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Capacity Traps and Legitimacy Traps: Development Assistance and State Building in Fragile Situations

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Dealing with fragility and fragile situations is one of today's most critical international challenges, a challenge closely related to the problems of conflict prevention, poverty reduction, and global security. There have been many attempts at defining "fragility," or "fragile states."[1] In the present chapter we conceptualize fragility as a situation in which human security is under continuous threat, with armed conflict and chronic poverty as its most prominent features. We adopt this definition in part because we want to avoid punctilious debates over definitional matters and in part because conceptual simplicity highlights the true source of the problem: governments unwilling or unable to protect their people from violence and destitution. This means that the process of state building—the formation of an effective and legitimate state—should be at the center of the agenda for overcoming fragility, as called for in the OECD/DAC "Principles for Good International Engagement in Fragile States and Situations."[2]

In considering the state-building process, it is important to keep in mind differences in historical context between the standard paradigmatic state builders, typified by the European countries, and contemporary developing countries. In Europe state formation was a long-term evolving process of coercive power

1. For example, Stewart and Brown (2009); OECD (2008b).
2. See OECD (2007a). The same argument appears in OECD (2008a, 2008b, 2010a).

accumulation.[3] By contrast, among the postcolonial, independent countries we find cases in which the process of state formation was impeded by the colonial powers. These countries obtained independence before a cohesive state structure could be consolidated.

This initial impairment aggravated poverty and violence within societies and deepened fragility.[4] As news of humanitarian tragedy spread rapidly via high-tech media, the international community could not justify waiting for some "natural" process of state building to unfold. In addition, in many cases, fragility in an individual state caused harmful effects in regional and global contexts.[5] Against this backdrop, international engagement with state building was strengthened. While the consequences often have been criticized as inadequate, the need for state building, and for international engagement in the state-building process, is now widely accepted.[6]

DAC donors, in fact, have increased ODA to states in fragile situations as well as to states in the process of overcoming fragility, which is one of the main reasons for the ODA resurgence of the 2000s. According to our calculation, the receipt of ODA by these states expanded from $9.3 billion (16 percent of total ODA) in 2000 to $42.9 billion (33 percent of total ODA) in 2008.[7] This ODA has tended to be concentrated in a small number of countries. The top five—Iraq, Nigeria, Afghanistan, Democratic Republic of Congo (hereafter the DRC), and Ethiopia—accounted for 56 percent between 2003 and 2008.[8]

ODA from DAC donors is, however, only one part of the resources provided to fragile states. Humanitarian aid and peacekeeping expenditures also are expanding. In 2007 peacekeeping expenditures in Côte d'Ivoire, the DRC,

3. Tilly (1992).
4. Buzan (1983).
5. Weiner (1996); Fukuyama (2005).
6. For criticism of the consequences of state building, see Chandler (2006). Literature that accepts the need for state building includes Fearon and Laitin (2004); Krasner and Pascual (2005); and Paris and Sisk (2009a).
7. We first compiled a list of thirty-three fragile states on the basis of seven existing indexes: IDA resource allocation index, Country Indicators for Foreign Policy Fragility Index, Brookings Index of State Weakness in the Developing World, Fund for Peace Failed States Index, Institute for Economics & Peace Global Peace Index, George Mason University State Fragility Index, and USAID Fragility Alert Lists. We ourselves added Bosnia and Herzegovina and the West Bank and Gaza. Our resultant list differs only slightly from the one prepared by OECD (2010c). We used WDI data to calculate the amount of ODA to these countries.
8. It is said that debt relief represents a large share of the ODA to fragile states. In 2005 and 2006 debt relief to Iraq and Nigeria did, in fact, inflate the fragile states' share in ODA; however, apart from those two years, the share of total ODA to fragile states does not change much with or without debt relief. It was 18 percent ($8.4 billion) in 2000 and 31 percent ($34.3 billion) in 2008. The share of the five largest recipients, however, drops to 41 percent in 2003–08 if debt relief is excluded (OECD, OECD International Development Statistics, various years). We must also attend to the possibility that in postconflict situations, the cost of security for aid personnel or large per diems for hazard pay can inflate unit costs considerably. Aid used in the field may consequently be less than the announced amount.

Liberia, and Sudan exceeded the ODA that each received.[9] In some countries, such as Afghanistan and Iraq, external military forces themselves deliver aid to security sectors and to local communities. In addition, assistance from emerging donors and from global thematic funds and private foundations now constitutes an important part of resources for fragile states.[10]

In spite of the huge flow of aid to these countries, state-building efforts still face many challenges. One source of difficulty lies in a contradiction inherent in externally supported state building. State building is an endogenous process in which people come to have a sense of belonging through their own experience. It is impossible for national sentiment to be imposed.[11] OECD's Statebuilding Guidance and the g7+ statement by the group of fragile states both recognize this point, and acknowledge the importance of ownership by local actors.[12]

A second difficulty comes from the fact that, while fragile states are the neediest recipients of foreign aid, by definition they lack the political and social conditions that would allow them to use aid effectively to reduce their fragility. This lack of state capacity hinders donors from applying the principles of the Paris Declaration, as is evident in the low average use of country systems (such as public financial management [PFM] and procurement).[13] To maximize resource use efficiency and development effectiveness, donors tend to assume a major part of recipient government tasks themselves and to rely on pool funding, such as multidonor trust funds. These practices, however, may actually discourage ownership and delay the nurturing of national legitimacy.

Many analysts have discussed the challenges of state building in fragile situations.[14] Donors and development practitioners try to enhance engagement with fragile states through the OECD/DAC International Network on Conflict and

9. OECD (2010c, p. 41).

10. OECD (2010d, 2010e). According to an OECD estimate (2010e), financial flows to fragile countries include $7.1 billion for peacekeeping operations, $626 million assistance from emerging donors (excluding China and India), $127.8 million from Education for All FTI, $2.6 billion from the Global Fund to Fight AIDS, Tuberculosis, and Malaria, and $6.2 billion from U.S. private foundations.

11. Paris and Sisk (2009b, pp. 306–09) note five dilemmas faced by external actors involved in state building that are concerned with this contradiction: footprint dilemmas (to what extent should external actors be engaged with the domestic affairs of the host state?); duration dilemmas (how long should external actors continue their engagement?); participation dilemmas (who should decide on the participants of political processes in state building, and by what criteria?); dependency dilemmas (how can local actors' dependency on, as well as antagonism against, external actors be avoided?); coherence dilemmas (how can external actors be coherent among themselves, and how can a balance be struck between local and external values?).

12. OECD (2011). The grouping of fragile states calls itself "small g7," in contradistinction to the "large G7" of advanced industrialized countries. "Plus" is added as the number of member states has increased beyond seven.

13. This is a finding of the Paris Declaration survey. OECD (2008d, p. 40).

14. Ghani and Lockhart (2008); Jarstad and Sisk (2008); Paris and Sisk (2009c); Newman, Paris, and Richmond (2009).

Fragility (INCAF), which encourages international dialogue with developing countries and civil society. The results of these dialogues are reflected clearly in the Dili Declaration of April 2010. Their arguments and findings, however, are either very general (in the sense that their theoretical frameworks presumably are applicable to all fragile states) or very specific (in the sense that their analyses remain single-country studies). Considering the endogeneity of the state-building endeavor, it is important to be sensitive to the local contexts of individual countries while at the same time avoiding a piecemeal approach that would impede meaningful policy planning. What is required is a study with an intermediate-level focus, which balances theoretical generalization and context-specific policy discussion.

