

Pathways to Change

Baseline Study to Identify Theories of Change on Political Settlements and Confidence Building

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This is one part of a two-part preliminary study. It is designed to excavate, through interviews with development field staff, perspectives and story lines on how international actors (especially development actors) can influence the degree of inclusiveness of political settlements. This is an interim step to a longer-term, more comprehensive study to assess the causal relationship between donor programming and political settlements. The purpose of this initial study is to narrow the field of inquiry by providing 'theories of change' that can then be tested.

A cognate study, more conceptually oriented, focuses on political settlements (defined below) that follow violence or episodes or imminent threatened violence, to provide an exegesis of the argument that 'inclusive enough' settlements matter to stability and thus development in fragile states. That study is designed to help establish a research agenda that could test and refine that proposition.

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Preface

No low-income fragile or conflict-affected state has achieved a single Millennium Development Goal. Given that a large percentage of the world's poor live in such states, it is increasingly central to the development agenda to better understand conditions that enable stable development after episodes of violence.

One argument (World Development Report 2011) is that in fragile and violent situations, a period of confidence-building and the development of an *inclusive* political settlement (or more precisely, an “inclusive enough” political settlement) must precede longer-term institutional change. Indeed, mounting empirical evidence points to inclusive political institutions as central to stable development.¹

This study aims to provide preliminary evidence on how international actors (and especially development actors) influence the extent to which political settlements that follow episodes of violence (or threatened imminent violence) are sufficiently inclusive to allow for stable growth and development.

The purpose of this study is to help translate the WDR into practice and inform policy making through the following objectives:

- (i) to capture a set of practitioner experiences with political settlements;
- (ii) to explore theories of change about the ways in which international actors can influence political settlements;
- (iii) to inform the design of a longer-term research program;
- (iv) to offer initial, limited policy-relevant conclusions for donor governments to begin to operationalize the concepts of political settlements.

These objectives are purposefully limited, as this study is not intended to be comprehensive; its findings are meant to provide inputs to a longer-term research program.

This study forms part of CIC's work program on *Securing Development*, and is one element of CIC's multi-year engagement with DfID, the OECD, the World Bank, and others to build the evidence base on how insecurity intersects with human and economic development processes in fragile states.

¹ See Douglass C. North, John Joseph Wallis, and Barry R. Weingast, *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History* (Cambridge University Press 2009); *Conflict, Security and Development: World Development Report 2011* (World Bank 2011); Daron Acemoglu and James A. Robinson, *Why Nations Fail* (Crown Business 2012).

Background: Why an emphasis on inclusive political settlements?

Fragile states, which many development agencies have now made a priority for their work, pose unique developmental challenge. Among these are weak political institutions and legacies of conflict. Many fragile states are now caught in cycles of repeated violence, causing them to lag significantly behind other countries on many development indicators. Yet some have escaped this pattern of recurring war and have moved onto a more stable trajectory – Mozambique and Nicaragua are but two examples. Others, like Ethiopia and Rwanda, are at an earlier stage of post-conflict development, and the question of whether they will be able to maintain the political stability necessary for continued development success is a vital one.

For all of the literature on the causes of war, there is a paucity of research literature on successful recovery. We know less than we should about the ingredients of a successful exit from fragility. In its examination of fragile states, *Conflict, Security and Development: World Development Report 2011* found that one important ingredient in successful exit was an ‘inclusive enough’ political settlement. The purpose of this paper is to unpack and elucidate that claim, and propose a research agenda that can test and refine it.

But what, exactly, is a political settlement? There are two quite distinct ways of thinking about political settlements. One approach is oriented towards informal, long-running dynamics between political actors, especially elites. Another is focused on specific, often formal renegotiations of political arrangements – through power-sharing deals, constitutional conferences, peace agreements and the like. Each approach has its merits in substantive terms, and our approach balances them – focusing on discrete events that punctuate longer-running processes. We share with other scholars a focus on arrangements between elites, but emphasize that these should not be viewed as separate from the broader state/society relations in which elites are embedded.

The study is designed to inquire into field team’s application of the concept of political settlement in their work. The donor agency that has done most to define the concept and educate its teams around the notion is DfID, and for that reason we adopt, for the purposes of this study, DfID’s definition of political settlements: “the expression of a common understanding, usually forged between elites, about how power is organised and exercised.”² (In the adjacent study on the research literature, we explore variants to this approach.)

How strong is the empirical evidence for these arguments?

First, there is a growing body of statebuilding literature that points towards inclusion as a source of legitimacy or stability.³ In addition to these studies, a wider body of literature on elite-pacting supports the notion that agreements among elites are important for

² *Building Peaceful States and Societies: a DFID Practice Paper* (2010).

³ Francis Fukuyama, *State-Building: Governance and World Order in the 21st Century* (Cornell University Press 2004); Ashraf Ghani and Clare Lockhart, *Fixing Failed States: a Framework for Rebuilding a Fractured World* (Oxford University Press 2008); Simon Chesterman, Michael Ignatieff and Ramesh Thakur, *Making States Work: State Failure and the Crisis of Governance* (United Nations University Press 2005); Charles Call, “Knowing Peace When You See it: Setting Standards for Peacebuilding Success,” *Civil Wars* 10, no. 2 (2008): 173-194; DW Brinkerhoff, *Capacity Development in Fragile States* (European Center for Development Policy Management 2007); Michael Barnett, “Building a Republican Peace: Stabilizing States after War,” *International Security* 30, no. 4: 87-112; Frances Stewart, with Manuel Barron, Graham Brown, and Marcia Hartwell, “Social Exclusion and Conflict: Analysis and Policy Implications,” (Centre for Research on Inequality, Human Security and Ethnicity 2006); Thomas F. Keating and W. Andy Knight, *Building Sustainable Peace* (United Nations University Press 2004).

stability.⁴ Then, three recent mixed-method studies works have found more empirical evidence pointing to inclusion as an important factor in escaping cycles of violence and poverty.

The 2011 *World Development Report* analyzed all post-Cold War cases of civil war and relapse, and found that the only cases that avoided relapse (with one exception) were cases that had adopted an inclusive political settlement – either through a negotiated end to war, or, in cases of military victory, through inclusive behavior by the dominating elites. Cases where one sided had ended up in power through military victory and did not find mechanisms to include former opponents in political governance arrangements, typically fell back into conflict.

Charles Call has similar findings in his new book *Why Peace Fails*, where he uses a combination of quantitative and qualitative method to identify causes of relapse. He finds: that precipitating exclusionary behavior – in which postwar states adopted a policy violating the expectations of rebels – was the cause for recurrence in 9 of 15 cases; that a violation of power-sharing arrangements was responsible for 6 of the 15 cases of recurrence; that chronic exclusion played a role in two cases of recurrence; that exclusionary behavior was the most important causal factor in 11 of the 15 cases; and, overall, that while exclusion is not the only factor in explaining recurrences, but it is “the most consistently important one.”⁵

Third, the US Central Intelligence Agency funded Political Instability Task Force (PITF) finds compelling quantitative evidence about the relationship between inclusive mechanisms and political stability. Through a combination of statistical logistic regression and neural network analyses PITF found that four variables could explain over 80% of all cases of state failure: regime type, infant mortality (as an indirect measure of the quality of life), conflict-ridden neighborhood and state-led discrimination. PITF found surprisingly strong results attached to measures of factionalism, which create “extraordinarily high” risks of instability in situations of open competition.⁶ It also found that political and economic discrimination is strongly linked to instability. Systematic discrimination is found particularly important in models of ethnic war, though it also strengthens the global model.⁷ The findings reinforce earlier conclusions from the qualitative literature.⁸

All of this, taken together, constitutes sufficient initial evidence to warrant further examination. That being said, there are unanswered questions: about the differences between inclusion and exclusion; about how inclusive is inclusive enough? (In this regard, it is important to note that the WDR also incorporated the notion that some forms of

⁴ Michael Burton and John Higley, “Political Crises and Elite Settlements,” in *Elites, Crises, and the Origins of Regimes*, ed. Mattei Dogan and John Higley (Rowman & Littlefield 1998); Caroline Hartzell and Matthew Hoddie, “Institutionalizing Peace: Power Sharing and Post-Civil War Conflict Management,” *American Journal of Political Science* 47, no. 2 (April 2003): 318-332; Guillermo O'Donnell and Philippe C. Schmitter, *Transitions from Authoritarian Rule* (Johns Hopkins University Press 1986); Adam Przeworski, *Democracy and the Market: Political and Economic reforms in Eastern Europe and Latin America* (Cambridge University Press 1991); Arend Lijphart, *Electoral Systems and Party Systems* (Oxford University Press 1994); Arend Lijphart, “Consociational Democracy,” *World Politics* 21, no. 2 (1969): 207-225; Ian Lustick, “Stability in Deeply Divided Societies: Consociationalism versus Control,” *World Politics* 31, no. 3 (April 1979): 325-344.

⁵ Charles Call, *Why Peace Fails: the Causes and Prevention of Civil War Recurrence* (Georgetown University Press 2012): 99.

⁶ Jack A. Goldstone, Robert H. Bates, David L. Epstein, Ted Robert Gurr, Michael B. Lustik, Monty G. Marshall, Jay Ulfelder, and Mark Woodward, “A Global Model for Forecasting Political Instability,” *American Journal of Political Science* 54, no. 1 (January 2010): 190-208.

⁷ Ted Robert Gurr, Mark Woodward, and Monty G. Marshall, “Forecasting Instability: Are Ethnic Wars and Muslim Countries Different?”

⁸ Stephen J. Stedman, Donald Rothchild, and Elizabeth Cousens, *Ending Civil Wars: the Implementation of Peace Agreements* (Lynne Rienner 2002); Philip Roeder and Donald Rothchild, eds, *Sustainable Peace: Power and Democracy after Civil War* (Cornell University Press 2005); Michael Brown, ed, *The International Dimensions of Internal Conflict* (Belfer Center 1996).

exclusion not only may not threaten political stability, but may be necessary for stability. This argument draws on a line of literature about ‘spoilers’ and similar dynamics.⁹)

The lack of certainty about these questions substantially complicates the efforts of development agencies, and other government counterparts, to address political settlements in the field. Absent clear, more precise evidence on these issues, the advocacy efforts of agencies are limited. Still, a number of agencies have adopted a general standard that more inclusive political settlements are preferable, both from a normative and stability perspective, so it is possible to inquire into the means by which they have sought to influence governments in that direction.

It is important to note here that the salience of this issue is not just for development actors, but governments as a whole. In an adjacent preliminary study, we explore how it is that development country-offices have sought to influence the shape of political settlements. Even that preliminary analysis suggests that a focus on development actors alone is insufficient; foreign and defense ministries are equally important actors on this issue, and in some cases may have more directly relevant tools to bring to bear. The impact of political settlements on development strategies in fragile states is a genuinely whole of government question.

Research approach

The study of political settlements, as with most studies of politics, is plagued by methodological difficulties. The inherent challenges to assessing the impact of international interventions on political settlements include the following:

Lack of comparability. Political settlements vary widely, from the type of regime to the economic conditions to demographic composition. International interventions, too, vary not only in the size, scope, and type of engagement, but also in objectives, making it difficult to devise a common framework to compare cases. To be useful, any framework should be both adaptable to the various contexts, and yet include common principles and guidelines applicable across the full range of cases.

The problem of attribution. The difficulty in demonstrating a causal relationship between the activities of intervention and any given outcome bedevils researchers. In the real world, the number of factors – environmental, political, economic, etc. – makes it difficult, if not impossible, to draw a causal line from an agenda or program activity to a tangible impact. If a political settlement survives and becomes more inclusive, it is difficult to prove that a specific intervention caused or even contributed to a specific outcome. By the same token, if the political settlement weakens or violence erupts or powerful elites become more exclusive, it may be due to factors and obstacles well outside the control of the intervention.¹⁰ This study does not attempt to ascertain causality, which we cannot know in any pseudo-scientific way; rather, we offer initial, limited findings that require further testing. The limits of science, however, are worth noting.

Vague or evolving objectives. Political settlements have only recently begun to be incorporated into country strategies and program plans, and rarely do these contain explicit, measurable objectives regarding the political settlement. The Monrovia

⁹ Stephen J. Stedman, “Spoiler Problems in Peace Processes,” *International Security* 22, no. 2 (Fall 1997): 5-53; Barbara Walter, “The Critical Barrier to Civil War Settlement,” *International Organization* 51, no. 3 (Summer 1997): 335-364.

¹⁰ Much of the background on methodology draws on work for another CIC report, *Evaluations of Special Political Missions*.

Roadmap calls for “inclusive political processes”¹¹, but what that looks like is unclear. The World Development Report 2011 refers to “inclusive enough” settlements, but what defines enough? Some believe that only the inclusion of key elites is necessary¹², while others believe that broader society must be included to sustain peace.¹³

Lack of relevant baseline data. When compared to service delivery programs – such as child health immunizations, in which western development actors engage and are arguably more comfortable with – international interventions that relate to political settlements have fewer tangible inputs and outputs that can be counted and measured. Datasets on indicators related to peace and political stability are proliferating and improving (for example the World Bank’s *World Governance Indicators (WGI)*; the *Human Security Report (HSR)* of the Human Security Research Project; and the Stockholm International Peace Research Institute (SIPRI) datasets, among others), yet these tend to focus on macro country indicators so broad that they at best loosely connect to the actual concepts of interest (and are difficult to analyze for progress over time). Further research would benefit from data on varying types of violence, on different levels of inequality (for example, horizontal inequality), and on elite and broad society perceptions on the legitimacy of the government and of political processes, and measures of trust between and among groups. “The views [and behavior] of local individuals and organizations on progress are more relevant than external views on progress”¹⁴. Measurement of perceptions, behavior, and outcomes of political settlements does not exist. Our evidence, drawn from interviews with various parties and stakeholders, captures some of these perceptions and outcomes, but different national groups have divergent stakes in the status quo, and change that is ultimately better for the stability and development of a society may not be aligned with the interests of a particular individual or group. We strive, therefore, to be aware of and correct for these biases in our work, but acknowledge that our efforts are unlikely to completely overcome the inherent biases.

Levels and lenses of analysis. External actors, development and otherwise, engage in various levels of interventions, from the local to the regional level. For the purposes of this study, we analyze intervention at the national level, though individual cases discuss more micro-level aspects as relevant to the particulars of the political settlement in the case discussed. Given the wide variations in the nature of external intervention, a comprehensive study should consider timelines (which will also affect the potential for impact), scope of external action, the type (military, humanitarian, diplomatic, development). In this baseline study we do not have the scope to do so, though we have sought to draw out these themes in the individual cases. A future study should incorporate these distinctions into the broader framework.

Our Approach

Because there are very limited data on the links between political settlements and development projects and programs, this study necessarily seeks to gather *preliminary* evidence to serve as a foundation for further research as well as provide the basis for

¹¹ *The Monrovia Roadmap on Peacebuilding and Statebuilding* (International Dialogue on Peacebuilding and Statebuilding 2011).

¹² Stefan Lindemann, “Do Inclusive Elite Bargains Matter? A Research Framework for Understanding the Causes of Civil War in Sub-Saharan Africa; Katia Papagianni, “Political Transitions after Peace Agreements: the Importance of Consultative and Inclusive Political Processes,” *Journal of Intervention and Statebuilding* 3, no. 1 (2009): 47-63; Desiree Nilsson, “Partial Peace: Rebel Groups Inside and Outside of Civil War Settlements,” *Journal of Peace Research* 45, no. 4 (July 2008): 479-495.

¹³ Call 2012.

¹⁴ *Monitoring and Evaluation in stabilization interventions* (RAND Europe 2011).

some initial findings that have minimal robustness. Quantitative data is not available on the more nuanced relations between development decisions and programming and a country's political order; nor is this type of inquiry suitable to statistical, or quantitative, study, because in the initial phase at least, the purpose is to identify new hypotheses and variables and analyze mechanisms of "how" action leads to effects. Hence, this study adopts a qualitative research design, focusing on enough case studies to provide some breadth as the basis for initial generalizations and future research planning, but few enough to be feasible in a short time frame and limited budget.

We analyze the main international actors' understandings of how political settlements figure into their work as well as its programming and execution, exploring their understanding of theories of change to affect a given settlement. Within those constraints, we seek to examine a wide variety of cases. That variation lies along three dimensions:

- recent trends in quality of governance (improved or deteriorated in the period 1996-2010)
- type of formative event of political settlement (end of armed conflict or political crisis)
- mode of formative event of political settlement (within these two types: whether armed conflict ended through negotiations or victory; whether political crisis marked by regime transition or not, especially if a power-sharing arrangement took place instead)

Each of these variables merits some discussion. First, recent trends in quality of governance. Using the World Bank's World Governance Indicators on Political Stability¹⁵, we calculate the direction of change from 1996 to 2010, dividing all potential countries in the set as improving stability or deteriorating stability. The time period is chosen based upon the availability of data (WGI started in 1996). This leads to a more recent, rather than historical, set of cases, but works to provide a long enough time period to observe the stability (or lack thereof) of settlement. As with any measurement, caution is needed. Quantifying the stability of a government is not an easy task, and we are subject to the variations within the time period chosen. WGI, furthermore, is an 'expert assessment' and may not capture the full spectrum of societal perceptions. In further study, it will be worthwhile to utilize multiple measures to test whether results are dependent upon the way the WGI index is constructed, analogous to "sensitivity testing" performed in quantitative studies.

Second, the type of formative event of a political settlement. Political settlements are neither static nor singular events, but reflect historical social and economic relations that evolve over time. Nevertheless, political settlements are generally associated with particular "formative events" that reflects punctuated equilibrium more than continuous evolution. The political order is highly affected, and sometimes even constituted, by such events. Formative events are not necessarily particular moments or acts, but intense phases or clusters of events. Based inductively on the practice of international actors, we here call attention to two sorts of formative events: the activities marking the end of an armed conflict, and the activities surrounding a political crisis. Termination of armed conflict (e.g., Rwanda, Nepal) and political crises (e.g. Kenya) tend to mark formative revisiting of power relations in societies. Focusing on these events allows for more clarity in what constitutes the political settlement, which leads to a research design

¹⁵ Defined by the World Bank website as "capturing perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism."

which accumulates across different cases, and therefore produces more generalizable conclusions.

Third, the mode of the resolution of the armed conflict or political crisis. Among conflicts, there are differences between those that ended in negotiated settlements and those that ended in a strategic victory by one side; though these are opposite ends of a spectrum, not dichotomous outcomes. Victorious armies tend to be less inclusionary than elites forced to strike bargains. In theory, therefore, one would expect Rwanda to be less inclusive than, say, Nepal. The nature of a political settlement is likely to vary in fairly systematic ways; and this is one aspect of our exploration here.

Similarly, we differentiate between political crises that correspond to regime changes (usually toward democracy from some form of authoritarianism, e.g., Burma) and those that end without regime changes, but through power-sharing, e.g., Kenya. Political crises can end in ways besides a regime transition or a power-sharing arrangement (e.g., through continuity of the status quo ex ante), but these are the most prevalent paths towards a change in political order, and also key formative events around which international organizations and donors organize their responses. Thus we include in the pool of cases societies that represent these two “modes” of political crises as formative events for political settlements.

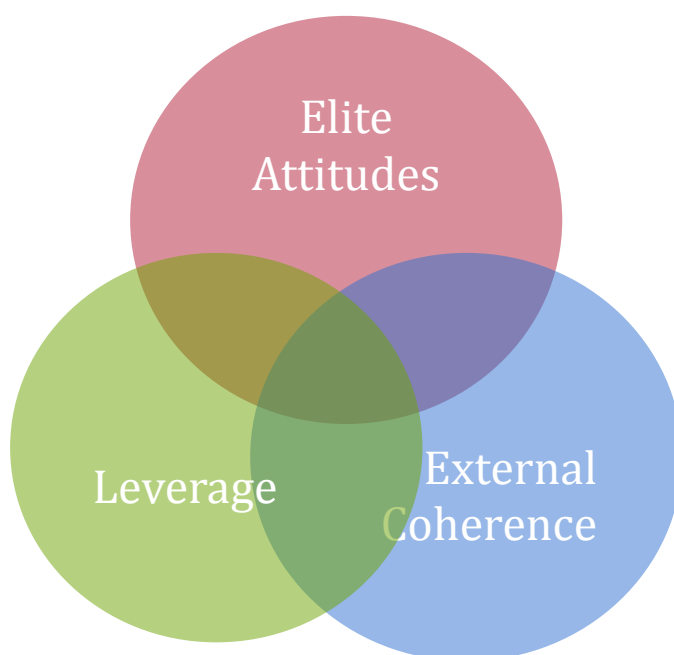
In this study, the purpose is straightforward, namely to identify a number of ‘storylines’ of potential patterns of influence to inform further research that can more rigorously test causality. Thus, a sampling across these variations will suffice to elicit storylines. The cases selected – Burma, Lebanon, Nepal, Kenya, Somalia, Rwanda – provide a degree of sampling across the different points of variation described above.

