

## **Fixing Fragile States, Challenges and Opportunities for Multipolar Cooperation**

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Multi-polarity is of course a very important theme in the world today and, with the financial crisis, now more than ever. We have seen how the world has changed, more than in the last ten or fifteen years. We have seen how the non-western countries have been gaining momentum and how that is shifting many of the paradigms that we have grown comfortable with. Today I am going to focus on one aspect of that change, the fragile states, my speciality, but some of the conclusions that I am going to draw toward the end of my presentation may very well be useful in some other areas as well.

Before I start let me tell you something of my background so you have some idea where I am coming from as a person. At one point in my life I lived in Nigeria which is arguably among the most diverse places on earth, give or take a few others as India or Indonesia to some extent. But when talking about how the combination of bad government and a very fragmented society affect a country, I think Nigeria is *the* best example. I moved from Nigeria to Japan and lived in Asia for eleven years. Contrast Nigeria with Japan and I think everybody will understand why I focus so much on social cohesion as a driving force. I lived in Asia for eleven years and if you think why Japan, Korea, Taiwan, China and the South-east Asian countries work better than African countries, or many Middle Eastern and North African countries for that matter, you will understand that it is because of this lack of cohesion in fragile states.

### **The importance of fragile states**

Fragile states have attracted considerable attention among Western countries in recent years, but their problems and the dangers they pose have not diminished. They typically face a combination of unique challenges: pervasive intergroup conflict, corrupt officials suffocating vacuous institutions, a dearth of skilled workers made worse by a prolific brain drain, poor investment climates and great poverty. Their number vary but it is generally accepted that up to 60 countries are fragile; these are mainly in Africa, but many of the most important for international security are in the Greater Middle East, like Pakistan, Afghanistan, Iraq and Yemen. Because they are governed corruptly, incompetently or not at all, fragile states inflict misery on their own citizens. Their basic needs go unmet and they endure grinding poverty. Fragile states also generate regional and global instability: "When they give rise to cross-border terrorism, refugee flows and international crime, fragile states pose a global security risk and a direct threat to international, and therefor Dutch, interest" (from a Dutch Foreign Ministry Report).

### **Causes of State Fragility**

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Fragile states are plagued by two structural problems: political identity fragmentation and weak national institutions. Together they preclude the formation of any robust governing system, severely undermining the legitimacy of the state and leading to political orders that are highly unstable and hard to reform. The lack of social cohesion in these countries, caused by ethnic, religious, clan or geographic fractures, yields societies that are not able to regulate their members and states that are not committed to inclusive development. Conflicts between formal and informal institutions produce weak rule of law and undermine the ability of local peoples to take advantage of their own capacities to govern. In those circumstances it is risky to hold assets and conduct business, precluding most private investment.

When people talk about fragile states, they talk about it in the sense of bad governance, bad economies and the fact that they often have conflicts. For me many of these things actually are symptoms. The real cause why fragile states are fragile is their lack of cohesion, their lack of inclusiveness. Development after all is a social, cultural phenomenon, a product of the ability of people to work together to advance their state. All countries, including countries that are now rich like my own country, the United States, started to some degree with bad government institutions. And of course some things work better than others. The more people are cohesive and have a common set of institutions, the more they are inclusive, the more likely it is that they are going to be successful. One of the main reasons why we have not been successful in dealing with fragility is that we have not focussed enough on this lack of inclusiveness in fragile states.

A related issue is that formal institutions are often in conflict with informal institutions. That leads to fragmentation and to societies where the government is weak and the society itself fractured. That the government is weak is not exceptional, but when the society is fractured, when there is not a cohesive elite, no cohesive population, that is the real cause of state fragility.

### **The international community's mixed record on fragile states**

International aid agencies and development institutions have a mixed record in dealing with the causes of state fragility. They have dealt admirably with humanitarian crises but they have not been able to address the root causes of poor governance. The West's usual prescription for "fixing" states – elections, economic reform, administrative training and foreign aid—does not pay sufficient attention to local conditions and capacities. The focus on numerical targets for aid levels, economic reform and governance standards ignores the complex political realities that hold back countries. An unwillingness to address the complex divisions that divide societies preclude more creative policy. A lack of understanding of what drives private investment leads to policies that ignore the potential of business to play a constructive role. States cannot be made to work from the outside. International action must therefore rather focus on facilitating local processes, leveraging local capacities and complementing local actions.

