FIXING FRAGILE STATES

A New Paradigm for Development

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Introduction: Why Fragile States Matter

Fragile states are a menace unlike any other, endangering international security, while ruining the lives of hundreds of millions across the globe. Although everyone agrees that they should be dealt with, no one seems able to formulate a strategy to do so. Even worse, few seem even to understand the underlying causes of their dysfunction.

Certainly, fragile states have received a surge of attention in the years since 9/11. Government bodies, think tanks, academics, intergovernmental organizations, nongovernmental organizations, and even corporations have convened commissions, conducted inquiries, and launched programs that focus on these dangerous places. Yet, while these studies have produced a number of significant proposals on how to respond to the breakdown of such countries, nobody seems able to explain how to fix them—and why decades spent pumping money, peacekeepers, and advice into fragile states have been unable to reform them. Must we just learn to live with them?

Fixing Fragile States emphatically rejects this gloomy conclusion, but it also rejects both the diagnosis and the treatment that the West has long prescribed for these benighted countries. If we are to transform failed and failing states in Africa, Latin America, the Middle East, and elsewhere, we need to adopt innovative policies that challenge conventional wisdom. In particular, we need to embrace a new way of thinking about development.

This book presents a new way of conceptualizing—and solving—the riddle of development. It blends political science, economic, sociological, and business theory together with firsthand experience in the art of helping developing countries prosper to explain why some states succeed and some states break down. And it shows in seven case studies how its new paradigm can be applied to alleviate the problems of fragile states.

By focusing on group identities, state capacities, and business conditions, *Fixing Fragile States* examines the underlying foundations of institutional potency. This analysis of local sociocultural environments shows the impracticality of many current efforts to reform weak countries, thus unraveling the enigma of why so many efforts have gone awry. Instead of arguing about how to prop up existing governing bodies, which is how the international community typically deals with these places, this book shows that these very bodies often clash with local realities, making it highly unlikely that they will ever work as prescribed.

In essence, this book argues that inappropriate institutions cause fragile states and that only by redesigning those institutions can dysfunctional places craft the commercial environments necessary to attract investment—without which no development can occur or be sustained—and jumpstart a self-sustaining cycle of growth. The new development paradigm proposed in the following chapters would create the positive incentives that drive successful economies, empowering diverse peoples, leveraging limited governance capacities, and catalyzing multinational corporate investment to advance regions that have struggled up to now.

THE CONSEQUENCES OF STATE BREAKDOWN

Fragile states are widely recognized as a danger both to international security and to the security of their neighbors, as well as to the well-being of their own people. Their lawless environments spread instability across borders; provide havens for terrorists, drug dealers, and weapons smugglers; threaten access to natural resources; and consign millions to poverty. They are the source of much of the violence and many of the humanitarian crises around the world. Even when harshly repressive rulers manage to impose some degree of domestic control, their societies fail to provide positive incentives for productive behavior and thus become breeding grounds for criminals and extremists who disrupt the international order.

Fragile states have marched from the fringe to the very center of Western security concerns. Whereas once U.S. defense analysts worried only about competing powers such as the Soviet Union and China, now even the weakest of countries is considered a potential threat. "The events of September 11, 2001 taught us that weak states, like Afghanistan, can pose as great a danger to our national interests as strong states," the 2002 U.S. National Security Strategy declared. Poverty may not turn people into terrorists, but "poverty, weak institutions and corruption can make weak states vulnerable to terrorist networks and drug cartels."[1] In a similar vein, the United States Agency for International Development has declared, "Fragile states . . . are now recognized as a source of our nation's most pressing security threats. There is perhaps no more urgent matter facing [us] than fragile states, yet no set of problems is more difficult and intractable. Twenty-first

