poor who are already living on the margin. A rise in food, housing, transportation, or medicine prices by even five to ten percent means they will go without basic necessities. The poor, moreover, are much more reliant on a cash economy – and therefore more vulnerable to its fluctuations. Middle and upper income households are more likely to have a diversified portfolio of assets, providing them a degree of protection from the loss in value of the currency. The wealthy, for that matter, typically have the option of holding their wealth in international currency and assets outside the country. Therefore, when rapid inflation kicks in, capital heads to the exits – and into international safe-havens.

Runaway inflation is more likely in a deteriorating fragile state where the government is unaccountable and fiscally irresponsible. Zimbabwe is the most prominent contemporary example. The increasingly autocratic and patronage-based government of Robert Mugabe had run the productive sectors of the economy into the ground. Lacking revenues to pay for the armed forces and other service providers that maintained a semblance of stability, in the mid-2000s the government resorted increasingly to the wanton printing of currency to meet its needs. The cheap Zim dollar soon started losing value at an accelerating rate peaking at an inflation rate of 2.3 million percent in 2008.[17] Only a power sharing agreement that led to the adoption of the US dollar as the currency in January 2009 was able to stabilize this precipitous and destabilizing decline.

As could be expected, war-torn and failed states are high-risk candidates for rapid inflation. They are also more likely to have inherited high levels of debt. Since payments on this debt are likely to be in arrears, some form of mediation with creditors is required before significant financial assistance can flow meaning that quick fixes will be difficult. Yet, stimulating a post-conflict economy often requires significant fiscal expenditures. Since this follows on the heels of a period of significant underutilization of economic capacity it need not reinforce inflation. This is especially so if directed toward productive public investments inside the country, (rather than simply siphoning public resources and repatriated outside the country). Rather, such expenditures, especially those that generate employment and support the agricultural sector (see below) and liquidity for small businesses have a stabilizing effect on the economy.

In fact, a number of post-conflict contexts in Africa (such as in Angola, Chad, Ethiopia, Liberia, Mozambique, Rwanda, Sierra Leone, and Uganda) have been able to realize

[17] McGreal, Chris. 2008. “Zimbabwe Inflation Surges to 231,000,000%,” *The Guardian*, October 9, 2008.

significant declines in inflation. Indeed this was the case.[18] Accordingly, the goal in this phase is not necessarily to achieve zero inflation. Instead, the objective is to stabilize prices and restore confidence in the local currency so as to encourage the return of refugees and internally displaced – and with them their capital and investment. Strong inflows of international financing at this stage can contribute to the stimulative effect without contributing to inflation. More practically, national governments may simply not have the resources available to support these expenditures. Post-conflict economic reconstruction and stabilization, therefore, may necessarily depend heavily on external sources. However, there is typically a drop-off in international finance for post-conflict settings relative to ongoing conflicts. This is particularly the case where the fiscal and monetary track record of the new government has not yet been established. Nonetheless, investments at this stage may help avert a backsliding into conflict and the greater subsequent costs this will entail.

Availability of financing to provide basic services is important for building support for the new (possibly more legitimate) government in post-conflict settings. One of the priority services that must be provided and financially sustained is security and law enforcement. Therefore, direct budgetary assistance that helps pay salaries for civil servants, debt, and other recurrent expenditures has direct implications for physical security and stability.[19]

[18] United Nations. 2008. "Employment Creation, Income Generation and Reintegration in Post-Conflict Settings," UN System-wide Policy Paper.
[19] Del Castillo 2008; UN 2008.

If aid flows are insufficient and a government is forced to commit extensive fiscal outlays to stimulate the economy, it may be difficult to bring inflation down below a short-term target of 5-15%.[20] Inflows of international assistance must also be monitored for their impact on the real exchange rate lest an appreciation in the national currency (when aid is delivered through local currency) can bring on the so-called Dutch Disease that reduces a country's export competitiveness. This could have the paradoxical effect of suppressing productive activity and private sector employment at just the time stabilization depends on these sectors expanding. In cases of rampant inflation or when there is little prospect of restoring confidence in the currency in the medium-term, adopting the use of an established international currency (such as dollarization), may be needed.

Managing macroeconomic policy in stabilization contexts, accordingly, requires expertise. Yet, such experience is often in short-supply given the patronage networks and prolonged institutional disrepair that has contributed to the fragility to begin with. Some expertise may often reside in exiled nationals who can be tapped to fill these leadership roles with the support of international financial institutions. The IMF, UN, and bilateral donors may also play a role in prioritizing professional capacity-building in the Ministry of Finance and Central Bank as well as revenue collection. They may also need to invest in data collection and analysis so as to monitor prices, wages, and employment – the vital signs of an economy that will guide policy interventions – until such time as the designated government agencies are able to take over these tasks.[21]

[20] UN 2008.
[21] Del Castillo 2008.

Another key macroeconomic priority in stabilization is integration of policies. Coordinated and complementary efforts among major international actors at both macroeconomic stabilization and microeconomic stimulation, employment creation, and funding for peace-building programs are needed if the stabilization benefits are to be realized.[22] As part of this, all major actors must recognize that their economic engagement cannot simply follow business as usual priorities as would be the case in a typical development setting. Rather, policies that may be less economically efficient in the short term – but more conducive to employment generation, social inclusion, and political reconciliation must carry more weight. Failing to integrate these strategies leads at best to parallel economic recovery tracks and at worse undercutting operations.

Timeliness of international engagement is another crucial consideration in economic reconstruction as conditions can deteriorate rapidly and the windows of opportunity to stabilize a situation are finite. This is a challenge for many of the large international financial actors that normally operate on multi-year lead times. Stabilization programs require a much more nimble response. To deal with the exceptional circumstances (and sidestep the normal restrictions on making new loans to countries in arrears or without a satisfactory repayment track record), since the mid-1990s, the World Bank has created a variety of Trust Funds: Post-Conflict Fund (PCF), the LICUS[23] Implementation Trust Fund, and a Multi-Donor Trust Fund to support post-conflict and LICUS countries. While progress has been made in this area, IMF conditions for qualifying for funding in post-conflict settings remains onerous. Arrears, which have often been accumulated over

[22] Ibid.
[23] Low Income Countries Under Stress.

years, must still be resolved. Moreover, the Fund's Emergency Post Conflict Assistance (EPCA) resources rely on regular rather than concessionary financing – making it more difficult to generate funding to disarm and demobilize former combatants as well as provide for other basic services so critical at this juncture.[24]

Employment

To the extent that conflict and insecurity are rooted in lack of economic opportunities, employment generation is a linchpin of stabilization. Jobs generate incomes. As such, they have the potential to redress perceptions of grievances and lack of alternatives. Non-trivially, they also heighten individual and community perceptions of self-worth and investment in the society. They, furthermore, constructively occupy key target groups in a population (namely males between the ages of 16-24) that comprise the key pool of potential recruits for a militia, insurgency, or terrorist organization. They also create a sense of routine and normalcy – a vital psychological effect in a conflict-affected context characterized by high levels of tension and unpredictability.