So in general in the history of our involvement with fragile states on a micro level we have achieved a lot in areas that deal with specific humanitarian problems such as immunizations and HIV/AIDS. But at the macro-level, in terms of actually helping the states to work better, we really do not have a great record. In particular I would argue that we do not address these complex issues of identity which is one of the main reasons why we do not have a more creative policy.

## **Growing role of non-Western actors**

If we would be able to look back from the future over a period of 30 to 40 years, we would see that to a certain extent our foreign policy is very much focussed on the Middle East because we depend on energy and worry about our security. But the biggest change that is happening in the world today is that it is becoming a much more multi polar world. China is the most obvious example of that, but it is not the only one. China and other non-OECD actors are playing a growing role across the developing world and their number is rapidly multiplying: China, India, Russia, Brazil, South Korea, the Gulf States, Turkey and South Africa are the most notable. Strong regional actors such as Brazil and Turkey are more influential in their neighbourhoods than any Western actor. Their influence is greater than aid figures would suggest: trade, investment and cultural ties all matter more than aid in many cases. A multipolar world promises to significantly weaken Western influence in many parts of the world, from Central Asia to Africa, in many institutions like the World Bank and IMF, and over many international norms, such as regarding governance.

Having said that, I want to point out that these rising powers are even more diverse than Europe, the US and Japan with their different interests and values. There are for example great differences between the foreign policies of Brazil on the one hand and those of Russia, India, China and Turkey on the other.

But, these non-Western actors also have some common characteristics. They, for instance, share a history of colonialism and a distaste for Western attempts to impose its own cultural values and attempts to colour the worldviews of many non-Western peoples.

Their perspectives on state building are very varied as well as different from the West and are shaped by each state's recent history in the way they dealt with secessionism, the way their military are politicized and by their natural resource endowment. They therefore emphasize the need to respect differences and avoid interfering in each other's affairs. Because they are poor, many rising powers focus on fulfilling immediate practical needs rather than promoting values. Even Brazil and India shy away from promoting democracy. And finally, many non-Western states are eager to enhance their status and roles in the UN Security Council, the World Bank, etc.

## **A growing role for China**

China is now a major economic force across the developing world: it boosts growth rates in many developing countries its trade with Africa topped US\$ 100 billion (a tenfold increase in 8 years) and its cheap exports have enabled millions of people to buy their first watches, mobile phones, etc. It contributes more UN peacekeepers than any other of the permanent members of the UN Security Council. Its troops are in 10 active missions such as in Liberia, the DRC and Haiti. It is now a leading donor, recently pledging \$ 10 billion in low-interest loans to Africa over three years. It has reduced tariffs for products from developing countries and is investing in areas that were long shunned by Western donors like infrastructure, industry and agriculture. China has plans to set up industrial zones in 10 developing countries.

China has worked hard to develop good relations by sending high-level officials on frequent visits, by organizing cooperation forums and preaching "South-South solidarity". It does not lecture and is not judgmental. On the other hand, China's economic interests, and in particular its obsessive anxiety

about natural resource supplies, has often trumped any concern for local welfare. What is more worrying to the Western world is that it is a major player in countries with poor human rights records such as Sudan, Zimbabwe, Iran, Burma and Venezuela. Many states also worry about lost jobs, economic exploitation and Chinese influence on governments as a consequence of its rising economic power.

### **Economic considerations are important**

With the exception of some of the Gulf states, many rising powers like China, Brazil and India are still actually pretty poor. In China hundreds of millions of people are very poor. Also India and Brazil have large numbers of poor people. Economic development is therefore a much higher priority than for us. So countries like Brazil and India will not only focus on their own internal political dynamics but engage more easily or less ideologically with neighbouring countries like Myanmar or Bolivia and Venezuela than would be the case if they were richer or more developed. These countries are closer to them geographically and they may have resources that these countries need. So economic considerations play an important role in the way they look at the world. It really colours your economic or foreign policy if you have millions or tens of millions of people who are poor and if you don't know where your economy is going and you do not have so much confidence in the markets as we have.

