

## Improving European policy towards fragile states

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*This article was originally published in English by FRIDE in October 2011  
<http://fride.org/publication/945/improving-european-policy-towards-fragile-states>*

As global attention focuses on the financial crisis and Arabrevolutions, fragility appears to be slipping down Europe's agenda. Important processes aimed at addressing fragility have stalled, with the European External Action Service (EEAS) shelving the Action Plan on Fragility and Conflict (Action Plan) and the review of the Gothenburg Programme on conflict prevention (Gothenburg Review). However, recent events from Somalia to Pakistan demonstrate that addressing fragility remains critical. Indeed, it is possible that through better preventative action on fragile states the European Union (EU) could have avoided some of the acute challenges it now faces in Libya and Syria. While High Representative Ashton has stressed that conflict is a policy priority, in practice the EU needs a stronger and broader approach to fragility in order to meet its security and development aims.

The EU has a comprehensive policy framework on fragility and conflict. However, the gap between policy and practice means this framework has little impact on the ground. The Action Plan and Gothenburg Review could have addressed this weakness, as they were intended to develop practical guidance for policy implementation. Instead, June 2011's Council Conclusions on Conflict Prevention provided yet another general statement of commitment to addressing conflict.

There has been no formal explanation of why the Action Plan and Gothenburg Review have been blocked. Some EEAS staff suggest that the leadership does not appreciate the value of practical guidance for policy implementation. This implies a failure to understand that the multiple European actors in fragile contexts have

different agendas and practices and therefore require clear guidance in order to jointly implement European policy. Such a need is clearly illustrated by the EU's unprepared and disorganised response to the recent crisis in Ivory Coast. Moreover, leading member states are frustrated with Brussels' response to fragility. A recent UK Department for International Development paper stressed that the EU must provide a 'stronger, more coherent effort in fragile and post-conflict countries'.

While the EU transition process and shifting leadership priorities may have blocked some opportunities to strengthen Europe's response to fragility, others lie ahead. The development of the next set of Country Strategy Papers (CSPs) provides an opportunity to mainstream fragility into country level strategies. However, given that the recently published regional strategies for the Horn of Africa and Sahel do not include the latest thinking on fragility, it seems that such mainstreaming is not happening. The Evaluation of European Commission Support to Conflict Prevention and Peace Building, due in autumn 2011, could provide an important evidence base for the development of CSPs. In addition, the fragility unit within the EU's new Directorate General for Development and Cooperation – once it is fully staffed – has the potential to feed the latest knowledge on fragility into EU policy and action.

In order to take full advantage of these opportunities EU policy makers must examine why Europe continues to punch below its weight in fragile contexts. It is widely recognised that this is partly because of problems with 'how' the EU works; its processes, instruments and programmes. This is what the Action Plan primarily

intended to address. However, Europe's lack of impact is also due to its limited understanding of fragility and lack of political vision regarding 'what' the EU should focus on in fragile contexts.

## "How" the EU works in fragile contexts

The Action Plan and Gothenburg Review could have provided practical guidance to address the political, institutional and financial challenges to implementing European policies on fragility. These include problems related to policy coherence, coordination, effectiveness and partnerships.

The EU is far from achieving a 'whole of Europe' approach in fragile contexts and this limits the impact of its policy framework. European policy coherence is often weaker in fragile contexts, as powerful member states pursue individual interests in these high stakes environments. Moreover, as a wide range of EU policy areas (including security, development, foreign policy, trade, agriculture, fisheries, energy and migration) can affect fragility, incoherence between these areas is particularly damaging. A stark example of such policy incoherence was member states' continued export of arms to Sri Lanka while Brussels was demanding a ceasefire. A more subtle example is the EU's attempts to push Guinea Bissau into a fishing agreement that will provide little government income, despite the fact that dwindling national revenue is fuelling the country's fragility.

The EEAS could provide greater leadership for policy coherence. However, the fact that it does not lead on all policy areas relevant to fragility makes this task difficult. It should therefore prioritise coordinating policies among key actors in relation to the specific policy areas that have the greatest potential to affect fragility in a given context.

Coordination of activities among European actors is crucial in fragile states, where aid is disbursed rapidly and local governments may lack the capacity to lead coordination. However, in reality EU coordination is usually limited to information sharing, with each institution setting its own objectives and subsequently informing others of these. This is unsurprising given the varying political agendas, goals, models of operation and timeframes of the many civil and military European actors involved. In this regard, the Action Plan and Gothenburg Review could have been useful in guiding coordinated action.