Table 1.1. Links between State Instability and International Terrorism

Terrorist network requirement	Level of dependence on instability	How unstable states act as enabler
Basing: leadership haven and training of recruits	High	Ungoverned territory provides a secure area for leadership cadres. Recruits can be trained and integrated within organisation
Conflict experience	High	Normalisation of violence and places terrorist activities in context of conventional conflict
Weapons/equipment testing	Some	Ungoverned territory provides small arms and explosives training, weapons R&D
Finance/resources	Some	Lack of checks and balances mean that monies can be obtained through corruption and misused
Operations	Some	Base for mounting attacks on local targets (embassies, infrastructure)

Source: U.K. Prime Minister's Strategy Unit, *Investing in Prevention: An International Strategy to Manage Risks of Instability and Improve Crisis Response* (London, UK: Prime Minister's Strategy Unit, February 2005), Table 1.2, 12.

century realities demonstrate that ignoring these states can pose great risks and increase the likelihood of terrorism taking root."[2] Other Western governments have similarly reoriented their foreign policy and aid toward fragile states since 9/11. Table 1.1, from a British government strategic policy document, summarizes the links between instability and international terrorism.

The list of weak countries threatening international stability and Western interests grows with time. Terrorists originating in Afghanistan, Pakistan, and Somalia have attacked American and European homelands, embassies, and militaries. Western troops and United Nations' peacekeepers have intervened in dysfunctional states such as Sudan, Sierra Leone, Haiti, and Bosnia-Herzegovina. Meanwhile, ethnic fighting in Nigeria, civil unrest in Ecuador, and concerns over the stability of Iraq have all contributed to rising oil prices, threatening to derail growth worldwide. Fragmented countries such as Colombia and Afghanistan continue to be the source of much of the world's illicit drugs.

The growing presence of Western troops and defense assets in fragile states and regions in recent years reflects this new reality. Although the wars in Iraq and Afghanistan are the most prominent instances of this form of intervention, they are far from being the only ones. Interventions in the Balkans in the 1990s helped stabilize the historical tinderbox of Europe. Troops have been deployed to East Timor, Haiti, Liberia, the Philippines, and Sierra Leone to fill vacuums created by weak local governments. Western soldiers and advisers can be found from Colombia to the African Sahel to Central Asia, upgrading local capacities to deal with threats posed by terrorists and drug lords.

The dangers are expected to persist—indeed, most people think they will grow more acute—impeding the work of diplomats, humanitarian workers, and corporate executives. According to a World Bank report, the number of fragile countries that could provide a breeding ground for terrorism jumped from seventeen in 2003 to twenty-six in 2006.[3] "It is very likely that the rise in instability observed over the last decade will be an enduring characteristic of the strategic landscape rather than a temporary phenomenon," explains *Investing in Prevention*, a report issued by the United Kingdom's Prime Minister's Strategy Unit in early 2005. It concludes that fragile countries "have a significant impact on the achievement of a wider range of domestic and international objectives, including: security, humanitarian assistance, promotion of human rights, poverty reduction, terrorism, trade and prosperity, asylum, energy security and organized crime."[4]

Meanwhile, the debilitating combination of weak governance, ill-conceived policies, and feeble institutions force the peoples trapped in these places to endure the world's most miserable lives. Depending on how broadly fragile states are defined (see next section), up to 2 billion people suffer the consequences of these countries' meltdowns. Generally poor, undereducated, and undernourished, these communities are denied any opportunity to benefit from the explosive growth of international trade and investment. Three out of four of those living in the most dysfunctional places (some thirty countries) are affected by ongoing armed conflict. The 500 million people in these states "share bleak socioeconomic indicators—from GDP per capita levels typically half that of low-income countries; child mortality rates twice as high as other low income-countries; mortality rates plummeting by up to thirty years as HIV afflicts over 42 million; and over 200 million lacking access to improved water and sanitation."[5] Fragile states are the main barrier impeding international efforts to meet the United Nations' Millennium Development Goals—which include eradicating hunger, reducing child mortality, and achieving universal primary education—by 2015. They are fifteen times more prone to civil war than developed countries, and they are the source of most of the world's refugees.[6]