With this in mind, the present chapter categorizes state-building experiences in fragile situations into two theoretical types. Capacity trap countries are those that have failed to improve state capacity to provide security and social services and that consequently have failed also to establish state legitimacy. Legitimacy trap countries are those that have demonstrated a high capacity to provide security and services to the population but that suffer from shaky legitimacy due to expanding inequalities and authoritarian management. Some of these countries are no longer in fragile situations as defined above; however, the risk remains that continued deterioration in legitimacy could make them fragile once again.

After presenting our theoretical framework, we offer case study analyses of four postconflict countries: Afghanistan, the DRC, Cambodia, and Rwanda. The first two represent capacity trap cases, while Cambodia and Rwanda are legitimacy trap cases. We chose postconflict countries because fragile situations are most often found in those countries in which armed conflicts have destroyed the institutional and physical infrastructure for protecting people.

Policy implications based on the analyses are discussed in the concluding section of this chapter. The chapter insists that fragile state problems should be tackled from a perspective focusing on state building as a long-term process, that international aid players should consider the two types of fragility when they elaborate their policies, and that regional mechanisms and strategies should be strengthened when measures to tackle fragility are designed.

Capacity and Legitimacy in State Building

In exploring our theoretical state-building framework, we start with an examination of Alain Whaites's conceptualization.[15] Whaites posits state building as a cyclical process of political settlement (or peace), service delivery by the state, and reactions from the society. Political settlement, understood as agreement among

15. Whaites (2008).

political elites to settle differences by peaceful means, influences and determines the capacity of the state to fulfill core competencies, among which provision of security is foremost.[16] People's reaction to the state depends on the quality of public services provided to them. The quality may be better than expected, or worse. A strong state performance will strengthen the political settlement; by contrast, if the state fails to meet social expectations, political settlement may be threatened by violent challenges to the incipient state.

As also argued by Whaites, the present chapter argues that the formation of a capable and legitimate state ("responsive state-building" is Whaites's term) is necessary to avoid a recurrence of violence and to sustain peace in postconflict societies. The fact that a country reaching the end of a civil war faces an approximately 43.6 percent risk of returning to conflict within five years underscores the importance of legitimacy for sustainable peace.[17] In this sense peace building and state building are two overlapping processes. A UN document refers to peace building as a range of measures targeted "to reassemble the foundations of peace and provide the tools for building on those foundations something that is more than just the absence of war."[18] Other work agrees on the point that peace building is about ending or preventing war.[19] To achieve "something that is more than just the absence of war," however, we must build a capable and legitimate state.

Whaites's argument points to a dialectic between the state's capacity (to provide security and social services) and its legitimacy in the eyes of its citizens. The importance of capacity and legitimacy in state building is also emphasized by other analysts and organizations.[20] The OECD understands state building to be "an endogenous process to enhance capacity, institutions, and legitimacy of the state driven by state-society relations."[21] Richard Manning and Alexandra Trzeciak-Duval emphasize the importance of enhancing the state functions of ensuring justice and security, delivering basic social services, and providing core economic governance while they warn that "functional capacity and political will, on their own, may be insufficient to achieve stability."[22] They insist that "legitimacy is also needed to ensure effective state-society relations."

16. Di John and Putzel (2009, p. 4) define political settlement as "the balance or distribution of power between contending social groups and social classes, on which any state is based." This is a definition from a more historical and structural point of view. While a short-term agreement among political elites may or may not correspond with the distribution of power among social groups, the long-term stability of the agreement will most probably depend on the extent of correspondence.

17. Collier and others (2003).

18. United Nations (2000, par. 13).

19. See Stedman, Rothchild, and Cousens (2002); Wyeth and Sisk (2009); United Nations (2009b). These two concepts are used in the official title of the Dili Declaration (International Dialogue on Peacebuilding and Statebuilding 2010), although the declaration does not clearly demarcate the two.

20. Chandler (2007); Roberts (2008); OECD (2010a); DFID (2010).

21. OECD (2008a, p. 1).

22. Manning and Trzeciak-Duval (2010, p. 109). Manning was chair of the DAC from 2003 to 2007; Trzeciak-Duval is head of policy coordination in the DAC Secretariat.

Applying the framework of dynamic capacity-legitimacy interactions to our analysis of postconflict state building, we discern two patterns.

In the first pattern, a fragile state cannot ensure security, which weakens the government's capacity for social service delivery. The failure to fulfill this function hampers improvement in state legitimacy, which in turn impedes improvement in state capacity to provide security and social services. We call this vicious circle a capacity trap.

In the second pattern, even if a state succeeds in gaining capacity and legitimacy in the early phase of state building, it might still face new challenges in the next phase. Once basic human security is assured, people's expectations can expand to encompass demands such as fairness in terms of social inclusiveness, economic equity, and political participation. A state that has been successful tends to respond slowly to such new expectations precisely because it has established firm authority over the country. Achievement of relatively high legitimacy in the early phase will impede quick response to new challenges; consequently, the state risks declining legitimacy. We call this situation a legitimacy trap.

These two patterns are discernible in figures 6-1 and 6-2. The vertical and horizontal lines of these diagrams are the political stability indicator and the voice and accountability indicator, respectively, of the world governance indicators.[23] Political stability is a proxy for state capacity to maintain public order, while voice and accountability is one of the sources of state legitimacy. The diagrams locate each country in two different time points: the year in which armed conflict ended (or 1996, the year for which the oldest data are available) and the year for which the most recent data are available. In order to secure comparability among the countries, however, the length between the two time points is limited to ten years. If one country takes 1996 as the starting point, the end point is 2006.

Figure 6-1 shows four countries (Afghanistan, Iraq, Sudan, and the DRC) for which both indicators stagnated or deteriorated between the two time points. These are regarded as countries that have fallen into a capacity trap. The countries in figure 6-2 improved their capacity to maintain security but failed to ameliorate democratic legitimacy (voice and accountability). They face a legitimacy trap. In this chapter, we examine Afghanistan and the DRC as typical capacity trap cases and Cambodia and Rwanda as representative legitimacy trap cases.

