Coordination Problems and Aid-Dependency as Challenges of State-Building in the Fragile States

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ABSTRACT

This article examines the concept of state-building as an imperative need in this globalizing world amidst the existence of fragile states around the world. It begins with a simple question regarding the challenges of state-building in fragile states and what measures can be done to minimizethe probable negatives. Using secondary source analysis and twocase studiesof state-building in Afghanistan, Somaliland, and Aceh, this research finds that there are exclusively two overarching challenges to state-building. First, there has been a challenge of coordination among different actors, as well as with the respective population in the relevant states; the second is the challenge of creating an effective exit strategy, such as maintaining stability and avoiding aid-dependency after the state-building mission has been finished.

Keywords: *state-building, fragile states, Afghanistan, Somaliland, Aceh*

Artikel ini mengkaji konsep state-building sebagai kebutuhan penting di dunia yang mengglobal ini di tengah keberadaan negara-negara rawan di seluruh dunia. Artikel ini dimulai dengan pertanyaan sederhana mengenai tantangan state-building di negara-negara rawan dan langkah-langkah apa yang dapat dilakukan untuk meminimalkan kemungkinan-kemungkinan negatif. Dengan menggunakan analisis sumber sekunder dan sejumlah studi kasus pembangunan negara seperti di Afghanistan, Somaliland, maupun di Aceh, penelitian ini menemukan bahwa ada dua tantangan utama untuk membangun negara secara eksklusif. Pertama, ada tantangan koordinasi di antara para pelaku yang berbeda, serta terhadap populasi masing-masing di negara yang relevan; yang kedua adalah tantangan menciptakan strategi keluar yang efektif, seperti menjaga stabilitas dan menghindari ketergantungan bantuan setelah misi pembangunan negara telah selesai.

Kata Kunci: *state-building, negara rawan, Afghanistan, Somaliland, Aceh*

Introduction

Harmonization does not necessarily always become the sole expected product of globalization. On the other flipside of the coin, theincreasingly globalizing world also means that one problem in a certain country would probably disturb the others if it were not anticipated carefully. Like contagious diseases, salient issues are now spreading in a transnational fashion, disregarding conventional national boundaries. Among the limitless issues which we are now facing in the world, the fragility of some states is among the problematic ones. The problem of fragile states has been perceived as an international issue, as it has the potential to be a spreadable problem. If not being managed carefully, fragile states can bring an opportunity for rebellious groups to seize the regime (Francois and Sud 2006, p.143). Fukuyama (2004) suggested that fragile states are the potential source of many problems, from "poverty and AIDS to drug trafficking and terrorism"

(p.17). Today, the category of fragile states consists of states like Democratic Republic of Congo, Somalia, South Sudan, Syria, and Yemen which are characterized by indicators such as uneven economic development, lack of legitimacy, and high level of demographic pressures (Messner 2019). Therefore, state-building is now considered a necessary international agenda.

Regarding the state-building concept

After all, we need to clarify what is being meant by state-building before moving even further to the next discussion. To put it simply, we can understand the idea of state-building as a "creation of new governmental institutions and the strengthening of existing ones" (Fukuyama 2004, p.17). In a broader term, Paris and Sisk (2009) defined state-building as a deeper form of peace-building which concentrates on improving security and development through the creation of a "capable, autonomous, and legitimate institution". In another article, Chesterman (2004) mentioned that state-building can appear in five different variations, according to the relevant socio-political context. First, state-building can appear as a mission which is intended to prepare the independence of a certain country following its decolonization. Second, state-building can also mean a temporary administration to facilitate "the peaceful transfer of control" from the previous government to the existing government. Third, state-building can also be found asfacilitation toward an election of a certain state. Fourth, state-building can also be understood as a short-term government to facilitate the ongoing peace process. Lastly, Chesterman also defined state-building as a form of *de facto* administration by outside forces following the existing government's inability to govern (Chesterman 2004, p.57).