Creating employment opportunities in fragile contexts also has broader social benefits. It injects capital into local markets that stimulates demand for goods and services (and private sector jobs) throughout the target region. This, in turn, minimizes large-scale population displacements, which are highly destabilizing and difficult to reverse. (Migration is often one of the last steps in the sequence of coping mechanisms employed

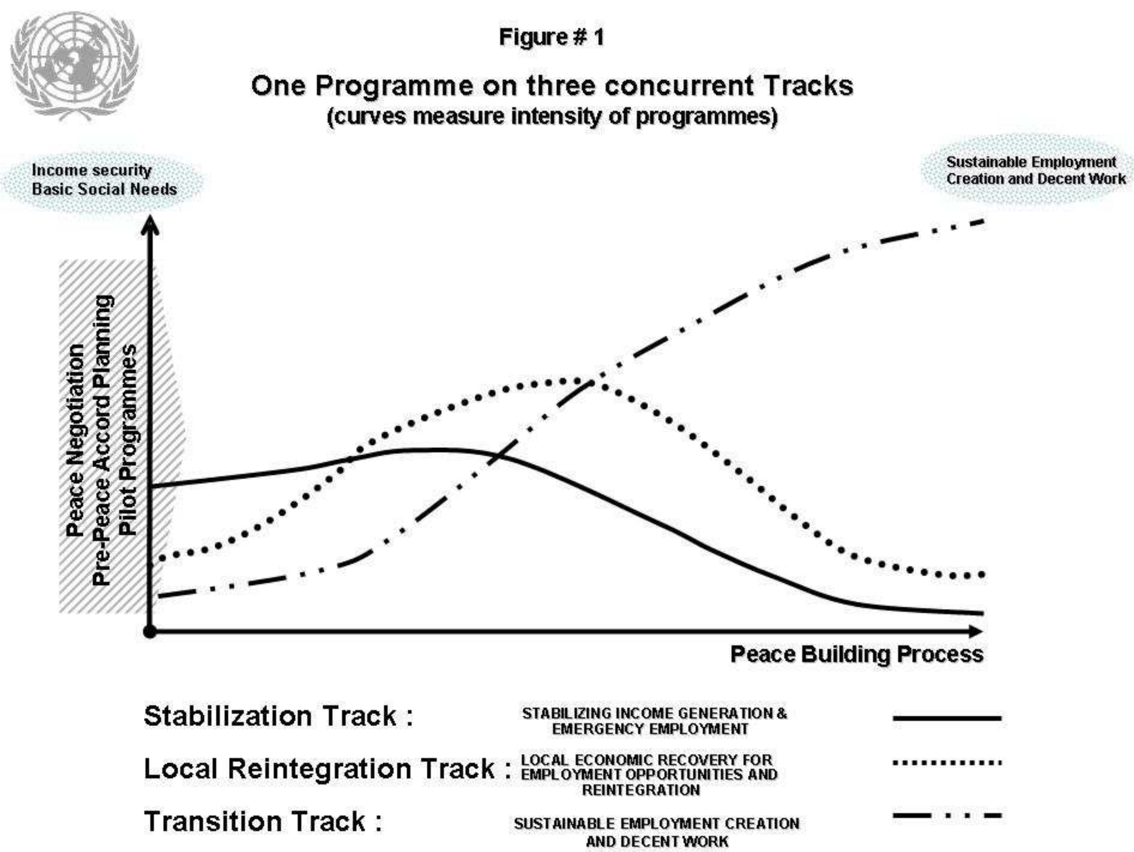
[24] Del Castillo 2008.

by households. In the lead up to this decision, they will sell off household assets at bargain prices, including tools and other productive assets with which to sustain livelihoods. Re-acquiring these assets in a recovery stage typically will cost these households 50-300 percent more than what they earned in selling them – further impoverishing already marginalized populations).[25] It also helps prevent the migration of a region's merchant class, which serve as the economic backbone of a society. Once merchants abandon an area (typically due to insecurity or lack of effective demand for their products), the knock-on effects for an economy in terms of constraints on inputs and supplies for other business activities grow sharply. Moreover, the success of economic recoveries in areas where merchants have left is far less certain.

While the importance of job creation for stabilization is well understood, there is less awareness of the processes required to achieve stability-enhancing results from employment generation programs. Key among these is understanding the labor markets within the targeted region. Large-scale, labor-intensive public sector works programs are the most effective means of creating opportunities in the short term. However, these initiatives are not sustainable over the long term. Rather sustainable employment generation requires a vibrant private sector. Accordingly, short term employment initiatives should be undertaken in a way that will ensure they are not inadvertently undermining prospects for the emergence of a healthy private sector (see figure 1). This can happen if the wage rate supported through works programs distorts the local labor market and makes it more expensive for private employers to hire, if onerous regulations

[25] Mellor, John and Sarah Gavian. 1987. "Famine, Causes, Prevention, and Relief," *Science* (235) 4788: pp. 539-545.

constrain new business development, or if inputs imported to support the public works schemes undermine domestic suppliers.



Source: UN 2008

Another key ingredient for success is the selection process for workers into the public works program. In most African contexts, unemployment rates are very high even in stable settings. Interest in the works scheme, therefore, almost always exceeds the financial or management resources available. Consequently, clear selection criteria must be established. The highest priority population group to target from a stabilization perspective is unemployed male youth who might otherwise be persuaded to support an insurgency or extremist group. This includes demobilized fighters as part of a Disarmament, Demobilization, Reintegration (DDR) program. Identifying who these individuals are in a systematic manner, however, requires establishing reliable "beneficiary lists" for the entire targeted area. It is also vital in order to avoid excluding targeted participants, giving the perception of favoritism, or unknowingly funding insurgents, among other issues. Likewise, a systematic selection process is needed to ensure the works scheme is not reinforcing local power networks – whether ethnic, patronage-based, or political – should local leaders have sole discretion over participant selection. If so, the initiative could easily be perceived as an effort by external actors to prop up illegitimate and unpopular local leaders further contributing to grievances that may be fueling instability.

The process in which such lists are created, accordingly, is highly important. It is made more challenging given that most fragile states have not had a census for many decades. Experience has shown that working through locally credible social service NGOs is often the most effective method for creating these beneficiary lists. These groups have been working among the communities for years and will have a good sense of population cohorts, familiarity with the participants, and sensitivities. Involving these groups in the selection process will simultaneously add legitimacy to the scheme, enhancing perceptions of community ownership and support.

While male youth are the priority target group for a stabilization works program, consideration should also be given to women. Women suffer disproportionately in conflict-affected contexts in terms of loss of income, displacement, and vulnerability to personal insecurity and sexual violence. Given that they are often the heads of household and are supporting many other family members, creating reliable income opportunities for this group also has important stabilization benefits.

The tasks undertaken under these initiatives will normally be fairly straightforward labor-intensive tasks (e.g. collecting garbage, clearing bush, road maintenance, constructing drainage canals, tree planting, terracing, brick making, and collecting rocks for infrastructure projects, etc.) Since the objective of the initiative is labor mobilization (i.e. to organize a large number of often unskilled laborers in a relatively timely manner and sustaining the initiative for a period of months or longer), the actual activity selected is secondary (with the obvious caveat that the activity should not be economically or environmentally destructive). In other words, these projects need not be delayed pending identification of high-level engineering or other technical expertise – as often happens. While basic instruction and tools as well as management oversight are needed, the sophistication of the infrastructural initiative is less important than putting substantial numbers of the identified target groups to work. Naturally, to the extent possible, the work programs should prioritize creating public goods that enhance the productive capacity of the region (e.g. expanding road networks, irrigation schemes, marketplaces, school and clinic construction, local government buildings, etc.), which would in turn boost private sector vitality and employment creation.

Historically, most works programs in Africa have been rurally-based – the locus of insurgency, poverty, and displacement. In certain cases (e.g. in Liberia and Sierra Leone), in the aftermath of massive population inflows to the relative safety of the capital city, there have been large urban programs. With the rapid urbanization unfolding across Africa, we can expect to see more urban-foucsed programs in the future. Accordingly, the types of activities undertaken will vary by context.

It should be recognized that the infrastructural outputs generated by the works programs could almost always be done more quickly and efficiently using heavy equipment and outside experts. That misses the point of the initiative, which is to put as many of the target population to work as quickly as possible. Similarly, the low-tech focus of the works program in a stabilization setting is by design. In addition to being easier to implement, this approach is lower risk. It creates fewer valuable assets that become attractive targets to insurgents. It thereby has conflict mitigating as well as cost savings value.

Another key stabilization lesson learned from works programs is the enhanced value of using “cash-for-work” versus “food-for-work” compensation mechanisms. Cash can be recycled in a local and regional economy. It can be used to purchase food, clothes, tools medicines, and other essential goods and services elevating local demand. This, in turn, creates incentives (and jobs) up and down the supply chain for traders, merchants, farmers, and producers to provide more of these good and services. A cash-based program, of course, requires that there be a functioning market-based food supply network. In most situations, this is the case. As Nobel Laureate, Amartya Sen, and others have long recognized, nearly every food crisis is a result of a collapse in demand rather than an actual absence of supply. Indeed, there is often even food in the markets of crisis-affected regions. The problem is that many simply cannot afford it. Putting cash in the hands of poor households helps address that problem.