In this study, we first consulted primary and secondary literature and data on political settlements and donor activities and impact in each of the countries. This research focused both on formative events, such as peace agreements or power-sharing pacts, and the ongoing renegotiation of the underlying distribution of political power. Second, we conducted interviews with stakeholders in the country cases. The interviews were designed to elicit insights about the interaction of development actors and the political settlement in a given country, with a focus on how these actors think they have influence on the settlement. Interviews, both in-person and over the phone, were semi-structured, with some specific questions but also scope for open-ended discussion of stakeholder’s perspectives.

Evidence from Cases

The strategic environment

Figure 1: Strategic Environment



Evidence from the cases we examined suggests that there are three sets major factors that shape whether and how international actors are able to influence the political settlement. These are:

ELITE ATTITUDES

The attitude of key elites within the existing settlement toward change, especially broadening or deepening inclusion. This is a function of incentives, interests and leadership. To put it plainly, exclusive and extractive settlements exist because they serve the interests of the powerful elite this way. This will not change through either capacity building or altruism-inducing programming or dialogue. As Francis Fukuyama says, “Bad institutions exist because it is in the interests of powerful political forces within the poor country itself to keep things this way. Hamid Karzai understands perfectly well how clean government is supposed to work; it’s just that he has no interest in seeing that happen in Afghanistan.”¹⁶

The question, then, is what political, economic, social, military, or other factors may affect the interests and incentives of those currently in power in such a way that change to the settlement is possible? These factors may include the expansion of economic

¹⁶ Francis Fukuyama, “Acemoglu and Robinson on Why Nations Fail,” *The American Interest* (March 26, 2012), available at <http://blogs.the-american-interest.com/fukuyama/2012/03/26/acemoglu-and-robinson-on-why-nations-fail/>.

growth; the need to deter threats from external actors; desire to meet international normative standards for diplomatic reasons; or simple leadership.¹⁷

There are cases where dominant elites actively work to protect the narrowness of existing arrangements (Myanmar prior to 2011, Lebanon) and others where the ruling elites see the merits of broadening the settlement, either for reasons of political stability, economic reasons (Nepal, Kenya, Myanmar post 2011) or in the search for legacy – or all of the above. Where those currently in control of power and resources are open to the idea of inclusion or believe that it will benefit their interest, international actors will be less likely to inadvertently cause harm, and will have a far easier more constructive role to play in expansion of the settlement. Because interests and incentives can be fluid, this is something that may change; in the case of Myanmar, elite will and attitudes toward inclusion changed rather quickly.

EXTERNAL LEVERAGE

The extent to which international actors have leverage, and the type of leverage they have. Knowing the extent of leverage allows international actors to plan and program within a feasible scope; knowing the type of leverage helps to target activities where they will be most effective. External leverage tends to be greater where aid dependence is very high, the state in question depends on external military or economic support, or where the existing political settlement relies on outside legitimation. Even where foreign aid is high, furthermore, political interests may decrease the leverage available. Circumstances in Afghanistan have prevented international actors from wielding influence commensurate to its aid – by 2010 development spending amounted to \$15.7 billion, the same as Afghanistan's GDP. With \$9.4 billion in public spending, revenues were only \$1.65 billion; two-thirds of civil servants' salaries were paid for directly by international donors. The international community in effect ran a parallel state, with 77% of all aid up to 2009 delivered with little or no Afghan government involvement.

To use leverage to effect change requires a credible alternative or the ability to 'walk away' – a major factor that limits Western leverage in Afghanistan, for example. Still, a government which requires outside support or seeks international legitimation and is eager to move away from a traditional patron may also be more open to change (and accompanying support from international actors), but of course, the opposite is also true.

Understanding the type of leverage helps inform the use of more effective tools; sanctions, for example, will be much more effective in cases with substantial economic dependency than those without. Here, donors should look to not just aid instruments but political and military relations as well. In Lebanon, one interviewee mentioned that actors such as the UK will not have as much influence, except for through personal relationships; attempts to influence an expansion of the settlement will need to center around influencing major players with more leverage, such as the US with its enormous military aid to Lebanon. ASEAN's leverage with Burma was political (and bolstered by cultural and economic ties): passing over Burma for chairmanship of ASEAN was a significant blow to the regime, particularly as it sought to move away from its dependence on China.

¹⁷ Leadership is an important but not well understood "x factor" in the literature on changing political institutions, and an area worth further exploration. See CIC Study 1.

Our initial research shows that while leverage matters, the scale and types of leverage that may be effectively applied to induce positive change is not well understood (either by researchers or practitioners), and deserves further examination.

Table 1: Indicators of potential areas of leverage: FDI and ODA as % of GNI, and External Military Presence

Country	FDI	ODA	External Military Presence
Rwanda	0.75	17.88	[US and other military aid.]
Nepal	0.30	6.56	UNMIN
Kenya	0.59	6.06	
Lebanon	12.70	1.85	UNIFIL [Iran] [US]
Myanmar	n/a	n/a	
Somalia	n/a	n/a	UNASOM/[US]

World Bank Data (includes comprehensive set of countries, taken from official statistics.)

EXTERNAL COHERENCE

The degree of coherence among external donors – western and otherwise—affects whether or not international actors have any feasible way of supporting a more inclusive settlement, and is particularly important to understanding the potentially negative consequences of action.

The more that major outside actors have a similar analysis and strategy, the greater their collective influence; where they are divided, their impact is necessarily lower. This assessment cannot be limited to western donors: in Burma, Chinese aid and investment was a critical feature of support to the regime prior to 2011 (though China now faces reputational costs for its complicity); in Lebanon, Iranian and Gulf aid are competing for proxy influence with the West; in most parts of sub-Saharan Africa, Chinese economic investment and increasingly Indian economic investment is displacing western aid as an important source of revenue for governments, minimizing western donor influence. In the Arab world, Gulf aid (mostly politically conditioned but budgetarily unconditioned cash transfers) rival or exceed western aid flows.

Coherence is a difficult goal, not just for technical, but more importantly, for strategic reasons, and so it is the degree of coherence that matters, rather than a binary “coherent or not” assessment.

Coherence *within* governments is also an issue: this was most obvious in Somalia, where development actors and political actors from the same governments discussed competing objectives for their work – and displayed what can only be described as contempt for the objectives and actions of their counterparts. There are obviously other factors at play in the case of Somalia, but incoherence within governments will at best not help bring stability and inclusion, and will, at worst, harm the potential for action.

In reviewing these factors, the reality is that development actors acting in isolation often have very limited space to affect change, and “whole of government” or “whole of system” solutions (which attempt to align international and national priorities) are more effective – though obviously more difficult to realize. Where the overall scope for leverage is limited – or competing strategic and political objectives exist – development actors will need to reassess their expectations and priorities; and may need to limit the

scope of their programming, change the design of their programs, or discontinue specific activities. At the extreme, where assessment suggests that the state's stability is in doubt, and external actors influence on the settlement is limited, donors may need to question the merit of continued developmental engagement with that government.

Table 2: Assessment of Strategic Environment in Selected Cases

Country	Elite Willingness	Leverage	Donor Coherence
Burma	MED	MED	MED
Kenya	HIGH	LOW/MED	HIGH
Lebanon	LOW	MED	LOW
Nepal	MED	HIGH	HIGH
Rwanda	LOW	MED	MED/HIGH
Sierra Leone	MED	HIGH	HIGH
Somalia	LOW	HIGH	LOW

Storylines/Theories of change

Evidence from the cases that we examined suggests that international actors – not just on the development side, but including the political, security, and economic actors within donor governments – have a range of tools available to them to attempt to shift the dynamics of stability and inclusion in a given political settlement. Our research suggests, however, that these tools are not always situated within a theory of change that is sensitive to the strategic environment.

Donor institutional structures and incentives are often at odds with meaningful long-term engagement in risky post-conflict environments, and on the development side, especially, countervailing incentives and culture impede politically-savvy programming. Further, in several cases strategic differences among even western actors, to say nothing of ‘emerging’ or regional actors, constitutes a major barrier to effectiveness. The case evidence also confirms that there is a dearth of genuine evaluation of impact on these kinds of issues, as well as huge gaps in data, and much that we don’t understand from either a theoretical or practical perspective.

There are some important, and indicative, storylines. In Nepal and Kenya, we saw a combination of analysis, donor unity, clear strategy matched to a theory of change and the wielding of relevant tools within that framework to have impact. Yet in Nepal, this success occurred only after a long period in which donors were heavily complicit in the opposite agenda, effectively backing a highly exclusionary elite. That donor funding can lead to perverse effects emerges as a broader theme as well; donor behavior can often reinforce or prolong exclusionary strategies of governments or other elites within the settlement – though to say to what extent this is the case would require better evaluation data on impact than currently exists.

Across the cases, we found five overarching theories of change, or storylines, about how western actors have sought to influence change in the degree of inclusion in the political settlement.

- Direct support to government, and policy engagement to influence the decision making of government elites on issues of inclusion and development;

- Support to opposition groups and civil society actors, to increase their ability to make their own claims for inclusion in the political settlement;
- Creating political space: investing in research, or public debate, around issues like minority rights, to increase pressure on established elites;
- Direct mediation between parties (often through diplomatic rather than developmental arms of government), which may draw on financial and capacity-building support to national mediation or dialogue processes (often through developmental tools);
- Coercive strategies designed to compel government elites to adopt more inclusive or development-friendly strategies, or forego specific exclusive or abusive policies.

These are discussed in further depth below.

Table 3: Attempted Strategies (by western external actors)

Country	Working w/ Gov	W/ other groups	Normative Space	Mediation	Coercion
Burma		×	×		×
Kenya	×	×	×	×	×
Lebanon	×			×	
Nepal	×	×	×	×	
Rwanda	×	×			
Sierra Leone	×	×	×	×	
Somalia	×*				×

* *Transitional Government*

1. Support to and policy engagement with the government.

For many (especially western) international actors, the default setting for states with decent records of economic performance is to channel most aid through the government and then to engage it on policy questions. Such a strategy is best used in cases where government institutions have already proven capable of sustained growth and, ideally, encouraging national development. Among the cases in this study, Rwanda – to which donors until recently provided unconditional aid – best characterizes this approach. Donor aid approaches reflect the Rwandan government’s success in two key areas: first, its ability to maintain national unity and prevent fracture in the still fraught post-genocide period, through a powerful central government and military; second, its remarkably good economic performance, with an average growth rate of 7% a year between 1998 and 2007.

Rwanda poses particular challenges for the issues we are addressing here. It has deliberately adopted the ‘Singapore’ model of broadening the economic pie as a tool for diminishing political pressures for expanded inclusion. Among western donor officials we found in roughly equal measure (a) sympathy with the government and a sense of the merits of the government’s own strategy of economic growth as driver for stability and (b) concern about growing human rights abuses and a sense of reversal on some aspects of an inclusion agenda. Politically, international actors attempt to influence the government through policy engagement – offering advice, sharing evidence on inclusion, and similar. But there are serious constraints on the effectiveness of this tool: political disunity within the western donor community about how to weigh Rwanda’s economic performance with its deteriorating human rights record, and the government’s

obstruction of investment in normative or influencing tools as measuring legitimacy, confidence, or similar (we turn to this in a moment). Donor officials engage with the government on the importance of civil society, but are skeptical that they have any impact at all on debates within the Rwandan political class. For the moment, the core circle of elites has won a degree of ‘performance legitimacy’ among the wider population through economic growth, and they are not resistant to attempts to broaden inclusion, lest it interfere with their control of state resources.¹⁸

This kind of case – where the government is performing well in economic terms, has taken some steps on inclusion, but shows worrying signs of hardening its position on human rights and inclusion issues – poses particularly difficult challenges for donors. (Ethiopia is another example.) In the absence of rock-solid evidence about the ways in which a lack of inclusion undermines economic performance or political stability *in the short term*, there is limited normative ground on which to argue against government strategy. Where the government blocks investment in measurement or international civil society (e.g. Rwandan government’s efforts to constrain ICG reporting), donor options are limited.

One alternative approach would be to work with multilateral economic actors (World Bank, potentially the Economic Commission for Africa under its new leadership) to help the government identify “untapped economic potential”¹⁹. Where untapped economic potential overlaps with excluded elites or social groups, the economic case for inclusion presents a more powerful argument to elites than the political case. This strategy could also be applied to other situations where the government needs additional incentives for inclusion, such as in Myanmar, where vast rural and minority regions remain severely underproductive, especially in the Irawaddy delta.

A second alternative would be to link policy engagement on inclusion with military assistance – in Rwanda (as in Ethiopia) there is greater government dependence on military assistance from the West than there is economic dependence. This tactic would require two things: a whole of government approach within individual donors; and a greater degree of dialogue and strategic unity across donors. Neither condition exists in Rwanda. There are some prior cases of this approach working – in Indonesia, after the crisis in East Timor, the US used its large military assistance program to push Indonesia’s military and political elites to support a move towards more democratic approaches.²⁰ (Arguably a similar pattern played out in Egypt during the first phase of the Tahrir Square revolution – there, the US put immense pressure on the Egyptian military, to which it provides ca. \$1.3 billion in financial assistance annually, not to use force against civilian protesters.)

We should stress, however, that not every case of support to an existing narrow or exclusive settlement falls into the same strategic category as Rwanda or Ethiopia. In some cases (e.g. Lebanon, Afghanistan), western governments are concerned with supporting existing government/power elites even where they are exclusionary because some of the elites or social groups pushing for access to power are a potential threat to donor security and/or political interests. Lebanon is a case in point, where western governments focus on supporting the May 17 government in opposition to Hezbollah and other Iranian or Syrian backed factions. In such cases, donors face a serious tension within their own policy framework. Interests in inclusiveness and voice and support for

¹⁸ Interviewees mentioned several investment firms that are heavily associated with the Army, for example.

¹⁹ Acemoglu and Robinson 2012.

²⁰ Robert S. Chase, Emily B. Hill, and Paul Kennedy, “Pivotal States and US Strategy,” *Foreign Affairs* 75 (1996): 33-51; Anthony L. Smith, “A Glass Half Full: Indonesia-US relations in the Age of Terror,” *Contemporary Southeast Asia* 25, no. 3 (December 2003): 449-472.

liberal values are not necessarily aligned, at least not in the short term – a quandary which was rarely addressed in the cases we studied. And counterterrorism, economic, geopolitical, and security interests may create tensions as well. These tensions can place international actors in an awkward position. In Nepal, for example, prior to 2005, western development agencies tended to channel funds through the government to build its capacity to fight the Maoist rebellion; they had to backpedal following the coup of King Gyanendra.

2. Adapting programs to support excluded elites and/or social groups

In other contexts, Western donors pursue a strategy of channeling aid and other forms of support to groupings that are excluded from or under-represented in the political settlement and/or government. This is not necessarily instead of support to government; it can be a second strand of activity. Such a strategy is best applied to governments where the political settlement will benefit from greater inclusion but excluded groups lack the independent capacity to challenge the status quo. This theory relies upon the assumption that support will help “even the playing field,” thus shifting the relative balance of power within the current settlement, and prompting the ruling elite to preserve stability by expanding inclusion to these previously marginalized groups. It also tends to rely upon engagement with the leaders – or elites – of these marginalized groups, which requires a degree of coherence and capability on behalf of excluded groups, and that these groups not pose a potential or perceived threat to the international actors instigating the intervention.

Much of the work in this domain aligns with fairly traditional development activities of bolstering community-level government capacity; directing social services to disadvantaged groups; etc. Underlying this strategy is the concept that by generating economic activity within marginalized or excluded groups, and by building up their capacity for government or administration, donors strengthen their hand in internal lobbying for political space. There is certainly some evidence that this can work – in Nepal, for example, DfID and other donors provided training for Dalits, indigenous groups, women and Madhesis on topics ranging from international human rights instruments to public speaking to computing. These focused on preparing local communities to join the constituent assembly in 2008. The Centre for Constitutional Dialogue (CCD), sponsored by UNDP with DFID, Swiss and Norwegian funding, trained assembly members and civil society groups in both technical bureaucratic and broader political aspects of the parliamentary process. It is important to note that each of these activities built on the others, enhancing their impact; thus coherence and in some instances coordinated design among western donors increased their ability to influence the course of the political settlement.

There are other creative examples. In the lead-up to Myanmar’s 2007 protests, the UNDP used humanitarian assistance to undertake what amounted to capacity building work among marginalized groupings. That example, however, highlights again the importance of some degree of government willingness to expand the political settlement: in that instance, the Resident Coordinator was declared *persona non grata* by the government for political interference.²¹ By contrast, more recent increases in political space significantly opened space for humanitarian and community work, and project-

²¹ Htet Aung, “Expulsion of UN Resident Coordinator Raises Questions over UN Role in Burma,” *Irrawaddy*, 4 November 2007.

based capacity-building among NGOs and media outlets now characterizes much western aid programming in Myanmar.

Other tools donors use to provide political or other forms of support to marginalized groups or excluded elites include:

- legitimating political opposition actors through meetings with visiting cabinet or senior departmental officials;
- financing political party development;
- hiring diverse elites within national staff programs (though we found that, at least in some cases, donors tend to hire from within existing dominant elites, partially as a function of lack of knowledge about alternative networks, partially as a function of existing capacities etc.)
- financing programs that encourage diversity within the civil service, or within the security services (this of course being dependent on government will.)

The effectiveness of these activities is rarely measured; we can as yet say nothing systematic about their impact. In the case of Nepal, work with excluded groups appears to have had impact; however, the Maoist rebellion had already created a widespread internal debate about social and political inclusion. In fact, more recently dominant elites have attempted to use donor support to excluded elites to paint the letter as ‘western backed’ and to portray the inclusion agenda as ‘colonialist.’ Also in Nepal, donors now track their hiring by social groups.

International actors – on the development side, but also on the political – sometimes attempt to bypass divisions or overcome them – for example, French programming in Lebanon attempts to de-emphasize confessional identities and build up national Lebanese identities, and Japanese ‘human security’ programming fosters people-to-people ties.²² While there is logic to why donors want to engage in this kind of programming, to fully implement this theory of change would require programming at a vastly larger scale than has been attempted, and even then the idea that externally funded programs could be effective seems highly specious. In matters of identity, international action is (understandably) circumscribed. And in cases where aid is a small portion of national income and thus limited in leverage, small bore programming seems likely to be irrelevant or at best extremely marginal in its impact.

International actors sometimes attempt to legitimate excluded political elites during moments of acute transition. When a political crisis occurs within a country, there is a degree of fluidity in political arrangements, and the moment may provide openings for renegotiating the political settlement. Donors engage in this directly through mediation (elaborated below), but there is also a more subtle process at work of legitimating actors through political signaling. The most obvious version of this is high-profile meetings with visiting ministers – a technique used elaborately in Lebanon, and recently in Myanmar, when Hillary Clinton’s visit was used to legitimize the civilian government and draw attention to pro-democracy leader Aung San Suu Kyi. In this strategy, foreign offices are often the driving force rather than development ministries, though visits by development ministers or senior development officials can be used for similar effect.

In this practice we encounter an interesting gap between the practice of policy and the tools of social science. Social science knowledge of legitimacy and how it is formed fails to explain why there is any national or international value in this kind of political ‘laying

²² In some cases, foreign policies and aid characteristics reflect national identities. See Alison Brysk, *Global Good Samaritans* (Oxford University Press 2009).

on of hands'. Yet it is a major part of diplomatic activity in contested contexts, and is often nationally, rather than internationally, driven – in Afghanistan, Myanmar, Lebanon, and Sierra Leone we found evidence of national actors actively seeking this kind of political recognition from international elites.

3. Creating political space/public debate

Perhaps the most interesting strand of strategy that we encountered is what we might refer to as creating political space. In contrast to the empowerment of marginalized groups, such a strategy seeks primarily to deepen social inclusion to the population as a whole –rather than broadening political inclusion across ethnic, caste, religious, or gender lines, mainly through engagement at the elite level. This strategy assumes a certain degree of stability, and focuses instead on expanding inclusion. It is best used in situations where elites are unlikely to defect from the political settlement, and greater debate and civic involvement will not drive a government backlash or broader violence as elites vie for popular support.

In several of the cases we examined, international actors invested both financial and political energy in activities designed to foster norms of inclusivity or to generate/shape public debate around such issues. Techniques for this include:

- invest in civil society organizations, both financially and politically;
- invest in media development;
- collect and publish data (donor-generated) on minority groups, human rights issues, and similar;
- finance independent research and data collection (generated by national actors, even members of excluded groups, as well as international actors) – some of this specifically directed at issues of inclusion, minority groups, human rights, etc.; some on less political topics, but motivated by the theory that the generation of evidence-informed policy debate within the national political debate leads over time to greater emphasis on political inclusion/human rights issues – a credible, though unevaluated theory.

