

**The Brookings Institution**  
**Foreign Policy Studies and the Wolfensohn Center for Development**

## **BACKGROUND MATERIALS**

### *Development in Fragile States: The Toughest Cases*

Nearly 30 percent of all people living in extreme poverty – over 2.5 billion people – live in fragile states. Fragile states by definition lack the capacity necessary to meet the needs of their people and require outside help to improve their performance. But their poor performance and unwillingness to improve is precisely why aid supplied in such environments is so often wasted.

Policymakers have focused much attention on how to aid states embroiled in conflict and how to sustain development in well-governed states. Yet states transitioning from conflict and states governed by authoritarian regimes may present the greatest challenges to development today.

#### **Weak States, Poverty, and Transnational Threats: The Book Project**

At the Brookings Institution, Senior Fellow Susan Rice, Fellow Corinne Graff, and Vice President Carlos Pascual are working on a book project that examines how poverty erodes state capacity, dragging states into a negative cycle of weakness and poverty that threatens U.S. national security.

They maintain that alleviating poverty and strengthening state capacity is a central security challenge for the United States in the 21<sup>st</sup> century. Poor and weak states can spawn transnational threats such as civil conflict, terrorism, the spread of infectious disease, and environmental degradation. The U.S. is thus vulnerable to, for example, bird flu from Vietnam; global terrorist groups like al Qaeda and its affiliates, which operate in an estimated 60 countries around the world; and the long-term effects of deforestation in the Amazon and Congo River basins. Such transnational threats could not only wreak havoc on the U.S. economy. In worst-case scenarios, the consequences could include the loss of hundreds of thousands—if not millions—of American lives. They show how poverty and state weakness in far-away countries have security implications for Americans in the United States.

The work of Rice, Graff, and Pascual seeks to understand how these threats develop and thrive in poor and weak states. They will use these insights to build the case for additional and more effective foreign assistance to alleviate global poverty and strengthen weak states. They do so at a time when a global financial crisis threatens to further destabilize countries and existing U.S. approaches suffer from lack of imagination, cohesion, and resources.

## The Policy Challenge

During the cold war, the United States spent huge sums wooing partners such as Sudan, Zaire, Somalia, the Philippines, and Egypt with little sustainable development impact. In 2008, the Democratic Republic of the Congo (formerly Zaire), Sudan, and Somalia may represent the most acute sources of instability in Africa. The lesson is clear: resources spent in bad policy environments are wasted, and may further entrench elites, corrupt practices, and languishing performances.

Supporting good governance and democracy presents an inherent tension between national commitment and international action. The issue is not with poor states committed to governing accountably. For them, mechanisms exist to invest in governance—through international institutions (UNDP, the World Bank, OECD); bilateral donors (USAID, MCC, and most European aid agencies); and scores of NGOs and semi-independent organizations.

The challenge is with **post-conflict** and **autocratic states** – states that are poorly governed and have weak institutions. Focusing on this group, our goals should be to change the incentives that drive those who wield power, whether in or out of government, to put national interest over personal gain; to build local capacity in key sectors, especially the rule of law and civilian security services that can leverage wider systemic change; and to change misperceptions of democracy as externally imposed.

Possible avenues for improvement include:

- Strengthening mechanisms for regional accountability and mediation
- Widening regional and international peer reviews
- Consolidating and extending expertise on governance and democratic practices
- Strengthening support for governance in post-conflict states
- Reframing the democracy agenda

The development community has learned that local strategies, ownership, and political will are fundamental to successful development, the very factors that are missing in weak states. Our security interests demand that we not simply ignore these states. Creative, well-funded strategies must be formulated in order to have meaningful impact.

## Mapping the Threat

The map of vulnerable zones, or “states at risk,” ranges from parts of the Caribbean and Latin America to Africa, Central Asia, and the Caucasus; and, from parts of the Middle East to swaths of South and East Asia. By their very nature, transnational threats can swiftly and potently traverse the planet.

In 2008, Brookings Senior Fellow Susan Rice and Center for Global Development Research Fellow Stewart Patrick created *The Index of State Weakness in the Developing World* to provide policy-makers and researchers with a credible tool for analyzing and understanding the world's most vulnerable countries. The Index ranks and assesses 141 developing nations according to

their relative performance in four critical spheres: economic, political, security, and social welfare. Key findings from the report indicate that:

- Poverty alleviation should be given higher priority in U.S. foreign policy.
- U.S. foreign assistance programs should target the specific weaknesses of individual developing countries.
  - In *failed and critically weak states*, U.S. policy should place heavy emphasis on improving security, while paying due attention to improving performance in the economic, political, and social welfare spheres. **Post-conflict countries** like **Central African Republic, Chad, Congo, and Guinea-Bissau** require much attention to security. In **authoritarian countries**, like in **Burma and Zimbabwe**, more emphasis should be placed on guaranteeing freedoms and improving governance.
  - In *weak states*, assistance should take account of each state's unique performance gap, like the governance gap in **Uzbekistan**.
  - The United States should not ignore severe performance gaps even in *better-performing states*, like in authoritarian **Egypt**.
- Overall U.S. assistance to the world's weakest states—which is currently insufficient and unevenly distributed—should be increased and targeted.
- U.S. policymakers should acknowledge the strategic importance of sub-Saharan Africa
- Building state capacity is too complex, expensive, and long-term a challenge for the United States to undertake effectively alone: it requires a multilateral approach.

Ultimately, the fates of the world's weak states will be determined less by the actions of outsiders than by the commitments and capacities of their own leaders and citizens. Nevertheless, increased aid and other forms of external assistance can play a critical role in building the capacity and will of weak states to bring security, good governance, economic growth, and social welfare to their inhabitants.

## **The Road Ahead**

In the 21<sup>st</sup> century, the U.S. must adapt its perception of this predominant security challenge, a process which has begun at least rhetorically. More fundamentally, the U.S. must craft and implement comprehensive, long-term strategies for combating or mitigating these new threats. This latter process has barely started. In considering the development challenge ahead, states fragile from recent conflict and states atrociously governed by authoritarian regimes present the toughest cases. The solutions are not simple. Policymakers urgently require innovative thinking about the changed world in which we live, the appropriate role of the U.S. in that world, and effective strategies for securing our future.