Breaking out of the Capacity Trap: Afghanistan and the DRC

The capacity trap problem involves a vicious circle between the lack of capacity to ensure public security/social service delivery and the difficulty in establishing state legitimacy. The lack of capacity to provide security hinders the state from enhancing its capacity to deliver other basic services and consequently from estab-

23. Kaufmann, Kraay, and Mastruzzi (2009).

Figure 6-1. *Four Postconflict Countries in a Capacity Trap*

Political stability
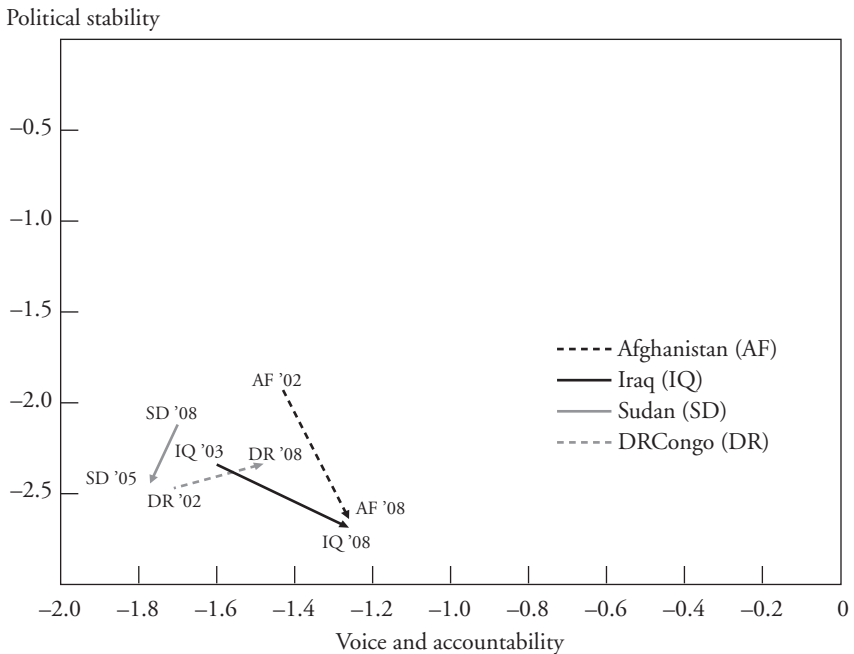
Source: Kaufmann, Kraay, and Mastruzzi (2009).

lishing its legitimacy. An attempt at bottom-up state building is examined in the final part of this section as a possible escape from this trap.

Lack of Capacity to Ensure Security

Below we discuss the social, historical, and geographic sources of weakness. Included is a look at the dispersion of armed power, with its reliance instead on external forces for security.

SOCIAL, HISTORICAL, AND GEOGRAPHIC SOURCES OF WEAKNESS. Although Afghanistan and the DRC started to reconstruct their states eight and seven years ago, respectively, both countries are still struggling to ensure public security, one of the most fundamental functions of the state. The aftereffects of recent armed conflict are undoubtedly among the major causes of the problem. However, it cannot be ignored that for social, historical, and geographic reasons a territorially integrated administration has never been established in either of the two countries.

Afghan society is traditionally composed of numerous microsocieties, or associations, delineated along tribal, ethnic, linguistic, and sectarian lines and coalescing around influential leaders who claim religious powers or who are able to distribute material and security benefits on a patrimonial basis. Traditional community elders or local power holders once handled most local affairs, but these

Figure 6-2. *Five Postconflict Countries in a Legitimacy Trap*

Political stability
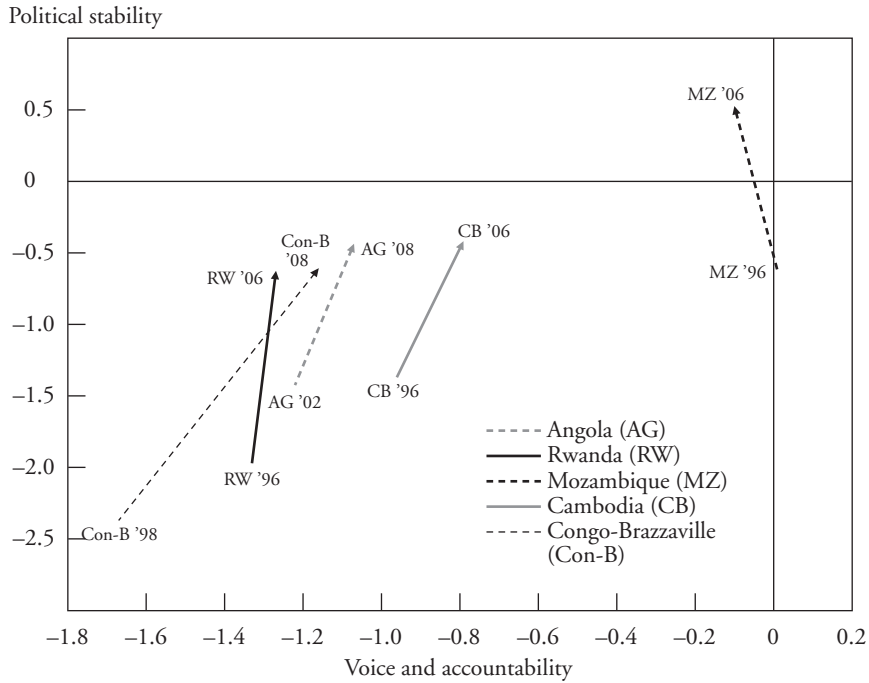
Source: Kaufmann, Kraay, and Mastruzzi (2009).

have gradually been replaced by armed commanders or local men of influence, now commonly known as warlords.[24]

Similarly, the DRC, a country that is "challenged by geography," is typical of those African states that have failed since the precolonial era to consolidate their power over distance.[25] This area, in the center of Africa and as vast as the whole of Western Europe, was kept intact largely because its numerous rivers and thick forests obstructed intrusion by colonial powers. It was recognized as de facto personal property of King Leopold II of Belgium in the aftermath of the 1884–85 Berlin Conference, but its territorial integration was not advanced. Apart from historical happenstance, there is no reason why this territory should constitute a single sovereign state.

After independence, consecutive episodes of political turbulence devastated what little economic and social infrastructure existed in the DRC. The capacity of the Congolese/Zairian state to provide public goods was extremely limited.[26]

24. Saikal (2005, pp. 195–200).
25. Hurbst (2000, p. 145).
26. Young and Turner (1985).

During the Mobutu era (1965–97), national budgets for local development were scarce and never appropriately allocated. In fact, since its birth this artificially created state has never functioned well, compelling its people always to live in fragile situations.

Due to their geographic locations and lack of territorial integrity, both Afghanistan and the DRC have also been subject to intervention by outside forces. Located at the crossroads of continental Asia, with porous borders that make it susceptible to the movement of drugs, weapons, and armed militants, Afghanistan has experienced active intervention by neighboring countries and global powers. Still today neighboring countries pursue strategic interests across the border via their own networks of support and control.[27]

The DRC, for its part, has suffered two military intrusions by Rwanda. The Tutsi-led government of Rwanda, insisting that Hutu rebels who fled in 1994 into eastern DRC threatened its security, decided in 1996 to intervene militarily across the border. Some years later, the Rwandan government's support for Tutsi-led rebel groups in DRC fueled armed clashes, which were repeated even after the conclusion of a peace agreement in 2002.[28]

DISPERSION OF ARMED POWER AND RELIANCE ON EXTERNAL FORCES FOR SECURITY. At the beginning of the political process no single group could impose hegemonic power over others in Afghanistan and DRC. Many warring parties maintained armed forces of their own. The efforts for disarmament and demobilization have not yet solved the problem of power dispersion.