In theory, funding civil society has two primary possible pathways of influence. First, civil society can be one pathway to increase voice and accountability, thus empowering a drive for change from society as a whole. Second, aid can be used to build capacity, thus ensuring that if the opportunity for the expansion of the political settlement occurs, civil society actors are equipped to act.

In Nepal, development agencies provided support for identity-based NGOs and for research, particularly on social, economic, and political exclusion. More broadly, donors encouraged discourse and debate on social exclusion, funding informal and formal discussions to help draw attention to the issue.

Given the tight restrictions on media and debate inside Burma prior to 2011, much of the donor activity was targeted to exile groups with strong links within the country, to encourage information sharing, greater independent media coverage, and political expression.

In Sierra Leone, UNIPSIL's support for building civil society was even more direct, supporting the establishment and development of democratic institutions like the Political Parties Registration Commission, All Political Parties Women's and Youth Associations, National Electoral Committee, and the Independent Media Commission.

Through support for such organizations, UNIPSIL sought to facilitate the peaceful transition of power and stem emerging conflicts.

Of course, there are also risks here: political, if support to NGOs creates a nationalist backlash against them; fiduciary, if they do not have adequate financial management capacity; and reputational, for both reasons.

The extent to which investment in political space has impact is uncertain. Nepal and Kenya stand out in terms of the scale of this investment and a credible story line that it had positive impact on the political debate and strategies of key actors during the peace process period. There again, however, international actors operated within a pre-existing normative debate created by national actors, rather than created by international actors. And in Kenya, the investment benefitted from a pre-existing high-capacity media and civil society presence.

Pakistan is another interesting example of where the media has stepped into the role of providing a public forum for debate and criticism of the government – but again, most of this shift has been nationally driven, and bolstered by a highly educated and wealthy elite. On the other hand, international development actors show an increasing inclination to support this opening of space. Of course, potentially violent and exclusive groups can use media – and do, especially in places like Pakistan – to forward their interests, and donors may be ambivalent about such uses. But here we consider it as a forum for these kinds of debates, and a more constructive one than violence.

It is not evident whether such investments can themselves create this kind of normative space. There is a credible story line that suggests that combining investments in public debate and capacity building can help pre-position relevant actors to take advantage of moments of opportunity when they arise.

Civil society actors may also be to impact the timing and durability of reform, but are often less influential in the forging of a new settlement. In the Kenyan context, while protests played an important role in spurring change, the pact was ultimately forged among elites: four mediated agreements, including ceasefire provisions; a power-sharing agreement; and a roadmap for addressing major governance concerns and longer-term underlying causes of conflict. Still, Kenya's pre-existing strong civil society was engaged in lobbying to influence negotiations, most notably the Concerned Citizens for Peace Forum (CCP), the Kenyans for Peace Truth and Justice (KPTJ), and the Kenyan Coalition of Human Rights Organizations (KNHCR). In implementation, the Open Society Institute hired a company to provide objective monitoring reports on implementation, making extensive use of public polls. These reports would then be fed back into the official process, thus ensuring a strong role for civil society. In Sierra Leone, UNIPSIL's work in encouraging civic participation is seen as an important feature of expanding political dialogue and stabilizing the settlement, but the existential threat to the settlement lies in a recurrence of violence driven by elite behavior.

Current efforts to create normative space in Rwanda may encounter significant headwinds. In Rwanda, the emphasis is still stability, rather than inclusion, and the government is actively opposed to this sort of support, which could lead to a backlash or deteriorating relationships between the government and international actors. Moreover, lack of unity or coherence among external donors is likely to limit the impact of such efforts.

More robust versions of the same theme include supporting and facilitating national dialogue processes. Multilateral actors, especially the UN (either UNDP or UN missions in some cases), usually lead these processes, rather than bilaterals, based upon the

assumption that multilaterals are less likely to be tainted by accusations of colonialism or western bias than an individual western donor. The viability of this assumption depends heavily on the political reputation of the multilateral in the specific context, but in at least two of the cases we examined – Nepal (UNMIN) and Sierra Leone (UNIPSIL) there was credible evidence to support this theory.²³ Multilateral actors are not always viewed by all parties as independent or legitimate, however; in Lebanon, the UN political mission is often seen as closely aligned with the pro-Western forces within government, and UNIFIL has an explicit mandate to extend the authority of the government (a mandate given at a time of dominance of western-backed forces in government) and to disarm “illegal” groups – i.e. Hizbullah. In Rwanda, the UN’s indecisive action in response to the genocide and undermining of national judicial processes through the International Criminal Tribunal for Rwanda (ICTR) has discredited its actions in the country.

3.b. Support from regional actors

Regional actors may be able to influence elite motivation in low-income fragile states at least as much, and possibly far more, than international ones. Many experts suggest that the ASEAN approach proved the most effective in fostering positive change within the Burmese political settlement, as maintaining relations with the government allowed a greater exchange of ideas and – importantly – enabled the Burmese government to fully recognize the degree to which it had fallen behind its neighbors. There are often trade, business, and cultural links among regional elites, and these may more strongly affect the decision-making calculus of elites than Western opinions. Furthermore, the Burmese government saw chairmanship of ASEAN as an important symbol of international prestige, another potential factor driving liberalization.

We know much less about this than we should; but the increasing role of regional organizations in mediation activity, in defense of democratic norms, in human rights monitoring, and similar, suggests a storyline of growing regional influence. International governments (generally through political and economic branches) are in turn sometimes influential with elites within regional organizations, either because they finance activities or because senior elites within regional institutions may also be looking to international institutions for their career trajectory; or simply because the regional institutions in question may have a pre-existing normative or socialized alliance with international ones. This space is under-explored, and warrants further research.

4. Mediation

Mediation can be used as a means to stabilize a political settlement, by facilitating contact between opposition elites; supporting national parties in reaching agreement; encouraging both horizontal and vertical inclusivity to promote the sustainability of the agreement; legitimizing a political agreement; withholding legitimation from draft agreements that do not address inclusion issues; and helping to limit the potential for spoilers or a resurgence of violence. This strategy relies upon the assumption that stability is the foremost objective, and inclusion is seen as a means to support stability. Mediation, especially of peace agreements or regime transition agreements, also raises the question of how much or to what extent agreements may offer an opportunity to change the underlying settlement.

²³ In our interviews, UNMIN and UNIPSIL were generally regarded favorably, though both were also accused of meddling unduly with internal affairs, showing how very complicated it can be for international actors to gain legitimacy of action.

The study of mediation is a broad one, and there is no need here to restate findings from other research on the impact of mediation.²⁴ It is worth making four main points.

In the cases we examined, the viability of external mediation rested heavily on the quality and coherence of the *national* process. While the cases we examined were not a representative set for mediation, this conclusion aligns with recurrent findings in the mediation literature.²⁵ Case analysis suggests that one of the reasons why Annan's mediation effort in Kenya was successful was that it built on a pre-existing effective national mechanism, the Kenyan National Dialogue. (There was multilateral support to that mechanism.) This facilitated strong national ownership in the process. Visits by Kofi Annan and other AU Panel members at strategic points have been credited with maintaining focus, domestically and internationally, on the Kenyan political settlement. By contrast, in Somalia, the array of actors involved – from those who contest the control of a central state (al Shabaab), to those who contest the composition of the government, to those who seek self-determination – presents a fundamental challenge to mediation efforts. The Transitional Government has failed to engage these complicated political interests or to engage in substantive reconciliation, cooperation or confidence-building discussions.

Second, the complementarity of actors involved in mediation is an important variable.²⁶ When mediators work together (and organizational processes need to change to facilitate so that they *can* work together), it amplifies the effect of the mediation. There is also a legitimacy factor here, which is not well understood, but is often leadership (and personality) dependent. Kenya stands out as a positive case, where there was an unusually high degree of unification behind a mediation effort led by Kofi Annan. That both the UN and the United States government treated Annan as “their” mediator substantially added to his perceived leverage, and radically minimized the kind of mediator-on-mediator disunity and incoherence that often characterizes international efforts. Again by contrast, while AU and UN missions have been at the forefront of the Somalia political process, they have not been strongly supported by foreign ministries. The overlap in the Intergovernmental Authority to Development (IGAD), AU and UN political mandates has prevented one from emerging as a political lead. Confounding these problems is the fact that these organizations genuinely disagree about the appropriate strategy, and whether a long-term process to support a strong central state or a more rapid reconciliation agreement to create a decentralized state. Substantial disagreements among major western governments about strategy further complicates the terrain. It remains to be seen whether the entry of new actors – specifically Turkey – will add further incoherence or provide a more constructive entry point around which other actors, fatigued by the poor results of their own efforts, could rally.

²⁴ Barbara F. Walter, “The Critical Barrier to Civil War Settlement,” *International Organization* 51 (1997): 335-364; Stephen J. Stedman, *Peacemaking in Civil War: International Mediation in Zimbabwe, 1974-1980* (Lynne Rienner 1990); Caroline Hartzell, Matthew Hoddie and Donald Rothchild, “Stabilizing the Peace after Civil War: an Investigation of Some Key Variables,” *International Organization* 55 (2001): 183-208; Lori Fisler Damrosch, *Enforcing Restraint: Collective Intervention in Internal Conflicts* (Council on Foreign Relations 1993); Saadia Touval and I. William Zartman, *International Mediation in Theory and Practice* (Westview Press 1985); Jacob Bercovitch (eds), *Resolving International Conflicts: The Theory and Practice of Mediation* (Lynne Rienner 1996); Jacob Bercovitch and Jeffrey Langley, “The Nature of the Dispute and the Effectiveness of International Mediation,” *Journal of Conflict Resolution* 37, no. 4 (December 1993): 670-691; Jacob Bercovitch, J. Theodore Anagnoson and Donnette L. Wille, “Some Conceptual Issues and Empirical Trends in the Study of Successful Mediation in International Relations,” *Journal of Peace Research* 28, no. 1 (February 1991): 7-17; Marieke Kleiboer, “Understanding Success and Failure of International Mediation,” *Journal of Conflict Resolution* 40, no. 2 (June 1996): 360-389.

²⁵ Lakhdar Brahimi and Salman Ahmed, “In Pursuit of Sustainable Peace: The Seven Deadly Sins of Mediation,” *Annual Review of Global Peace Operations* (Center on International Cooperation 2008).

²⁶ See Bruce Jones, *The Challenges of Strategic Coordination: Containing Opposition and Sustaining Implementation of Peace Agreements in Civil Wars* (IPA Policy Paper Series on Peace Implementation 2001).

Third, mediation efforts are rarely evaluated effectively.²⁷ There are good methodological reasons for this; evaluations of mediations and political settlements share the same comparability, attribution, vague and/or evolving objectives, and lack of baseline data problems. There is episodic evaluation effort from the mediation NGOs, and some academic case studies on it. A recent collaboration between DfID and CIC on this issue has resulted, though, in the UN Department of Political Affairs adopting a new evaluation framework (and a test of this framework in three cases was recently submitted to HMG).

Fourth, the cases examined and recent experience suggest that it will be increasingly common and necessary for mediation of armed conflicts to address issues of the inclusiveness of political processes and settlements. The peace process in the Nepal case is a case in point. Social and political exclusion lay at the center of the agenda and recruitment practices of the Maoist insurgents, leading to the placing of this issue on the agenda of the Comprehensive Peace Agreement. The peace process and inclusion issues became intertwined in ways that challenge traditional approaches to mediation and offer new avenues for donor influence on political settlements that go beyond peace settlements.

What several of these mediations have in common is that the outbreak of violence creates incentives for dominant elites to revisit the question of political exclusion. There are several possible theories for this occurrence: security fears may prompt dominant elites to act to end violence, and inclusion is simply a necessary concession; economic interests may be at stake in countries where the dominant elites profit not from predatory or extractive practices but from government revenue, which may be dampened by ongoing instability; and national sentiments may be invoked, causing leadership to act to resolve threats to national stability. Irrespective, one of the challenges for those actors concerned to avoid violence is how to communicate to dominant elites their potential interests in inclusive settlements in the absence of the inducement or direct impact on interests that violence can create.

5. Coercive approaches

As with mediation, there is a broader literature on various coercive approaches (some are more complete than others) although the literature is partial and out of date.²⁸ There is far less knowledge than there needs to be about the ways in which different forms of coercive diplomacy actually function, but in this baseline study we merely examine the theories of change around coercive diplomacy, rather than provide a comprehensive assessment of their effectiveness.

Donors can adopt either soft or hard coercive measures. These must be approached with caution, as external actors risk severe backlash if they are seen as meddling with the political settlement, most obviously when they explicitly seek to advance an inclusion agenda, especially when domestic elites invested in the status quo can use international intervention to delegitimize a reform/inclusion agenda. Coercive strategies generally

²⁷ *Strategic Planning in Fragile and Conflict Contexts* (Center on International Cooperation July 2011).

²⁸ Readers interested in the question can peruse Daniel W. Drezner, *The Sanctions Paradox: Economic Statecraft and International Relations* (Cambridge University Press 1998); Daniel W. Drezner, "The Hidden Hand of Economic Coercion," *International Organization* 57 (2003): 643-659; Robert A. Pape, "Why Economic Sanctions do Not Work," *International Security* 22, no. 2 (Autumn 1997): 90-136; Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott, *Economic Sanctions Reconsidered: History and Current Policy* (Institute for International Economics 1985); Dursun Peksen, "Better or Worse? The Effect of Economic Sanctions on Human Rights," *Journal of Peace Research* 46, no. 1 (January 2009): 59-77; and Michael Chaitkin, *Understanding Sanctions Effectiveness* (Center on International Cooperation 2010).

derive either from political and security objectives or human rights concerns, and issues of stability and/or inclusion generally marginal to these calculations. Sometimes the objective of coercive measures is sweeping, such as regime change. Where the goal is stability and/or inclusion (e.g, aid conditionality), the underlying assumption is that the elites in question are reluctant to change, but dependent enough on international actors that disincentives could shift the cost-benefit analysis. Often, the problem is that there is no effort to connect the use of coercive measures with their use through a coherent and thorough theory of change.

Soft coercive measures range from public criticism of government policy and conditionality of aid; hard coercive measures include sanctions. There are, of course, also military coercive measures, including training and equipping rebels (Libya), or direct military intervention – but a comprehensive study of these interventions is beyond this scope of work.

Economic coercion – both “soft” (conditioning aid) and “hard” (sanctions) – can be used as a form of leverage to promote government reform. By changing the economic incentive structure, such policies can create either positive or negative inducement to change. The conditionality of aid is predicated on the idea that the government is reliant enough on aid as a source of power or legitimacy that it will bend to international pressure.²⁹ Sanctions, meanwhile, are designed to undermine economic sources of power for actors in a country³⁰: in the Somalia context, targeted sanctions were levied against potential spoilers of the peace process and towards undermining al Shabaab; in Burma, they sought to destabilize the regime or compel military rulers to relinquish controls.

In Burma, economic coercion is turning from hard to soft: strict sanctions, both targeted and general, have been widely criticized as ineffective at dislodging the regime. The regime survived off – and profited from – rents from natural resource extraction, creating a “resource curse”,³¹ while the sanctions may have negatively affected development: the 2003 US import ban on Burma’s garment industry is estimated to have eliminated 75,000 jobs virtually overnight.³² Even smart sanctions, such as those levied against resource industries, have been criticized for feeding xenophobia and making elite actors even more dependent on the corruption of the regime.³³ With the new civilian government, the US has implied that aid will be conditioned on further progress in reform.

²⁹ For more, see: Peter Boone, “Politics and the Effectiveness of Foreign Aid,” *European Economic Review* 40, no. 2 (February 1996): 289-329; Stephen Knack, “Does Foreign Promote Democracy?,” *International Studies Quarterly* 48, no. 1 (March 2004): 251-266; James K. Boyce, “Aid Conditionality as a Tool for Peacebuilding: Opportunities and Constraints,” *Development and Change* 33, no. 5 (November 2002): 1025-1048; Ajit Singh, “Aid, Conditionality and Development,” *Development and Change* 33, no. 2 (April 2002): 295-305.

³⁰ For more on the theory and effectiveness of coercive measures such as sanctions, see Daniel W. Drezner, *The Sanctions Paradox: Economic Statecraft and International Relations* (Cambridge University Press 1998); Daniel W. Drezner, “The Hidden Hand of Economic Coercion,” *International Organization* 57 (2003): 643-659; Robert A. Pape, “Why Economic Sanctions do Not Work,” *International Security* 22, no. 2 (Autumn 1997): 90-136; Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott, *Economic Sanctions Reconsidered: History and Current Policy* (Institute for International Economics 1985); Dursun Peksen, “Better or Worse? The Effect of Economic Sanctions on Human Rights,” *Journal of Peace Research* 46, no. 1 (January 2009): 59-77, and Michael Chaitkin, *Understanding Sanctions Effectiveness* (Center on International Cooperation 2010).

³¹ See, for example, Ian Bannon and Paul Collier (eds) *Natural Resources and Violent Conflict: Options and Actions* (World Bank 2003); Michael Ross, “The Political Economy of the Resource Curse,” *World Politics* 51 (January 1999): pp. 297-322.

³² Thihan Myo Nyun, “Feeling Good or Doing Good: Inefficacy of the US Unilateral Sanctions Against the Military Government of Burma/Myanmar,” *Washington University Global Studies Law Review* Vol 7: 455-517.

³³ John R. Freeman and Dennis P. Quinn, “The Economic Origins of Democracy Reconsidered,” *American Political Science Review* 106 (February 2012): pp. 58-80.

Coercive measures appear, unsurprisingly, to be most effective where the international community has real leverage and a coherent strategy. In Burma, the total control that the military government wielded – as well as the involvement of China and other buyers – meant that the regime was buffered from western sanctions. In Afghanistan, despite aid making up the majority of government revenue, the political quagmire that the west faces and the security importance of the state means that many of its threats are hollow. For instance, few see the anti-corruption stipulation for the next \$4 billion in international aid, agreed to at a major donor conference in Tokyo in July 2012, as a genuine threat.

Unintended and Negative Consequences

In this study, we concentrate on how (if at all) international actors affect political settlements, and especially their degree of inclusion. But this does not mean that we are unaware that there is an important normative element that undergirds any international action. Such fraught normative concepts cannot be addressed in full here, but because the potential unintended consequences and risks (of both action and inaction) were an overall theme across our cases, we thought it worthwhile to point out some of the issues.

The reality is that despite the growing evidence that shows short-term stability requires an “inclusive enough” settlement, there are still many questions, including how inclusive is inclusive “enough”, and how much broader inclusion (beyond elites, to include marginalized groups) affects longer-term stability. Though inclusivity is a powerful concept in and of itself, the normative aspects are more difficult to argue, and the evidentiary-based arguments are limited in scope and require further testing. It is therefore a difficult topic on which to engage.

A further complication is the often-contradictory aims of external actors themselves. Even beyond basic issues of coherence within donor governments is a larger normative problem, which is that all good things do not necessarily go together. Liberal aims can contradict each other, such as the goal of elections as an accountability mechanisms and the desire for more inclusive policies – elections may in fact instill a less inclusive regime.

These tensions require more attention than they currently receive, and the ills of unintended consequences (as well as the risks of both action and inaction) need further emphasis. An illustrative episode occurred in Afghanistan, where international actors found that attempts to change national power dynamics to better suit political interests had unintended consequences. In *Little America: the War Within the War for Afghanistan*, Rajiv Chandrasekaran describes the effects of UK pressure on Karzai to remove a powerful official involved in the drug trade, whose region did not receive a great deal of international funds: the official convinced Karzai to replace him with a relative. He then sent 3,000 of his men to the Taliban, saying he had no way to pay them and in doing so deepening his ties with the insurgency.³⁴ The US in particular, has engaged with these preexisting power dynamics. For instance, convoy routes encouraged new alliances and empowered certain actors by grace of geography – these routes typically crossed multiple territories, so that taking a truck from Kandahar to Musa Qala involved paying three different powerbrokers. The PSC also preferred a younger, more educated group of strongmen better able to communicate with international actors and capitalize on business and government networks, which shifts the balance of power and resources in favor of these younger elites, and profoundly affects the settlement.

Alternatively, financial or military support may affect the political settlement. Lebanon and Burma offer two very different examples of how foreign intervention can either strengthen or weaken a central government. In Lebanon, Iran has invested \$50 billion in Lebanon in the past 30 years, but has largely channeled this funding towards Shiite communities, especially Hizbullah. Infrastructure projects and military assistance have helped Hizbullah solidify control and thus weaken the state. Some argue that Hizbullah owes its survival to the 2006 war with Israel to Iran, which spurred Iran to immediately provide \$13.6 million to mainly Shiite Lebanese communities. These infusions of cash by Iran are largely meant to counter the influence of the West, which itself seeks to empower Western-leaning political players. In a highly fragmented state with little

³⁴ Rajiv Chandrasekaran, *Little America: the War Within the War for Afghanistan* (Random House 2012).

consolidation at the center, such as Lebanon, this support can weaken the state because support amplifies pre-existing divisions.