Sadly, amid the surge of interest among multinational companies in the developing world, and the concomitant rise in trade, investment, and outsourcing, fragile states are unable to garner anything but the paltriest fruits from globalization. Although leading natural resource companies such as Exxon, Shell, and BHP Billiton source significant amounts of minerals in fragile states, and major multinationals such as Coca Cola, Nestlé, and Unilever seek markets for their products in these places, their business conditions discourage any venture that could be done elsewhere. As a result, fragile states typically export no more than a handful of commodities, often produced in protected enclaves that limit opportunities for embezzlement and violence. Few outside firms are tempted to invest in any add-on business activity that would increase the value of goods produced locally, while spreading the benefits of higher productivity. The flawed commercial environment hinders corporations from making their greatest contributions to local economies: few managers are trained, hardly any local companies learn how to supply internationally competitive products, and governments are not challenged to improve their standards of performance.

The seemingly irredeemable nature of fragile states suggests a new global bipolarity forming between, on the one side, those countries gaining from globalization and, on the other side, those that are losing. Countries that enjoy a reasonable degree of stability and the rule of law, such as China, India, Turkey, Botswana, and Chile, are able to develop greater interdependence with the international market economic system, which brings greater investment and prosperity. But where a state is too dysfunctional to establish these conditions, instability feeds on itself, emasculating efforts to improve institutions, thwarting attempts to cultivate a business climate that attracts investment, and permanently disconnecting territories from the benefits of trade.

DEFINING AND ANALYZING FRAGILITY

Scholars and practitioners use terms such as "fragile states," "failed states," and "weak states" to describe countries unable to administer their territories effectively. While there is no set definition for these expressions, and therefore no consensus on which places qualify, most experts agree that any country where the government is unable to deliver even the most basic public services—such as territorial control and security—to a significant portion of the population is *failing.* A completely *failed* state—such as Somalia, Haiti, Liberia, and the Democratic Republic of the Congo (DRC)—is one where the state has withered away in the face of violence, warlordism, or criminal activity.

Fragile, or *weak*, states, however, encompass a much wider group of territories where the national government operates, but has institutions so dysfunctional that they perform many of their tasks badly—or not at all. Although many developing countries have flimsy institutional foundations, are plagued by corruption, are handicapped by ineffectual governing bodies, and suffer from the weak rule of law, most scholars and practitioners agree that fragile states are only those where these problems have grown to such systemic levels that they threaten stability. The state is so incapacitated that it cannot provide many essential services: public schools and hospitals barely operate in many places, police and judges are beholden to the rich and the powerful, and the black market trumps legitimate moneymaking activities. Depending on the degree of dysfunction, fragile states can be either close to collapse, as in Nepal, or functioning at a bare minimum level, as in Nigeria, or working haphazardly, as in Ecuador and Bolivia.

In a number of cases, the governing regime operates reasonably well but is unable to impose its rule throughout its territory. In the Philippines, Colombia, and

Pakistan, secessionists, drug gangs, and militants limit the national government's writ. Rebellious armies have carved out unrecognized mini-states in Azerbaijan, Georgia, and Sri Lanka. In other cases, such as Syria and Uzbekistan, the state may seem anything but weak, but highly repressive policies may actually hide a combustibility that can erupt into flames if the authorities lose control, such as in Iraq after the U.S. invasion.