In Afghanistan the initial disarmament, demobilization, and reintegration (DDR) program, implemented in 2003–05, demobilized 62,376 soldiers of the northern Afghan Military Forces (AMF), but some ex-AMF commanders who had been unable to obtain satisfactory positions in the civil service or in the new security forces tried to retain influence through "unofficial" militias. The government introduced another program, called the Disarmament of Illegal Armed Groups (DIAG), and disbanded 382 illegal armed groups in 2005–08. But most of these groups were ex-AMF; non-AMF illegal groups have continued to be security threats, particularly in the southern regions.[29] In some locales, where there are

27. There are regular reports of Pakistani military and intelligence support to insurgents. See Sherman (2008, p. 314). Armstrong and Rubin (2005) also point out the importance of a regional perspective.

28. For details, see Reyntjens (2009) and Prunier (2009). The Tutsi is a tiny ethnic group in the DRC, but it formed the most powerful rebel group called Rassemblement congolais pour le démocratie with the assistance of Rwanda. During the transitional government, between 2003 and 2006, its access to political posts was ensured by the peace accord, which stipulated a strict power-sharing scheme. When Congolese Tutsis lost such privileges after the elections held at the end of the transitional period, a number rebelled against the government, claiming the right to defend themselves from Hutu rebels and the Hutu-sympathetic government.

29. According to a UN estimate, some 1,800 illegal militias, including both ex-AMF commanders' groups and non-AMF fighters, exist throughout the country, especially in remote areas far from the capital. Sherman (2008, p. 321).

no effective national police on the ground, militias are generally accepted as local security forces.[30]

The DRC government faces a similar dilemma. The power-sharing transitional government did not have an integrated leadership to carry out a meaningful DDR program.[31] In the face of years of intransigent refusal by Tutsi-led rebels against the national DDR program, the government, with support from the international community including the UN, promoted a policy of "rapid integration" of various armed groups into the national army, but the result so far has been problematic.[32] Under the rapid integration policy, former rebel groups, including Tutsi-led CNDP (Congrès national pour la defense du peuple), were integrated into the national army without waiting for disarmament and demobilization. This allowed the armed groups to retain their own integrated command structures. As a result, CNDP, which had benefited from the power-sharing agreement, was able to acquire even more power by establishing control over some mineral-rich locations in the name of counterinsurgency operations.[33]

Their weak security capacity forced the governments of these countries to rely on external actors to establish and maintain public security. In Afghanistan the government was itself put in place by external forces in the context of the U.S.-led "war on terror," and deep dependence on foreign military forces has continued since then. The training of Afghan national military forces is progressing, though slowly. Unless national security forces assume major responsibilities for the maintenance of security, it will be difficult to connect the attained security with state legitimacy. Meanwhile, "collateral" civilian casualties caused by foreign military forces have adversely affected state legitimacy.

In the DRC, the role of foreign militaries has been more limited, but Operation Artemis, conducted by EU forces in 2003, is believed to have contributed critically to the stabilization of the country's Ituri region. And despite fierce criticism of its ineffectiveness from some corners, the role played by MONUSCO (United Nations Organization Stabilization Mission in the Democratic Republic of the Congo) in DRC peace building and state building should not be underestimated.[34] This foreign assistance, however, has not yet been accompanied by the formation of a capable and legitimate state.

Limited Capacity for Service Delivery

The lack of security hinders the delivery of humanitarian aid and other services to the people. In both the DRC and Afghanistan the international community has been trying to help the governments to secure the necessary resources and to

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30. Higashi (2008); Sherman (2008); Bhatia and others (2009).
31. Edmonds, Mills, and McNamee (2009); Mobekk (2009); Onana and Taylor (2008).
32. United Nations (2009a).
33. International Crisis Group (2009); United Nations (2009a).
34. Tull (2009).

Table 6-1. *Health and Education Indicators, Afghanistan and the DRC, Various Years*
Units as indicated

	Afghanistan		DRC	
Indicator	2000–01	2008	1999–2002	2008
Life expectancy at birth (years)	41.93 (2001)	43.95	46.72 (2001)	47.65
Infant mortality rate (per 1,000 live births)	148.1 (2000)	135.2	125.8 (2000)	125.8[a]
Literacy rate, adult total (percent of people ages 15 years and above)	n.a.	n.a.	67.17 (2001)	66.6
Immunization, DPT (percent of children aged 12–23 months)	44 (2001)	85	46 (2001)	69
Immunization, measles (percent of children aged 12–23 months)	46 (2001)	75	49 (2001)	67
Net primary school enrollment rate (percent)	n.a.	n.a.	32.41 (1999)	n.a.
Gross primary school enrollment rate (percent)	21.90 (2001)	106.12	58.82 (2002)	90.39

Source: World Bank, *World Development Indicators,* various years.
a. Infant mortality rate in the DRC is reported as 125.8 in 1990, 1995, 2000, and 2005–09. This suggests that the database uses data from the nearest available year when year-specific data are unavailable.
n.a. = Not available.

build institutional capacity for planning and implementing various public service programs. The resultant performances vary among different subsectors, however, as shown in table 6-1.

Gross primary school enrollment and immunizations show large improvements. But these are subsectors that can be improved quickly by a massive infusion of foreign aid. In contrast, social indicators such as life expectancy, infant mortality, and literacy have scarcely been ameliorated over the past seven years. These are areas where change for the better requires long-term government effort. As a whole, the living conditions of ordinary people remain poor. The Congolese and Afghan Human Development Index rankings in 2007 were 176 and 181, respectively, among 182 countries.[35]

The DRC government has tried to improve the situation by strengthening the capacity of its state machinery. The Congolese national strategy paper on economic growth and poverty reduction emphasizes the necessity of developing state capacity in peace building, good governance, and macroeconomic management.[36]

35. UNDP (2009).
36. RDC (2006). The strategy paper sets five pillars: promote good governance and consolidate peace; consolidate macroeconomic stability and growth; improve access to social services and reduce vulnerability; combat HIV/AIDS; and promote local initiatives.

Characteristically, however, the document does not contain a strategy for the con-
flict-prone eastern areas, where improvement in public services is especially
needed.[37] These services have so far been provided by donors and NGOs in an
allegedly uncoordinated manner.

Afghanistan receives six times more net ODA per capita than the DRC, which
explains its better performance in both school enrollment and immunizations in
spite of the unstable security situation.[38] Although there remain problems such as
geographic variations and low female enrollment, public service coverage of the
population has been enhanced across the country. However, this enhancement has
been accompanied by only limited improvement in state institutional capacity
and state legitimacy. One reason for this is that Afghanistan's public finance is
heavily dependent on external resources. Domestically sourced revenue for
2004–05 covered only 8 percent of the total national budget; the rest came from
donor funding.[39] Another reason is that 80 percent of the assistance provided by
donors was spent outside government channels.[40] For the most part, it has been
external donors, NGOs, or contractors that have delivered public services to the
people. Although these foreign experts may have managed donors' funds effec-
tively, nonetheless this practice impedes the capacity development of the Afghan
state machinery. Furthermore, lack of control by the Afghan government under-
mines its legitimacy in the eyes of the Afghan people.[41]

The same impediment applies to an even greater degree to direct aid adminis-
tered by foreign military forces. While it may be effective in implementing service
delivery operations in the short run, it does not help to improve the capacity and
legitimacy of the national government. Furthermore, there is considerable doubt

37. Another explanation for the poor performance of the DRC is the nature of external aid during the
postconflict years. Foreign aid increased drastically in 2003, but 94.2 percent of bilateral ODA was directed
at "actions related to debt." OECD (2007b). The debt relief operation was inevitable due to the huge debt
accumulated since the Mobutu era. It meant, however, that the amount of new external resources available
for the transition government was more limited than it appeared to be.