Paris and Sisk (2009) write that modern state-building finds its root from the peacebuilding mechanisms done by the United Nations (UN). During the period of the Cold War, however, the peacebuilding operations were done in a conventional manner, without interfering in domestic affairs of the host country. It was after the end of the Cold War, peacebuilding has been revolutionized. Paris and Sisk argue that the revolution was a result of the unwillingness of both the United States and the Soviet Union to "maintain their previous levels of military and economic assistance to their clients" (p.4). As a result, the UN was obliged to involve directly in the process of conflict-settling. The first instance of this modern form of state-building was in 1989, where the UN assisted a post-conflict Namibia to prepare for elections and draft its new constitution. State-building is necessary, as peace-building alone is unable to remove the roots of the conflict—one must also provide a precondition in which the newly-built society is able to settle their future disputes through peaceful means (Barnett and Zurcher 2009, p.23)

On coordination: between agencies and the populace

Putting it into practice, state-building missions are not flawless, as its process can also be hampered by various problems. This section tries to display some of the biggest challenges of the state-building process, and what measures can be done to minimize such challenges. The author argues that there aretwo prominent challenges to state-building which this essay is going to focus on. The first one is the challenge of coordination among different actors, including the local population in the respective states. The second one, the author also perceives thatanother challenge is creating an effective exit strategy. The author argues that

state-building efforts are capable of creating such a comfort zone for the recipients, that they cannot escapethe case of aid-dependency after the state-building mission has been finished.

Yet the state-building projects always involve many stakeholders in their realization, the looming challenge which the author sees as one of the main problems is about coordination. There are two forms of coordination which are put into this discussion: first is the coordination among the agencies involved in the state-building process; second is the coordination with the population inside the state.

Being thefirst challenge, coordination among the involved agencies is related to how each party in the state-building process understands their roles within the system. This first type of coordination matters, as it relates to the professionalism of such agencies in conducting the mission. To be perceived as legitimate, it is obvious that every agency involved should possess a good understanding of each other's roles, as well as a clear command of the mission. Moreover, a different form of agents may result in competing interests as well. In his article, Paris presented the examples of how peacebuilding in El Salvador, Mozambique, and Cambodia was disrupted by the contradictory policies between the UN and the IMF. On one side, the UN urged those countries to increase spending on peace-building programs. However, the IMF urged those countries to do the opposite—by suggesting fiscal restraint (Paris 2009, p.55). Such coordination problem will certainly disadvantage the recipient state.

In other instances, the lack of coordination can also appear when the agencies do not possess a detailed mission outline. A work by Smith (2004) signified that a large number of peace-building projects did not have a clear strategy. From the 336 projects examined, 55 percent of those missions suffer from what Smith defined as a "strategic deficit".

> "If 55 percent of projects lack strategic connection, that does not mean the other 45 percent have clear and well worked out connections to broader strategies. In many cases, the links appear to be superficial and little more than *pro forma*." (Smith 2004, p.43)

Relating to the first challenge, another unavoidable challenge ison coordinating the agencies and the population within the state. When engaging in a state-building mission, the international community will not only act with its counterparts but also with state elites and local groups with divergent interests. In his 2006 article, Rubin evaluated the implementation of state-building. He argued that actors involved in state-building usually try to "identify the 'best practices' without asking for whom they are best" (p.184). The inability to read the situation is possible to even disrupt the effectiveness of the mission. Therefore, understanding the context within the recipient country is an essential aspect which needs addressing in every state-building mission. Chesterman (2005) stated that the biggest challenge of state-building intervention is not the difficulty of the mission itself, but rather the resistance from the population in which the mission is conducted (p.249). This challenge is quite easy to understand. In the international realm which largely still embraces its Westphalian values, intervention is still widely perceived as a taboo. At the same time, a post-conflict state is troubled with legitimacy-related problems.The

combination of these two problems can appear as a challenge for those who conduct the state-building mission.