Cash, moreover, can be saved and accumulated generating an asset base that can fund new businesses and investments. In short, the stimulative and stabilizing benefits of capital injections into fragile economies ripple widely. Every $1 of a cash-based works program will generates more than that in economic activity for the local economy. Food, on the other hand, while it may be sold or bartered, generally is consumed leading to a one-time benefit. Cash-based programs are also infinitely easier and less costly to manage since they do not require the heavy logistical outlays (warehouses, trucks, shipping costs, guards, managers, etc.) involved in food programs. Food warehouses, with large quantities of a valued asset stored in a single location, also provide an attractive target for insurgents or looters who will use the food to support their operations. Cash also has a powerful psychological benefit to laborers. Workers take pride in having a job and earning an income, which can, in turn, foster a hopeful outlook for the future that is so vital for stabilization efforts.

A critical factor in the success of a cash-based works program is setting the wage rate at the correct level. Again, this requires deep knowledge of the local labor market. The rate has to be high enough, to create an incentive for the target population to participate and earn a "living wage" that will enable them to meet basic household needs. Setting the rate too high, though, is perhaps the greater risk since an overly attractive wage rate will draw interest from groups far beyond the target population of unemployed youth. Moreover, this could take workers away from gainful private sector employment – exactly the opposite outcomes of that desired. Indeed too high a wage could spur wage inflation across the region, making it more expensive for employers to run their businesses and suppressing their ability to hire new workers. High relative wages, in other words, make a region that is already fragile, an even less attractive business climate. In other words, where the immediate focus must be on short-term stabilization, this should be done with an eye on implications for medium and longer-term, sustainable development.

The experience-driven best practice on this issue is to peg the wage rate for the labor-based program somewhat below the going daily wage for unskilled work in the area. This avoids creating competition for labor with the private sector. It also facilitates self-selection of participants. Only individuals who do not have other options or other means will apply. This is exactly the target group desired for stabilization and development goals. It aims to soak up the pool of surplus labor that leads some individuals to conclude that joining an insurgency or extremist group is the only way they can survive.

Importantly, the wage-rate issue underscores that development has a stabilizing benefit only among those who are driven to violence out of economic hardship. It does not directly dissuade those driven by ideological causes, though the two issues are not completely autonomous. For example, as has been frequently observed, impoverished families, lacking other alternatives, may decide to send their children to madrassas where they can gain an education and be fed. In the process, however, these children are exposed to radical ideologies that will contribute to shifting community norms more supportive of violent extremists.

Stabilization efforts must also consider their impact on existing employment. In many African countries, the public sector is often the largest employer. In many cases, these workers are part of a bloated government bureaucracy, contributing relatively little added value in public goods and services. The rational conclusion drawn by many economists and development practitioners to this reality is to call for dramatic cutbacks. Slashing government payrolls as part of a shock therapy strategy for the economy will free up budgetary resources for other priorities and the jolt the system toward transformation. It will also increase the supply of workers in the labor market, keeping wages low, thereby stimulating private sector hiring and entrepreneurship. Yet, creating such massive unemployment, all at one time, will have a profound impact on the national equilibrium (not to mention the commitment of public servants to the recovery process).[26] Many of these government workers are supporting large, even multiple households. The sudden loss of this income, therefore, creates many more desperate people. Accordingly, the effect could be highly destabilizing (especially when it is members of the security forces that are being dropped from the payrolls). Not only does this set off a psychological shock and sense of panic in the society, it also creates a very real potential for backlash – against a new (possibly reformist) government and international partners. These newly

[26] Del Castillo 2008.

unemployed are ripe to join an insurgency – and being well networked, they are in a position to do so relatively quickly and effectively.

It is common in fragile state contexts to face a trade-off between efficiency and stability. Experience suggests that this is not a decision that should be made on technocratic grounds alone. Rather, if the primary goal in these interventions is stability, then tolerating a perpetuation of an inefficient system is likely necessary for the short to medium term. During this time, initiatives can be launched to stimulate private sector growth that will create a greater outlet for public sector retrenchments. Public sector layoffs, in turn, should occur on a gradual basis.

Agriculture

Seventy percent of African households' earn their livelihoods through agriculture. Moreover, since agriculture in Africa is typically labor-intensive, it can absorb a high volume of unskilled labor. Accordingly, virtually any stabilization program in Africa will have a sizable agricultural component. In addition to jobs, the agricultural sector generates a number of other stabilizing benefits to an economy: food (contributing to supply and lowering prices), assets, savings, stimulus to numerous off-farm enterprises (such as millers, processors, transporters), exports and foreign exchange earnings, demand for inputs, rural roads and other infrastructure, and feed for livestock, among other benefits. In short, agriculture is the engine of a rural economy. Investments in this sector have a powerful multiplier effect throughout the economy.

Instability affects the agriculture sector by causing population displacement and the loss of crops, seed, livestock, tools, mechanized equipment, and infrastructure. A stabilization program can revive and jump start the agriculture sector by ensuring farmers have the basic inputs they need to work. The most critical of these is seed. Not only must farmers have access to sufficient quantities of seed but it must be appropriate for the local context. This typically means that crops that are indigenous or at least suitable to the region are promoted over more lucrative, though less reliable, cash crops. Seed productivity, moreover, is highly sensitive to local agro-climatic conditions. Supplying farmers with the wrong type of seed can have disastrous outcomes on production – setting back economic revitalization (as well as undermining trust between local communities and agencies involved in stabilization). Seed must be appropriately drought and pest resistant, have germination cycles that match those of local seasons, have reliably good yields, and an appealing taste to the local palate. For the typical small farm household in Africa, seed should not require the support of expensive inputs such as fertilizer and irrigation. And unlike many high-yielding varieties marketed by international seed companies, it should be self-replicating so that farmers can generate the seed they'll need for the subsequent season's planting from their harvest.

Accessing appropriate seeds, accordingly, requires the expertise of agronomists highly familiar with the local context and varieties. Ideally, they would have been involved with seed trials in the region and are familiar with the critical agronomic practices that constrain production. These locally knowledgeable agronomists (whether national or international) may also benefit from expertise available through the Consultative Group for International Agricultural Research (CGIAR). This international network of research institutes organized by crop often has ongoing relationships with national agronomists and therefore is a potential source of institutional knowledge. The CGIAR also maintains a limited seed bank that can be a valuable source for regeneration after a crisis.

Given that seed stock is frequently in short supply after a period of instability, a key priority for development actors is to sponsor multiplication efforts. This may entail contracting farmers to reproduce sufficient quantities of the germplasm to supply the planting needs for a target region in the coming season. The seed must then be harvested, cleaned, packaged, and stored using best practices so that the seed will be germ-free and productive for the coming planting. That is, if the stabilization objective is to be met, then insuring as many farmers gain access to the productive seed as soon as possible is essential. In this way, the agricultural sector – and the rural community more generally – can economically recover in as short of time as possible.

Central to all of this is timing. Agriculture hews to an unforgiving seasonal cycle that does not conform to donor or development agency schedules. Farmers generally have a very short window to plant and harvest. If these windows are missed due to displacement, insecurity, or lack of supplies, then an entire season is missed. In agricultural zones where there is only a single growing cycle, a lost season means that it will be at least a year until a new harvest can be realized.

Closely related to the seasonal tempo of stabilization in rural areas in Africa is identifying the "hungry time" during the calendar year. This is the period before the next harvest when rural households' food stocks have run out and they are waiting for the harvest to come in. Households revert to traditional coping mechanisms to survive this lean period: reduce consumption, seek out wild foods, rely on extended family, seek loans, sell household assets, sell livestock, sell tools and productive assets, and migrate. Naturally, this period is a time of strain in the community. Accordingly, it is also a period of vulnerability to instability of one type or another. In particular, it is a time when opportunistic spoilers can more easily leverage disgruntled youth to target opponents, loot, join a militia or otherwise stir up trouble in pursuit of the political or economic gain of their patrons. Consequently, from a stabilization perspective, this is a particularly important time for there be close coordination between initiatives targeting agriculture, jobs programs, and food assistance in order to limit vulnerabilities to exporting this hardship.