There are as many lists of fragile states as there are definitions. Britain's Department for International Development (DFID) has designated forty-six states "fragile" using the World Bank's Country Policy and Institutional Assessment (CPIA) scorecard to measure governance performance.[7] As mentioned above, the World Bank itself has identified twenty-six countries as "fragile states" (formerly the Bank called them "Low-Income Countries Under Stress" [LICUS]).[8] *Foreign Policy* magazine has listed sixty states as "weak or failing" in an annual ranking of vulnerable places using twelve social, economic, political, and military indicators.[9] The Center for Global Development (CGD), a think tank based in Washington, DC, that focuses on development issues, has listed forty-nine "poorly performing states" that do not qualify for the U.S. government's Millennium Challenge Account aid program because of their poor governance.[10] The Commission on Weak States and U.S. National Security has estimated that there are between fifty and sixty weak states.[11]

Since 9/11, Western governments, militaries, think tanks, aid agencies, intergovernmental organizations (IGOs), and scholars have all increased their research into various aspects of failed and fragile states because of their now proven capacity to damage Western interests and disrupt international peace. The reports published by governments and leading think tanks have been less interested in analyzing weak states than in exploring how to improve Western governments' capacities to handle crises erupting in such places. The articles and books issued by aid agencies and academics tend to have a different focus and pay more attention to the question of how to fix the troubled countries; their answers, however, often offer only generic, one-size-fits-all solutions that concentrate on rebuilding existing state structures. The recurrent theme is to hold elections, reform economies, and increase aid to nongovernmental organizations (NGOs), all within a relatively short time. Although there is a growing body of work on how to better respond to and deliver aid in such places, there are very few new ideas that challenge the conventional wisdom on institution building and that offer alternative prescriptions for fostering development in fragile states.

Almost all analyses ignore any structural issues that might hold back development. Instead, they tend to focus only on either the incapacity or the unfortunate attitude of the actors governing weak states, as if the states' problems would be solved if these players could be replaced. DFID's *Why We Need to Work More Effectively in Fragile States* argues that "states are fragile because of weak capacity or lack of political will—or both."[12] The Organization for Economic Co-operation and Development's Fragile States Group expresses a similar concept in *Principles for Good International Engagement in Fragile States* (2005): "States are fragile when governments and state structures lack capacity—or in some cases, political will—to deliver public safety and security, good governance and poverty reduction to their citizens."[13]

The fact that international efforts to repair fragile states have yielded few positive results has not escaped attention. As the co-head of a CGD initiative on fragile states noted, "even as the number of fragile states is rising, and despite an increasing amount of attention paid to the topic, our knowledge of the factors that make states fragile, as well as policies and programs that could reverse the trend, is very much in early stages."[14] The World Bank's own Independent Evaluation Group, which reports on the organization's activities to its board of directors, concluded that "past international engagement with [fragile states] has failed to yield significant improvements, and donors and others continue to struggle with how best to assist [them]."[15]

Just a few books specifically focus on failed and fragile states. Robert I. Rotberg, head of the John F. Kennedy's School of Government's program on interstate conflict, conflict prevention, and conflict resolution, has published *When States Fail* (2004) and *State Failure and State Weakness in a Time of Terror* (2003). Although delving deeply into the causes, consequences, and differences between cases of state failure, both of these also assume that prevention and reconstruction of fragile states require "getting nation building right," which "is possible if there is sufficient political will and targeted external assistance."[16] Francis Fukuyama's *State Building* (2004) emphasizes the importance of strengthening "stateness" through upgrading government administrative capacities. CGD's *Short of the Goal* (2006), edited by Nancy Birdsall, Milan Vaishnav, and Robert Ayres, effectively critiques U.S. policy in weak states, but while calling for "situation-specific analysis," it does not significantly depart from the focus on personalities and state capacities. Only *Making States Work* (2005), edited by Simon Chesterman, Michael Ignatieff, and Ramesh Thakur, focuses on issues related to state legitimacy, the role of identities, and the need to gear development "to the way the society is structured and functions economically."[17]