By contrast, in Burma, where the regime is more unified and dominant, Chinese support until recently helped the regime maintain control. In 2010 China invested more than \$8 billion in Burma. According to official Chinese data, trade between the two hit \$4.4 billion that same year, accounting for approximately 83% of Burmese cross-border trade. Arms sales and military aid has exceeded \$3 billion, much of which was leveraged against oil revenue. Chinese investment in large infrastructure projects, purchase of energy reserves, and provision of arms thus propped up the regime.

But support to a regime increasingly seen as illegitimate by its citizens can ultimately backfire (as western donors learned in Nepal). China's close relations with the former ruling junta has made it deeply associated with corruption, environmental degradation, and economic control. The decision not to complete a \$3.6 billion Chinese-funded dam was viewed by many as a sign of potentially deteriorating tensions with China. Furthermore, while the new civilian government has promised to follow through on its existing energy provision contracts, it has promised to prioritize the internal market for fuel. Citizen frustration with Syria's occupation of Lebanon came to a boiling point in the 2005, following the assassination of former Prime Minister Rafik Hariri. Popular demonstrations against the pronounced Syrian presence united an otherwise divided Security Council, which imposed an international investigation and mounted intensive pressure that ultimately led to the withdrawal of Syrian occupying forces from Lebanon.

How do development agencies understand political settlements? Political economy analysis and the problem of incentives.

Over the past decade, development agencies have increasingly understood that peacebuilding and statebuilding are inherently political processes. As a result, donors have generated a cornucopia of analysis and assessment tools to try to understand these dynamics, from conflict assessments (such as DfID's Strategic Conflict Assessment, USAID's Conflict Assessment Framework, Sida's Manual for Conflict Analysis), to governance assessments and quantitative governance measurements (such as the World Bank's World Governance Indicators and the Millennium Challenge Corporation scorecard) to political economy analyses (such as the UK's Drivers of Change Analysis, Sida's Power Analysis, and the Netherlands' Strategic Governance and Corruption Analysis).

In our interviews, we found that field teams often had available to them political analyses and/or assessment reports, many of which were excellent. However, we also found in several instances that they were out-of-date and not well maintained; this, essentially, because these assessments were seen as one-shot 'outputs' rather than as a central strategic tool for programming.

Moreover, we found that this work does not consistently translate into practice.³⁵ Political analysis continues to be treated as a standalone exercise, rather than central to developing an overall approach. In many donor agencies, political economy assessments are optional, rather than mandatory, and there is no formal framework through which assessment findings feed into planning. Many of the reports using these frameworks,

³⁵ For a more in-depth review of assessments and their impact on decision making, See Sue Unsworth, "Is Political Analysis Changing Donor Behaviour?", Paper Prepared for the Conference of the Development Studies Association, London, September 2008; and Jenna Slotin, Vanessa Wyeth, and Paul Romita, *Power, Politics, and Change: How International Actors Assess Local Context* (International Peace Institute May 2010).

while containing excellent analysis, do not offer concrete policy or programming response options.

Why might this be? The literature points to a combination of factors, for which we found at least preliminary support in our study. Many of these reasons trace back to the political economy of donor governments and development organizations themselves, where incentives are structured around the need to disburse funding, deliver projects, and demonstrate results. This is especially apparent in the wake of the financial crisis, shrinking aid budgets, and corresponding emphasis on “value for money.” Development agencies and departments tend to hire technical specialists, -- for example, in health, education, or agriculture -- rather than generalists or those with country-specific knowledge. With the exception of specialists working on governance and conflict, the staff of development agencies are not trained in the use of these kinds of analytical tools, nor evaluated on or rewarded for their ability to apply a political economy lens to their work. The combination leads to many very bright and ambitious country team officers whose career advancement is based upon the results (generally short-term evaluations) of discrete projects.

This does not mean that field staffs were not aware of political settlement issues. Experiences ranged widely, from those intimately familiar with the concept if not the term itself, to others who were uncomfortable with political issues. Nor does it mean that field staff who were aware of political economy dynamics were not concerned with influencing them. Here, reactions ranged from active efforts to develop a theory of influence and translate it into program activities, to general reluctance to take on such ‘political’ activities within development programs.

Rather than generate new tools of analysis, existing analyses need to be put to better use, starting with efforts to situate existing analyses into an overall country strategic framework united around clear objectives. In the next section, we lay out a starting point for this approach.

Unanswered Questions: A Research and Knowledge Agenda on Political Settlements

For the stability of political settlements that follow episodes of violence, or threatened imminent violence, inclusion clearly matters – but how much? Are some forms of inclusion (elite versus social) more stable than others? Under what circumstances? To what degree can various forms of inclusion compensate for institutional weaknesses during the longer period it will take to develop and deepen institutional capacities? And what can outside actors do about all this?

Pose the question in this way: will Sri Lanka's government's decision to largely exclude the Tamils from government process, after the defeat of the Tamil Tigers in 2009, lead to the build-up of resentment and grievances that will pose a future risk of war? Will Rwanda's strategy of light inclusion of Hutu elites in senior positions, combined with broader access to economic benefits, allow it to develop (to use its own reference) in a Singapore-like mode? Or will the Rwandan government face increasing tensions as groups excluded from direct political authority agitate for more inclusion, leading to harsher government crackdowns and the erosion of confidence, developing into a negative spiral? (There is a case to argue that this is already happening in present-day Rwanda.) At present, we don't know enough to answer these questions with any degree of confidence. That undermines the ability of external actors to engage national authorities on these questions even where there is a compelling case for increased inclusion.

To understand the importance of inclusion, inclusion as a variable needs to be isolated from the other factors that drive conflict and/or recurrence. Call's analysis of the impact of inclusion or exclusion decisions on recurrence is a solid basis. But there is a real methods challenge here – it's not specific to the question of inclusion, but general to the question of understanding patterns of war and recovery.

Put in oversimplified terms, the problem is one of relatively small numbers of wars versus relatively broad variation in circumstance. A large number of variables affect the growth of a stable, peaceful political settlement – the nature of the state, the nature of the underlying social structure, the presence and type of prior violence, the degree of external interference. To isolate the impact of a specific variable within that variation, large-N, cross-national studies can help, though at the expense of contextual understanding and explanatory richness. But the total number of recoveries from large-scale violence and conflict don't add up to 'large-N' – there aren't enough data points. That is, unless one takes the step, as many quantitative studies do, of treating every single year of war as a discrete data point – a step that makes sense from the perspective of statistical method, but one that is inimical to understanding the dynamics of politics and relations between elites or social groupings within a war or in its aftermath.

Given (a) the potential importance of the issue and (b) the genuine methodological difficulties of deeper comparative analysis, we suggest a two-track approach that balances comparative work with improving the tools for case-specific analysis and guidance.

Track 1 – Comparative research

On the comparative track, we would argue for a fairly practical research approach that balances: data gathering; comparative case work that is designed to identify the specific mechanisms by which inclusion or exclusion decisions worked to undermine political

settlements, under various conditions; and deeper investigation of the concept of risk and confidence-building. This would have several elements:

1. Data development. The paucity of data in this terrain constitutes an important barrier to further research. Although investment on data gathering cannot pay short-term dividends, this issue isn't going away and over a 2-3 year period, an upfront investment in data could substantially aid field-based and general policy. The key priorities here are:
 - 1.1. Develop a database of political settlement 'events'. As stated, our orientation is towards longer-running concepts of political settlement and re-settlement through and after violence. However, from a research perspective it is evident that a focus on the discrete agreements that punctuate that long-running process – peace agreements, power-sharing arrangements, constitutional conferences, etc. – can help to ground a research agenda. And these events constitute important moments when long-structured relations can be shifted. This would constitute a first initial step in deepening the data for further analysis of political settlements.
 - 1.2. The lack of consistent, granular data on political institutions and political variables constitutes a major barrier to effective research. This is especially true of sub-national institutions, for which comparative data is almost entirely lacking. There is no particularly compelling way to retrospectively fill data holes on political institutions in fragile states, but it is warranted to invest in substantial new data collection efforts to provide better quality, more consistent, time-series data on political institutions where such measures neither exist nor can be met with credible proxies.

Consistent and continuous monitoring and evaluation is another area for work. The Kenya case highlights the value of continued outside observation – objective reports on implementation, making extensive use of public polls, were cited as one important mechanism to engage civil society and build confidence in the implementation of change.

To take the need for data seriously will require 1) a better understanding of the underlying theories (legitimacy as an empirical concept, for example); 2) investment in collecting and publishing data (through the enhancement of questions in existing survey tools and expansion to more countries); 3) investment and continued vigilance in analyzing the data; 4) engaging national elites on the importance of data (this is where involvement by national researchers and analysts, as seen in Nepal, can help). Unless leadership is engaged in translating evidence into policy change, even top-quality data cannot accomplish anything.

2. Deeper understanding of causal mechanisms, using comparative study, under different kinds of circumstances:
 - 2.1. Detailed comparative study of cases of the sequence and nature of exclusion decisions in cases with one-sided military victory, to further elaborate the causal mechanisms that led to relapse in those cases that returned to violence, or to success in those cases that did not.
 - 2.2. The sequence of elite and popular inclusion measures in long-running successes in post-conflict stability (e.g. Mozambique, Nicaragua, Cambodia, South Africa) etc – to gain a better understanding of how it is that these successful recovery processes balanced inclusion and stability concerns.

3. A research thread on confidence-building and risk. Using a database of political settlement events, a further research step could address the following essential question: Under what circumstances do elites abandon an existing settlement? This is a challenging issue from a research perspective.
 - 3.1. An initial step would be to conduct a thorough literature review of the literature on confidence and risk, which is best developed in the literature on financial crises, and explore its application in conflict settings.
 - 3.2. A further option would be to engage in what we would describe as ‘risk-calculation mapping’, i.e.:
 - 3.2.1. Through intensive interview processes, try to identify the factors that go into the calculations made by top elites as to whether or not to participate in the national political and economic process after a settlement.
 - 3.2.2. Through extensive interview processes, try to identify the factors that go into the calculations made by local elites as to whether to participate in the national/local political process. (On this issue, the work currently being undertaken by the Asia Foundation in three cases of sub-national conflict in Asia provides useful foundational work and an example of method.)
 - 3.2.3. Through a combination of extensive interview work and economic / geographical mapping, assess the calculations that go into local economic elites and as to whether or not to make economic investment decisions (re-opening shops/small businesses, etc.).
4. In addition, there are a series of cognate issues that need deeper theoretical or empirical research and investigation:
 - 4.1. Deepen the anthropological/sociological research on the lingering effects of violence on social norms. Build on path-breaking work by Leonard Wantchekon on the long-term, even generational impacts of slavery on social codes and norms, to adapt that work to the impacts of civil violence.
 - 4.2. Political settlements and organized crime. Patterns of war and violence are changing. There is initial evidence of a rise in the impact (and level) of organized crime in several regions, notably Latin America and West Africa, and there is some evidence of a direct relationship between the nature of post-conflict recovery and the onset of organized criminal violence. Micro-studies reinforce these conclusions, for example in Colombia and Guatemala. Broadly speaking, though, there is both (a) less knowledge than warranted on the dynamics of organized crime and (b) less knowledge than warranted about the connections/relations to civil war or post-war dynamics. Similarly, we are only beginning to understand the ways in which transnational terrorist organizations prey on and/or amplify local conflicts for their own purposes. The research agenda includes:
 - 4.2.1. Further but comparative, cumulating research on the impact of specific social structures on patterns of mobilization and demobilization, and the impact in turn on the likelihood that former combatants will re-organize for organized crime.
 - 4.2.2. What is the relationship between democratization processes and organized crime risks;; some initial literature suggests that just as nascent democracies are at greater risk of civil conflict, they are also at greater risk of organized crime, but this needs to be tested.

- 4.2.3. What is the relationship between organized crime and de-legitimation does a state lose legitimacy in the eyes of elites/population through association with organized crime? At what level/point?
- 4.3. Elite-society relations. The authors lack the expertise on the literature on elite formation and the social dynamics of elite-social relationships to fully articulate how a research agenda should be developed that relates to conflict issues. One option as a starting point would be a seminar that brought together some of the major contributors to that literature and some of the major contributors to the literature on political settlements in relation to violence, for a joint exploration of that question.
- 4.4. The dynamics of legitimacy after revolutions, occupations, wars; western approaches to process and performance legitimacy do little to capture some of the sense or forms of legitimacy that appear to be in operation in war-torn societies; practitioner observation tends to place a far higher premium on these dynamics than most western academic research. A research/practitioner dialogue on the dynamics of legitimacy in fragile states is overdue.

Track 2

Adapting Tools for Case-Specific Analysis

But how to improve decision making in the field?

Consider the Strategic Environment

First, country teams could be encouraged, within existing frameworks and tools, to stress the political settlements component of their political economy and governance assessments, where they are operating in a context shaped by recent or ongoing violence. The following lines of inquiry could be highlighted within existing planning and assessment tools.

Across cases, these factors play a role in influencing elite attitudes, and therefore potential pathways or roadblocks to reform.

5. Elite dynamics

5.1. An understanding of recent volatility or violence

- A distinction between cases of war and cases of sharp political transition where either violence was threatened but not used (Lebanon 2010), or violence was limited in time and scope (Kenya 2008).
- In cases of full-blown war, factors include the duration and severity of the conflict; the degree to which one or more party used brutalities against one group as a tool for political mobilization or to induce submission (massacres, large-scale use of rape, systemic use of horror, e.g. chopping off or arms/hands/feet), etc.).

5.2. Current and historical inclusivity

- A fuller understanding of historical dynamics will shed light on potential pathways for change and/or challenge – Ethiopia, for example, has a long history as a unified entity, whereas Mozambique prior to 1992 had a more contested history. In Sierra Leone, the Local Government Act following

the war drew upon a tradition of localized power and a local council structure that existed before and after independence. There is still tension between these local powers, but understanding these historical dynamics is key to understating political settlement and prospects for inclusivity and stability.

- Divisions among those included and empowered by the existing settlement. Tensions among the ruling elite may create openings for national leaders to emerge who are willing to challenge the status quo, which may extend to broadening or deepening the current settlement.
- Number of groups/parties competing for power, and the balance of power among them. In Myanmar, for example, over 120 armed groups, mainly ethnicity-based, have attempted to challenge the government, each with disparate claims. Fragmentation is a major factor in the limited success of positive change for ethnic minorities, compared the more united pro-democracy movement, which has benefitted more from the recent reforms.
- An understanding of the divisions that demarcate those excluded from the settlement – ethnic or religious lines, or another dimension (or dimensions).

5.3. Capabilities of excluded actors, including retention of a military mechanism; political, economic or military support from neighboring states; powerful sub-groups in neighboring states; economic capacity/ ownership of dominate substantial economic assets (including land).

5.4. Changes in resources and/or economic policy. These factors matter both as potentially disruptive changes in the balance and distribution of power, and also provide signals of openness to economic liberalization, which often provides openings for more inclusive social and political coalitions.

- Actions, public statements and policies with indications of priorities, attitudes toward inclusivity, and relevant attitudes toward the settlement and international actors, supplemented by general observations of experts and the public on elite attitudes and will.

6. Leverage. Leverage in this construct refers to the extent to which the external actor in question is able to exert influence or effect change. Knowing the *extent* of leverage allows international actors to plan and program within a feasible scope; knowing the *type* of leverage helps to target activities where they will be most effective. Indicative variables include:

- Historical, cultural, and/or colonial ties. External actors with a special relationship with the government in question will be better positioned to effect change. This may occur because of “modeling” effects (arguable present in the relationship between Myanmar and other ASEAN countries) or because of moral suasion, which is more powerful when coming from a known and trusted entity.

- Ex-Patriate communities and remittance flows.
- Aid dependency (% GDP comprised of ODA).
- Military support and other aid.
- Bilateral trade flows.
- Veto power or influencing power over host country agendas in multilateral settings.

7. External Coherence. International actors are neither homogenous (sometimes development agencies and foreign offices have differing objectives, for example), nor do they act in an uncrowded field. The universe of international actors in fragile states is growing as regional powers become more involved and middle-income countries become increasingly active outside of their borders. This points to an increasing need to map and analyze the external actors involved in a given environment to understand the dynamics and consequences of action or inaction. Indicative variables include:

- Major aid and/or other political, military, or development parties present – here, the number of actors matters less than variance in strategic objectives and approach.
- Technical coordination. Mechanisms that allow external actors (development partners and others engaging with the government in question) to communicate and even plan/fund/program jointly will allow for more effective attempts to promote inclusion.
- Coherence within governments (alignment among foreign offices, aid agencies, and defense ministries). Where political, military, and development actors can agree on objectives, their efforts – both jointly and separately – will be more effective. When development objectives are working against their own government's political and military work, development work will be at best weak and at worst counterproductive.

Where all of these favorable factors intersect, international actors have more space for action and are more likely to influence movement toward an inclusive settlement.

Depending upon the strategic environment, different tactics will be more or less effective – support to the government obviously requires elite attitudes to be open, at least minimally, to inclusivity, while coercive approaches are most appropriate where elites are not open, but external leverage and coherence is high. In the most successful cases, international actors employ multiple approaches to complement and bolster each of these variables, though this does not establish the causal pathway. It could be that there is more space to use a range of approaches in more favorable conditions; or it could be that by employing a range of approaches, donors influence each of these key variables. Further research should test these causal pathways in greater depth.

Data

As mentioned in the comparative section above, data is important to understanding dynamics and the most appropriate actions – or inactions. One way of better understanding the dynamics of a specific context is through surveys or focus groups.

In Lebanon, through a parallel study, an independent local research group conducted focus groups (drawn from civil society, the academic community, government, and other stakeholders). The comments and debates generated through this process provided a

wealth of insights on the settlement and confidence building measures. Though we had neither the scope nor financial support to conduct randomized surveys, and thus the groups necessarily reflect selection, the process – and the frank exchange of perspectives – nonetheless yielded insights from nationals that would be difficult to glean through existing data sources. This sort of exercise (or a scaled-up version, using randomized surveys) would be a good way to invest in greater comprehensive data and measurement on governance.

Donor Political Economies

In our study of cases, a striking finding was that of the eight cases surveyed, in only one case were field offices operating with an up-to-date political economy or governance assessment. Practitioners in the field often had available to them political analyses and/or assessment reports, many of which were excellent; but they were generally out of date, conducted as one-offs, and often seemed largely forgotten in planning and programming. In many country offices, political analysis continues to be treated as a standalone exercise, rather than as an ongoing process central to development strategy and operational programming. In many fragile development contexts, political economy assessments are optional, rather than mandatory, and there is no formal framework through which assessment findings feed into planning.

Rather than generate new tools of analysis, existing analyses need to be put to better use, starting with efforts to situate existing analyses into an overall country strategic framework united around clear objectives.

There is an evident need for additional effort around the generation, consumption and use of political economy analysis within development agencies. Notwithstanding the effort that has gone into such processes over the past several years, there is more work to be done to make political economy analysis central to programming especially in fragile states. There could be value, for development agencies, in an *internal mapping* exercise: tracking through specific cases to identify: who produces governance and political economy assessments; who reads them within the development agency; who *uses* them, in real programming.

More important still: what are the incentives for field staff around this work: do career incentives and pathways incentivize the development of genuine expertise in the political economy of a given country/region? Do development agencies, at a central level, rewards decision-making that uses such knowledge? Do career evaluation metrics account for the development and use of such knowledge, or are they predominantly hewed to technical and volume measures on aid spend? (A recent study of World Bank programming in fragile states, for example, showed that only 1/3 of World Bank country offices actually had used concepts of political settlement or peacebuilding in their country strategy; and use of peacebuilding or political settlement strategy in programming was completely irrelevant to staff performance review and career evaluation.)

Theories of Change

In our study, we identified five main theories of change that undergird programming and strategies to create pathways toward a more inclusive political settlement. Above we outline how these theories should be situated within an analysis of the strategic environment; but each theory needs to be tested to: 1) unpack the various mechanisms and methods to better understand when and how to utilize them; and 2) assess their

plausible causality. Though this requires testing each of these storylines across a greater number of cases, the ultimate goal is to better understand the most effective tools for a specific context, which is why we list this line of inquiry here rather than under the comparative research program, though it crosses both.

1) *Direct support to government*

- a. Deciding upon the extent to which support goes directly to the government is a much-debated one within the development field. The biggest question with this theory is how much does support to the government depend upon pre-existing government capacity (demonstrated through economic growth or service delivery) and how much can this approach be used in parallel with capacity-building efforts? The answer to this will help determine the effectiveness of this approach in a specific context.