In addition to representing a valued asset pastoralists' livestock (typically cattle) are often a source of conflict in Africa. Raids on neighboring tribes' cattle are a long-established cultural norm in many regions – a means of demonstrating manhood, courage, and a warrior ethos highly esteemed by many pastoralist tribes. Size of herds is also a measure of stature and wealth – giving them particular value. While this practice has been an age-old phenomenon, historically involving stealth and spears, the increasingly ready access of small arms has lead to a rise in the intensity of violence involved. When overlaid on a broader context of fragility, this pattern can rapidly escalate into a wider inter-group conflict.

Livestock are also at the center of pastoralist-farmer conflict frequently observed across the continent. Pastoralists historically migrate with their livestock over expansive regions in search of seasonally available pasture and water. As populations in Africa have expanded, more of this rural land is cultivated. In some cases, this has significantly reduced or even cut the migration pathways pastoralists have long used. Farmers, meanwhile, are unwilling to tolerate the loss of their crops due to migrating herds of cattle. The escalating competition over land is exacerbated in that pastoralists and farmers often represent different tribes, customs, and languages. They also frequently have different religious affiliations, with nomadic pastoralist tribes often being Muslim and the sedentary farmers identifying as Christians or animists. Accordingly, the prospect for these tensions to escalate into pitched and enduring inter-group conflicts is quite strong.

Mitigating these livestock-related conflicts requires sustained mediation between the competing groups. This involves awareness raising, establishing open and ongoing communications channels between groups, and introducing alternative dispute resolution norms and skills in the affected communities. In most cases, this mediation requires involvement of trusted actors outside of the affected communities. While the focus of most conflict resolution is understandably on the short-term issues at hand, given the role of youth in these conflicts, the remedial effort is ultimately a long-term, norm-shifting process.[27]

Farmers' associations are often a vital institutional network in a rural community – and potentially a key partner in a stabilization effort. They provide farmers a means to organize their collective efforts. This may entail disseminating technical knowledge, organizing savings and credit mechanisms, providing a source of short-term labor, establishing and maintaining equitable irrigation policies, sharing equipment for harvesting, and coordinating the marketing of products (whereby consolidating output from many small holder farmers allows the association to sell directly to wholesalers at higher prices and profits). Since farmers' associations represent a large number of productive members of society who recognize that their livelihoods are closely tied to stability, they are natural allies of a stabilization program. Consequently, stabilization initiatives should seek out these associations when designing their interventions. They can help identify which activities would be most meaningful for their members, which farmers are in greatest need of support, and provide cultural and institutional guidance for working in that region.

Infrastructure

Closely related to the employment generation and agricultural initiatives are infrastructural projects. Indeed, many public works programs will entail repairing,

[27] Wolpe, Howard and Steve McDonald. 2006. "Burundi's Transition: Training Leaders for Peace," *Journal of Democracy* (17) 1: pp. 132-138.

maintaining and at times building needed infrastructure – roads, bridges, drainage ditches, dams, terraces, schools, clinics, marketplaces, wells, irrigation schemes, seedling nurseries, forest replanting, etc. In addition to the employment benefits they generate, these public goods will improve the efficiency and productivity of the region's economy. They are, therefore, desirable components of a stability enhancing development strategy.

Attention must be given, however, to ensure that the infrastructure created is appropriate to and sustainable in the local context. Introducing sophisticated solar powered water pumps may have many convincing justifications from an efficiency standpoint. However, if the spare parts, tools, and know-how to operate and maintain the pumps are not available at the local level, this technological marvel will soon become a white elephant. Likewise, building schools and clinics is all well and good. However, if the institutional capacity is not in place to support and maintain the operation of these centers, they will fall into disrepair before they have ever been used (at least for the purposes intended).

For these reasons, it is imperative that a heavy dose of local guidance be involved in the planning and implementation of these infrastructural projects. This will better ensure that the technological sophistication of the project matches the skills, tools, and spare parts available to local tradesmen. This lesson is often a difficult one for international actors to absorb as their natural inclination is to provide local communities with the latest technology available. However, doing so severely compromises the sustainability of the investment – making it cost-ineffective. By comparison, incorporating local participation at the design stage greatly facilitates local ownership, maintenance, and sustainability of the infrastructure. If in addition to being involved in the decision-making process local chiefs and administrators commit to providing labor or financial inputs to a project, they will be more invested in it – and will be more likely to take the necessary measures to ensure the infrastructure is used appropriately and protected from vandalism. Likewise, a farmers' association that was involved in developing an irrigation network will be more committed to maintaining the canals from overgrowth and establishing equitable water management rules.

Introducing the appropriate level of infrastructure is particularly vital in a fragile state setting. Whereas international actors may be drawn to introducing a state-of-the-art electrical power station or transformer, in many unsettled post-conflict contexts, these gleaming new facilities become lucrative targets for asset-stripping. Moreover, in settings where fighting is still occurring, the introduction of major new technology becomes a focal point for conflict and sabotage. This is particularly true for centralized infrastructural projects – like a dam, electrical plant, or water facility. Centralized infrastructure is often justified on economic grounds – a single larger facility can generate the needs for an entire area more efficiently. However, the very strategic value of such projects also makes them attractive to armed combatants. An example of this was the reconstruction of the water treatment plant outside of Monrovia during the Liberian civil war. Improving access to potable water in the Monrovia was clearly a priority given the massive influx of displaced persons and the risk of disease. Three times this facility was rehabilitated – with advanced technology and at a cost of several million dollars – only to be destroyed each time by combatants. Not only was the technological complexity of this effort inappropriate for this context, however, by choosing to centralize the initiative rather than attempting to generate multiple smaller and diversified projects for generating water for the Monrovia population, considerable vulnerability was built into the effort. Diversifying this risk reduces the impact any single act of sabotage will have.

Natural Resource Management

Many of Africa's fragile contexts are natural resource abundant. In fact, 45 percent of the African countries listed as at greatest risk on the 2010 Fragile States Index are either hydro-carbon or mineral-rich. Accordingly, in nearly every post-conflict or stabilization effort where such resources exist, the assumption is made that these revenues will help facilitate the recovery. Yet, this is nearly never the case. The common assumption overlooks the powerful contributing role natural resources play in perpetuating weak institutions and fragility in the first place. Natural resource rich countries are subject to the "natural resource curse" – the paradox that they experience relatively higher levels of underdevelopment, corruption, and conflict. Natural resource-rich countries also tend to be more autocratic. One of the primary reasons for this paradox is that natural resource revenues amplify the political and economic distortions that exist in many fragile states.[28] Control of these revenues dramatically enhances the ability of autocratic authorities to pay for the patronage networks that allow them to maintain their exclusive hold on power. Funding for development is a low priority

[28] Siegle, Joseph. 2009. "Governance Strategies to Remedy the Natural Resource Curse," *International Social Science Journal* (57) s1: pp. 45-55.

There is a strong argument made that the most stabilizing action to take with regards to natural resource management in fragile states is to leave these resources in the ground. This would cut off the flow of revenues that feed the deepening cycle of corruption, economic distortion, underdevelopment, and violence. This approach (literally) follows the often-heard advice that the first step to take in getting out of a hole is to stop digging. So long as there is an exclusive and unaccountable governance structure in place, this strategy is, in fact, the wisest way forward. International public investment in natural resource extraction to enhance development and stability is a fanciful illusion that is unsubstantiated by empirical experience. One of the most prominent examples of this was the World Bank's embarrassing experience of supporting the construction of the Chad-Cameroon pipelines only to have the government of Idriss Deby jettison its commitments to invest these resources in development once the pipeline came on line.[29] Historically, only countries that have had democratic governance systems in place before the massive influx of resource revenues began to flow have been able to implement the oversight structures needed to ensure these revenues are tracked and used for publicly beneficial outcomes.