Beyond the narrow field of fragile states, there are, of course, many books on what drives state performance, including works in the fields of political science, economics, history, and sociology. There is a long record of such research, going back to the earliest products in these fields by such renowned writers as Aristotle, Adam Smith, and Max Weber. Among recent volumes, a few stand out as touching on subjects important to the ideas discussed here. Robert Putnam's *Making Democracy Work* (1993) was a landmark study that showed the importance of civic community in developing successful state institutions by comparing diverging regional performance in north and south Italy. Douglass North pioneered the study of institutions to explain the quality of governance and economic performance.[18] Others have tried to explain differences in state performance in terms of culture, level of democratization, nationalism, legal structures, historical circumstances, the quality of administrative organs, geography, systems of formulating property rights, and the intensity of vested interests.[19]

The author of this book is indebted to the work of these and many other scholars. Their analyses have helped me to refine ideas that I first formulated while working in fragile states as an employee of, consultant to, and, finally, CEO of local companies. Fifteen years spent experiencing firsthand why some countries make substantial progress while others struggle mightily to deliver basic services fed a curiosity to see many other states and regions and to explore the literature on development. It also underscored the fact that while much excellent work has been done toward diagnosing the problems of fragile states, the prescription for remedying those problems has so far remained elusive.

A NEW APPROACH

The cure for fragile states is development. But, as discussed in the next chapter, development is often misunderstood. Although usually equated with economic growth, it is really a process of transforming the system of how the members of a society work together. Although education and health care can better prepare individuals to participate in development, a country's ability to advance is crucially tied to its citizens' ability to cooperate—both among themselves and in partnership with the state—in increasingly sophisticated ways. A community's capacity to foster progress is therefore highly dependent on its social cohesion and its set of shared institutions—especially its set of shared informal institutions in the early stages of development when strong, formal governing institutions are typically absent.

The illegitimacy and poor governance that debilitate fragile countries can be traced to many factors—colonialism, for instance—that have combined to detach states from their environments, governments from their societies, and elites from their citizens. Whereas a successful state uses local identities, local capacities, and local institutions to promote its development, a dysfunctional country's state structures undermine all of these indigenous assets. As a consequence, a dysfunctional state cannot leverage its people's histories and customs to construct effective formal institutions with wide legitimacy; nor can it draw on the social capital (defined here as "the norms and networks that enable people to act collectively")[20] embedded in cohesive groups to facilitate economic, political, and social intercourse; and nor is it able to employ the traditional governing capacities of its citizens to run the affairs of state.

The new development paradigm proposed in this book takes a far more nuanced approach to state building than the policies currently promoted by the international community. Instead of emphasizing the will and capacity of leaders and administrators (both of which, if absent, cannot of course help things), it instead places the local sociocultural and socioeconomic environment—encompassing identities, governance capacities, and investment climates—center stage and provides a set of analytical tools that can help explain why some countries have thrived, why others have not, and what must be done to help the latter succeed.

In doing so, it simultaneously explains why rich countries such as the United States, Japan, and Germany evolved as they did and why the few development success stories of recent decades—Korea, China, India, Turkey, Botswana, and Chile among them—are managing the modernization process far better than their neighbors.

Instead of focusing on economic restructuring as the World Bank does, social policies as NGOs do, and administrative reforms as aid agencies increasingly do (all of which are helpful in their own—narrow—ways), this book argues that only redesigning governing bodies to better fit local conditions—that is, connecting the state with its surrounding society—will be able to win legitimacy, develop competency, and encourage investment, the rule of law, and the other ingredients necessary to foster a self-sustaining, internally driven process that will lead to development. Such an approach would involve not only reshaping existing formal institutions to enable them to better utilize informal institutions and local identities and capacities but also, where necessary, using the resources of regional, corporate, and Western actors to foster an environment in which local actors have a better chance of developing on their own. Where a state contains multiple cohesive identity groups, for example, structures will function most effectively when they reflect these underlying group loyalties and their traditions of governance, not generic forms imposed by outsiders. Iraqi Shiites, for example, will never support a government that ignores the role of Islam in their lives. Iraqi Kurds, in contrast, being a minority that has often suffered from state repression, insist on a federal, highly decentralized governing structure because they do not trust their neighbors to manage their affairs. Countries such as Guatemala, Ecuador, and Bolivia (Chapter 9) are unlikely to stabilize until their large indigenous populations feel themselves to be active participants in national policy formation.