To respond toward the aforementioned problems, Schmeidl and Karokhail (2009) have warned the state-builders against "being blind" of the local context in which the state-building operation is done. One big mistake of the state-builders is failing to understand that reshaping a state—as well as maintaining its security—is not an instant work. The authors labeled such inaccurate approach as the "McDonaldisation of state-building" (p.69). Using the case of Afghanistan in 2001, Schmeidl and Karokhail demonstrated how a state-building process which disregards its contextual setting ended up being counterproductive. Afghanistan is a country with a largely rural society. In 2001, the country had only 21.6% urban population. However, the state-building approach adopted by the operators was largely centralized in Kabul, resulting in the marginalization of the most Afghan population. They criticized this approach as most of the Afghan population "interact with the state institutions at the provincial and district levels". On the other hand, the state-builders seemed to dismiss that diversity and the existence of the society were also the features of Afghanistan, trying to build the state "from scratch".

> "Thus, Afghanistan was modeled according to the presidential system of the US (organized around the figurehead of President Karzai), when in fact, its regional and cultural diversity may perhaps rather have called for a parliamentary system à la federal Germany or canton-orientated Switzerland." (Schmeidl 2009, p.70)

Highlighting this problem, another article by Nixon (2007) reinforced that notion. He also showed that the failure state-building in Afghanistan was caused by the failure of the operators to formulate the end target. In the case of Afghanistan, different donor countries were given different responsibilities, for instance: Germany was mandated to manage the police, the United States for the army, Italy for the judiciary, and the United Kingdom for counter-narcotics missions. While some of those aspects have cross-cutting interests, such division of responsibilities had eventually slowed down the progress, thus creating "a disjuncture between long-term state-building goals and the political short-term imperatives" (p.9-10).

During the process, virtually all state-building process is mainly concerned with the problem of legitimacy building. A conventional top-down process of state-building is likely to even disrupt the condition within the borders. Barnett and Zurcher (2009) stated that legitimacy lies in "the willingness to comply with the government's decisions depends on whether they believe it is legitimate" (p.28). To be perceived as legitimate actions, it is important for state-builders to understand the societal context of the targeted state.

As a solution, state-builders can try to embrace the local actors in the process of state-building. The 2011 case of Somaliland provides us with a good instance of how inclusiveness can result in the success of a state-building project. Somaliland is an unrecognized state within the boundaries of internationally-recognized Somalia. Authors like Upsall (2014) and Phillips (2016) highlighted how the accomplished state-building of Somaliland was largely caused by the bottom-up approach embraced by the agencies involved. Somaliland has been constructed by different clans as the source of legitimacy, thus, the key of Somaliland's success

lies in how the outside forces limit their involvements in domestic affairs, thus providing local actors more space to consolidate power. Another example of peace-building in Aceh, Indonesia, is also a good practice. Even though not necessarily a state-building project, the inclusive approach which was displayed by the agencies had helped the consolidation process to occur smoothly. Before reaching an agreement in 2005, the Aceh peace process had been hindered for many years by the centralistic military dictatorship in Indonesia. However, as the power shifts toward a more reformist regime, the Indonesian government opened the channel for the rebel groups to consolidate peace by involving actors like local elites and civil society (Wandi and Patria 2015, p.6). The peace talks ended with Aceh being granted more autonomy, and the Indonesian government offered reintegration fund in exchange of disarmament of the Aceh rebels (p.10).

Avoiding aid-dependency

Yielding future strategies, which can avoid a constraining comfort zone for the recipient state, is another necessary aspect to be considered. State-building missions, like almost everything in this world, will not last forever. As a consequence, it is necessary that state-building agencies should provide sustainability once the mission has been done. In other words, the next challenge is related to providing a precondition which enables the recipient to thrive evenafter the mission has been concluded. Moss et.al. (2006), as well as Francois and Sud (2006), underlined this problem through their articles. Two prevalent exit strategy issues mainly circulate among the problem of aid-dependency and creating a situation conducive to democracy promotion.