2) *Support to opposition groups*

- a. Which of the various tools and methods work best in which settings? Capacity building, support to political party development, hiring diverse national staff, etc. are all ways of supporting excluded groups, but it is difficult to program around these strategies without a more solid base of evidence.
- b. How much does support to opposition elites translate to deeper inclusion for the least advantaged? Because support to opposition groups often depends upon leadership, a better understanding of the implications of both kinds of inclusion will help determine the appropriateness of this approach.
- c. A rich area for further research is the power of international legitimation. Social science knowledge of legitimacy fails to explain why there is any national or international value in this kind of political 'laying on of hands'. Yet it is a major part of diplomatic activity in contested contexts, and is often nationally, rather than internationally, driven – in Afghanistan, Burma, Lebanon, and Sierra Leone we found evidence of national actors actively seeking this kind of political recognition from international elites. Much of the focus on “international legitimacy” focuses on the international community’s views of states and their ability to execute international law responsibilities. Our research suggests that the reverse of this dynamic – a state’s view of the international community as it relates to national processes – may play a role in its political settlement. Further research would explore why national actors seek this kind of legitimation, how different contending elite groups perceive these visits, and what sort of effects it has on bargaining among groups.

3) *Creating political space*

- a. There are two main components to this storyline that require further research: first, what is the role of voice and accountability in empowering broader society to drive real change?; and second, what is the role of capacity building as a pathway to effect change in the political settlement?
- b. In interviews, the idea of media influence was raised several times, and this is an especially appealing theory in light of the rise of social media

and its use in the Arab Spring.³⁶ The basic tenet of this theory is that social media allows for the airing of shared grievance and political mobilization. This facilitates would-be reformers to bypass government control of information and media, as is common in many exclusive societies, and to overcome problems of coordination.³⁷

- c. This is, however, an untested conjecture. Access to information may equally harm stability and/or inclusion, through the spread of harmful ideas (such as violent jihadism), by using new media as a form of social intimidation (such as videos of Mexican drug cartels torturing and killing rivals); and by providing access to potentially dangerous information (such as information on bomb-making).³⁸ Further work is needed to identify the connection between media (traditional and social) connects to the ability of society to share ideas and organize in a way that may drive change in the political settlement.
- d. What is the role of providing evidence and/or data? The WDR emphasizes the role of data (especially perception surveys) in providing helpful feedback to national leaders and reformers in post-conflict situations, to help them monitor legitimacy, confidence, and trust, and showing to what extent the government is perceived as delivering “early results”.
- e. Data may also help highlight the potential negative consequences of inaction. But this is an area in need of further study: how much does this actually influence change, and in what ways? Are data more useful for solidifying new settlements, rather than in instigating change?

4) *Mediation*

- a. There is much high-quality work on the theory of mediation already, and what remains to be investigated is how much or to what extent agreements may offer an opportunity to change the underlying settlement (to our knowledge, no comprehensive study of this sort exists); and second, the actual impact of mediation. CIC has performed evaluations of political missions and work like this might readily be adapted to evaluate mediation efforts.
- b. In several of these cases, regional actors play a crucial role in international interventions to bring about transformation to the political settlement. To what extent do they influence on change? Over the past decade, enthusiasm about the role of regional actors has varied, as some initially saw regional organizations as pivotal to stabilization, and were then disappointed when their (potentially unreasonably high) expectations were not met. Recently, interest in regional actors has once more increased, but without robust evidence on what roles they play, how able they are to affect different kinds of change, where they are and are not

³⁶ L. Gordon Crovitz, “Egypt’s Revolution by Social Media,” *Wall Street Journal*, Feb 14, 2011, <http://online.wsj.com/article/SB10001424052748703786804576137980252177072.html>. Lisa Anderson, “Demystifying the Arab Spring,” *Foreign Affairs* (May/June 2011), <http://www.foreignaffairs.com/articles/67693/lisa-anderson/demystifying-the-arab-spring>.

³⁷ Paul Wilkinson, *Terrorism and the Liberal State*, 2nd ed. (NYU Press, 1986). Paul Wilkinson, *Terrorism Versus Democracy: the Liberal State Response* (Taylor & Francis, 2006).

³⁸ Gabriel Weimann, “How Modern Terrorism Uses the Internet,” *The Journal of International Security Affairs*, No. 8 (Spring 2005).

effective, and to what extent they are able to engage with either national actors or international actors productively.

5) *Coercive strategies*

- a. The quality of strategic (as opposed to human rights-based) research on political and economic coercive tools is relatively weak, especially compared to work on other (more military-based) conflict management interventions. How, when and why to apply coercive tools, such as sanctions, censures, and conditional aid strategically is not well understood.
- b. The unintended consequences of coercive measures is another area in need of research, as the case of Burma most clearly demonstrated. The effectiveness of even strategically-applied coercive measures, such as “smart” sanctions, may be limited. Fully understanding the tradeoffs of such tools will help decision makers employ them more successfully.

Case Studies

Nepal

by Charles T. Call and Alischa Kugel

INTRODUCTION

In recent years Western development agencies have begun to recognize that their programs and practices have served to reinforce the power of elites who govern in exclusionary or illegitimate ways. Even in new peacebuilding and state-building approaches tailored to fragile or conflictive societies, donors have not given adequate attention to the power relations that underlie institutional arrangements and elite pacts. Development actors have begun to try to redress this inadequacy by seeking to incorporate a society’s political settlement into their policies and practices. Here “political settlement” refers to “the expression of a common understanding, usually forged between elites, about how power is organised and exercised” (DFID, PB/SB, 2010 p. 22, para. 46).

Yet we know little about whether external actors can enhance political settlements or how reliably and robustly they can do so. This case study of Nepal’s political settlement is one of several that seek to provide a preliminary determination of what reliable evidence we have about the role of external parties in implementing or shaping political settlements, and how robust the evidence base is.

In meeting this goal, the study has the following objectives:

- (a) To offer limited generalizations about how practitioners in Nepal have addressed or failed to address underlying power relations and political settlements in their assessment, program design and implementation, and evaluation.
- (b) To generate hypotheses about the impact (intentional or not) that international actors can have on the inclusivity and implementation of political settlements.
- (c) To identify gaps in our knowledge about the concept of political settlements and external actors’ role in shaping them.

The Nepal case offers the chance to analyze a case that is the poorest in South Asia and densely populated with 27 million inhabitants in a territory roughly the size of Tunisia or Greece. Since 2005, Nepal has experienced both the negotiated end of a bloody civil war and a dramatic regime change from a highly exclusionary autocratic monarchy to a competitive, multiparty democracy with newfound liberties. Thus the case offers

lessons for peace processes as well as related but separate social transformations that are among the most dramatic in the world of the past decade. The study does not provide a full-blown analysis of the political settlement, focusing instead on the key elements and events of the political settlement necessary for understanding how it has evolved, what role/impact international actors had, and how we might conceptualize political settlements generally. In other words, the paper presents not a comprehensive analysis of the political settlement, but rather only those elements crucial for analyzing the role of donors and for placing Nepal in a broader comparative framework. Research was conducted in ten days of field research in Kathmandu, a few interviews in New York City or via remote telecommunications, and reliance on secondary literature. The study commences with an analysis of the evolution of the country's political settlement, integrating the various roles of international actors, especially donors. It then synthesizes the current political settlement, which remains in a state of flux. After presenting some mechanisms by which international actors have influenced that settlement, the case study concludes with a series of key findings.

I. DEVELOPMENT ACTORS AND NEPAL'S POLITICAL SETTLEMENT: KEY PHASES

A. Donor Complicity in Exclusion: The Authoritarian *Panchayat* Period, 1960-1990, and The Transition to Democracy and the Onset of Insurgency, 1990-2000

Donor engagement in Nepal began with the first wave of democratization in the 1950s. The country's democratic experiment was short lived, however. In 1960, King Mahendra overthrew the government with the help of the army, banned all political parties and introduced a highly authoritarian form of governance through the party-less *Panchayat* system, which was to last for the next 30 years. Despite the anti-democratic practices of the government, international aid during this period not only continued, but also increased. Important achievements particularly in the education and health sectors notwithstanding, the absence of sustainable and equitable development that would benefit the economically and socially excluded groups particularly in rural areas led many to see donor support as strengthening the traditional elites.

By 1990 a broad people's movement, the *Jana Andolan I*, brought together multiple political parties, professional classes and marginalized groups, in favor of a more open and competitive democratic regime. The king agreed to the dissolution of the *Panchayat* system in April. A new constitution was promulgated in November 1990 and multiparty parliamentary elections were held the following year. Given their intimate association with the state, donors generally kept a low profile during the people's movement, although some expressed concern about the regime's attempts to suppress the democratic uprising.

Following the reintroduction of multi-party democracy, many donors increased their aid commitments to Nepal. Some donors initiated activities in support of indigenous groups and democratization. However, donor activities remained largely confined to urban centers and aid programs failed to promote structural changes that would address the prevailing issues of exclusion and inequality, perpetuating the status quo. The resentment of large segments of the population against the prevalence of high levels of poverty, particularly in rural areas, and the continuation of exclusionary and discriminatory

practices even under the new multiparty democracy helped fuel the Maoist insurgency that launched its People's War in 1996.³⁹

B. Initial, Inadequate Donor Adjustment: The Crisis of the Monarchy and Increased Violence, 2001-2005

In June 2001, the royal palace was plunged into crises, when Prince Dipendra in an amok run shot his father King Birendra, his mother and other close relatives and later himself. Following the death of the prince, his brother, Prince Gyanendra became King of Nepal. A few months later, after the Maoists ended a four months truce with the government and launched coordinated attacks against military and police stations, the king declared the state of emergency and ordered the army to fight against the insurgents. Civilian casualties of the conflict that up to this point remained fairly low began mounting. In 2002, the king in a royal coup dismissed the government and installed a royalist politician as prime minister of an interim government. The king postponed general elections planned for later the same year indefinitely. In 2003, another truce with the Maoists failed and fighting between the insurgents and government troops intensified once more. It was only in 2001, five years after the beginning of the Maoist insurgency, that donors began acknowledging the conflict and its root causes of inequality and exclusion in their country strategy papers. As donors began grappling with the impact of the conflict on established development programs, they slowly and cautiously adjusted their programming to the conflict context.

In October 2003, all Western bilateral development agencies - with the exception of USAID - and the UN country team adopted so-called "basic operating guidelines," a set of common standards that outlined responsibilities of all parties to the conflict to respect the development space and committed agencies to provide inclusive assistance to the poor, while maintaining the principle of impartiality.⁴⁰ By committing to targeting support to excluded groups, donors increased their work in rural areas during the conflict and engaged more directly with communities, enhancing their legitimacy in the eyes of these groups as well as with the Maoists and security forces. The majority of donors also continued technical cooperation with the government on its development strategy throughout 2005. At the same time, in the face of mounting civilian casualties and human rights abuses, donors began increasingly distancing themselves from the state's attempts to solve the conflict through military means. Donors' stance in favor of human rights and the concern over security brought tacit pressure on both sides over the conduct of the war. It also signaled a new sensitivity to conflict and human rights among the development actors that enabled them to engage with the peace process more productively. As one active donor official observed, despite some problems, the donor community "was successful in strengthening coordination and following a common agenda for conflict transformation, defense of human rights, and promotion of democratic institutions as necessary preconditions for sustainable development".⁴¹

C. Donor Shift in Priorities and Programs: Transformational Events of Peace and Protest, 2005-2008

In February 2005, citing the growing threat through the Maoist insurgency and the need for tighter control over the country, the king in a second royal coup assumed direct control and re-established absolute monarchy. The king's autocratic move and

³⁹ See Nepal et al, "More Inequality, More Killings: The Maoist Insurgency in Nepal", *American Journal of Political Science*, July 2011; and von Einsiedel et al. (eds.), *Nepal in Transition: From People's War to Fragile Peace* (Cambridge University Press, 2012), p. 14.

⁴⁰ Jorg Frieden, "A Donor's Perspective on Aid and Conflict," in von Einsiedel et al (eds), *op cit.*, p. 103.

⁴¹ Frieden, *op cit.*, p. 105.

subsequent assaults on civil liberties, including those of the press and political leaders, prompted criticism from the international community and helped unite the mainstream political parties against the authoritarian regime. Coming together under the Seven Party Alliance (SPA), the political parties sought peace negotiations with the Maoists, with whom they signed a 12-point understanding in November 2005. The understanding gave way to the large-scale *Jana Andolan II* people's movement that forced the king by April 2006 to agree to reinstate the 2002 elected parliament and renounce his powers. In November 2006, the SPA and the Maoists signed the Comprehensive Peace Agreement (CPA) that officially ended the 10-year Maoist insurgency.

The issue of identity politics that the Maoists actively encouraged during the years of the People's War came to a fore with the uprising of the Madhesi people in the Terai, Nepal's southern flatlands in January 2007. The vehement and sometimes violent Madhesi protests that called for proportional representation in government and the setting up of a federal republic underlined the long-standing exclusionary nature of the state against those populations outside of the dominant Hindu hill elite. It also brought to the forefront the issue of inclusion in Nepal's transition period and the eventual model of government. The Constituent Assembly (CA) elections held in April 2008 not only saw the Maoists emerge as the strongest party but also signified the broadest representation of marginalized groups, such as Madhesi, Dalits, Janjatis and women in the history of any Nepali institution.

Western powers played an important role in the events unfolding after the king's takeover, and their sustained attention as well as political and financial support has been critical in advancing the peace process. In addition to openly criticizing the king, donors' focus on the respect of human rights protected space for civil society organizations and the media, both of which were instrumental in launching the people's movement. Many donors also engaged in open dialogue with political actors, including the Maoists, on the peace process, generating both support and pressure for the insurgents to participate in a negotiated settlement.

During this period, the international community also came to play a role in building confidence and facilitating mediation between the Maoist rebels, the government and eventually the traditional political parties. Development agencies joined with Nepalese organizations to request deployment of a UN human rights office in Nepal, which deployed in 2005.⁴² That office of the OHCHR advocated strongly for democratic freedoms and adherence to international and national rights during the popular uprisings of 2006 and 2007, dissuading mass arbitrary detentions.⁴³ The human rights office also laid the groundwork for a UN special political mission (UNMIN) two years later, and its head, Ian Martin became the chief of UNMIN.

Before UNMIN's deployment, however, UN mediation was necessarily low profile given the sensitivities of the Indian government, which hosted talks and acquiesced as the parties reached agreements in 2005 and 2006.⁴⁴ UNMIN is generally regarded as having played a positive role in three functions common to most peacekeeping operations, but with a few hundred civilians and military officers in civilian attire rather than thousands of uniformed troops: (a) monitoring arms and the two armies; (b) supporting the elections to a Constituent Assembly, and (c) supporting monitoring the peace process at the local level.⁴⁵ Its narrow role and small footprint owed to Nepal's history of independence and Indian sensitivities about its neighbor coming onto the agenda of the UN Security Council. However, the presence at the local level enabled UNMIN and UN

⁴² Frieden p. 107.

⁴³ Ian Martin, "The UN and Support to Nepal's Peace Process," in von Eisiendel et al, p. 203.

⁴⁴ Teresa Whitfield, "Nepal's Masala Peacemaking," in von Eisiendel et al, pp. 166-169.

⁴⁵ Martin p. 207. Whitfield 2012.

agencies to engage in projects and activities that supported a more inclusive approach to political dialogue and processes.⁴⁶ These measures contributed to confidence-building, but that role was insufficient to ensure rapid demobilization and reintegration of the Maoists or the movement toward serious democratization of Nepal's armed forces.

After 2005, donors also began to more prominently support inclusion, including through research to help identify excluded groups on a national level and through empowerment and capacity building of marginalized groups. For instance, the ... Donor support to the elections, including financing, technical assistance and monitoring activities enabled their successful conduct. Following the elections, donors provided capacity building to members of the CA, including on issues around federalism and supported programs aimed to increase marginalized groups' equitable access to state and societal resources and opportunities.

D. Donor Persistence and Caution: Challenges to Peace Implementation and Inclusion, 2009-2012

Since its signing in 2006, the peace process has been on a difficult path: the emerging of the Maoists as the strongest political party in the CA has taken aback national and international actors alike and united conservative forces in opposition, creating political instability. Broader representation in the CA has cemented identity politics in the country's political trajectory but has not achieved the necessary transformation in society or state structures, simmering further unrest; and critical aspects of the peace agreement such as the integration of Maoist combatants into the army have long been left unresolved. After ambling along for five years, in November 2011 the peace process regained new momentum with the agreement on integrating former Maoist combatants into the country's armed forces. However challenges remain including the design of a federal state that is both representative and decentralized and the formation of a unity government that will adopt a new constitution.

While donors have engaged in the peace process since the beginning, several factors limit greater support for its implementation, including the notion that the process is nationally owned and therefore has to be nationally driven. Aspects of the peace agreement, for example the lack of details on procedure and sequencing of the integration of the Maoist and the Nepal Army, also inhibit a stronger supporting role for external actors. The lack of progress on key aspects of the peace process combined with fiscal pressures in donor capitals over competing demands for limited international aid makes it difficult for donors to justify continued support to Nepal.

The protracted impasses in the peace process also increased the risk of resumed violence from groups asserting their grievances. While since the 2007 Madhesi uprising there have been no comparable unrests, the last few years have seen a growth in pushback from elites against inclusion, which they argue is a foreign imposed notion. Against this backdrop, donors have become more cautious in advancing the social inclusion agenda and in some cases have discontinued their support for programs intended to further inclusion.

II. NEPAL'S POLITICAL SETTLEMENT: WHERE DOES IT STAND TODAY?

The above phases of international donor engagement with Nepal convey the evolution of the country's political settlement. One of the most feudal and hierarchical societies on earth, Nepal was ruled by a monarchy that granted input informally only to an elite, and

⁴⁶ Martin 2012:208.

excluded the vast majority based on ethnicity, caste, region, religion and gender. Exclusion gave way in a discontinuous manner to a modicum of broader elite representation under a weakened but still institutionalized monarchy through the 1990s. These features defined Nepal's political settlement until the rise of the insurgency and the peace process of the early 2000s opened another dimension of the settlement. Nepal emblemizes a society where an exclusionary political settlement existed prior to war and peace, but where a peace process arose in a related but separate relationship to inclusion, both constituting and shaping the country's political settlement. By 2008, the settlement had been transformed but even in 2012, it remained in flux and not institutionalized. What are the contours of Nepal's dramatically changed political settlement, acknowledging that it remains in flux and reversible? The settlement remains in a moment of transition it has been dramatically altered by the war, the peace process and the debate on inclusion, especially since 2002. Following Holsti (1996), we distinguish between *horizontal legitimacy*, which refers to the inclusion and acceptance of the authority of the state among distinct ethnic, religious and other social groups mainly at the elite level, versus *vertical legitimacy*, referring to the degree to which individual citizens and society as a whole accept the authority of the state and even take it for granted. Below we treat the horizontal and the vertical dimensions of legitimacy and inclusion, measured in a three-fold fashion along political, economic and security lines.

a) Horizontal Inclusion (across caste/ethnic/religious/gender groups)

At the political level, the settlement certainly broadened to include new elites in the parliament and in elite negotiations with the monarchy following the democratic opening of 1990. This process was broadened and deepened again in 2005-08 around three events: the unification of opposition parties in reaction against King Gyanendra's shutting down of political parties; the comprehensive peace agreement of 2006; and the election and seating of the Constitutional Assembly (CA) in 2008. One Nepali analyst commented, "Certainly the dominant parties have been weakened. Fifteen percent of the CA are Madhesis, who are now powerbrokers."

The most visible change in the political order of Nepal is the demise of the monarchy and the enduring ceasefire negotiated in 2006 with the Maoists. In recent years, numerous ceasefires have failed and led to renewed armed conflicts, especially in sub-Saharan Africa. Despite harrowing crises in the Nepal peace process, however, the Maoists have made sustained progress, not only entering into transitional political arrangements and operating freely as a political party within the country, but even leading a post-accord government. Despite a number of remaining challenges, including demobilization and integration of rebels into society and into the ranks of the Nepalese armed forces, the peace process is a salient marker of changed elite inclusion.