Strong states also need powerful economic engines, which in turn depend upon the existence of an environment that rewards investment, whether by multinational corporations or by local entrepreneurs. Investors' money is the fuel that drives the wealth-creation process that is the prerequisite for any development. Many of the small states that proliferate in West Africa (Chapter 5), Central America, and elsewhere in the developing world have markets so tiny and administrative capacities so weak that they will always be unlikely, by themselves, to generate enough investment and competition to jumpstart growth.

Where state institutions cannot form the basis for a process of self-regenerating development, it is foolish for the international community to continue propping them up. Somalia (Chapter 8), for example, is never going to overcome its dysfunction until outsiders stop encouraging a centralized, Western-style administration. If states are to be successful, they must be made more relevant to their populations by interconnecting them with local, informal, internally driven political and economic processes, and not divorced and autonomous from the societies they are supposed to serve, which is the situation now. Fostering accountability loops that make politicians responsive to small population groups (Chapter 6), using tax systems to make governments dependent on their citizens, basing more laws on local customs, adopting traditional symbols, and constructing governing structures around identities all help to empower local societies.

It should be noted that the benefits of fixing these states would extend far beyond their borders. To begin with, such an outcome would go far toward stabilizing larger regions plagued by the strife they cause. Military budgets could be reduced, resources could be concentrated on social and infrastructure investment, and aid could start yielding genuine dividends and even start being drawn down. Adding hundreds of millions of new workers and consumers to the international economic system offers immense opportunities to increase growth and jobs elsewhere. Much as the people of China, India, and Eastern Europe have helped unleash a new wave of economic dynamism over the past two decades that contributes to rising incomes everywhere, the 2 billion people trapped in fragile states could someday make their own contribution to the world economy.

Social and economic development would also reduce the incentives that drive many people to choose careers of crime and terrorism. As a report issued in 2003 by RAND has noted, "Social and economic development . . . provides economic alternatives to potential (terrorist) recruits, and it creates a new middle class that has a vested interest in maintaining peace. This conclusion is not to suggest that poverty causes individuals to join terrorist groups. Rather, it is based on our assessment that members of the communities included in this study considered terrorist activity as a viable response to perceived political, economic, and social injustices, thereby sustaining a pool of willing recruits."[21]

THE SCOPE AND STRUCTURE OF THIS BOOK

This book's scope of study differs from others that focus on fragile or failed states in two important ways. First, it considers as fragile all countries in which (1) the state in some form—for example, its borders, its governing structures, its legal system, its method of choosing leaders and making important decisions—is not recognized as legitimate by a significant proportion of the population because of a mismatch between the state and traditional group identities; and (2) the state suffers from governing bodies so meekly and corruptly administered as to be unable to foster any legitimacy on their own.

Second, this book does *not* examine states whose current fragility is caused not by their fundamental design, but by the personality or policies of their leaders. North Korea, an extremely cohesive state, might actually thrive if it introduced the type of reforms that have allowed Vietnam and China to prosper since abandoning Communist economic ideology (though it might then be swallowed up by South Korea). Cambodia's decline into class warfare during the 1970s was more the result of circumstances and characters than of a fundamental conflict between identities

Table 1.2. Fragile States within Various Regions of the World

Africa	Latin America
Angola	Bolivia
Côte d'Ivoire	Ecuador
DRC	Guatemala
Ethiopia	Guyana
Mozambique	Nicaragua
Nigeria	Peru
Somalia	
Sudan	**Middle East**
Uganda	Iraq
	Lebanon
Balkans	Syria
Bosnia and Herzegovina	
Serbia	**South Asia**
	Nepal
Caucasus and Central Asia	Pakistan
Afghanistan	Sri Lanka
Azerbaijan	
Georgia	
Kyrgyzstan	

Note: This list is meant to be illustrative, not comprehensive.

and institutions. Places such as the Democratic Republic of Congo (Chapter 6), in contrast, are unlikely to develop even if a set of highly skilled politicians emerged in Kinshasa.