So business is an important driver of policy because it can raise living standards at home which is a major national priority. Likewise, access to natural resources, especially energy, is a high priority in many of these countries' foreign policy. Non-Western companies often see poor countries as important markets that are better suited to their competitive advantages. They have wider interests than just making profit such as promoting employment, securing energy resources and pursuing national foreign policy goals. Finally, a large pool of poor workers from India and China are eager to migrate in search of opportunities to work in other poor countries.

### **Advantages of Multipolar Partnerships**

With the rising powers playing a much greater role in the world, it is very obvious that there is a greater need for multipolar cooperation. We may desire it, but even if we would not desire it, it will become more and more of a necessity. After all, governments, donors and businesses from both the West and the rising countries have much to learn and gain from partnering with each other to tackle state fragility and other international challenges. New powers can all gain from Western experience, money, contacts, and technology, but the reverse is also true in many cases.

Accustomed as they are to the same problems that fragile states are facing, like corruption, weak institutions, poor infrastructure and poverty, rising countries may be better equipped to propose pragmatic solutions that might not occur to Westerners. Moreover, products and technologies developed in rising countries are often highly appropriate to the people in fragile states. Indians for example are pioneering inexpensive cars, portable bank branches, water purification systems and battery run refrigerators. People from countries such as Turkey, South Africa and Brazil may have an easier time adapting to the working environments in fragile states, making them a better fit for international missions there. Businesses could better access business opportunities in fragile states by working with companies from complementary countries. For example, China is the largest investor in Pakistan, Afghanistan and many parts of Africa.

## **Obstacles for cooperation**

There are of course many obstacles for cooperation as well. The most obvious ones are differences of worldview, agendas and interests. Can countries with different worldviews, agendas and interests share the same stage? Partnerships between Western and non-Western organisations are challenging because of these different values, working styles and cultures. Anyone who has spent a lot of time in China or India, to a lesser extent also in Brazil or Turkey, knows that the less people in these countries are influenced by the Western experience, the more likely it is that their working style, their manner of dealing with problems on a day to day basis, will be different. We should never underestimate the importance of this cultural aspect in terms of communication and personal understanding. The need to have this personal understanding is important both at the macro and the micro level. Whether we like it or not, there are certainly some reasons why China and other non-Western countries will adopt different policies than us.

Different working styles are especially hard to accommodate in horizontal relationships, like in partnerships, where no one is in charge and which require constant dialogue and compromise. Where national interests diverge, partnerships will be hard to establish; there are sound geopolitical reasons why the Chinese support North Korea, Burma and Sudan, and why the West does not.

Having said that, when we go to Africa or Afghanistan or the Middle East and we seek cooperation, there should always be a lot of areas in which we can accomplish something together. There are great opportunities as well: Indian technology, Indian development experience, Chinese investment capabilities, maybe some aid that can be shared in terms of joint projects, joint investments. There are a lot of things that can be done and we should appreciate and focus on them.

## **Things to do at the macro level**

At the macro level there is no reason why we should not seek out more opportunities to work with these rising powers. A great example is Afghanistan. Although India has played some role in providing aid and China in terms of investments, it is always baffling me why the new rising powers should not be playing a larger role. Western countries have shed a lot of money and blood and now China comes in and invests. In a way that does not sound fair. So why not ask these countries to play a greater role in terms of foreign aid, building schools and infrastructure? After all, stabilizing Afghanistan is a major concern for Russia, China and India, and they can contribute for example via aid, peace keeping and participation in regional cooperation arrangements.

So I think more can be asked in this realm and non-Western donors should be encouraged to do more to help fragile states, as Brazil is doing in Haiti, and be given more say in shaping development policy via a G-20 version of the OECD/ Development Assistance Committee. Institutions should be created that can develop common ground on issues in everyone's interest like aid effectiveness, investment, preservation of rain forests, rules of doing business, political stability, agriculture and pro-poor growth.

Existing institutions like the DAC do not include these countries. If we want them to play a greater role in development policy, we certainly need institutions that include them and create more dialogue and discussion and consensus. This will not be easy but we can do many things to promote it.

### **Things to do at the micro level**

It will be easier to agree on general principles at the macro level than to cooperate on specific projects at the micro level because divergent interests become more apparent in specific situations. It is therefore essential to invest resources in identifying common interest and values and in developing personal relationships and trust. Ways to do this include by organizing symposia and expert meetings, writing joint reports and conducting direct discussions. New institutions should be created to encourage Western and non-Western cooperation, build mutual understanding and conduct joint research. For example, a European-Chinese Centre for Development Cooperation could seek to bridge differences, undertake new joint programmes and assist other organizations to find channels of cooperation. When we look at the Chinese Academy of Social Sciences and some other institutions in India and Brazil, there is no reason why there should be no regular forum or structure for dialogue.