Related to these advances in the peace process, the Constituent Assembly is also an oft-cited example of renegotiated political order in the country enhancing horizontal legitimacy. According to Lawoti, the caste hill Hindu elites' share of seats in the legislature exceeded 50% for the two decades prior to the 2008 Constituent Assembly elections, dropping then to only 32%.⁴⁷ Dalits' share increased in the same period from virtually nothing (less than 0.5%) to 8% in the CA, and indigenous groups' share rose from fewer than 24% to over 35%. In addition, political debates surrounding federalism and other issues reflect more mobilized constituencies via civil society organizations. The inclusivity of the executive branch has not matched the legislative under the Constituent Assembly. A scholarly analysis of the composition of the 104 Cabinet ministers of the first three governments after the Constituent Assembly took office

⁴⁷ Mahendra Lawoti, "Ethnic Politics and the Building of an Inclusive State," in Sebastian von Einsiedel et al. (eds.), *Nepal in Transition: From People's War to Fragile Peace* (Cambridge University Press, 2012), p. 139.

shows that traditional groups and the Madhesi were overrepresented, and Dalits and Janajatis were underrepresented, in line with prior governments. The militancy of the Madhesi, and their improved organization through new, non-traditional parties, helps account for their relative success, and signals the challenges of other marginalized groups organizing through the traditional parties.. Only 13% of the government ministers were female.⁴⁸

It is difficult to measure economic inclusion across social groups. Bennett and Parajuli (2011) have generated a “Multidimensional Exclusion Index” that holds the promise of obtaining much more fine-grained analysis of group-specific political and economic exclusion, but it has yet to be used across years.⁴⁹ However, a less comprehensive indicator developed by Bennett and Dahal has been used by the UN system. That index of the eleven main caste/ethnic groups in the country shows mixed results between 1995/96 and 2003/04 data. Nepal’s poverty headcount decreased by 26% in that interval.⁵⁰ The dominant groups, Brahmins and Chhetris, constituted the lion’s share of that drop, as their poverty numbers decreased by 46%, the highest of any group. Although the Tarai Janajati experienced higher-than-average drop in poverty (34%), all other historically excluded groups experienced a less pronounced drop in poverty. In sum, although the country as a whole experienced a decline in poverty incidence between mid-1990s and 2003/04, marginalized groups benefitted from this trend less than the traditional castes.

Beyond caste and ethnic-specific indicators, regional socio-economic indicators are collected by international organizations. According to UNDP’s *Nepal Human Development Report 2009*, social inequality by region remained largely unchanged from 2001 to 2006.⁵¹ It also found that gender inequality decreased, especially in the Mid- and Far-Western Mountain regions, over the same period.⁵² The Human Poverty Index showed that poverty fell slightly from 2001 to 2006, but that it fell most in the Western mountains and hills and in rural areas. These regions are historically more excluded than others.⁵³ In terms of broader social inclusion, one prominent Nepali social scientist indicated that dominant ethnic groups continue to have a “stranglehold” on many important social sectors including NGOs, the press and the civil service. The political parties have experienced the most dramatic change. In the security forces, changes to the regulations governing the civil service, the police and the military introduced “reserved” slots for Dalits and other disadvantaged groups. Although these have improved representation, they have not led to proportional representation in these bodies.⁵⁴ The military remains highly stratified and exclusionary pending implementation of reforms agreed to in the peace process, including incorporation of Maoists into officer ranks.

b) Vertical inclusion (mass-level)

Mass access to political power experienced an important shift with the introduction of competitive elections in 1990. Multiple parties genuinely had access to the legislative assembly; however, the monarchy continued to exercise tight control over policy arenas

⁴⁸ Martin Chautari organization, “Deadlines, Democracy And A Popular, Democratic Constitution” Policy Paper No. 5, June 2011, Kathmandu, p. 8.

⁴⁹ The study developed separate measures of exclusion for each of Nepal’s largest 73 ethnic groups, and grouped another 30 smaller groups into 7 collections that would render a large enough population to permit statistically sound estimates. Lynn Bennett and Dilip Parajuli, “Making Smaller Social Groups Visible and Providing a Baseline for Tracking Results on Social Inclusion: The Nepal Multidimensional Exclusion Index,” draft report, 2011.

⁵⁰ This data based on CBS 2005, shown in Table of the *Nepal Human Development Report 2009*, p.

⁵¹ UNDP, “Nepal Human Development Report 2009,” p. 35.

⁵² Ibid, p. 37

⁵³ Ibid, p.42

⁵⁴ Dalit NGO Federation, “Legislative Review: Report for Durban Review Conference,” Series No. 3, Kathmandu: 2009.

like security and foreign policy. Moreover, parties remained highly exclusive in their internal conduct, favoring traditional elite castes over others in leadership and candidacies. With the rise of the Maoist insurgency in the mid-1990s, the meaningfulness of that contestation was also attenuated, especially in rural areas. During the 1990s, representation of elected Muslims and Dalits even decreased in the legislature.⁵⁵

Political inclusion also deepened vertically in the ongoing renegotiation of the political settlement that commenced in 2005, but less than horizontal inclusion. Both the 1990 and 2008 electoral processes marked qualitative advances in the extent of popular representation in the polity. According to classic political science theory, Nepal's several strong political parties may be considered building blocks for democratic consolidation.⁵⁶ However, the domination by the traditional political parties and their continued clientelist modes of internal governance are one of the main challenges for vertical legitimacy in the future. Critics charge that the Maoists have simply added another party, one that threatens to become hegemonic.

The Constituent Assembly epitomizes this less dramatic transformation of vertical legitimacy in the shifted settlement. Although the main caste and ethnic minorities gained much greater representation in the legislative body, almost all of these entered as members of the traditional political parties. Only five indigenous and one Dalit entered the CA as individuals or members of new non-mainstream parties.⁵⁷ Because the traditional parties remain dominated by the Hindu hill elites, this greater inclusion does not necessarily translate into representation of communal concerns as directly.

Economically, it is difficult to say how much transformation of power has transpired, but most observers believe that it is less pronounced than in the political realm. Nepal's Gini coefficient rose by 45 from 30.1 in 1985 through 2003, when it turned and reversed dramatically from 43.8 back down to 32.8 by 2010.⁵⁸ Women enjoy greater access to participate in popular organizations and movements, but gender inequality remains profound.

III. HOW DID INTERNATIONAL DONORS SHAPE THE POLITICAL SETTLEMENT?

Given the salient albeit belated efforts by international actors to help Nepal's political settlement, and given that the settlement certainly has advanced in important ways, what can we say about the mechanisms of influence donors exercised in Nepal, and what lessons they hold? Donors have certainly readjusted their programs to the peace process, although sometimes merely reframing prior programming without sufficient substantive alterations. However, donor engagement on the question of social inclusion / exclusion holds important insights as well.

We do not know exactly how donors influence social and political orders or exclusion in any serious pseudo-scientific way (experiments, control groups, etc). We do have quite a bit of anecdotal evidence that donors have influenced the social inclusion debate, and that they played an important role in the peace process. How and how much remain uncertain. It bears mentioning that on both of these issues –social inclusion and the

⁵⁵ See footnote 9 in Catina Slavu, "The 2008 Constituent Assembly Elections," in Sebastian von Einsiedel et al. (eds.), *Nepal in Transition: From People's War to Fragile Peace* (Cambridge University Press, 2012), p. 234.

⁵⁶ Scott Mainwaring and Timothy R. Scully, *Building Democratic Institutions: Political Systems in Latin America* (Stanford University Press, 1995); Juan J. Linz and Alfred Stepan, *Problems in Democratic Transition and Consolidation* (Baltimore, MD: Johns Hopkins University press, 1996?).

⁵⁷ Mahendra Lawoti, "Ethnic Politics and the Building of an Inclusive State," in Sebastian von Einsiedel et al. (eds.), *Nepal in Transition: From People's War to Fragile Peace* (Cambridge University Press, 2012), p. 140.

⁵⁸ <http://data.worldbank.org/data-catalog/world-development-indicators>, accessed April 2012. The data available is imperfect.

peace process (as well as the end of the monarchy) – the Maoist movement played a decisive role, perhaps the most influential. As one evaluation of DFID training in social inclusion found, “Many of those interviewed attributed the changes in the national exclusion agenda in large part to the Maoist policy and rhetoric during the 10-year civil war”⁵⁹.

International donors generally influenced these processes through helping create windows of opportunity through which local and national actors could help advance a transformation of the political order toward inclusion. They also provided a crucial third-party role in building confidence for the negotiated settlement and its implementation. Apart from creating windows of opportunity, external actors can directly support, accelerate or empower actors, initiatives and/or movements that shift the political settlement, especially at opportune moments.

In addition, donors both built capacity and helped legitimize a discourse and the role of certain actors in the political process. “Moral suasion” is probably too strong, but there was a more indirect signal that the extreme exclusion of majority of the population in favor of a clear few, identifiable in many cases simply by their names, was no longer sustainable or acceptable. But capacity-building has also been important.

Capacity building of marginalized groups has been important in advancing the social inclusion agenda by increasing these groups’ access to decision-making bodies, political processes and institutions. Donor support to marginalized groups has helped to increase their representation in the Constituent Assembly, furthered development in remote communities and has introduced policy changes, including the introduction of quotas for civil service positions as well as state and public agencies. Notwithstanding these achievements, long-term engagement on building the capacities of marginalized groups will be necessary to translate these gains into real societal and political change and to keep social inclusion on top of the political agenda that is still dominated by the elites.

The international community played five basic roles in both building capacity and legitimacy. **First, training.** DFID and other donors have provided extensive training for Dalits, for indigenous groups, for women and for Madhesis over the past decade. The content of this training has included international human rights instruments, time management, public speaking, advocacy, minute taking, petition writing, and computing.⁶⁰ These activities have especially concentrated on preparation and support for participation of the new communities in the Constituent Assembly (2008-present). A Centre for Constitutional Dialogue (CCD), sponsored by UNDP with DFID, Swiss and Norwegian funding, provided extensive training for assembly members and civil society groups, as well as providing technical expertise for CA participants.

The impact is difficult to assess, but the low levels of education, preparation and even literacy among Constituent Assembly members suggest a high bang for the buck, and observers agree that training had notable impact on skills and capacities.

Second, institutional support for identity-based non-governmental organizations. These programs of empowerment and general support for the organizations provided necessary financial backbone for organizations to scale up the scope and number of activities.

Analysts suggest that this external support was especially important for groups purporting to represent the interests of Dalits, women and indigenous groups, though perhaps not as much for Madhesis and residents of remote geographic areas.

Third, support for research. Some donors devoted resources to supporting research on issues of social, economic and political exclusion. New streams of research bolstered the

⁵⁹ Bevan, J (2009) The impact of DFID support to an inclusive political settlement in Nepal, Draft report, Kathmandu: Department for International Development, Nepal, p.5

⁶⁰ Bevan, J (2009) The impact of DFID support to an inclusive political settlement in Nepal, Draft report, Kathmandu: Department for International Development, Nepal, p.5.

ability of social scientists to provide much better data that fed into debates and scholarship about exclusion and enabled analysts to track progress in inclusionary practices. Much of this effort also explicitly funded researchers from marginalized groups to lead and conduct the research.

Fourth, general support for the discourse and debate on social inclusion. Donors' funding patterns and language in informal encounters with Nepalis and in their formal documents, as well as their eventual change in recruitment practices to increase the representation of marginalized groups, all helped legitimate greater attention to the problem of social exclusion. The discourse of social exclusion was long associated with the Maoists, who emphasized it in their public positions and recruitment. The increased focus on social exclusion by donors (following identity-based NGOs independent of the Maoists) helped legitimize this discourse and drove recognition of the depth of the problem, making it difficult to disparage as Maoist rhetoric. Ian Martin, head of UNMIN, highlighted this role by the UN in Nepal:

Both UNMIN and OHCHR felt it right for the UN to be a voice for inclusion, both as a matter of principle and because its recognition was crucial to the success of the Constituent Assembly election that UNMIN was mandated to support. The mission also repeatedly drew attention to the almost total exclusion of women from participation in public life and from the peace process, insisting that this issue should receive no less attention simply because women were less likely to press their legitimate claims through violence or disruption.⁶¹

Fifth, the more conventional role of monitoring implementation of a peace agreement not only advanced the tasks subject to monitoring but also enabled international actors to foster mutually reinforcing programs of inclusion and dialogue. In light of the small scale, civilian character and narrowly-mandated nature of UNMIN, the international diplomatic presence perforce had to rely on moral and pragmatic suasion. Many Nepalis criticize the inability of the parties and international monitors to swiftly conclude the highest-profile elements of the peace agreement, including demobilization and reintegration of the former insurgents and the restructured federal state. However, the persistence of the Constituent Assembly represents one mechanism of ongoing sustained dialogue among former enemies. Should it conclude its business, then those who "lose" would face a choice to return to arms. In this sense, the continued disagreement over the final details of the constitutional systems offers preliminary evidence that there is at least minimal buy-in on the part of various parties to the current "settlement" or bargain.

It is difficult to say how all of these programs worked together or interacted with other players and programs to influence Nepal's political settlement. However, observers universally agree that donors have helped play an important role, especially in the early phases of the peace process and surrounding the second Jana Andolan. With the exception of India and the USA, they remained fairly united during this period as well, perhaps motivated by the extraordinary window of opportunity for far-reaching governance reforms and an historic peace process.

IV. FINDINGS AND CONCLUSIONS FROM NEPAL

1. NEPAL OFFERS UNIQUE LESSONS ON PEACE PROCESSES AND INCLUSION. In contrast to many other post-war and war-affected societies,

⁶¹ Ian Martin, "The United Nations and Support to Nepal's Peace Process," in Sebastian von Einsiedel et al. (eds.), *Nepal in Transition: From People's War to Fragile Peace* (Cambridge University Press, 2012), p. 217.

the end of the monarchy and the Maoists' rhetoric combined to place social exclusion at the forefront of political discourse, awakening a window of opportunity for donors to address inequality and poverty as manifested across class, ethnicity, region and gender. The political settlement in Nepal thus offers valuable lessons, since a public debate about social and political inclusion emerged in a manner that was separate from but closely related to the war and the peace process. That Nepali-led debate on inclusion reflects the core concerns of political settlements, as it focused on greater access to power and political participation (less directly economic power) by marginalized or excluded groups and regions.

2. **CHALLENGES OF THE TERM 'POLITICAL SETTLEMENTS'.** **"Political settlement" as a term is neither widely used nor widely understood by international actors or donors in Nepal, much less by national elites.** Our interviews found that only DFID staff were comfortable using the term in the way as defined in this paper, and that most Nepali and non-Nepali interviewees presumed the term referred to the Comprehensive Peace Agreement (CPA). One senior UN official said that "It is not a concept we throw around," indicating he presumed that the term referred to the peace agreements. The DCM and head of governance for the US Embassy were unaware of the term. The Swiss senior political adviser was also not familiar with the scope of the term, and said his mission did not employ it.
3. **HORIZONTAL VS VERTICAL INCLUSION.** **The Nepal case suggests that expanded horizontal inclusion does not necessarily lead to greater vertical inclusion.** Nepal represents one of the most dramatic expansions of horizontal inclusion in recent history in the absence of a revolutionary military victory. Ethnic and caste and gender groups rapidly gained access to political decisionmaking, although the durability of those gains remains uncertain. Yet the transformation of state-society relations, vertical inclusion, has not been transformed dramatically. With the exception of Madhesis, other marginalized groups like Dalits, Janjatis and women complain that their leaders have not faithfully and effectively represented their interests in discussions in the Constitutional Assembly. NGOs and social scientists criticize newly empowered leaders of Madhesis and other groups for replicating a political system that relies on patron-client relationships and corrupt infusions of cash, often from criminal figures.⁶² The new and markedly broader horizontal inclusion has enhanced representation, but has thus far failed to transform state-society relations very dramatically. Real dilemmas exist between expansion of horizontal legitimacy to include key elites versus expansion of vertical legitimacy to the masses that might endanger elite deals and prompt social unrest.
4. **TWO KEY ROLES FOR DONORS.** **The Nepal case suggests that donors CAN change political settlement, but mediated through national actors, initiatives and/or movements. Donors can (a) lay the groundwork for shifts in the political settlement (especially those decisive moments or events) and (b) support, accelerate or empower actors, initiatives and/or movements that shift the political settlement, especially at opportune moments.** This, of course, means that donors can also inhibit or undermine

⁶² For more on this, please see the separate CIC Organized Crime Report supported by DFID (forthcoming).

more inclusionary political settlements. In short, donors can both help create windows of opportunity for national actors to alter political settlements, or they can support those actors when they seek to take advantage of a window of opportunity to change a political settlement.

In the Nepal case, donors played a role that is widely regarded as having minimally supported social inclusion and a transformation of the political settlement up through the 1990s. With the new democratic opening of the 1990s, donors (including DFID) did enhance their support for marginalized regions and people. However, their heavy bias in favor of regions of ethnic prevalence of Brahmins and Chhetris persisted through the turn of the century. Similarly, their hiring and social practices continued to rely on good relations with the elite ethnic groups and castes. Only with the shutdown of parliament by the King in 2005, boosted by the peace process and the peoples' movements of 2006-07, did donors dramatically move to embrace social inclusion and a transformation of power relations in the country. During this period, donors played what is universally regarded as at least a crucial support role for the inclusion debate. They did so through funding of marginalized groups, as well as through rhetorical and financial support for the peace process and the social inclusion agenda linked thereto. That role proved helpful and has borne fruit in the Constituent Assembly as well as in institutional reforms that emerged from the peace process. More than in virtually any other war-torn society, donors both helped widen a window of opportunity for transforming the political settlement and then helped ensure that window has been utilized for change.

5. **DONORS CAN ENGAGE IN VARIOUS PROGRAMS TO ADVANCE A POLITICAL SETTLEMENT.** In Nepal, donors adopted an array of programs to advance the political settlement at different times. Among them were empowerment program of disenfranchised groups, funding human rights work that benefitted certain ethnic groups, funding women's advocacy groups, supporting the initiation of research both on marginalized communities and by their members, technical programs to support elected members of the constituent assembly, and programs to introduce diversity into the ranks of the civil service.
6. **POLITICAL PERILS OF SOCIAL INCLUSION PROGRAMS.** **Work on social inclusion, perhaps more than support for a formal peace process, opens donors up to charges of interfering in the internal politics of a society.** In analyzing donors' influence on political settlements, the highly politicized discourse surrounding donor roles in this area complicates the process of accurately identifying donor roles. The very process of determining donor roles is a political act, one that is contested for elite interests. In Nepal, elite ethnic groups and the traditional political parties maintain that the social inclusion agenda was introduced and advanced by external actors, including DFID and other donors. As one skeptic of the social inclusion discourse told us, "These issues have been imposed by donors.... Sure there is discrimination, but there no state policy per se. How do you address this without deepening division and conflict?" Critics maintain that this agenda also coincided with the Maoist deployment of the discourse on social and political exclusion. In making these claims, these defenders of the status quo intend to advance their interests by signaling the "foreign" and subversive character of the inclusion agenda,

challenging the legitimacy of that agenda. Some also criticize the focus on social inclusion for diluting class issues with identity politics, and for promoting “tokenism” as elites do not represent their constituents. Thus when asked if his skepticism of social inclusion reflected a Marxist critique of an emphasis on identity as a diversion from class analysis, one critic replied “Absolutely!”. One example offered: Dalits that represent their ethnic groups rather than their caste.

7. **INCENTIVE-BASED VS SECTORAL APPROACHES.** Nepali observers offered a number of lessons or insights about the role of donors in political settlements. **Two analysts warned against the habit of treating either conflict or governance as simply an additional sector, like health or agriculture, rather than as a challenge that requires offering incentives for inclusion and disincentives (like conditionality) for exclusionary policies.** Creating assessment tools, plans and evaluation tools for these programs in ways comparable to education or water/sanitation projects is perhaps a positive step toward bringing such questions into the purview of development. However, such approaches risk simply reinforcing power relations, allowing for more training or capacity with activities and the appearance of greater inclusion without producing greater power for disenfranchised or marginalized groups. Because incentive-based approaches are likely to elicit resistance from powerful groups that stand to lose and who usually dominate governments, donors may be reluctant to embrace and maintain them. Consequently **stronger, clearer and broader international norms in favor of inclusive political processes should make it easier for development agencies, national civil society organizations, and thus national and local governments to embrace inclusive practices.**

8. **PUSHBACK FROM ELITES.** Because power is at stake, empowering disadvantaged groups is part of identity politics. **Success breeds pushback and criticism from elites that have a stake in the old order, possibly endangering donor presence and programs.** Thus, the years 2010-2011 saw an acceleration of elite pushback against the social inclusion agenda as well as continued foot-dragging on the peace process. One journalist described how “Brahmins and Chettris now feel discrimination against themselves, ... so people are now trying to stall and block these [marginalized] groups.” One Nepali analyst said, “Since 2006 we have seen elite pushback. ... The CCD is an example. If you talk to the dominant minority groups – Chettris and Brahmins – the CCD is terrible. Everyone else says it’s great. ... DFID and the Dutch were not able to resist the pressures.” Members of the traditional parties have succeeded in depicting the changes sought by the Maoists as threatening to stability. They have also stimulated a public discourse criticizing quotas as advancing inequality and unfairness. Daily newspapers are rife with allegations that fulfilling core agreements of the CPA (e.g., demobilization and reintegration) will only serve the Maoists’ self-interest at the expense of the country, and that some agreed elements (e.g., federalism) may threaten stability and fair representation. Greater donor coordination could help advance donor consistency and unity in the face of the inevitable pushback from elites against the inclusion agenda.