In short, a fragile state is defined here to mean any state highly unlikely in its current form—even if blessed in the future by better leaders and policies—to be able to cultivate the kind of state bodies that can manage an effective process of development. Put another way, a fragile state is any country highly unlikely to become prosperous and stable without first undergoing some form of institutional reengineering. See Table 1.2 for a list of some of the more prominent fragile states as defined in this book.

With this definition as its starting point, this book sets out to discover what ails fragile states and what can be done to improve their situations. It is intended for everyone who has a stake in the fate of these desperate places: policymakers who must deal with the security and economic consequences of the breakdown of fragile states; NGOs, supranational bodies, international financial analysts, and scholars who strive to devise effective ways of fostering economic growth in dysfunctional territories; businesspeople who are searching for new markets for their products, cheaper places to manufacture their designs, or more reliable sources of minerals; everyone, indeed, who makes decisions related to these places, who sympathizes with their long-suffering citizens, or who works with or travels to some of the territories discussed here.

The book is divided into three parts: Diagnosis, Prescriptions, and Application:

- *Diagnosis*. Chapters 2 and 3 explain how development works and why fragile states are seriously disadvantaged in their current form from promoting it. Chapter 2 begins by discussing the development process and what drives it, before reviewing the histories of successful state development and identifying those traits that are common to both developed countries and successful developing countries but are absent from stagnant territories. It ends by examining the role of identity and social cohesion in fashioning the robust governing systems necessary for stability and growth. Building on these foundations, Chapter 3 untangles the historical roots of state fragility and diagnoses the enduring structural cause of fragility—the reinforcing nexus of fragmented identities and weak formal institutions. It then examines the environments these produce, including the low levels of trust and high transaction costs that yield such widespread opportunism and corruption.
- *Prescriptions.* Chapter 4 prescribes ten bold but practicable remedies designed to help fragile states replicate the processes that have generated development elsewhere. All ten are intended to improve the effectiveness of the systems that govern societies and states, and through such changes to transform the informal institutional environment that affects all social, political, and economic activity. Four recommendations discuss how to better leverage local capacities, while three discuss how to better leverage outside capacities. The remaining three are intended to improve the effectiveness of efforts to enact these recommendations—or, for that matter, any program designed to fix fragile states. Rather than calling for wads of new cash—a mantra often heard within the development community—most of the remedies prescribed in Chapter 4 call for a change in the way that we think about the development process.
- *Application.* Chapters 5–11 dissect seven instances of dysfunction: West Africa, the Democratic Republic of Congo, Syria, Somaliland, Bolivia, Pakistan, and Azerbaijan. These cases have been chosen to highlight both the different sociopolitical contexts existing in various regions and the similarities between the problems faced by fragile states throughout the world. Each of the seven chapters start by examining the local history, geography, identity groups, governance structures, administrative record, and investment environment, and names the core issues holding back stability and growth. Recommendations tailored to each situation focus on reengineering institutions and reshaping policies in ways that will change the institutional dynamics of these countries and enable them to better leverage local identities and capacities to foster development. (The case studies have been written to be free-standing, so readers interested in particular cases can turn to one or more of Chapters 5–11 without having first read

Chapters 2–4. Reading all the chapters sequentially, however, will create a much richer understanding of how the development process works both in theory and in practice.)

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Fragile states face seemingly insurmountable problems. As this book makes clear, however, they are far from hopeless places. History and circumstances have conspired to impede their development, but they are not doomed to eternal misery by any sinister design or tragic flaw. If local, regional, and international actors embrace the new paradigm of development, fragile states can look forward to a much brighter future for their inhabitants and can begin to play a constructive role in the world at large. We all stand to benefit from this transformation.