The EEAS is uniquely positioned to facilitate a move from 'information sharing' to genuine coordination. Its special representatives could bring together EU and member state staff at country level to develop shared problem analyses and strategies. Likewise senior EEAS staff could play an important role in highlighting obstacles to coordination. It is important that staff are given incentives to coordinate, and that lessons are learned from successful examples of collaboration.

The effectiveness of European aid instruments in fragile contexts is an important issue that would have been addressed by the Action Plan and Gothenburg Review. The EU's main aid instruments are slow, inflexible and often inappropriate for fragile contexts. This has resulted in overreliance on the Instrument for Stability. As it rethinks its aid instruments, the EU could benefit from the 2011 World Development Report's lessons regarding a 'best fit' approach. The report suggests that international assistance must be flexible enough that budgeting, staffing and results measurement can be adapted to the local fragile context. Critically, 'best fit' requires empowered leadership at country level, which is lacking in EU responses. For example, micromanagement of ESDP missions by Brussels prevents staff on the ground from reshaping programmes to meet local needs.

The Action Plan and Gothenburg Review would also have addressed issues of ownership and partnership. These are particularly problematic in fragile contexts, where governments can be weak or uncooperative and civil society has little capacity. The EU tends to work with a limited range of partners, both because it is risk averse and because low capacity organisations cannot fulfil the EU's bureaucratic requirements. However, in order to better understand and respond to local dynamics of fragility, EU actors must extend and deepen their partnerships. For example, in the Democratic Republic of Congo the EU delegation held provincial level workshops to reach out to local civil society organisations. The EU should take risks with non-traditional partners that may not speak 'donor language' or fully share its agenda, and move from technocratic engagement to a more political dialogue with partners.

## Understanding the politics of fragility

The main emphasis of the 2007 'Council Conclusions on an EU response to situations of fragility' and result-

ing Action Plan is on improving European practice and programming in fragile contexts. However, in order to be relevant, such improvements must be informed by a comprehensive political vision of the nature of fragility, as well as a strong understanding of the drivers of fragility in specific local contexts.

The current EU policy framework offers a limited understanding of fragility as a failure of governance. Fragility is defined in the 2007 Council Conclusions as 'weak or failing structures and situations where the social contract is broken due to the State's incapacity or unwillingness to deal with its basic functions'. This definition fails to recognise the complex social and economic factors that can drive fragility, such as ethnic relations, a weak economic base or social exclusion. Nor does it acknowledge the role of non-state actors. In this regard, the EU could learn from the fragility work of leading bilateral European donors such as the UK and Netherlands.

In line with other international actors, the EU defines its response to fragility as support for state building. However – unsurprisingly, given its state-focused definition of fragility – EU support to state building is largely limited to technocratic reform of public institutions. It generally does not address broader issues of state–society relations or social cohesion. Nor does it take full account of the complex political agendas of national and international actors. For example in Guinea Bissau the EU treats the political elite and military as if they are distinct groups, not recognising that the historic connection between them prevents civilian authorities from undertaking comprehensive military reform.

The World Bank, OECD and leading bilateral donors increasingly stress that international responses to fragility should be based on in-depth political economy analysis and focused on political dialogue. This emphasis has been adopted by the EU and is mentioned in the 2007 Council Conclusions. It seems that the capacity of EU delegations to undertake political economy analysis and engage politically is improving. However, this analysis is mostly restricted to a 'state focused' agenda and does not address more complex societal drivers of fragility.

Disappointingly, the EU's improved political economy analysis does not appear to have much influence on programming. For example, the 2008–2013 CSPs for Sierra Leone and Guinea Bissau contain strong analysis and identify diverse drivers of fragility including state capture, patronage relations, weak economic base and ethnic divisions. Despite this recognition of the complex causes of fragility, EU programming in these countries

has followed a standardised blueprint of public sector reform, decentralisation, public financial management and electoral reform.

Of course, addressing underlying structural factors that drive fragility is more difficult than supporting 'blueprint' reform of state institutions. It is more sensitive, involves greater risks and provides less measurable results. It requires mechanisms in headquarters to absorb new thinking on fragility, as well as experts in the field who can combine theoretical knowledge with an understanding of the local context. For example, the EU's response in Ivory Coast has been hampered by lack of expertise on fragility.

One important obstacle that prevents the EU from adopting the latest thinking on fragility is the fact that state building activities are spread across a number of EU institutions, and are not always recognised as such by those involved. For example, member states often do not understand the state building aspect of ESDP rule of law missions. While the EEAS could lead in promoting a 'state of the art' state building agenda across the EU, the thematic side of the EEAS that deals with fragility is currently very weak.