9. **IMPLICATING DONORS IN VIOLENCE.** Donor empowerment projects may also become implicated in protests or violence. The traditional parties and sectors have blamed donors for introducing and emphasizing difference among Nepalis and thus fostering conflict and violence. DFID, for instance, felt compelled to cease its funding of NEFIN once that indigenous empowerment organization endorsed transportation strikes that implied backing the use of violence against noncompliant citizens. Hence **such programming requires careful thought about the sorts of lines that are drawn with regard to activities funded as well as a communications strategy** to clarify which activities are supported and which are not. Such programs require a strong stomach for controversy and a willingness to encounter public criticism, as well as good judgment about what sort of activities might merit a suspension or discontinuation of a project.
10. **PERVERSE EFFECTS OF DONOR FUNDING.** Nepal also suggests that **donor funding may have the perverse effect of taming or tamping down the militancy and willingness to engage in street protests on the part of funding recipients.** For instance, Madhesi who had not received significant donor aid engaged in mass protests in early 2007 at their perceived exclusion from the peace process right after the signing of the CPA. One researcher described it thus: “The Madhesi succeeded because they didn’t get donor money. Unlike the other [donor-funded] groups that remained more technical, they [Madhesi groups] were able to remain political and form parties.” By contrast, more donor-dependent social groups and organizations shown more reluctance to engage in such acts of defiance. Because such protests have marked the most salient and influential events in shifting the debate on social inclusion, this dampening effect suggests the need for more understanding of how outside aid may be counterproductive unless space is granted for more militant movements and the ability of donor partners to engage either in or with such actors of events.

In addition, **donor funding, by virtue of its external character, can also have the perverse effect of undermining the internal legitimacy of national partners** or their projects or activities. The experience of the CCD, which had some valuable contributions and some problems, may exemplify these challenges.

11. **NEED FOR IMPROVED INDICATORS AND EVALUATION.** In seeking to ensure that priorities are not adhered to solely by repackaging or token changes, **donors require greater attention to developing indicators for monitoring, evaluation and accountability on projects on social and political inclusion.** We already have a number of indicators of horizontal inclusion. These include representation of salient ethnic, religious, caste and gender groups in state institutions, be they the armed forces, the police, elected legislatures, the Cabinet or different ministries or offices. Horizontal indicators may also include social groups’ economic assets and opportunities, fulfillment of their rights and their access to justice, and survey data about their perceived rights and access to political and economic power. Vertical inclusion indicators are more complex, as it is difficult to distinguish between how represented marginalized peoples are by their leaders versus how represented they feel by the system more broadly. The levels of accountability and representation by marginalized group leaders to their constituents, and the level of satisfaction

apparent in surveys of disadvantaged populations, including women, can serve as an indicator of vertical inclusion. Yet the international community could use more refined indicators of political settlements – especially the inclusive aspects as opposed to security and stability – that go beyond indices of democracy or of undifferentiated (by group) civil rights such as those used by Freedom House. Perceptions are crucial for gauging and tracking political settlements, and it is past time international organizations invested in quality, publicly available, peer-reviewed cross-national surveys to capture perceptions of the concepts outlined in recent initiatives such as the New Deal that go well beyond the narrow themes and limited countries surveyed well by Afrobarometer.

CONCLUSION

Nepal offers a unique chance to learn from both the sins of omission by donors in a highly exclusionary polity, as well as some clear successes in helping transform one of the most feudal societies on earth. Donors have played varying roles, attempted various strategies, and confronted unusual challenges in addressing the “yam” caught between the giants of China and India. The progress of an exciting yet fragile peace process, in conjunction with explicit efforts to advance social and political inclusion, offers the chance to examine real experiences under conditions that are rather more favorable than in many post-conflict or conflictive countries of the world.

NEPAL⁶³

Governance Indicators

Year	2000	2005	2010
Polity IV	6	-6	6
Freedom House: Political Rights	3	6	4
Freedom House: Civil Liberties	4	5	4
WGI: Voice & Accountability	-.22	-1.18	-.53
WGI: Political Stability	-.32	-2.05	-1.68
WGI: Government Effectiveness	-.41	-.84	-.77

International Economic Presence

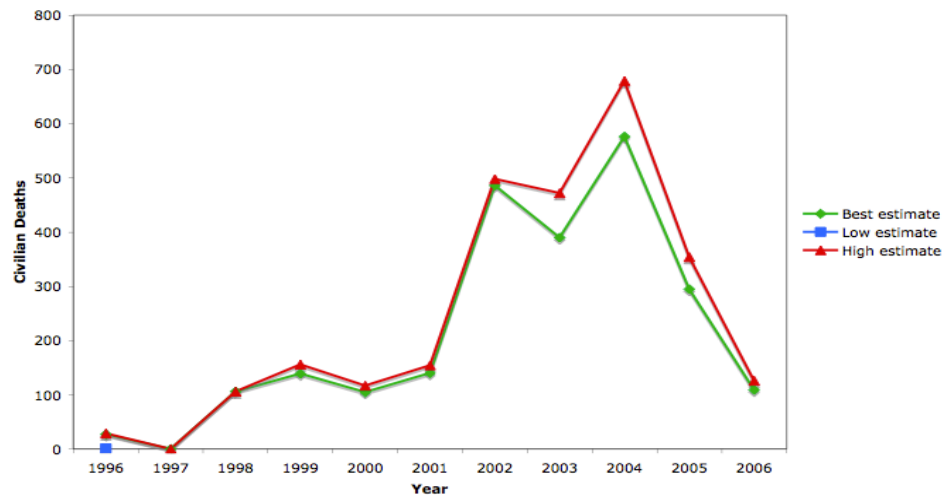
<i>ODA per capita</i>		<i>ODA - % GNI</i>	<i>FDI net inflows - % GDP</i>
2000: \$15.80	2010: \$27	5.2%	.6%
<i>Use of ODA by Sector (2009)</i>		<i>Major Donors (2010)</i>	
Education	34.5%	United Kingdom	\$102.99 M
Economic Infrastructure	23.6%	Japan	\$77.44M
Other Social Sectors	15.9%	United States	\$51.39 M
Multi-sector	7.3%	Germany	\$43.76 M
Health and Population	7.1%	Norway	\$38.97 M
Production Sectors	5.4%	Denmark	\$26.85M

Structure of Economy

<i>Government Expenditures (% GDP)</i>		<i>GDP per Capita</i>		<i>Tax Revenue (% GDP)</i>
Total	21.0%	\$525		13.3%
Military	1.3%	<i>Sectors as % GDP</i>		
Health	4.6%	<i>Agriculture</i>	<i>Industry</i>	<i>Services</i>
Education	5.8%	34.9%	15%	50.1%

History of Violence – Civilian Deaths

⁶³ Data from: Polity IV; Freedom House; World Bank Governance Indicators; World Bank; International Monetary Fund; AidFlows; CIA World FactBook.



Lebanon
By Elizabeth Sellwood

A note about sources and scope

This paper draws on interviews undertaken by the author in Beirut between January and March 2012. The author conducted personal interviews with a number of aid officials from multilateral institutions and Western countries, Lebanese government officials, and Lebanese analysts. She did not interview officials from Gulf states or Iran, although these are also important contributors of aid to Lebanon. She took this decision partly because these donors tend to be less transparent than Western and multilateral aid actors. Analyses of Iranian and other Arab states' perceptions of Lebanon's political settlement and efforts to influence it would be an interesting, broader subject for research.

The paper also draws on another UK-funded and CIC-administered research project, the *WDR Lebanon project*, which seeks to apply the framework of the WDR to Lebanon. In the first phase of the *WDR Lebanon* project, the author and other members of the project team convened an Advisory Group of Lebanese experts to discuss issues relating to violence in Lebanon, the stresses currently affecting the country, and institutional strengths and weaknesses. The project team also held a series of focus group sessions, in which Lebanese civil servants, politically-active young people, civil society activists and people from the private sector were asked to discuss stresses and institutional strengths. This paper draws on these advisory group and focus group sessions. They are referred to in the footnotes as WDR sessions.

Background

Since the uprising against Syrian president Bashar al-Assad began in spring 2011, international aid and diplomatic actors working in Lebanon have been preoccupied by the possible implications of the Syria crisis on Lebanon's stability and security. In September 2011, UN Special Coordinator Michael Williams warned Lebanese parties to prepare for the coming "storm" from Syria: the sectarian dimension of Syrian conflict "could have consequences in Lebanon," as could its economic impacts and the possibility of greater refugee flows. The Syrian crisis could have a huge impact on Lebanon, because removal of the Assad regime may affect Hizbullah's access to military hardware from Iran. It could thus affect the balance of power between Hizbullah, its Syria/Iran March 8 allies, and the more pro-Western March 14 opposition.

International actors are nervous about the impact of the Syria crisis on Lebanon's security for several reasons. The first, and probably the most important, is that instability in Lebanon has broader implications relating to the Arab-Israeli conflict and the Iran nuclear issue; maintaining Lebanon's stability is therefore an issue of strategic importance to the United States, European countries, and other engaged actors. Second, international actors understand the intimacy of political and economic links between Syria and Lebanon, which make some measure of "spillover" of the conflict from Syria into Lebanon almost inevitable.

The third source of anxiety about Lebanon is international actors' belief that the country's political settlement is, in itself, a source of instability. The settlement has sustained – and perhaps reinforced – patterns of political and social loyalty to sectarian groups, and this has prevented the emergence of national identity and strong national institutions. It has also left Lebanon highly susceptible to external influence, in a regional that has been volatile for decades, and that is now undergoing rapid and unpredictable change.

Assessment of current political settlement

What is the political settlement?

Four core elements have dominated Lebanon's political settlement⁶⁴ since the country gained independence in 1943. Indeed most – if not all – of these elements pre-date independence. The elements are:

- i) Sectarian power-sharing: all Lebanon's political, administrative and parliamentary arrangements since independence have sought to establish consensual power-sharing between Lebanon's eighteen sectarian communities;
- ii) Citizenship defined by community membership: One cannot be Lebanese without belonging officially to a religious-based community, or sect. Religious authorities, rather than state authorities, maintain *de jure* control of Lebanese citizens' personal status;
- iii) De facto domination of the political and economic life of each community by confessional institutions, including confessionally-based political parties and *zuama*, or community political bosses. The means by which

⁶⁴ For the purposes of this study, a political settlement is defined as "the forging of a common understanding, usually between political elites, that their best interests or beliefs are served through acquiescence to a framework for administering political power". This definition implies the inclusion of both formal and informal settlements.

each *zaim* acquires and maintains the power to represent his community varies; but he plays a crucial *de facto* role in taking decisions on behalf of his community.⁶⁵

- iv) Profound involvement by non-Lebanese parties in Lebanese affairs, though military interventions, occupations, financial and military sponsorship of Lebanese clients, and other means.

These elements of Lebanon's political settlement have endured for many years. The specific arrangements have shifted several times since Lebanon's independence, often as a consequence of internal crises (1958, 1975-90, 2008), which have combined with external stresses to produce violent outcomes.

The signatories of the Taif Agreement, which helped to end the civil war, clearly recognized serious problems inherent in the sectarian system. "Abolishing political sectarianism," they agreed in 1989, "is a fundamental national objective." The Taif agreement sought to establish a process of gradual reform, leading to the abolition of sectarianism from Lebanon's political and administrative system "in accordance with a phased plan." This aspect of the Taif agreement has never been implemented, however. Sectarianism therefore continues to pervade formal Lebanese institutions.

Many Lebanese analysts still believe that the sectarian system produces both dysfunctional governance outcomes and persistent state weakness, which leave Lebanon vulnerable to crisis and external intervention. Despite the system's shortcomings, however, Lebanon has never experienced a revolution against sectarianism and the idea of confessional power-sharing enjoys considerable legitimacy among Lebanese, if only as a "least worst" way to govern a deeply divided and essentially conflict-prone society.

The formal details of the political settlement

Since the establishment of Greater Lebanon as a territorial entity under French mandate in 1920, Lebanese political life has been organized according to formal arrangements to share power among the religious-based sects. The French Mandate authorities established sectarian quotas for their Administrative Commission of Lebanese landowners and merchant notables.⁶⁶

When Lebanon gained independence in 1943, Lebanese leaders agreed on a confessional power-sharing formula that divided political and administrative posts among the country's major sects. The 1943 National Pact, which was agreed between the political elite of the Maronites (representing Christians) and the political elite of the Sunnis (representing Muslims), provided for the representation of Christians and Muslims in a six to five ratio throughout government. The offices of President, Prime Minister and Speaker of the House were assigned to the Maronite, Sunni and Shia sects respectively. Several aspects of the 1926 constitution relating to sectarianism were retained, including legal identification of citizens as members of particular sects, and retention of control by religious authorities over Lebanese citizens' personal legal status. This consolidated the religious sect as "the country's basic nuclear political entity" – and, according to one

⁶⁵ Ljiphart (1999, p3) describes this as "coordinated and 'corporatist' interest group systems aimed at compromise and concertation" of diverse societal interests.

⁶⁶ Traboulsi, Fawwaz, *A History of Modern Lebanon*, London: Pluto, 2007, p88.

Lebanese analyst, had the effect of “replacing the ‘state idea’ with what might be called the ‘religious sect idea.’”⁶⁷

The 1943 Pact also included elements relating to Lebanon’s international relations: its signatories agreed to view Lebanon as a neutral, independent and sovereign entity, which possessed an Arab character but which would not seek unity with Syria and the Arab World, nor retain special ties to France or the West in general.⁶⁸ These provisions were designed to reconcile the views of many of Lebanon’s Christians, who viewed Lebanon as historically linked to the West, with those held by the majority of Muslims, to whom relations with Syria and the East were more important.

Lebanon’s post-independence power-sharing system initially appeared successful: during the 1950s and ‘60s, Lebanon enjoyed a period of prosperity, and Western scholars referred to it as a “stable democracy.”⁶⁹ Sectarian tensions persisted during this period, however, and political violence – prompted by international events as well as by internal stresses – broke out in 1958. In 1975, the political settlement disintegrated, again under pressure from a combination of external forces and internal tensions. The 1975 collapse led to a civil war that lasted for fifteen years.

Today, a revised version of this sectarian power-sharing arrangement provides the broad framework for Lebanon’s government and administration. This revised arrangement was agreed among surviving members of Lebanon’s 1972 Parliament at Taif in 1990. In the Taif Agreement, Lebanese parties aimed to re-establish consensus among confessional leaders by creating a new and more equitable power-sharing formula that reflected the demographic, economic and political changes that had occurred since 1943 – notably re-balancing the sectarian quotas in favour of Muslims.⁷⁰ At the executive level, power was shifted from the Maronite President of the Republic to the Sunni Prime Minister and Council of Ministers. The legislative branch was strengthened, and a system of veto and checks and balances was introduced between the three main leaderships. While these reforms changed the balance of representation in parliament, government and administration, they “did not fundamentally alter the political structure, which is still predicated on political sectarianism.”⁷¹

Religious or sectarian authorities continue to hold formal responsibility in several areas of Lebanese public and private life. Although the Taif Agreement specifies that “Lebanon is a democratic parliamentary republic founded on ... equality in rights and duties among all citizens, without discrimination or preference,” religious authorities continue to govern the personal status of Lebanese citizens. Eighteen sects are legally recognized. A Lebanese acquires, by birth, the sect of his or her father and is obliged to become subject to this sect’s regulations governing personal status: family relations, marriage, divorce, births, deaths. There is no general civil law: if one wants to leave one’s

⁶⁷ George Yacoub, ‘Lebanon’s Security Dilemma,’ unpublished paper, 2008, p. 11

⁶⁸ Krayem, Hassan, ‘The Lebanese Civil War and the Taif Agreement,’ American University of Beirut (no date available).

⁶⁹ See, for example, Shils, E. “The prospect for Lebanese civility,” in *Politics in Lebanon*, ed. L. Binder. New York: John Wiley and Sons Inc., 1966.

⁷⁰ The Taif Agreement specifies that “Until the Chamber of Deputies passes an election law free of sectarian restriction, the parliamentary seats shall be divided according to the following bases: a. Equally between Christians and Muslims.

b. Proportionately between the denominations of each sect. c. Proportionately between the districts.” “ There has been no census in Lebanon since 1932, but these changes re-balanced the perceived changes in socio-economic power and population size in favour of Muslims and away from Christians.

⁷¹ Krayem, Hassan, *The Lebanese Civil War and the Taif Agreement*.

sect, one must “convert” to another, and become subject to the laws established by that sect’s courts and religious authorities.⁷²

The education system in Lebanon also continues to be dominated by confessional institutions. Article 10 of the Constitution states that there “shall be no violation of the right of religious communities to have their own schools provided they follow the general rules issued by the state regulating public instruction.” In practice, around half of children educated in Lebanon attend private schools run by confessional institutions, which teach their own versions of Lebanese history and – in the views of many – consolidate divisions between communities.⁷³

Parliamentary seats are allocated by confession, and a seat can only be contested by a candidate from the confession to which that seat is allocated (although a voter can vote for all available confessional seats, regardless of his or her own confessional group).⁷⁴ The electoral system arguably contributes to closing the political system to political parties or candidates who are not part of the longstanding political/confessional elite.⁷⁵

Social and political behavior, *de facto* exercise of power

The idea of the community versus the idea of the state

Many Lebanese argue that the idea of confessional community in Lebanon is stronger than the idea of the state. “In determining Lebanese behaviour,” argues one Lebanese analyst, “one needs to understand that factors relating to identity or belonging often trump rational interest.”⁷⁶ The authors of a major UNDP report write that “the most important and enduring” civic narrative in Lebanon is “the myth of sectarian pluralism,” which “tells the story of Lebanon as a country of different ‘natural,’ religiously defined communities [which] are said to have pre-existed the Lebanese state and have maintained historical continuity and cohesion.” This myth has “allowed religious communities to buffer and mediate the relationship between citizens and the state, and among citizens. It is also visible in the troubled and sometimes contradictory relation between the civil (or secular) notion of the state and inherent recognition of the ‘rights’ of each religious community.”⁷⁷

Some analysts see evidence that the geographical segregation of Lebanese has increased since the civil war – a trend that has been aggravated, they argue, by religious authorities.⁷⁸ A study on communal tensions among young people in Lebanon found that “Distrust and resentment powered by intercommunal stereotyping still exist... Young Lebanese appear to have confined their social trust to a small circle of relatives and friends... Memories of the civil war... were invoked by the youth when discussing the nature of communal relations.”⁷⁹

⁷² *Lebanon 2008-09 The National Human Development Report: Towards a citizen's state*. UNDP, 2009 p.70.

⁷³ WDR Lebanon advisory group (AG), 17 February 2012.

⁷⁴ *The Lebanese Electoral System*, IFES Lebanon Briefing Paper, March 2009.

⁷⁵ “Under the current system, a fledgling party with a small but dedicated following stands no chance of getting its candidates elected in a district where a more established party holds sway. Under proportional representation... a small party could win some seats with a minority of votes. In addition to ensuring multiparty representation in each district, proportional representation would empower lesser-known independent candidates. Over time the newcomers could coalesce to form a bulwark against the traditional political mainstream and advance a more liberal agenda.”

Elias Muhanna, ‘Lebanon, by the numbers,’ *International Herald Tribune* Global Opinion, 17 January 2012.

⁷⁶ WDR Lebanon AG session, 24 February 2012

⁷⁷ *Lebanon 2008-09 The National Human Development Report: Towards a citizen's state*. UNDP, 2009 p.22

⁷⁸ WDR Lebanon AG session, 17 February 2012.

⁷⁹ *Unpacking the dynamics of communal tensions: A focus group analysis of perceptions among youth in Lebanon*. ESCWA/Heinrich Boell Stiftung Middle East, United Nations, New York, 2009, p.21.

One of the questions that concerns analysts of Lebanese politics and society is whether the current political settlement contributes to increasing separation and animosity between Lebanese communities. The institutionalization of the sect as “the country’s basic nuclear political entity” may have actually shifted people’s allegiance “from the state to the sects,” and has contributed to the establishment of a “system of governance based on sectarian privilege, political feudalism and patronage, usurpation of state power, endemic conflict and political paralysis.”⁸⁰

Loyalty to the sect, combined with limited loyalty to the state, arguably contributes to Lebanon’s vulnerability to internal violence. Deep political and social divisions that existed at the time of Lebanon’s creation have never been allowed to heal, in part because the political settlement institutionalized pre-state identity groups and traditions of political leadership. The result has been a longstanding lack of “consensus about statehood” in Lebanon. This constitutes an “inherent structural failure” in Lebanese politics, one that contributes to repeated bouts of instability and violent conflict.⁸¹ The spatial separation of communities, and the dominance of communal over national identity, make it easy for Lebanese “to turn the guns on each other.”⁸²

Political leadership, power and control

Political power in Lebanon is exercised by a small group of leaders, a political elite which is considered by most Lebanese analysts to be almost, though not completely, impermeable to “outsiders.” Many analysts argue that Lebanon’s system “embodies” what the WDR describes as an elite pact.⁸³

Lebanese political parties and factions are dominated by a *ẓaim*, or political boss. How these *ẓuama* acquire their leadership positions varies: some, such as the Sunni leader of the Future Movement Saad Hariri, and the Druze leader Walid Jumblatt, inherited their positions of leadership from their assassinated fathers. Others, such as Lebanese Forces leader Samir Geagea, rose to prominence as militia leaders during the civil war. Hassan Nasrallah was made Secretary-General of Hizbullah after Israel assassinated his mentor, the previous leader, Abbas al-Musawi, in 1992.