38. Afghanistan received $167.64 per capita net ODA (current $) in 2008, compared with $25.05 for
the DRC. World Bank (various years).

39. See Suhrke (2009, pp. 231–32). Heavy dependence on external resources has not changed over
time: domestic revenue as a percentage of operating expenditure remained at 61 percent in 2008–09.
Islamic Republic of Afghanistan (2009, pp. 11–12). Compared to 64 percent in 2004–05. Suhrke (2009,
p. 232).

40. OECD (2010b, p. 35). Other figures also show a lack of Afghan government ownership. The rate
of ODA channeled through national systems and managed by the government remains low: 11.6 percent
in 2007–08, 25.4 percent in 2008–09, and an expected 31.0 percent in 2009–10. Share of discretionary
funds decreased, from 12.5 percent in 2007–08 to 4.2 percent in 2008–09, as donors increasingly express
sectoral and regional preferences and earmark their ODA. OECD (2010b, pp. 21–22).

41. A similar situation is observed in the health sector. Health services in Afghanistan have been con-
tracted out to NGOs. This practice has been successful in the sense that cost-effectiveness and service qual-
ity have improved. Ghani and Bizhan (2009, pp. 105–06). However, because the primary health care units,
the final points of service delivery, are built, manned, and managed by international and national NGOs,
health service delivery has been associated with international players, rather than with the state. OECD
(2010b, pp. 23–24).

about the sustainability of aid projects conducted or protected by foreign military forces.[42]

Capacity Trap against Legitimacy Building

As shown above, the Afghan and Congolese states have suffered from inadequate improvement in their security and services delivery capacities. The inadequate capacity hinders the state in building legitimacy; weak legitimacy, in turn, obstructs the maintenance of public security and consequently the delivery of social services to the citizens.

In the case of the DRC, the state's low capacity for service delivery has been aggravated by an illegal exploitation of mineral resources, which reinforces bad governance practices based on strong patrimonialism. Investigations by the United Nations as well as by other organizations reveal that Congolese mineral resources such as diamonds, coltan, and cassiterite have been systematically and illegally exploited by a number of foreign and national armed groups, including the Congolese national army (Forces Armées de la République Démocratique du Congo).[43] A vicious circle is already clear: the lack of nationwide public security leads to low government capacity to control national resources potentially usable for better services delivery; the low capacity of the Congolese state to control illegal activities and to deliver social services diminishes state legitimacy and renders the establishment of security more difficult.

The Afghan state also suffers from patrimonial and factional divisions. The slow growth of state capacity on the one hand and corruption and inefficiency on the other reinforce each other. Although the Afghanistan National Development Strategy identifies three pillars of objectives (security, rule of law and good governance, and social and economic development), progress is slow in the area of rule of law and good governance, which adversely affects the performance of the other two pillars.

The peculiarity of the Afghan experience, however, resides in its heavy dependence on external forces, both for the assurance of security and for the improvement of service delivery. It has indirectly obstructed legitimacy building by delaying improvement in the capacity of state machinery.[44] Low state legitimacy aggravates the security situation, which compels continuation of external dependence in both security and service delivery.

In both Afghanistan and the DRC, we observe a vicious circle among low security, limited service delivery, and low legitimacy.

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42. OECD (2010b).

43. United Nations (2001, 2002, 2008, 2009a); Global Witness (2005, 2009). Illegal mineral exploitation was observed not only in the eastern part of the country, where antigovernment armed groups have established control, but also in government-controlled areas where government forces and their allies carry out such illegal activities. United Nations (2002).

44. Rubin (2005, 2006).

An Attempt at Bottom-Up State Building

To break the vicious circle of the capacity trap, we must find a point to interrupt the circle. In the countries where powerful contenders against the government are active, the struggle is not only on the battlefield but also in people's hearts and minds. To win their support, the state must meet the immediate needs of everyday life. When the capacity of a national government is low, or when the government is distrusted by its people, service delivery at subnational levels may supplement tasks undertaken by the national government and may eventually serve as a first step toward bottom-up state building. Here we briefly examine Afghanistan's National Solidarity Program (NSP) to show how this might develop into such an endeavor.[45]

The NSP is a community-driven development program. Although it was initiated by the Ministry of Rural Rehabilitation and Development (MRRD) and the World Bank, its implementation has been outsourced to international and national NGOs or consultants. Under this program, as of May 2010, 22,257 community development councils (CDCs) were established, covering approximately 70 percent of Afghanistan's rural communities.[46] Through the creation of the CDCs, "the NSP initiated the formation of the first democratic local institutions at the community level, thereby encouraging capacity building, collective discourse, and inclusive decision making."[47] According to one survey, the public awareness of CDCs is rising, and 78 percent of the respondents who were aware of CDCs in 2009 expressed their satisfaction with the performance of their local CDCs.[48] Furthermore, 81 percent and 61 percent believe that their CDCs are capable of representing their interests before, respectively, the provincial authorities and the national government.[49] The high trust that people give to the CDCs may indicate that they could serve as building blocks of a legitimate state formed from below. The MRRD itself is now trying to strengthen communications with CDCs through its provincial offices.

On the basis of this success, JICA and the MRRD have started an attempt to cluster several CDCs into higher level groupings. The project, called Intercommunal Rural Development Project (IRDP), was launched in 2005 for the purpose

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45. See the program's website (www.nspafghanistan.org).

46. NSP website (www.nspafghanistan.org).

47. Narayan, Tas, and de Mercey (2010, p. 468).

48. At the national level, the awareness of CDCs was 37 percent in 2006, 32 percent in 2007, 42 percent in 2008, and 44 percent in 2009. In rural areas, where CDCs actually operate, 49 percent of the people are aware of them. Rennie, Sharma, and Sen (2009, p. 81).

49. Ibid., pp. 80–84. Another survey, a randomized impact evaluation in six provinces, indicates that the creation of the CDC and the ensuing selection and implementation of rehabilitation projects have been successful, particularly in strengthening the authority of village councils in local decisionmaking and in changing the perceptions of villagers toward government figures such as the president and central government officials. Beath and others (2010).

of implementing larger scale infrastructure projects (such as intervillage roads, drinking water supply networks, and irrigation dams) that require intercommunal cooperation.[50]

Although neither CDCs nor CDC clusters have yet been endorsed as local administrative units by the government, this clustering might serve not only to foster intervillage solidarity but also to push the state-building effort one step upward by making local public institutions accountable to ordinary Afghans. What is most important in capacity trap countries is to build a legitimate state by gradually fostering people's trust in public institutions. For this purpose, CDCs and CDC clusters could be promising starting points.

Challenges of Strengthening Legitimacy: Cambodia and Rwanda

The following passages examine the initial success, with international assistance, of Cambodia and Rwanda in security consolidation and service delivery and illustrate potential sources of legitimacy gaps.