There are normally enormous political pressures to continue to draw on these resources if the extractive infrastructure is already in place, however. Moreover, if a natural resource-rich country is attempting to establish democratic structures (such as in Liberia, Sierra Leone, Nigeria, Namibia, Zambia, and potentially South Sudan), a focus should be on

[29] Bank Information Center. 2008. "World Bank Announces Withdrawal from Chad-Cameroon Pipeline After Early Repayment," September 12, 2008.

creating accountability mechanisms to help ensure these revenues will be used for positive ends. These include working with the nascent government to establish a protocol whereby all new resource revenues are documented and publicly reported. Having this as a starting point (a departure from the norm of opaque contracts) will greatly improve the ability of watchdog groups to monitor how these resources are spent. While some government officials may claim that this condition is an undue degree of international intrusion on national sovereignty, a position of full disclosure is, in fact, in line with ensuring the public revenues are managed for the public good.

A companion requirement is that a revenue sharing plan be developed and approved by the national parliament before proceeds are disbursed. This would enable a public dialogue over how these resources may best serve the national interests in a rational and transparent manner. It also reduces the uncertainty (and destabilizing effects) created by political factions constantly jockeying to control these funds. Parliamentary approval also sends a signal and sets an important precedent that these are public resources – subject to public oversight. Such a dialogue also increases the likelihood that these revenues can be used in such a way as to support broad-based development, invest in productive infrastructure, and support employment creation – that is contributing to stabilizing development activities.

Bringing a fragile state under international best practices regarding the accounting for and management of natural resources will further contribute to setting needed standards and raising prospects for stable outcomes. The Extractive Industry Transparency Initiative

(EITI) – a collection of 20+ resource-rich countries plus donors, international financial institutions, private extractive firms, and civil society organizations – has established some basic guidelines and principles that can guide this process. Likewise, the International Monetary Fund (IMF) has a 73-page guide on resource revenue transparency that lays out the best practices for ensuring these revenues contribute to enhanced economic performance.

International actors can further contribute to this process by building the capacity of civil society watchdog groups. Tracking budgetary expenditures is a highly arcane process, especially in cases where the use of these resources is being deliberately concealed. Doing so requires "forensic accounting" expertise among small teams of both government and non-governmental organizations who can build on the precedents of full disclosure of natural resource revenues and budget allocations to ensure these resources are indeed going to the purposes intended.

Health, Water, and Sanitation

Access to primary health care is a basic need that is consistently ranked as a top priority[30] by African communities. Households will travel many miles at great expense to benefit from the services of a trained (or semi-trained) health care provider. Indeed, the lack of a public health network contributes to higher rates of preventable deaths. In turn, morbidity

[30] Education is another top priority in a stabilization context. While not addressed here for space limitations, revitalizing the education sector is important for engaging a large proportion of a country's youth in a productive activity. It also contributes significantly to a perceived sense of a return to normalcy after prolonged disruption.

and mortality rates in fragile states are higher than those experienced in more stable settings.[31] Lacking access to any formal health services, accordingly, is a source of great personal insecurity. In this way it is both a reflection of and a contributor to instability. Conversely, expanding access to basic health services creates powerful impressions for the capability and effectiveness of the government. Stability in fragile states' health sector also has direct implications for global disease pandemics (e.g. HIV/AIDS, Ebola, SARS, avian-swine flu, polio).

In considering this sector it is important to recognize that due to financial and capacity limitations, especially in fragile settings, governments have never provided health, water, or sanitation services to a significant proportion of the population. Accordingly, it is unrealistic to organize stabilization efforts around this premise. Rather, public health networks are more often a patchwork of private hospitals and clinics, NGOs, and community groups.[32] Consequently, more than other sectors, external actors can be expected to play (and will meet less resistance from playing) a role in reducing morbidity and mortality rates. Nonetheless, these interventions need to be considered from a sustainability perspective. Public health outcomes are generated from a sustained set of activities (leading to behavior changes) and access to services – not quick-hitting interventions. In nearly every context, moreover, national governments are looked at to provide a policy-setting, coordination, and harmonization role.

[31] Newbrander, William. 2006. *Providing Health Services in Fragile States.* Arlington, VA: Basic Support for Institutionalizing Child Survival (BASICS) for the United States Agency for International Development (USAID).
[32] Newbrander, William. 2006.; Waters, Hugh, Brinnon Garrett, and Gilbert Burham. 2007. "Rehabilitating Health Systems in Post-Conflict Situations," UNU-Wider, Research Paper No. 2007/06.

The first priority in a health intervention in a fragile state setting is almost invariably information collection. Given the weak institutional environment typical of fragile states, such data is unlikely to be readily available. Accordingly, rapid household health surveys will be required. This information will help public health officials prioritize among a myriad of possible challenges they may be facing.

A basic package of health services based on the surveys can establish those interventions that will lead to the greatest short-term reductions in morbidity and mortality. Such a program needs to be sufficiently broad-based to have an impact – and to demonstrate that the program is not favoring one ethnic group over another. Immunization campaigns, for example, are effective means of reaching a broad target population while reducing rates of preventable childhood deaths. The implementation of this package also provides an opportunity to mobilize a network of community based health workers – generating valuable community participation in the stabilization process. This helps build a stronger sense of local ownership and control over these efforts (sometimes reversing a long period of helplessness and passivity) as well as greater support for the broader stabilization effort.

Mobilizing a broad-based network of community health workers is a labor intensive undertaking that must be sustained over time to have impact. Ideally such an effort will build on an existing government public health system, thereby leveraging the knowledge, experience, and relationships accumulated over time. It also realizes an economy of scale of addressing all critical health concerns through the same network. In any case, stabilization efforts want to avoid creating parallel public health systems. Not only is this cost-inefficient, it will undercut sustainability and will be confusing to communities.

Strengthening Micro-Finance Institutions

The extent to which agriculture and employment generation activities will have ripple effects for the rest of the rural economy will depend to a significant degree on the recovery and resiliency of the financial institutions. Africa has long been characterized as suffering from a dearth of finance institutions providing citizens' options for managing savings and credit. This, in turn, severely constrains access to capital to launch micro and small businesses (spurring employment). The inaccessibility of reliable institutions in which households can invest savings, moreover, contributes to a significant underutilization of available capital in these societies. Instead households are forced to resort to storing their assets in perishable commodities such as livestock. Moreover, since income flows in most agricultural economies are highly seasonal, this makes it much more difficult for farm households to manage their cash flows over the course of the year. Access to financial institutions, in contrast, provides a foundation for budgeting, normalizing spending and expenditures across seasons, and long-term planning.

In recent years, some progress has been made in expanding the outreach and accessibility of financial institutions (often run by NGOs or small private firms). In fragile contexts these institutions will have been disrupted. Revitalizing such services, accordingly, should be a priority for stabilization. Doing so requires deep familiarity with and trust of the local population. It also entails establishing means of assessing the credit-worthiness of clients, incentives for repayment of loans (e.g. collateral or peer groups), the viability of business plans, appropriate loan levels (often much smaller than the norms in most international contexts), and fees and interest rates that are financially sustainable and within the means of the rural clients, among others. These processes take time and require sectoral and cultural expertise. Accordingly, if stabilization efforts can link up with established rural-based financial networks, it can dramatically hasten the time required to accelerate the functionality of these networks.

A companion priority to strengthening rural financial institutions is encouraging the development of small business associations. These associations represent a network for sharing information, best practices, and lessons learned among local entrepreneurs. They similarly provide a collective mechanism for protecting small businesses that are denied access to credit, land, or licenses – and a fulcrum for championing for reforms to improve the local business climate. More broadly, small business owners are generally forces of stability. Creating business networks, accordingly, empowers them beyond their individual contributions. This is particularly important in locales where there has long been a concentration of power. Business associations help create multiple poles of influence, increasing the numbers of entrepreneurs who will have opportunities to start businesses and add to the productivity of the local economy.

Experience has shown that attempts to build rural financial institutions on the fly and without the requisite expertise almost always backfire. If borrowers assess that there is little expectation of repayment (or penalty for failing to pay), the default rates skyrocket, undercutting the financial viability of the enterprise. This undermines norms of lender responsibility not only for this program but all credit programs in the region for the next several years. In other words, this is not a quick-fix, one-time initiative. Rather it is building an institutional arrangement that can be sustained over time. Indeed, the numbers of loans made by microfinance institutions typically increases exponentially in the early years reflecting the aggregating benefits of this activity. Unlike lending in most industrialized countries, many rural financial institutions in Africa have found it important to accompany loans with training programs aiding potential new business operators with basic tools for developing a business plan, conducting market surveys, and managing their finances.