### **Some suggested first steps**

As a start, cooperation could begin in one major area, for example peace keeping, legal reform or technical training, or in one country or region like in Afghanistan, Central Asia or Africa and a joint commission could analyse how to expand from there. Besides this, Western foundations and governments should invest more in the knowledge base of rising countries, all of which suffer from a severe dearth of academics, practitioners and literature on fragile states and development. China after all has few Africa, Middle East and Latin America specialists and most Western literature on development has not been translated. So this will narrow some of the gaps between rising countries and the West.

Governments should seek constructive engagement and even cooperation where interests converge. Greater trust and more experience in working together will make it easier to deal with more difficult issues later. Individual businesses should create partnerships that take advantage of new technologies and new markets and distribution channels. Similarly NGOs should harness new sources of funding, knowledge and human resources to achieve their goals.

### **Conclusion**

Fragile states remain a very serious problem in the world. Countries like Yemen, Somalia, Afghanistan, Congo, Sudan, Nigeria, Pakistan and a few more are not going to disappear. These are not short-term problems. We are likely to continue to hear about fragile states for the next twenty to thirty years, especially when they remain a security problem and terrorists can use these places against the West. The fact is that we have not figured out how to deal with them. How can we help them? That remains a big problem.

The non-Western world will play a greater role in fragile states and therefore it should be a priority to better work together with them. They bring products and attitudes that often resonate with local needs. Poor countries should be viewed not as charitable causes but as potential partners. We need to remain humble, respectful and empathetic in working with them. After all, there is no country in the world, whether it is Haiti, Somalia or Nigeria, where you will not find many talented people.

The emerging multipolar world calls for new thinking about international institutions and priorities and non-Western players should be given a greater role in shaping development policy, but they must also shoulder greater political and financial burdens.

Western and non-Western actors have opportunities for productive cooperation, but seizing these will require more experience of working together, more compromise, more creativity and more humility. Some human values are universal, but each civilization also has its own values and interests which should be respected.

Establishing new institutions and forums for dialogue would be a good first step toward forming effective partnerships to tackle state fragility

## **Discussion**

### *On the universality of human rights*

Professor Zwart of the Netherlands School of Human Rights mentioned that his institute is working together with the Chinese Academy of Social Sciences and tries to find common ground with them in the area of human rights and to look for elements in the Chinese culture and link them to the international human rights agenda. He asked me to address the issue of the universality of human rights in relation to local diversity.

This is a very pertinent question. Countries like China and India, but also other parts of Asia and the Middle East, have histories and roots in human values that are different from us. It would be a mistake to assume that they will accept our perspective on human rights. If we want to develop an idea of human rights they understand, it should be in the context of where they are coming from, their histories, their religions, their traditions and their books, whether it is coloured by Confucianism in the Chinese case, or Buddhism or other religions that are most relevant in that part of the world.

That would enable us to have a better dialogue with them. We should never assume simply because we recognise the universality of human rights, that they will do so too. But if you take the example of religion: religions may be very different, but they often come to the same conclusions and there are some really good reasons why that is the case. Even if there are some differences in rituals, if you look deep inside, there are some very common values. The question is: how do we dig them up?

If I wanted to engage with those countries, I would take an approach that would question the roots of Western values that are very much based on religious and historical perspectives. After that I would try to draw a parallel to show that cultures and religions in other countries have similar roots. Of course parallels will not be complete, there will be differences in emphasis. But some of the things that we think might not be appreciated in other countries, might actually be appreciated. But we should understand that in China there are good reasons why they have a different view: it is a poor country, it is scared about its growth, its instability, about its access to natural resources. They might act in different ways than us because we are comfortable, we have been rich for many years, we trust the markets more and we do not feel so excluded from the international institutions.

To conclude, I think that there are many things that you can work from and that some basic human rights can be found in every tradition. The ability to dialogue and express ourselves makes it easier for others to understand our culture and have an inclusive approach that includes other people. To the extent that we are able to do that, we will be able to avoid making other people feel trampled and defensive and not ready to engage with us.