Consolidation of Security

Unlike the two countries examined in the previous section, the governments of Cambodia and Rwanda have both demonstrated high capacity to ensure public security and deliver basic social services to their populations. Their initial success is based on two factors: control over the military and the government and suppression of antigovernment voices and movements.

CONTROL OVER THE MILITARY AND THE GOVERNMENT.   First, Cambodia and Rwanda have not suffered from a lack of social and geographic cohesiveness as seriously as have Afghanistan and the DRC. Cambodia and Rwanda are geographically small and integral, although their borders have never been free from penetration from outside. Cambodia has ethnic and religious minority groups, but the great majority of its population is Buddhist Khmer. The establishment of national public security should be easier in a homogeneous society like Cambodia's. Rwanda has a highly divisive society but is different from the mosaic Afghan and Congolese societies. The social structure in Rwanda is less entangled in the sense that it is composed of two major ethnic groups: Hutu and Tutsi. If one of them establishes full control over the other, nationwide security is easily established. This is exactly what happened in 1994, when the Tutsi-led Rwandan Patriotic Front (RPF) won a decisive victory over the Hutu-led government.[51]

50. Wakamatsu (2010).

51. During the rest of the 1990s, the Rwandan government—now dominated by the Tutsi—conducted forceful counterinsurgency operations against Hutu militias on both sides of the Congolese border. The operations resulted in a significant number of fatalities on both sides. The first government attack was directed against former military members of the Hutu government in refugee camps in eastern DRC, triggering a civil war. As a result, hundreds of thousands of refugees went missing or were massacred. Adelman

Second, in both counties, at the end of armed conflict one of the warring parties emerged as overwhelmingly powerful in terms of the coercive forces it controlled. These forces were used to maintain public security and also to control the government. In Rwanda the RPF's complete military victory gave the government a free hand in the postconflict state building. In Cambodia the civil war ended before the Cambodian People's Party (CPP) established a decisive hegemony over other military and political forces. As a result, the CPP was forced to share governmental power with the royalist FUNCINPEC party, when the latter won the largest number of congressional seats in the 1993 election. However, the CPP was able to maintain a strong hold over vast areas of national territory thanks to its control over security forces, control it had never relinquished since the mid-1980s.[52] The CPP also wielded strong influence in courts and over subnational provincial authorities. After violent clashes in 1997, the power-sharing scheme with FUNCINPEC was cancelled, and the CPP consolidated its domination of the Royal Cambodian Armed Forces and the government.

Third, the firm grip on the military by the CPP in Cambodia and by the RPF in Rwanda, together with international assistance, helped the DDR process to proceed smoothly in the two countries. In 1999 the Cambodian government launched a World Bank–supported program to demobilize some 45,000 combatants from the Royal Cambodian Armed Forces. It also disarmed former Khmer Rouge soldiers by offering them generous amnesty measures, bringing about the final surrender of former Khmer Rouge combatants in 1999.[53] In Rwanda, during the second stage of the Rwanda Demobilization and Reintegration Commission (RDRC) operations, which lasted from 2001 to 2008 with full international support, 29,641 ex-combatants were demobilized, 44,366 received a transition allowance, and 43,669 received reinsertion support.[54] According to the World Development Indicators, the size of the Rwandan armed forces declined from 80,000 in 2002 to 35,000 in 2007. As a result of these activities, both the Cambodian and Rwandan governments were able to reduce their financial burdens without alienating soldiers or militias.

SUPPRESSION OF ANTIGOVERNMENT VOICES AND MOVEMENTS. In parallel with consolidation of military control, the two governments successfully created

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(2003); Umutesi (2004). In 1997–98 government forces attacked Hutu militia who had returned to Rwanda from the DRC under the guise of civilian returnees. During this operation, a number of Hutu civilians were allegedly slaughtered. An international NGO estimates that at least 6,000 civilians were killed between January and August of 1997. Amnesty International (1997).

52. Richardson and Sainsbury (2005, p. 287). Although the RCAF was created anew in 1994 by integrating troops of warring factions, CPP officers and soldiers remained at the core of the organization. Hendrickson (2001, pp. 68–72).

53. Bartu and Wilford (2009, pp. 14–22).

54. According to MDRP, these figures are equivalent to 80–90 percent of the original targets (www.mdrp.org/rwanda.htm).

political institutions that favor ruling parties and deprive opposition parties and antigovernment forces of opportunities to freely voice dissatisfaction or to compete for government power.

The primary control mechanism in Cambodia is the patronage network, which the CPP installed in local communities. During the 1980s the CPP (then the KPRP) selected and appointed village heads for political and administrative purposes. Since that time dense patronage relations have been developed and maintained between the CPP and village chiefs and between village chiefs and villagers.[55] According to one survey, 41 percent of respondents replied that village chiefs have the greatest influence on their daily lives. This percentage exceeds the 28 percent who believe that the prime minister is the most influential.[56] Support from village chiefs, therefore, is indispensable to the CPP's retention of its hegemonic position in Cambodia. For more than twenty years, the informal support base of the CPP-led government has remained intact in the form of networks of personal allegiances, which exist in parallel with formal democratic procedures and structures.[57]

In Rwanda, as in Cambodia, government supporters were appointed to the leading positions in local administrative units—but only after the end of the civil war. The RPF government, however, introduced peculiar institutional arrangements to facilitate its hold on power despite the Tutsi status as a minority ethnic group. The new constitution, written under government auspices and adopted by referendum in 2003, includes a clause stipulating that "propagation of ethnic, regional, racial or discrimination or any other form of division is punishable by law" (article 33). The RPF government turned the vague term *division* to its advantage by interpreting this clause to be a prohibition against any expression of ethnicity.

The law punishing "genocide ideology" has a similar function.[58] Terms such as *division, divisionism,* and *genocide ideology* are often used in Rwanda when the government criticizes its opponents. It is now virtually impossible in Rwanda to organize a political party based on the support of the Hutu majority. Before the first postconflict election of 2003, the biggest Hutu opposition party was ordered to dissolve itself because of its "divisive ideology." In April 2010 a Hutu woman who had declared as a rival candidate in the next presidential election was arrested and charged with "association with a terrorist group, propagating the genocide ideology, revisionism, and ethnic division."[59]

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55. The CPP village chiefs kept their positions even after the introduction of democratic elections into local politics. In the 2002 direct elections for commune councils, the CPP won the majority of seats in 98.58 percent of the commune councils. They then reappointed long-serving village chiefs in almost all the villages. Yamada (2009, pp. 27–28).

56. IRI (2008).

57. Blunt and Turner (2005, p. 77).

58. Law 18/2008 stipulates punishment against the crime of genocide ideology.

59. *New Times,* April 23, 2010.

Service Delivery with International Assistance

On the basis of secure political order, the Cambodian and Rwandan governments took advantage of generous international assistance to improve the provision of social services to their populations.