One of the innovations of many contemporary microfinance initiatives in Africa is their mobility. Recognizing that rural clients cannot easily access bank branches based solely in regional or national capitals, these financial institutions have attempted to establish more satellite offices. Increasingly these include a mobile unit that travels from village to village on a regular basis (for example on the weekly market day). Rural accountholders can then make whatever transactions needed from their remote location, while still benefitting from the security, reliability, and records of a branch. Stabilization programs should accordingly explore how such initiatives can be engaged and protected.

Media and Communications

Success of a stabilization effort is also dependent on expanding citizen access to accurate information. Many fragile states operated within highly information constrained environments where public media pronouncements are monopolized by the party in power. They are, as a result, widely distrusted. Given the information vacuum, rumors and conspiracy theories are commonplace – often shaping public perceptions inaccurate though they may be. Accordingly, a key priority for a stabilization effort is to create mechanisms by which trustworthy information is communicated to the public. This will help combat misinformation campaigns and by conveying more credible information to the general public will reduce tensions and anxiety resulting from uncertainty as to what is going on.[33] It will also directly affect receptivity to the stabilization effort, especially if international actors are involved. Otherwise, their presence may be cast by spoilers as a violation of sovereignty meriting violent resistance.

Independent media will be instrumental in engaging the public in this process. It is an indispensible forum to debate priorities, identify legitimate leadership, foster transparency, hold public officials accountable, and educate the public on sound development practices. Media is also central to any social marketing campaign regarding tolerance, non-violent conflict resolution, and building a unified social identity.

As important as getting accurate information out to the public is who is telling the story. This will have a determining effect on how trusted the information is. Accordingly, empowering local personalities with established reputations as independent actors should

[33] Livingston, Steven. 2010. "Africa's Infosystems: A Path to Security and Stability," *ACSS Research Paper #2,* Africa Center for Strategic Studies.

be the priority. This may entail organizational support to independent media organizations that are likely operating on a shoe-string, if at all. Moreover, in almost all fragile contexts intensive efforts to build the capacity of independent media outlets and journalists will be needed.

The primary medium for this effort will likely be radio – still by far the most widely used media used by Africans today. With the explosion of cellular telephony in Africa over the past decade, many other opportunities for conveying, clarifying, and responding to evolving issues is possible. Indeed, there is evidence that the most effective social marketing campaigns in recent years have involved a combination of radio programming, complemented by interactive mobile media, and person-to person outreach efforts.[34]

An inevitable challenge in a fragile setting is addressing the problem of hate speech and incitements to violence in which certain media outlets engage. Such outlets are typically aligned with a particular political party or ethnic group and may be controlled by wealthy businessmen or politicians seeking higher office. As these outlets are playing to a defined constituency, the language and positions advocated tend to be highly partisan. Left unchecked, these messages trumpet perceived grievances of the target audience as well as personal, political and economic threats should an opposing party gain power. As media audiences are typically fragmented – and each ethnic group or party is receiving their information from a distinctly partisan source, these themes define and reinforce the polarized attitudes of the respective constituencies. In such a winner-take-all atmosphere,

[34] Phillips, J.F., M.B. Hossain, and M. Arends-Kuenning. 1996. "The Long-Term Demographic Role of Community-Based Family Planning in Rural Bangladesh." *Studies in Family Planning* 27:204-19.

ramping up of the rhetoric creates a combustible atmosphere that allows even trivial incidents to flare up into major inter-group conflict. The Guinea Fowl war of 1994-1995 in northern Ghana is a case in point.[35]

In short, a stabilization strategy needs to have a plan for dealing with media provocateurs. This may entail ensuring that there are enough independent sources of news and information that the messages from partisan outlets are more readily discounted. In addition, clear media standards must be established and enforced. This requires prohibitions on hate speech or derogatory statements toward any ethnic group or political grouping. Such rules are already on the books in most African countries. The challenge is to insure they are monitored and consistently upheld (including the suspension of broadcasting or publishing licenses) in a fragile state setting.

Minimum standards for objectivity in news reporting and coverage of political parties are also desirable. There is obviously a fine line between regulating and censoring – between free speech and a curtailment of civil liberties. Governments wishing to burnish their democratic credential are at times reluctant to take action again media outlets that violate these regulations lest they be accused of suppressing free speech. A distinction needs to be made however when it comes to incitements to violence. This is a norm that needs to be proactively reinforced by both national and international actors. To enhance the credibility of such judgments, non-partisan media oversight committees comprised of

[35] Aapengnuo, Clement. 2010. "Misinterpreting Ethnic Conflicts in Africa," *Africa Security Brief #4*, Africa Center for Strategic Studies.

leading media professionals, should play a formal role in reviewing potentially offensive products.

Process Matters

Key to all of these sectoral priorities is the *process* through which they are undertaken. Any international engagement will inject resources into a local society and economy. Since resources are power, who controls these resources has implications. Historically, the vast majority of these resources have flowed through central governments. If, as in most cases of state fragility, the unaccountable leadership at the national level is at the root of the instability, then such an approach will only exacerbate the problem. Indeed, one of the greatest risks international actors face is that they could inadvertently empower the very forces that have perpetuated the unrepresentative, inequitable, corrupt, and repressive systems in place. In such cases, international resources simply become further means to grease the patronage networks responsible for maintaining an illegitimate power structure in place. This deleterious effect is compounded when national government authorities conclude that they are "the only game in town" and therefore will control the spigot of resources coming into the country regardless of their performance. Channeling resources through the government simply because it is the government with the assumption that this will contribute to stability is naïve – as experiences in Zimbabwe, Sudan, and Eritrea, among others, have shown. In short, stabilization initiatives cannot ignore the mechanisms through which development assistance is controlled – at the central and local level.

A poignant example of this dynamic occurred in the aftermath of the Rwandan genocide in 1994. As the RPF was gaining control of the country, millions of Hutus crossed the border into eastern DRC (then Zaire). Within days, huge camps of refugees had formed. In an effort to organize the camps, UN officials instinctively had the refugees situate themselves by the province, district, and prefecture from which they had originated. In this way, UN officials could work through the established leadership system that was in place. What the UN failed to appreciate, however, was that it was this very local leadership structure that had been responsible for orchestrating the genocide, whipping up ethnic hatred, and even forcing some Hutu villagers to attack and kill their Tutsi neighbors. By reestablishing this power network in the camps and giving these leaders the authority to direct aid resources and identify qualifying households, the UN boosted the stranglehold these destructive actors held over these dislocated populations. If individual households protested or even tried to return to Rwanda, they were intimidated, beaten, or even killed. This new power base perpetuated the misery of many innocent Hutu households until the camps were finally forced to shut down in 1996.

This example underscores the importance of gaining an understanding of the national and local power dynamics for any stabilization effort. Political economy assessments are of immense value early on in an operation. Tapping into the expertise and credibility of local service oriented NGOs who may have worked in the region for years but who remain outside of the patronage equation will be an essential part of this analysis.

In addition to recognizing the power dynamics of a stabilization context, projecting the themes of equity and transparency are vital elements of the implementation process. Participation in stabilization initiatives must be inclusive of all individuals or households in a targeted area who qualify. Doing so both ensures available resources are reaching the designated population groups and reduces perceptions of unfairness that drive instability. Well designed programs will, in fact, attempt to ensure local staff involved in the implementation of a project represents the ethnic diversity of the population served. Local jurisdictions with representative police forces, for example, are less likely to face conflict.[36] In addition to increasing the potential for fairness and accountability of the initiative, this practice helps model and place incentives on cooperative behavior.

