

Summary brief, October 2012

**Working in federal states that have pockets of fragility and conflict poses particular problems.**

**Existing approaches may be inadequate to the challenge, as they do not capture the complexities and variability found in such contexts.**

**We propose a simple framework to help practitioners think through how support in such environments might be initiated and sustained.**

## Working in fragile federal states: a tool to think through the issues

**Donor agencies have developed detailed typologies to guide their work in fragile states. These typologies are based on the implicit assumption that there is a unitary state with a single central government with which to engage, and provide limited guidance for working in federal states that have pockets of fragility. In these complex and variable contexts, understanding political settlements is crucial to improving service delivery and human development outcomes. We propose a framework to think through these issues.**

### What is different in fragile federal states?

Federal states are often large, populous and ethnically diverse, with several autonomous sub-national governments pursuing different development strategies – and often with complicated inter-government relationships. Nigeria, India, Pakistan and Ethiopia are all examples of federal states. Where there are pockets of fragility or violent conflict the situation becomes even more complex. Such is the case of Pakistan and India, where some sub-national states have strong ethnic identities, autonomous governments pursuing their own agendas with extreme variations in development performance, and high levels of violent conflict.

Donor responses often focus on the federal level, engaging at sub-national level in an uncertain and fragmented manner. Yet federal states will be key to reaching the Millennium Development Goals. It would seem sensible, therefore, to improve our understanding of sub-national fragility and conflict in federal settings if responses are to be more effective.

### Understanding sub-national political settlements

The term ‘political settlement’ is commonly used to describe the formal and informal arrangements of politics and power within a given country.

Sub-national political settlements in federal states are complex, involving inter- and intra-state political relations, and a wide range of actors and interests. These settlements can help or hinder human development. For example, the poorest states in India are characterised by modes of politics that rest on a narrow political base of upper castes and classes, factional bickering, and politicised state level bureaucracies.

**The proposed framework is a list of key questions to aid thinking through the issues.**

**The essential first steps are: having a clear understanding of the sub-national political settlement, and of the drivers of conflict and fragility.**

**Where there are multiple objectives, potential trade-offs need to be identified and considered.**

**Bottom-up approaches such as the process of institution building and strengthening state-community relations are an option where the roots of fragility cannot be addressed.**

**Is the issue one of capacity, or political will?**

## **A framework for more effective action**

Understanding sub-national political settlements in fragile federal states is crucial to developing successful strategies, but no easy task. Our framework is a structured list of five questions to help guide thinking around these issues.

1. Do donors understand sub-national political settlements and do they have clarity of purpose?
2. How can donors engage in peace building in sub-national states, and does service delivery have a role?
3. What is the nature of fragility and how does this affect service delivery?
4. What is the nature of the sub-national political settlement and does it offer institutionalised ways of channelling resources to the poor?
5. Can working through non-state agencies improve service delivery and influence political settlements?

The figure at the end of this brief shows another way of addressing these questions.

### **1. Clarity of purpose**

Is there clarity of purpose? In federal states with pockets of fragility or conflict, donors may have multiple objectives – such as peace building, security, state building, and human development – which are not all necessarily compatible. For example, short term stability can be achieved by striking agreement with powerful local leaders, but this is unlikely to be conducive to a more inclusive settlement or longer term development.

Potential trade-offs need to be identified, made explicit and considered. These might include:

- actions and outcomes at different levels of the state;
- different interests of various government departments of the donor countries (e.g. development aid, diplomacy and international security);
- the interests and approaches of different donors working in the same sub-national state.

### **2. Peace building and service delivery**

Donor purchase on sub-national fragility can be very limited as federal governments tend to see sub-regional fragility and conflict as a domestic affair.

If there is no top-down political will to resolve tensions, bottom-up approaches to strengthen state and community relations are worth exploring, for example, working with non-state and community-level institutions. In a sub-national context ensuring local roots can be essential for peace. Donors may need to focus more on the *processes* of institution-building rather than advocate for particular institutional structures – e.g. by promoting settlements that are locally appropriate, agreed upon, responsive, adaptable and capable of becoming more inclusive at the local level.

There are lessons from fragile and conflict affected states on linking service delivery to peace building and stability. In Somalia, supporting Community Health Boards with representation from majority, minority and sub-clans has brought communities together and given them a stake in protecting health facilities and services.

### **3. How does fragility affect service delivery?**

Do sub-national states lack the political will to meet human development needs, or are they simply unable to because of capacity weaknesses? The answer will guide the engagement strategy by external actors.

In the case of sub-national 'recalcitrance' (sub-national elites show no direct interest

**It is important to think beyond 'service delivery' and consider the roles and capacities of local government, traditional authorities and civil society in terms of participation and accountability.**

**There is no substitute for a deep understanding of local power relations. Obtaining this can be difficult for outsiders.**

**Recognising entry points at community level to strengthen state-society relationships through service delivery is essential.**

in service delivery, and there is little pressure for them to perform – they may even try to make the problem appear to be a lack of capacity) donors need a broad strategy. A key objective should be strengthening demands for performance and accountability:

Where the issue is capacity, donor engagement may be more straightforward. However, it is important to think beyond service delivery, and consider the roles and capacities of local government, traditional authorities and civil society in terms of participation and accountability.

#### **4. Does the sub-national political settlement offer institutionalised ways of channelling resources to the poor?**

If the sub-national political settlement provides a good framework for supporting pro-poor human development, donors should (and sometimes do) work with it, for example by providing financial support either through federal channels or directly to sub-national governments. If it does not, then 'business as usual' may not be an option.

In this case, questions to ask might include:

- If the sub-national government has sufficient will and capacity, is there something in the relationship with the central state that constrains sub-national performance? Efforts might need to focus, for example, on promoting and supporting reform of intergovernmental relations in the interests of greater sub-national space.
- How are central and sub-national political actors and interests aligned? Donors might identify change agents, and support 'coalitions for change'.

Judging the nature of any political settlement and assessing the potential for progressive engagement can be difficult for outsiders. At the very least it would be useful for donors to be able to recognise the characteristics of different types of political settlement.

#### **5. Can working through non-state agencies improve service delivery and influence political settlements?**

Recognising entry points at the community level to strengthen state-society relationships through service delivery is essential in all types of political frameworks, centralised and decentralised. In federal systems this can have a bearing on sub-national state legitimacy and acceptance of the local state's 'right to rule' – including the provision of peace and security.

Sometimes it may be necessary to think about 'holding activities' – working with positive local initiatives during periods when more substantial investment is not possible or justified. This can help to strengthen local political legitimacy and open up opportunities for further engagement.

#### **Concluding remarks**

Experience shows that the most durable agreements are those developed through an inclusive problem-solving process which encourages parties to see contested issues as 'shared problems' to be addressed in order to obtain a 'good enough' benefit for the majority. A focus on political settlements can potentially help realign efforts towards the shared objectives of inclusiveness, stability and development.

**This brief is based on the paper: *Towards a framework for better donor engagement in fragile federal states: Lessons from Balochistan*. Jack Eldon and Stephen Commins, May 2012 [www.hisp.org/Home/Resources/Fragilefederalstates.aspx](http://www.hisp.org/Home/Resources/Fragilefederalstates.aspx)**

## Donor choices in fragile federal states