Rwanda had always depended on foreign assistance to support its public finances, and this dependence has deepened since the end of the civil war. Foreign grant aid accounts for 30 percent to 50 percent of total fiscal revenues.[60] Social sectors have received the biggest share. From 2001 to 2006, on average 50 percent of total bilateral ODA commitments were concentrated on "social infrastructure and services," which covers education, health, and population as well as water supply and sanitation.[61] The education sector, which has been the largest recipient of the social sector budget, was praised by the UNDP as "an example of what well-planned, coordinated, and targeted investments can achieve in terms of human and economic development."[62] The health sector too has benefited from foreign assistance, with the Ministry of Health receiving 96 percent of its 2008 development budget from external sources.[63]

International assistance has played a similarly significant role in Cambodia. One of the best examples is UNHCR's refugee resettlement program. Between March 1992 and April 1993 the organization helped to repatriate 362,209 refugees by repairing 238.5 kilometers of roads, twenty-two bridges, 1,362 wells, and other basic infrastructure that would benefit returnees.[64] The Cambodian government also used foreign aid to improve the capacity of the state institutions that deliver basic services such as water supply and maternal health.[65]

In both countries remarkable improvements in security and service delivery have been followed and reinforced by relatively high economic growth. Cambodia increased its GNI per capita (PPP, current international dollar) from $640 in 1995 to $1,820 in 2008, while Rwanda experienced an annual GDP growth as

60. The average ratio of foreign grants versus total fiscal revenue between 1995 and 2006 was 43 percent, while between 1981 and 1993 it was 25 percent. World Bank, *World Development Indicators,* various years.

61. OECD (2007b, 2008c).

62. UNDP (2007a, p. 22).

63. Republic of Rwanda (2007).

64. UNHCR (1993, pp. 4, 18).

65. In the early postconflict period, the Phnom Penh Water Supply Authority implemented an emergency rehabilitation program with assistance from UNDP and France. Simultaneously, it worked with JICA to formulate a medium/long-term master plan, on the basis of which financial and technical assistance was secured from France, Japan, the ADB, and the World Bank to improve and extend water supply facilities. JICA (2008, pp. 140–41). As a result, the water supply coverage in Phnom Penh improved from 25 percent in 1993 to 90 percent in 2006, while nonrevenue water dropped to 6 percent in 2006, the lowest figure in Southeast Asia. Asian Development Bank (2007). In the health sector, while the Cambodian government allowed donors and NGOs to deliver emergency assistance directly to the grassroots, it also started a capacity development effort at the National Maternal and Child Health Center in Phnom Penh with financial and technical assistances from JICA. The center started as a local hospital but grew to become a national center to train midwives and physicians for the entire nation. Murotani (2010, pp. 12–13).

high as 7.6 percent between 1998 and 2008 and doubled its GNI per capita (PPP, current international dollar) from $570 to $1,110.[66]

All these factors explain the noticeable improvement in social indicators over the past fifteen years (table 6-2). The rate of improvement in Cambodia's life expectancy and infant mortality for 1993–2000 was not as significant as for 2000–08, probably reflecting the fact that effective political stability was not achieved until 1999. Overall, however, Cambodia and Rwanda have experienced much greater advancement than Afghanistan and the DRC in the areas that require long-term efforts to achieve success, such as life expectancy, infant mortality, and literacy.

Sources of a Legitimacy Gap

Ensuring public security and delivering basic social services have laid the foundation for state legitimacy in Cambodia and Rwanda. An opinion survey conducted in Cambodia in 2008 shows that 82 percent of the people believe that the country is moving in the right direction and that 73 percent of this 82 percent indicate "more roads built" as one reason why they believe so. A large number of respondents consider the construction of schools and clinics as equally important.[67] A majority of the Cambodian people apparently regards improvements in social infrastructure as important peace dividends, and they accept the current government as legitimate.

However, the story does not end here. Once human security has more or less been attained, people's expectations and attention may shift to qualitatively different aspirations. Respecting local traditions and practices is one thing; but treating people in fair, inclusive, and transparent ways is another. Several worrisome phenomena have emerged in Cambodia as well as in Rwanda that cast shadows on their state legitimacy.

First, increasing economic disparities are observed in both countries. Whereas the consumption of goods and services per capita per day rose by 32 percent in real terms between 1994 and 2004 in Cambodia, the poorest quintile group had only an 8 percent increase, compared to 45 percent for the richest quintile. Similarly, rural living standards rose more slowly than those in Phnom Penh and other urban centers. The Gini coefficient rose from 0.35 in 1993–94 to 0.40 in 2004.[68] Similarly, despite the rapid economic growth, "poverty levels in Rwanda remain well above pre-war levels."[69]

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66. This rapid economic growth has been mainly export driven. It is important to notice that not only traditional export goods (coffee and tea) but also new export goods (mineral resources) have sharply increased over the past several years. The military intervention in the eastern part of the DRC has thus had a significant effect on the Rwandan economy.

67. IRI (2008).

68. World Bank (2007, p. iii). This is the figure for that part of the national sample corresponding to the 1993–94 sampling frame. If the full national sample is covered, the Gini in 2004 is 0.42.

69. UNDP (2007a, p. 7). The Head Count Index under the national poverty line (about $0.44 a day in nominal terms) was 56.9 in 2006, compared with 47.5 in 1990. The Gini coefficient has worsened from

Table 6-2. *Health and Education Indicators, Cambodia and Rwanda, Various Years*[a]

Indicator	Cambodia			Rwanda		
	1991–98	*2000–04*	*2008*	*1991–95*	*2000–01*	*2008*
Life expectancy at birth (years)	55.52 (1993)	56.88 (2000)	60.97	26.41 (1993)	43.00 (2000)	50.13
Infant mortality rate (per 1,000 live births)	86.3 (1995)	79.6 (2000)	69.3	122 (1995)	108 (2000)	73.8
Literacy rate, adult total (percent of people ages 15 and above)	67.34 (1998)	73.61 (2004)	77.59	57.85 (1991)	64.90 (2000)	70.3
Immunization, DPT (percent of children aged 12–23 months)	35 (1993)	59 (2000)	91	83 (1993)	90 (2000)	97
Immunization, measles (percent of children aged 12–23 months)	36 (1993)	65 (2000)	89	74 (1993)	74 (2000)	92
Net primary school enrollment rate (percent)	n.a.	87.32 (2000)	88.59	74.12 (1992)	75.34 (2001)	95.86
Gross primary school enrollment rate (percent)	90.31 (1991)	102.16 (2000)	115.92	79.88 (1992)	105.36 (2000)	150.92

Source: World Bank, *World Development Indicators*, various years.
a. These two countries have longer postconflict periods than Afghanistan and the DRC. Data for an intervening year are added for the sake of comparison.
n.a. = Not available.