This point deserves special emphasis. Societies that have been through traumatic experiences are more willing to recognize the need for fundamental change.[37] More elites and ordinary citizens are willing to question previously accepted norms, privileges, and institutions. This creates a window of opportunity for a society to set off in a new direction of norms and standards. This "period of extraordinary politics" as Leszek Balcerowicz, Poland's former Finance Minister characterized Poland's shift away from decades of communism, allows for political coalitions and popular support that would not be possible in "ordinary times." This window is finite, however. Accordingly, it is vital that this period is seized to create new standards – of accountability, inclusion, legitimacy, equity, and transparency. Introducing commonly accepted regional or

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[36] Sambanis, N. 2002. "Preventing violent civil conflict: The scope and limits of government action." Background paper for the World Bank's World Development Report 2003: *Dynamic Development in a Sustainable World.*

[37] Cuny, Frederick. 1983. *Disasters and Development.* Cambridge: Oxford University Press.

international standards during these times – for example, the practice of open bidding procurement, independent auditing, and financial disclosure statements for public officials – can help set these precedents and raise awareness within the population of what can realistically be expected from their government. Establishing or strengthening professional associations (for businesses, accountants, engineers, teachers, journalists, jurists, etc.) is another means by which peer review and professional standards can be reinforced. Signing onto widely accepted protocol such as the United Nations Convention Against Corruption (UNCAC) and the Extractive Industry Transparency Initiative (EITI) are other means by which higher standards can be institutionalized.

One way of fostering transparency is to clearly publicize the resources that have been committed to a particular activity – and how these are spent. Access to this information can reduce tensions in a stabilization context by relieving the speculation of whether resources are being diverted or allocated disproportionately to one region or ethnic group over another. This is particularly critical when a fragile state's economy is dominated by a single sector – such as oil or minerals – the revenues from which have historically been controlled by a narrow faction of elites under highly opaque conditions.

Public access to public expenditure records dramatically expands opportunities for civil society engagement in the delivery of public goods and services through watchdog and advocacy groups. This can foster a culture of oversight and accountability. It also helps build a sense of popular ownership over government activities. If citizens feel they can change the direction of their government through established legal mechanisms, dissatisfied individuals can direct their energies toward reforming rather than undermining these institutions. In short transparency and oversight enhances stability.

Particular attention must be given to procurement mechanisms as this is the channel through which much leakage in public expenditures occurs and patronage networks maintained. Establishing clear, widely publicized open-bidding procedures reduces opportunities for malfeasance. It also helps build confidence in government. The oversight process should likewise be applied to inspections on the quality and implementation of the goods and services procured. Contractors that fail to deliver up to the defined standards must be required to remedy the problem at their expense. Those that perform unsatisfactorily should be barred from bidding on future contracts. Such policies must be scrupulously enforced. This accomplishes several things. First, it generates higher quality and sustainable public goods for the society. Second, it raises the standards of performance in societies that may lack a history of accountability. Third, it rewards firms that play by the rules and weeds out those that are merely trying to exploit the system. In the process, industry standards are raised.

Part of procurement reform may entail moving the implementation of large-scale infrastructural programs out of government and into the private sector. The tendency is for many African line ministries to maintain responsibility for implementation of all aspects of public goods provision (e.g. road construction, borehole drilling, school and clinic construction, etc.) However, highly bloated ministries with large budgets for equipment procurement and maintenance are a major source of waste. In many cases, it is preferable to separate the policymaking and decision-making responsibilities of these ministries from the implementation functions. Ministries set the direction and standards but work through private firms to undertake the implementation. This creates a healthy separation of responsibilities while significantly reducing the heavy fixed costs (and patronage opportunities) built in the unwieldy ministry model. The avenues for corruption are endless. Guidance to facilitate assessing the risks and priorities in a given context can be guided by consulting previously established corruption checklists and scorecards.[38]

Another tool for raising standards and cultivating a culture of government responsiveness to citizens is by establishing means of inter-jurisdictional competition for good performance. This strategy aims to shift the incentive equation facing local government officials. The process is to rank comparable jurisdictions (e.g. provinces, districts, municipalities) in a country on how well they attain various standards of positive performance (e.g. business friendliness, budget transparency, rates of citizen complaints and resolution, requirement to pay bribes, etc.) – and publicize the results. Jurisdictions that score higher in the rankings qualify for greater levels of national or international resource allocation. The advantage of this approach is that it creates rewards for improved performance. It brings favorable attention to effective and accountable local leaders who then gain national prominence and influence. Moreover, jurisdictions are not being compared to some ethereal international standard – but to their neighboring jurisdictions. While local government leaders may not be self-motivated to improve public services, they invariably do not want to have the notoriety of being ranked at the

[38] See, for example, the Global Integrity Index annual surveys.

bottom. Accordingly, the median level of performance shifts up for all jurisdictions. Annual or biennial rankings provide opportunities for lowly scoring jurisdictions to change their status. Higher rated jurisdictions have incentives to continue to improve lest they fall down in the rankings.

ANALYSIS

Development's impact on stability is a complex and multi-faceted process. These are not isolated interventions but a comprehensive, broad-based, and complementary series of initiatives. Each is challenging and valuable in its own right. However, it is the accumulative effect of the broader engagement that contributes to stability. This recognizes that for development to have an impact it must reach a large enough share of the target population. This will require engagement at the village level.

The comprehensiveness also reflects the reality that these are often state-building exercises that need to rebuild fractured institutions – and in some case institutions that may never have been in place previously. This reality frames the stabilization process: ultimately these efforts have a political objective – to shape the environment such that negotiations can take place between competing interests leading to cooperative agreements. This also recognizes that it is politics, and not poverty, that drives conflict. Efforts to tackle poverty and underdevelopment (i.e. the symptoms) that do not address the underlying political dimensions of fragility such as monopolization of power, systematic inequities, exclusion of opportunities, and ethnic polarization – will not ultimately be effective. Poverty on its own does not lead to conflict. It needs a mobilizing or radicalizing force to define grievances and persuade the targeted group that violence will advance their aspirations. While development activities can help soak up the energy from this mobilization effort, until the political driver is addressed, the dynamics of the instability will remain.

Likewise, development activities in a fragile state context do not start from a neutral baseline but typically from a point a point of imbalance, where one group or party has monopolized the allocation of resources. Since money is power and development resources may be the main source of revenue flow in a stabilizing economy, then careful consideration must be given to who is controlling these resources. In short, political-economy considerations should guide the design and implementation of the stabilization effort from the beginning.

An important, though often overlooked, implication of this reality is that simply pouring resources into a destabilized context with the assumption that 'given all of the needs, these resources will do at least some good' is mistaken. Development initiatives will not automatically have a net positive effect. On the contrary, if through patronage networks these resources are controlled by the local powerbroker, they are effectively empowering the system that has fostered the instability in the first place. This, in turn, will make any reform efforts even more difficult – effectively perpetuating the problem.

Political implications aside, another key theme from this review is that stability-enhancing development initiatives are sophisticated technical undertakings that require knowledge of complex social and economic processes. Addressing poverty and advancing development are difficult under normal circumstances. They are even more so in fragile state environments. Establishing the right monetary policy affects inflation, exchange rates, and stability in the rest of the economy. Understanding local labor markets and identifying the most appropriate wage rate for a public works program affects incentives for businesses throughout the region. Identifying the correct seeds for rehabilitating the agricultural sector has far reaching implications for food production, employment, and asset creation in the entire rural economy. Likewise, for the other interventions discussed. Programs need to be sound technically and contextualized to the local environment. The stakes for this are high. Not only is it necessary for the development initiative to be thoughtfully designed and expertly implemented to realize impact – but getting it wrong can be devastating for many households already barely surviving without any buffer. The distortionary effects on an economy or the disincentives for employment or investment that can emerge from these decisions may have long-term repercussions for these societies' recoveries. In short, the concept of "development in a box" that can be packed into a field manual is a misnomer.

Another key observation from this review is that *process matters*. How an intervention is undertaken is as important as what is done since it determines who controls the resources, which groups will be targeted, and who will participate in implementation. An approach that enables popular participation, is inclusive, equitable, transparent, taps local expertise, builds community ownership, and is pitched at the right level of technological sophistication will be more effective and sustainable. The sustainability issue is of particular relevance since stability is something that is needed over the long term. While there may be urgent short-term needs, stabilization is not a quick-fix, one-off solution to the challenges faced. The role of international actors will diminish over time but the stability-enhancing processes will need to be continued.

Perhaps the most important reason that process matters is that it gets at the root of the problem: monopolized control of resources, privileged access to government services and the law, inter-group inequities, and polarization. In other words, if an intervention can be designed so that it creates incentives for competing sides to work together, it can help break down barriers and facilitate cooperation and reconciliation that will have both short- and long-term stabilization benefits. This is the framework from which development initiatives need to be conceptualized and implemented.