## 'What' the EU should do in fragile states

Above all, Europe needs a political vision of its unique role in addressing fragility. For the EU to fulfil its potential in fragile contexts, it must set priorities for engagement that are based on its comparative advantages and go beyond crisis response or blueprint institution building. These priorities should build on Europe's strengths, including its power as a political and trading bloc, its own experiences of political transition and regional integration and its long term presence and relatively stable financial commitments in fragile contexts.

An obvious comparative advantage for the EU is to support regional integration as a response to fragility. Regional integration can build resilience by promoting good governance, fostering economic growth and addressing common security challenges. However, as seen in West Africa, results can be disappointing if governments are unwilling to devolve real power. The EU has a good record of support to African regional integration. It has built partnerships with African regional bodies and is a major funder of the African Peace and Security Architecture. The EU could help to build the capacity of regional bodies, such as ECOWAS, to address

the root causes of fragility rather than just respond to crises. It should also support emerging forms of regional security cooperation that straddle established regional groupings, such as between Mali, Niger, Mauritania and Algeria.

The EU needs to adopt a more political approach to regional integration and fragility in Africa. Although the EU-Africa Strategy does not specifically mention fragility, its references to governance, human rights and conflict provide openings for greater political dialogue on fragility. Dialogue around the EU Africa strategy has so far been overly focused on operational issues and needs to address more sensitive political topics. The EU should also encourage regional powers, such as Nigeria, to show greater leadership in addressing fragility in their neighbourhood.

Another area where the EU could have a comparative advantage is addressing the societal causes of fragility, including lack of social cohesion, inequality and marginalisation. Europe has a good record of building strong and inclusive social contracts and important lessons to share in this regard. Moreover, its long term engagement in fragile contexts allows it to dedicate the time and resources required to work on these deep rooted, structural drivers of fragility. This would require the EU to improve the quality of its analysis and take risks with new partners and ways of working. For example, in Nepal some European bilateral donors have taken innovative steps to address exclusion as a driver of fragility.

The EU's long term presence also makes it well placed to take on board recent thinking about 'working with the grain' in African fragile states. In particular, it could invest in building relationships with local institutions, support locally legitimate mechanisms for decision making and problem solving, and identify and strengthen local sources of resilience. A particularly important agenda for the EU would be to foster the emergence of effective local leaders that have a developmental vision.

As the main trading partner for many fragile states, EU trade policy has significant potential to reduce fragility. Although the need for WTO compliance prevents Europe from radically revising its trade policies, experts suggest that it could be more responsive to fragile contexts. In particular, the EU should examine how – within the WTO rules – its trade policy can best build resilience, mitigate vulnerability to shocks, increase government revenue and support regional integration. These considerations have been partially included in recent Economic Partnership Agreement renegotiations.

The EU is well positioned to support human capital development as a source of resilience. This could involve not only support to education, but also leveraging EU migration policy to allow students and professionals from fragile countries to gain valuable skills in Europe. In addition, Europe's aid and trade policies should focus on generating labour intensive growth in order to address unemployment as a driver of fragility. For example, donors urgently need to address the security threat posed by mass unemployment of rural youth in Afghanistan and Pakistan.

The EU could also benefit from a broader approach to security. It is often overly focused on military and police reform and fails to address the range of other formal and informal institutions that can provide security. In this regard, the EU could learn from the more holistic approach of 'citizen security' outlined in the 2011 World Development Report. Afghanistan provides a clear example of how prioritising strategic security goals over human security needs can undermine long term stability. On the other hand, in Sierra Leone 'hard' security sector reform has been accompanied by programmes to strengthen the rule of law and reform community level justice and security mechanisms.

## Conclusion

Europe needs to get up to speed on fragility. With EU involvement in Afghanistan ending and the numbers of conflicts worldwide falling, EU policy makers may see fragility and conflict as less urgent priorities. But such an approach is not sustainable, as recent events in Libya confirm.

Bridging the gap between policy and implementation is a major priority for improving the European response to fragility. This requires plans to guide action, but more importantly it requires leadership that prioritises coordination, effectiveness and partnership.

However, the EU also needs to develop a clearer political vision of what constitutes fragility and what Europe's unique role should be in responding to it. This involves engaging with the latest research, moving away from blueprint responses, strengthening context analysis, deepening and extending partnerships and broadening the scope of its work in areas of comparative advantage. Perhaps most difficult, it involves confronting the political obstacles that prevent the EU from achieving its potential in fragile contexts.