It is understandable that aid is certainly an important aspect of the process of state-building. An effective aid allocation can help the previously conflict-ridden areas to rebuild its facilities, as well as to provide a basic financial foundation to improve the quality of life. However, research was done by Moss et.al. (2006) warned us that certain types of the donor can potentially undermine the process of state-building. They derived this idea from the classic concept in the developmental studies called the "resource curse", which imply that the abundance of natural resources can somehow discourage a country to put institution strengthening as their priority. At the same time, the abundance of resources can also make countries less inclined to "create a social contract with the population" (Moss et.al 2006, p.4). The same thing happens when an overwhelming amount of aid was injected into a fragile state. They dubbed this condition as the "aid-institutions paradox" when the existence of aids has the backlashing effect to even weaken the government's developmental program.

Khan and Hoshino (1992) were notablefor their study on the impact of foreign aid toward the fiscal behavior of underdeveloped countries. They suggest that foreign aid "affects both the expenditure and the revenue side of the recipient government in the less-developed countries" (p.1486). In their findings, it has been concluded that governments in such countries tend to assume foreign aid as another source of income, thus leading to more governmental spending. The similar argument offered by Heller and Gupta (2002). They argue that as the income is getting more reliant on the external assistance, a fiscal uncertainty is likely to occur. This factor is worsened by the unpredictable nature of such aid. Consequently, the state cannot easily arrange long-term public service planning (p.18).

Another challenge with aid is how to make the host government more accountable. A study by Alesina and Weder (1999) also indicated that there had been a connection between the amount of aid and the level of corruption of the recipient country. The data being used was extracted from five different sources, namely the International Country Risk Guide (ICRG), the World Development Report (WDR), Standard and Poor's, the Economist Intelligence Unit, Transparency International, and the World Competitiveness Yearbook. From their findings, it was suggested that most of the foreign aid went to the corrupt regimes, making the initial aim of such aid being ineffective. However, these findings should not discourage donors to participate in state-building. Rather, this issue should be addressed as a challenge for donors, governments, and civil society to work together in order to increase the effectiveness of such assistance.

During the timeline, the next exit strategy challenge is to create a sustainable institution as a part of state-building. Paris (2004) argued that fragile states are vulnerable to "five pathologies": (1) the problem of non-liberal groups within the civil society; (2) the opportunistic behaviour of 'ethnic entrepreneurs' who garner political support by exploiting intercommunal distrust; (3) the risk that elections may serve as focal points for destructive societal competition; and (4) the danger posed by local saboteurs who may win; and (5) the disruptive effects of economic liberalisation. Such pathologies occur as fragile states are usually lacking in a peaceful dispute settlement mechanism within its society (pp.159-168).

In the meantime, the authoralso suggests that building democracyshould not be the most immediate agenda in the case of state-building. Rather, the author agrees with Paris (2009) that a solid project of institutional revitalization should be prioritized before democratization. Paris refers to this concept as "Institution before Liberalisation" (IBL). Francois and Sud (2006) supported this argument, implying that democratization is not a one-size-fits-all type of governmental system. Moreover, democratization can even be dangerous when a state "cannot deliver on its basic responsibilities, such as physical protection for the citizens, and improvements for their standard of living" (p.148). A unique study by Ross (2006) even proposed that imposing democracy in poor countries is not a preferable choice, as the recipient country will face a dilemma between informing the voters or allocating budgets on health and welfare. Instead of trying to liberalize the fragile state, agencies which engage in the state-building process should invest more in rebuilding the capacity of the state to perform its basic services for the citizens. Strengthening institutions can also help in answering the previous challenge regarding accountability.

Conclusion

As the concluding point of this article, the author reasserts that it is important to understand different challenges which may occur in the process of state-building. As a humanitarian mission which stems from a noble idea, state-building should be undertaken in a professional manner to ensure its success. There are several challenges to state-building which we have discussed.

Notably, the first challenge is on coordination. This first challenge is related to the agency problem, like how international community coordinates themselves with their counterparts, as well as with the local elites and population within the recipient state borders. Second, it is also important to consider thoroughly the

challenge of an exit strategy. State-building missions should always result in the capability restoration of the recipient state to perform its basic functions.

In conclusion, state-builders need to invest in programs which can avoid the recipient state from being aid-dependent, and at the same time, state-builders should also prioritize on building the institutions first rather than trying to democratize the recipient state.

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