The upshot is that the development aspects of stabilization operations are far more than logistics operations that could be achieved by hiring contractors to “deliver the product.” Nor are they primarily about rebuilding physical infrastructure such as roads, bridges, and schools, etc. Development in a state-building context is more about building the institutions and capacity that will enable these clinics, schools, wells, and roads to be utilized and maintained over time. In other words, it is the social organizational dimension that is the most important – and often the hardest – element of the equation.

Recognizing the political and social drivers of state fragility also underscores the value of early, preventative responses. The scope for action and the foundation on which to build is much stronger in a pre-conflict context before serious deterioration has taken hold. One can imagine state fragility being a bit like a rubber band that is stretched and stretched – until it finally snaps. Relieving the pressure on the rubber band (or society) while it is still intact is much less onerous (and durable) than attempting to mend together the broken ends. In addition to being less expensive and standing a better chance of success there are any number of entry points for preventative interventions given that in most cases state fragility is a long, slow process of deterioration.

Implications for USG Roles

This assessment of development's contribution toward stabilizing fragile states provides a foundation for examining appropriate USG roles in these efforts. In exploring this, it is helpful to place the USG engagement in perspective. In most cases, total USG resource contributions to any given African country represent only a fraction of the total national budget. In other words, the tens of millions of dollars that the United States may make available on an annual basis (only a part of which is actually spent in the country) are dwarfed by the hundreds of millions of dollars that a national government will be managing. This is not to say that the U.S. contribution is unimportant. Indeed, these investments for critical public sector activities may otherwise go unfunded. However, it is important to be mindful that the USG contribution, on its own, is unlikely to be decisive. Most stabilizing activities will be taken by national actors. Consequently, to maximize its impact, USG resources should be thoughtfully leveraged with other national and international resources so that the effects extend farther and are more long-lasting than they would be otherwise. This entails helping to shape rules and institutions and build capacity so that the needed changes in policy affecting inclusion, equity, transparency, and participation are replicated beyond those programs in which the USG engages directly.

This review has highlighted that stabilization is ultimately a political task that is supported by economic progress, generation of jobs, and service delivery. To have sufficient impact, these initiatives need to be targeted over wide enough coverage area and sustained over time. Expert and localized technical knowledge across the agricultural, health, labor, infrastructure, water, sanitation, and educational fields, among others, are needed. As importantly, is the ability to engage with local communities in a culturally appropriate manner. Establishing trust and building relationships is critical. In short, more than resources and good intentions are needed.

Looking at the spectrum of expertise within the USG (and its private and non-profit partners), the vast majority of these skills fall within the development sector. Many of these groups have years of experience working in Africa's fragile states. They are staffed by development professionals with advanced degrees in agronomy, development economics, international public health, civil engineering, arid land forestry, political science, and urban studies, among others, and bring years of field experience to these efforts. Accordingly, the political and development aspects of the vast majority stabilization work are best undertaken by civilians aligned with USAID, the Department of Treasury, and the Department of State.

Having civilians lead USG stabilization efforts is also vital for facilitating the handover and sustainability of these activities. Much of the focus of this work will be politically- and community-based negotiations to generate acceptable solutions to all major stakeholders in a society. Civilians will be better able to work with their counterparts within the emerging governance and civil society structures. As the overall aim of the undertaking is to build domestic institutional capacity to provide legitimate leadership, accountability, and engagement with the public, establishing this civilian ownership from early on is vital.

This is logical not only on technical grounds but also for the precedents and messaging sent about civil-military relations. Leaving aside the matter of expertise and experience, if the US military (as representatives of the world's leading democracy) were to be seen as taking the lead on the political, social, and economic aspects of stabilization, it may reinforce the acceptability of unelected leaders directing affairs of the state. Furthermore, it would make it harder to reverse the established norms of monopolization of power, exclusion, lack of transparency, and absence of citizen oversight that are at the root of most fragile state contexts in Africa.

An argument could be made that US military assets can and should be used in fragile contexts to provide needed logistical assistance where local capacity may be limited.

While such possibilities need to be reviewed in cases of emergency, the default logic and principles should still apply. As indicated in the analysis above, it is as important how something is accomplished as what is accomplished. While AFRICOM transport equipment would most likely be able to deliver supplies more efficiently, opportunities to build local capacities as well as inject funds into the local economy are lost.

A civilian led stabilization effort is also more likely to be effective on practical grounds. In most African societies, militaries are deeply distrusted and feared, given their track record of intimidation and abuse toward the general population, marked by a culture of impunity. A military presence in the development aspects of stabilization, therefore, will raise suspicion and limit popular participation – opening the door to more elite manipulation – undermining the objectives of the operation.

In short, having AFRICOM involved in the implementation of development aspects of stabilization is a mismatch of USG skill sets. Moreover, given the legacy of distrust towards the military, such engagement risks damaging AFRICOM's reputation in the affected country – and the region more generally. It would be better for AFRICOM's long-term relationship-building on the continent to maintain an arms-length, supportive role in these operations.

That said, stabilization efforts involve more than just the development and political aspects. It is an often-repeated truism that development can't proceed without some degree of security. Indeed, this is often the key constraint faced in Africa's most highprofile fragile contexts – Somalia, Darfur, and the DRC. Moreover, enhancing security is the comparative advantage that AFRICOM brings to the stabilization equation in Africa. Many of the forces behind the instability in fragile states are non-state actors – non-conventional, loosely organized, and highly mobile. Most African security sectors do not have a background and expertise to combat this type of threat. Rather, the tendency is to respond indiscriminately causing significant loss of innocent life and displacement. This has the effect of accelerating the instability. AFRICOM could play an enormously valuable role in training and equipping African security forces in counter-insurgency theory and tactics – within a stabilization and civilian protection framework. By building capacity on the respective rationale and tactics for civil protection measures such as saturation, oil spot, separation, creating safe areas, containment, and pursuing perpetrators, security can be sufficiently enhanced to enable development activities to gain traction.[39] This, in turn, will have the iterative effect of drawing fighters away from destabilizing elements as well as defeating the ideological grievances that bolster community support.

Given the undisciplined starting point of many African security forces, security sector reform is a complementary priority for raising the professionalism and effectiveness of African security forces engaged in stabilization. Likewise, as demobilization and reintegration is a common feature of stabilizing many post-conflict contexts, educating African militaries on DDR best practices is a similarly important priority.

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[39] Williams, Paul. 2010. "Enhancing Civilian Protection in Peace Operations: Insights from Africa," *ACSS Research Paper #1*, Africa Center for Strategic Studies.

In short, there is an indispensible role for AFRICOM to play in stabilization. It is the role that best matches AFRICOM's comparative expertise. It is an expertise that no other USG entity can fill – and one on which all other aspects of stabilization depend. This, in turn, would enable the USG to fully maximize the spectrum of expertise that it possesses – and needs – for stabilization situations. It would also be a more authentic operationalization of a whole-of-government strategy – coordinating and cooperating across range of expertise – rather than any one single entity attempting to do it all.

CONCLUSION

Stabilizing fragile states will continue to be a defining feature of the African security landscape for the foreseeable future. The responses are ultimately political reconstruction processes. That is, how can a legitimate, effective, and accountable state be built so that it can deliver security and social services to its citizens and, thereby, maintain stability over time? The multi-dimensional nature of state fragility demands the strengthening of integrated national and international stabilization strategies – bringing together political, development, and security actors – both official and non-governmental. On the plus side, as this paper has reviewed, there is already considerable experience to tap to guide the development aspects of these stabilization efforts. What is most lacking for the implementation of effective stabilization strategies at this time are (1) the familiarity with and capacity on the part of African security sectors to implement a disciplined counter-insurgency campaign – and (2) adequate African and international mechanisms to facilitate the integration of the various complementary components of these stabilization efforts. Accordingly, a reassessment of roles to be played to address the development aspects of the stability equation is unwarranted. Rather, greater focus should be given to understanding how to better integrate the roles, functional expertise, and experience that currently exists within the USG inter-agency to meet the respective multi-dimensional aspects of the stabilization challenge.