### *On fragile regions*

Karel van Hoestenbergh who is working at the Kofi Annan Business School and has a lot of experience in West Africa, raised the issue of the right focus regarding fragility and prefers to talk of fragile regions rather than fragile countries. I think he is right. The first of seven case studies I did focused on West Africa. That region is a great example of why states themselves cannot be the solution. The solution should be found at the regional or the sub-state level. We should be looking for some parallel approach of empowering local communities and the regions.

In some regions individual states like Afghanistan or Pakistan appear to be more important, but when I talk about states, I am rather looking at institutions within states and not only at the governments. In West Africa you have the problem of states that are not viable. The sooner we realise that, the better. We need to recognize that this vicious circle, this one bad state influencing its neighbours so that we have a whole set of weak states next to each other, will not be broken, unless there is a regional approach

Nigeria in this respect is a little bit different because it has enough critical mass and could be a successful state on its own. But within ECOWAS you have Ghana, Senegal, Mali and a few other countries that are doing well, but the rest of these states are not doing well. I think that anything less than a regional solution will not help to solve the problems in West Africa. It is a shame that so little emphasis is put on this in the development field. For a little bit of money we could strengthen the regional component and make a great contribution.

### *On political contradictions*

Professor Brenda Klein Goldewijk of the Centre of Conflict Studies at Utrecht University raised the question of the political contradictions between on the one hand contributions that could be made by rising states in solving the problem of fragile states and on the other hand contributions by China and some other rising states in destabilizing emerging democratic processes in Africa and other places.

I will turn this question around and ask: don't Western countries have any political contradictions in their foreign policies? Take the US: it tries to promote democracy, political stability and economic development in the Middle East. Yet its second biggest recipient of foreign aid is Egypt and what will happen after Mubarak is anybody's guess. So I would argue that it is very hard to find a country without political contradictions in its foreign policy. Western countries try to deal with the Iran nuclear issue but one of the biggest trading partners of Iran happens to be Germany. I think that the bigger the country is and the more it depends on engaging with the world economically, the more likely it is that there are going to be large contradictions in its foreign policy.

For a small country with only a few million people it might be relatively easy in some cases to have few political contradictions. And, as I always say, what may seem a contradiction to us in the West may not be a contradiction when I am sitting in Beijing. So we have to understand that what we might not find logical from my point of view, may be very logical to the Chinese. Moreover, China is not monolithic, probably less so than an average Western country, because its state is very fragmented and it has many headaches with local and provincial governments and with state and private enterprises. China is a huge country and how can anyone control 1.3 billion people?

So the question may be that they do not want contradictions even if they have them. To be more specific, in general China does not prefer to destabilize another country and they may think that taking oil out of Sudan is not destabilising. Likewise, they may not agree with you that elections help to stabilise countries, and I can give you some examples where elections have not stabilized countries, like in Kenya and even Afghanistan. So they have different ideas about that as well.

On exploitation they might also have different ideas. My country, the US, buys lots of oil from Nigeria and Saudi Arabia. Are we exploiting these countries? To be honest, I do not see how we are different from the Chinese in these specific cases. If I were to draw a balance sheet in comparing the two countries, I would be hesitant to say that we do not exploit other countries but that China does, even if I agree that there are lots of things that they do wrong and sometimes even think that political instability is in their own interest. It may be hard for us to understand but there are reasons why China supports North Korea and Burma, and why they might find instability in the Middle East in its self-interest and not a contradiction.

Why would non-Western countries cooperate with Western countries if there is no need for them to do so? You are absolutely right, they don't always need us, especially if they realise that some of the things we do is in our own interest. When we try to frame things in a language that we understand and that makes sense to us, that doesn't mean that it makes sense to them. They may find us very hypocritical and self-serving in the way we frame things. If we do not frame things in a way that makes sense to a Chinese, an Indian, Brazilian, Turk or Muslim, it may be because we only have our own self-interest and our own values at heart. But we are much more likely to make progress if we would be able to frame things in a way that they understand.

So you are right, in some cases they do not want to cooperate with us, they can accomplish the things they want without us. Having said that, to be accepted and included has a very high priority in these countries. They want to have a bigger role in the international community and international institutions and therefore they want to engage us to a certain extent because they want to be included and accepted.