Second, patterns of social exclusion tend to be fixed in both countries. In Cambodia those who have no access to power elites, those who have less knowledge about their legal rights, and those who belong to ethnic minority groups are increasingly subject to disadvantageous treatment by public authorities.[70] One symptom of this is a rapid increase in land tenure disputes in recent years. About 50,000 people were reportedly evicted for development projects in 2006 and 2007 alone.[71] It is estimated that since the 1980s 20–30 percent of the country's land has been transferred to less than 1 percent of the population.[72]

The situation in Rwanda is worrisome as well. After the end of the civil war, despite the government's official statement that there is no ethnic division in Rwanda, people have witnessed a number of incidents that reflect ethnic division. Hutu opponents of the government have repeatedly been accused and suppressed in the name of preventing "divisionism" and "genocide ideology." In the process of the *gacaca*, a popular, participatory transitional justice process for punishing genocide perpetrators, the "victim-ness" of Tutsi and the "perpetrator-ness" of Hutu have been widely publicized.[73] In practice, RPF soldiers also committed atrocities during the civil war, but they have rarely been judged or punished.[74] The majority of the political and military elite are former Tutsi refugees.[75] They enjoy not only political but also economic success. Considering the tragic role that ethnicity has played in Rwanda's history of armed conflict, we need to be concerned about the possibility that state legitimacy is degenerating and that ethnic grievances are accumulating among the Hutus.[76]

A third concern is the authoritarian practice of the governments. As indicated in figure 6-1, "Voice and accountability" of the political regime has scarcely improved in postconflict Cambodia and Rwanda. Political opponents have been harassed in both countries. Economic disparity, social exclusion, and political autocracy all pose fresh challenges to the consolidation of state legitimacy in Cambodia and Rwanda. Paradoxically, the success and the strength of the Cambodian and Rwandan gov-

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0.289 in the mid-1980s to 0.468 in 2000 and again to 0.510 in 2006. UNDP (2007b); Government of Rwanda (2007).

70. In Cambodia the CPP affiliation is important in securing jobs and promotions. In certain cases, Cambodian citizens are "forced to join ruling political parties in order to access services in the local bureaucracy and institutions." The CPP is said to control twenty companies that are the "financial pillars of the system." MacLean (2006, pp. 15–16). In contemporary Cambodia, patronage-related corruption is pervasive. Transparency International ranked Cambodia at 158th among 180 countries in the 2009 Corruption Perception Index.

71. IRIN (2008).

72. Calavan, Briquets, and O'Brien (2004, p. 2).

73. Ingelaere (2007). The social impacts of *gacaca* have been enormous, as the number of suspects has exceeded 800,000. Republic of Rwanda (2008).

74. Human Rights Watch (2008).

75. Although Hutu soldiers have been integrated into the national army as a result of the demobilization program, the core officers of the Rwandan Defense Force are mostly former RPF Tutsi members.

76. See for example Reyntjens (1985) and Prunier (1995).

ernments during the first phase of postconflict reconstruction may have lowered their incentives to respond quickly to fresh challenges. If they fail to take adaptive measures, the states may lose some of the legitimacy they have attained.[77]

Policy Recommendations for Improving Aid Effectiveness in Reducing Fragility

Fragility, defined as the chronic lack of human security, continues to torment no small part of the developing world and the foreign aid actors who engage with it. The situation in postconflict countries is especially precarious. Despite huge ODA inflows, we observe continued or recurrent armed conflict and deterioration in human security in several countries. Exploring how best to use aid to reduce fragility is one of the most urgent tasks for the development community.

Recent analyses agree that a substantive and long-term reduction in fragility is contingent on the formation of an effective and legitimate state, because in the absence of such a state violence can recur and again worsen people's living conditions. State building, however, is a complex, unpredictable, and endogenous endeavor, affected significantly by local contexts and conditions. There can be no standard formula. It progresses through mutually reinforcing interactions between the enhancement of state capacity to deliver security and services and the improvement of state legitimacy.

Considering that successful state building is crucial for overcoming fragility, but that there are limitations to external influence in the state-building process, we recommend that state-building objectives be integrated at the earliest feasible time into any plans for international engagement in fragile situations. However, we, as a development community, must be humble enough to recognize that state building is a long-term, endogenous process in which foreign aid must be understood to be at best a catalyst for local transformation.

In spite of these complexities, measures for assessing the long-term effects of aid activities are necessary if we are to develop a greater sense of the impact of interventions. The nurturing of legitimacy is an especially difficult process to grapple with. It occurs when the great majority of the people develop a certain respect and acceptance of the state to which they belong, so that few will opt for violence even when they are dissatisfied with the state's everyday performance.

The existing indicators and measures are inadequate to capture legitimacy building.[78] We therefore recommend that, in addition to the actual improvements in security and living conditions, the changing perceptions of people and their

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77. We should remember that the collapse of an authoritarian regime has often brought on serious armed conflict.

78. Most of the existing indicators focus on rational and legal legitimacy based on democratic values, although state legitimacy actually derives from many other sources. Our chapter shares this limitation, as we used the voice-and-accountability indicator as a proxy for legitimacy. The ratio of tax revenue to GDP

relationships with their state also be closely monitored. Efforts should be increased to establish reliable and accurate measures of the state-building progress.

Highly fragile countries caught in the capacity trap do not have state machinery effective enough to ensure public security and deliver basic social services to their people. As a result, their legitimacy remains very low. This weak legitimacy, in turn, makes it difficult for the government to improve security and service delivery.

In these countries, it may even be necessary for external players to assist through direct military involvement. However, military operations alone cannot bring permanent peace. To consolidate security for the long term, efforts should focus on reconstructing and stabilizing the social and economic lives of the people at the bottom and to nurture support and trust in the state. Civilian assistance for reconstruction and development should lead development efforts. Regardless of whether the assistance is military or civilian, however, national ownership should be respected to the maximum extent possible so that the capacity and legitimacy of the partner state can be fostered.

In very fragile situations, in which the capacity trap is especially serious, donors should focus efforts on projects for rehabilitation and development at community or district levels. Deliberate efforts should be made to foster trust in public authorities through these projects and to gradually build state legitimacy from the bottom up. The political and social conditions of each state should be closely examined to determine the optimum balance between capacity development efforts at the national level and at lower levels.

Several postconflict countries have progressed to the extent that they are now in postfragility situations. Nonetheless, some of them face a legitimacy trap because initial success in strengthening human security has weakened the government's incentive to respond to the shifting aspirations of its citizens with regard to such aspects as social and economic fairness, political accountability, and transparency. If this situation is left unattended for too long, grievances may grow to the point that state legitimacy is undermined. Therefore, governments facing a legitimacy trap should be encouraged and assisted in responding to the shifting expectations of their citizenry. Aid players should help to alleviate discontent among socially weak and disadvantaged people by providing legal and social assistance and implementing targeted development projects.

Finally, a regional perspective is increasingly important to tackling challenges stemming from fragile situations. Capacity trap countries frequently suffer from geographic and social divisiveness that enables the penetration across porous borders of weapons, people, armed militias, and drugs. Both capacity trap and legitimacy trap

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is used in OECD/DAC's "Monitoring the Principles" as a proxy for state capacity and legitimacy. OECD (2010b, par. 11). However, what taxation means in the state-building context largely depends on the nature of the specific tax, as well as on the historical and social contexts of each country. For instance, Moore (2008) distinguishes "coercive" and "contractual" taxation. His argument suggests that strong tax-collecting capacity undermines state legitimacy if the tax is of a coercive nature.

countries are generally critical of the external imposition of values and prefer working with regional peer countries to establish standards suitable for local contexts.

With respect to regional environments, in articulating regional strategies we recommend establishing or strengthening regional mechanisms that include all stakeholders. Efforts should be made to undertake reconstruction and development on a regionwide basis. All donor countries and organizations would be encouraged to participate in these regional mechanisms, closely coordinating their activities among themselves and with regional governments and organizations so that available resources can be used as effectively as possible.

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