The means by which political parties and *ẓuama* exercise power and control over their followers varies. There is a traditional element to *ẓuama* leadership: for more than two hundred years, *ẓuama* in Lebanon have maintained the support of their followers by providing protection and largesse in exchange for loyalty.⁸⁴ But charisma and political leadership are also important. In some communities, religious credentials matter; but one senior government official argued that the relationship between a *ẓaim* and his people is far more “tribal” than religious; in fact, “people with true religion” do not support the political bosses, or become involved in the political system.⁸⁵ The most powerful leaders acquire loyalty through all these means: Hassan Nasrallah, for example, has won the support of followers in Lebanon and beyond through a combination of military leadership, political skills, religious credentials, charisma, and massive Iranian financial

⁸⁰ George Yacoub, Lebanon’s security dilemma, pp11-13.

⁸¹ Interview with Lebanese analyst, Beirut, 1 February 2012.

⁸² WDR Lebanon AG session 17 Feb 2012.

⁸³ Interview with Lebanese analyst, Beirut, 1 February 2012.

⁸⁴ Interview with Lebanese analyst, Beirut, 1 February 2012.

⁸⁵ Interview with government official, Beirut, 5 March 2012.

and military support through which his party provides a range of services, from schools and clinics to “national resistance.”

Some analysts argue that *zuama* are both respected by, and highly responsive to, the needs of their communities.⁸⁶ Others view the *zuama* less positively: they are described as “confessional warlords”; people feel obliged to honour these elites primarily because through their networks of patronage (distribution of state and private assets) and control they determine whether or not community members have security and livelihoods.⁸⁷ A study of Lebanese youth groups found that although many youth regard the clientelist systems through which *zuama* ‘buy’ loyalty as “one of the evils that is rotting the Lebanese political system,” many nonetheless “felt the necessity of engaging in clientelistic practices ... as one of the main avenues to secure a job or to get access to public goods and services. Political leaders [were] criticized for ‘taking over the State’ [but] valued on the basis of their ability to offer all sorts of protection through the power thus acquired.”⁸⁸

The weakness of state structures makes the “purchase” of loyalty relatively easy. A government official who is originally from an economically deprived area of north Lebanon described how Hizbullah wins supporters: an ordinary person from this area, who earns less than \$3000/year, would face severe difficulties if his child fell ill. Private healthcare in Lebanon is very expensive, and the government provides almost nothing to citizens in that area. The person would take his child to a clinic provided by Hizbullah.⁸⁹ Other political parties and individual political leaders provide various types of material support to retain their followers, from post-war reconstruction assistance to educational scholarships, from access to civil service jobs to personal protection. Funding for these types of support comes from a variety of sources, including political leaders’ personal fortunes, leaders’ and parties’ capture of Lebanese state resources, external states, and the Lebanese Diaspora.

Political alliances and government formation

In Lebanon, political parties – which tend to be sect-based – must form alliances with other parties in order to form a government. Lebanese coalitions do not form on the basis of sectarian divides: under the current system of alliances, for example, there are Christian parties in both the March 14 and March 8 blocs; and the largest party in the current government (which is dominated by Hizbullah and sponsored externally by Syria and Iran) is Michel Aoun’s Maronite Free Patriotic Movement.

Some analysts argue that this practice of coalition-formation is one indication that the extent of sectarian divisions in Lebanon is sometimes exaggerated. Nadim Shehadeh, for example, comments that “Sectarianism, like beauty, is more often than not in the eye of the beholder. One can interpret a situation as ‘sectarian’ and there may be some elements

⁸⁶ One American analyst of Lebanese politics, in discussion with the author, commented that some Lebanese communal leaders do, in fact, pay great attention to the concerns of their constituents. For example, any Druze in Lebanon would probably be able to see Walid Jumblatt within six months of requesting a meeting; and Jumblatt might well be able to act on their concerns, because his network of influence and patronage is considerable. Discussion with the author, Beirut, 30 January 2012.

⁸⁷ Interview with Lebanese analyst, Beirut, 1 February 2012.

⁸⁸ *Unpacking the dynamics of communal tensions: A focus group analysis of perceptions among youth in Lebanon*. ESCWA/Heinrich Boell Stiftung Middle East, United Nations, New York, 2009, p.21.

⁸⁹ Interview, Beirut, 5 March 2012

in it that are related to tension between sects; but the underlying causes and drivers may be totally secular.” Although the political *system* in Lebanon is ‘confessional’ or sectarian,

“the reality on the ground is a division which is deeply political between two very legitimate world views which divide every ‘sect’, every community and even every family. It is the beholder who chooses to give it a label of sectarian, that March 8 are ‘Shiaa’ or Shiaa means Hizballah. The Christians are ‘divided’? who said they have to be united in the first place? because they are Christian they have to be united, so the sectarian glasses do not fit with reality and we conclude that they are divided.”⁹⁰

International influence

Lebanon is notoriously susceptible to international influences. External parties have been deeply involved in Lebanon’s internal affairs since the country gained independence in 1943: for a large proportion of its post-independence history, Lebanon has been occupied militarily by Syria, Israel or both. Today, the only visible external military parties present on Lebanese soil are the international peacekeepers of UNIFIL. However, Lebanese political leaders continue to turn to their regional and international patrons to gain support for their domestic political positions.

Although all parties seek external political and material support from outside, some have more powerful and forceful external sponsorship than others. In March 2012, Future Movement leader Saad Hariri accused his Lebanese opponents of “intimidation based on weapons and outside alliances to impose conditions on the management of public affairs” in Lebanon – an allusion to the massive financial and military support that Hizbullah receives from Iran and Syria. But Hariri’s own Future Movement also turns to external sponsors, notably Saudi Arabia, the United States and France, to back up its position in Lebanon. Furthermore, Hariri himself clearly accepted the role of external parties in when in 2009, in seeking to form a government of national unity, he embarked on a round of regional diplomacy, visiting Cairo, Riyadh and Damascus. Lebanese newspapers carried headlines such as ‘Syrian-Saudi Rapprochement Imminent amid News Hariri Received Damascus’ Blessing.’⁹¹ The eventual establishment of government of national unity under Hariri’s leadership appeared to owe more to Saudi-Syrian deal-making than it did to the June 2009 Lebanese poll results (which many commentators claimed had also been “bought” by the Future Movement’s Saudi patrons⁹²).

Official Development Assistance exerts only limited influence over Lebanese political affairs, for several reasons. First, Lebanon is an upper middle-income country, and the ODA it receives is a relatively small proportion of Gross National Income.⁹³ Second, financial and other resources from non-ODA foreign sources into Lebanon (notably

⁹⁰ Nadim Shehadeh, response to a blog by Qifa Nakbi entitled “How Sectarian is Syria?”, posted 11 April 2011. Available at: <http://qifanabki.com/2011/04/20/how-sectarian-is-syria/#comments>

⁹¹ *An-Nahar*, 29 June 2009.

⁹² See, for example, ‘Foreign Money Seeks to Buy Lebanese Votes’, *New York Times*, 22 April 2009. The article quotes an “adviser to the Saudi government” saying that the Saudi contribution was likely to reach hundreds of millions of dollars in a country of only four million people: “We are putting a lot into this... We’re supporting candidates running against Hezbollah, and we’re going to make Iran feel the pressure.”

⁹³ In 2009, net ODI constituted only 1.8 percent of Lebanon’s GNI. Aid fluctuates in response to periods of political and security crisis; in 2007, for example, in the wake of the 2006 war, ODA to Lebanon constituted 3.7 percent of GNI (GNI probably declined substantially this year, because of the conflict with Israel). (World Bank figures).

from Iran, but also from the Lebanese Diaspora⁹⁴) probably dwarf ODA – and these resources may be targeted specifically towards influencing political outcomes, because they are not subject to the constraints that affect Western donor behaviour. Third, bilateral donors of ODA to Lebanon – including France, the United States, other Europeans, Saudi Arabia and other Gulf countries – have longstanding political and cultural relationships with specific Lebanese parties, which relate to these states' strategic objectives in the region. These relationships sometimes interfere with, or cut across, the stated objectives of development programmes.

This section begins with a very brief overview of the relationships between Lebanese parties and state actors that have traditionally played a major role in Lebanese affairs. It then examines donor perceptions of Lebanon's political settlement, problems that donors believe arise from the settlement, and some donor responses to these perceived problems.

Political relationships between Lebanese parties and other states

Syria: Historically, Syria's role and involvement in Lebanese internal affairs has been particularly deep. Syrian and Lebanese people have longstanding cultural, commercial and familial connections, which were never really severed when the two countries were established in 1920. The flow of people and goods – licit and illicit – across the borders has continued until today. Political ties between Syrian and Lebanon have also remained extremely close. Syria has, in the views of many Lebanese, “never respected Lebanese sovereignty.”⁹⁵ ⁹⁶ Syria's overall approach to Lebanon was formalized through a Brotherhood, Cooperation and Security Agreement, and later by a Common Defence and Security Agreement. General Ghazi Kazan, security chief of Syrian troops stationed in Lebanon, told the Lebanese press in 1992 that Lebanese should “engage in trade and commerce. Indulge in light media, which does not affect security... leave politics to us [Syrians]. Each has his domain in Lebanon: yours is trade; ours, politics and security.”⁹⁷

The assassination of former Prime Minister Rafik Hariri in 2005 led to broad-based popular demonstrations against the Syrian presence, and to the withdrawal of Syrian troops. Since 2005, Lebanon has witnessed a substantial shift in Lebanon-Syria relations. Lebanese political camps have, however, continued to be defined as “pro-Syrian” and anti-Syrian,” and it was obvious (at least until the outbreak of the uprising against Bashar al-Assad in spring 2011) that the Syrian leadership was still playing a major mediating role in Lebanese political affairs. The outcome of the current uprising in Syria could have a major impact in Lebanon, shaking up the balance of political and military power between Lebanese parties and potentially weakening the “pro-Syrian” March 8 coalition.

⁹⁴ According to World Bank estimates, remittance flows from the Lebanese Diaspora amounted to \$8.4 billion in 2010, representing 21.4 percent of GDP. ‘Where the heart is,’ *The Business Year*, available at: <http://www.thebusinessyear.com/publication.aspx?PubId=2&artId=12>

⁹⁵ WDR AG session, 17 February 2012.

⁹⁶ Syria played a major role in pre-war Lebanese politics; and in the post-Taif period, Syria continued to intervene extensively in Lebanese political affairs, with President al Assad serving as mediator between the troika of President, Prime Minister and Speaker. After the war, Syrian troops did not leave Lebanese soil despite the agreement that they would withdraw before September 1992; Syria also intervened in Lebanon's post-war parliament. The designation by Syria of 40 new deputies in Lebanon's post-war transitional parliament “greatly influenced the [post-war] elections and the advent of a legislature with a pro-Syrian majority.” Traboulsi, *A History of Modern Lebanon*, London, Pluto, 2007, p.245.

⁹⁷ Quoted in Traboulsi, F, *A History of Modern Lebanon*, London, Pluto, 2007 p.246

Israel: Israel has also played a longstanding role in Lebanese affairs. Israel is still technically at war with Lebanon; it invaded in 1978; it occupied south Lebanon between 1982 and 2000; and it conducted a massive bombing campaign and land invasion in 2006, following Hizbullah's abduction of Israeli soldiers. The Arab-Israeli conflict has been a destabilizing factor for most of Lebanon's post-independence history, not least because Lebanon is host to approximately 400,000 Palestine refugees. These refugees are considered by many Lebanese to be a threat, partly because their naturalization would shift Lebanon's sectarian balance in favour of Sunnis, and partly because of the shifting but significant role that the PLO and other Palestinian militias have played in various Lebanese conflicts.

In the past, Israel has forged alliances with Lebanese Christian parties and established its own Lebanese armed group, the South Lebanon Army: indeed, one analyst argued that prior to the civil war, "half the Lebanese were pro-Palestinian and anti-Israeli, while the other half were prepared to deal with Israel."⁹⁸ Today, enmity with Israel is one of the few issues on which Lebanese are united. Yet as Israel's neighbour and as host to more than 400,000 Palestine refugees, Lebanon is key to resolution of the Arab-Israeli conflict.

Saudi Arabia and other Gulf states: The rise of Sunni power in Lebanon was connected historically with Lebanese Sunnis' economic and political relationships with Sunni Gulf states; these relations have been manifested most obviously through the ties between the Saudi royal family and the Hariri family. The Gulf is a major source of income for Lebanon: approximately half of remittances sent into the country come from non-resident Lebanese living in the Gulf.

Iran: Iran has extremely close links with Lebanon's Shi'ite communities, particularly Hizbullah. Iran has reportedly invested \$50 billion in Lebanon during the past 30 years: "an investment on which Iran expects a return."⁹⁹ One analyst notes an "important difference between the Iran-Hizbullah relationship and the relationship between other Lebanese parties and their external patrons: while other Lebanese parties have multiple external supporters (Future Movement has links with both France and the US, for example), and are unable to play regional roles, Hizbullah relies overwhelmingly on Iran and the relationship is very deep. Hizbullah is part of Iran's regional strategy, with historical connections to the Sadrist movement in Iraq; Hizbullah is therefore motivated by its regional function, as well as by internal Lebanese factors."¹⁰⁰ Iran helps Hizbullah to maintain popular support by funding infrastructure projects and other elements of Hizbullah's social network, as well as by providing it with massive military assistance. Some analysts argue that Hizbullah owes its political survival in the wake of the 2006 war to Iran, which immediately provided \$13.6 million to Lebanese communities (mainly Shi'ites) who were affected by the conflict.¹⁰¹

The United States, France and other Europeans: Western actors also have longstanding links to Lebanese communities and individual leaders. These ties are based on shared religion and culture, and sometimes on personal friendships – for example, between France's former President Chirac and the Hariri family. European historical relationships with Lebanon's Christian communities continue to be sustained and fostered by shared language, cultural cooperation, and shared conceptions of Lebanese

⁹⁸ WDR Lebanon AG session 2

⁹⁹ WDR Lebanon AG Session 3

¹⁰⁰ WDR Lebanon AG session 3

¹⁰¹ Figures from interview with Lebanese analyst, Beirut, 1 February 2012.

historic links to Europe. But other, stronger political factors also drive European and Western relations with certain Lebanese parties. For the United States, France, the United Kingdom, Italy, Spain, and other European states, Lebanon's strategic importance derives partly from its position in relation to the Israeli-Palestinian conflict, and its relevance to international efforts to address Iran's nuclear activities.¹⁰² These states have invested heavily in maintaining stability and security in south Lebanon, primarily via UNIFIL. They have also tended to support West-leaning Lebanese political players, partly because one of their regional priorities is to move towards a permanent ceasefire between Israel and Lebanon.¹⁰³ For this to occur, Lebanon's government must be open to Western influences: "We don't want Lebanon to move towards Syria and Iran."¹⁰⁴

Aid actors' perceptions of the political settlement, and efforts to influence political outcomes through assistance

International aid actors working in Lebanon perceive three broad, interconnected sets of problems relating to Lebanon's political settlement. First, the political settlement has not effectively resolved the tensions between Lebanese communities – tensions that have, in the past, contributed to the outbreak of violence. Lebanon therefore remains vulnerable to sectarian conflict. Second, the political settlement impedes the establishment of robust state structures and institutions. Third, the political settlement prevents the equitable and efficient distribution of national resources, and thus impedes economic and human development.

The 'problem' of sectarianism

A useful summary of Lebanon's political problems, as perceived by many international aid officials, is provided by the UN Peacebuilding Fund priority plan for Lebanon:

At the heart of the conflict is sectarianism which has been institutionalised in a confessional system of government. It impacts directly on the most central responsibilities of the state: security, administration of justice and the distribution of wealth and services. It cannot ensure equal access to resources, rights and entitlements. This has affected, in particular, the status of vulnerable groups, such as refugees, and economically marginalised communities. Importantly, the preservation of a sectarian system has prevented the development of a central, unified and coherent set of laws affecting personal status which in turn has negatively impacted on the status and rights of women. Women are still largely excluded from the political sphere and their participation in decision making positions remains minimal.

Confessional identities are actively transmitted to new generations of youth through a fragmented educational system, and a polarised media. The confessional system has impeded the development of a unified notion of citizenship...

¹⁰² Dealing militarily with Iran's nuclear programme is far more difficult while Iran is capable of initiating an attack against Israel via its proxy in Lebanon, Hizbullah.

¹⁰³ This objective is specified in Security Council Resolution 1701 (2006).

¹⁰⁴ Interview UK Stabilisation Adviser 31 January 2012

While the sectarian system may help to ensure domestic co-existence, it fails to consolidate a civil peace or deepen national identity.¹⁰⁵

Most bilateral and multilateral aid actors share this belief that sectarianism lies at the “heart” of Lebanon’s conflicts.¹⁰⁶ One European official described Lebanon’s sectarian system as “perverse,” and argued that it “has to change.” Some international actors regard sectarianism not just as an enduring problem, but an escalating one. The authors of a major UNDP Report argue that “sectarian pluralism has manifested itself recently in increasing polarization between different communal groups and marginalization of all alternative forms of identification.”¹⁰⁷

An official in the Prime Minister’s office argues that international aid officials tend to exaggerate the sectarian dimension of Lebanon’s problems. Through focusing on sectarianism, they conclude that Lebanon is “a hopeless case, riven by ancient feudal and confessional divisions.”¹⁰⁸ They become convinced that Lebanon possesses a unique history and culture, and fail to recognize that some sources of tension relate to class and regional disparities, which are susceptible to influence through public policy tools. International actors also fail to notice that patterns of political loyalty and patronage in Lebanon are not far different from those one sees in other places.¹⁰⁹ Another Lebanese government official suggested that internationals spend too much effort trying to reform the sectarian system, rather than accepting that “it has been like this since 1840 – it can’t change now.” In her opinion, instead of seeking to deconfessionalise, internationals should try to achieve more effective governance by working “within the system.”¹¹⁰

In response to the “problem of sectarianism,” aid actors have designed programmes to break down sectarian divisions, believing that reform of the political settlement must be preceded by changes in Lebanese society and identity. Consensus-building programmes were particularly favoured in the period after Hariri’s killing in 2005. Programmes sought to bring together divided communities, often through fostering civil dialogue over developmental concerns. An evaluation commissioned by the UN found that most of these programmes have had “no discernable impact on the social, political or economic factors driving conflict.”¹¹¹ Another major project, the Common Space Initiative, was established in 2009 to support “the spectrum of Lebanon’s interdependent dialogues addressing both root causes and the symptomatic structural challenges confronting the country.”¹¹² According to one aid actor, the Common Space Initiative is a “good idea” but the “time is not right” for such a programme, partly because the CSI was supposed to support the National Dialogue, which is currently stalled.¹¹³

UNDP, the EC and USAID are working towards reform of the education system in Lebanon. Measures are needed to “change the education system, to produce Lebanese

¹⁰⁵ United Nations Peacebuilding Fund Priority Plan for Lebanon, 2011.

¹⁰⁶ The UK stabilization adviser reflected that “most people posted to Lebanon see confessionalism,” and particularly its institutionalization in Lebanese political and administrative arrangements, “as a problem, at least at the beginning.” Interview, Beirut, 31 January 2012

¹⁰⁷ *Lebanon 2008-09 The National Human Development Report: Towards a citizen’s state*. UNDP, 2009, p22.

¹⁰⁸ Interview, Beirut, 5 March 2012.

¹⁰⁹ In the United States, for example, people support political parties throughout their lifetime; and party loyalists also contribute financially expect to be rewarded with diplomatic and government posts when their party wins power Interview, Beirut, 5 March 2012.

¹¹⁰ Interview with Ministry of Finance official, Beirut, 31 January 2012

¹¹¹ *A Study of Civil Dialogue Initiatives in Lebanon: Final Report*, Pursue Ltd., Beirut, 2011.

¹¹² Common Space Initiative website, www.commonspaceinitiative.org.

¹¹³ Interview with UN official, 30 January 2012.

citizens.” This is, however, a long term objective; investments made now would take “30 years” to produce results, in terms of changing attitudes to sectarian differences.¹¹⁴

Another donor concern is to avoid exacerbating sectarian tensions through aid programming. AFD, which works mainly on infrastructure, “has to take into consideration” the confessional background of communities in which it is implementing projects. French aid officials face an additional complication in dealing with the sectarian issue: France has historically been linked to Maronite communities, so it is now important for French development assistance to be perceived as “neutral... we can’t privilege one community over another,” although Christians want to maintain their special relationship with France.

Today, “at the request of the government,” AFD is working in Tripoli and Tyre, which are predominantly Muslim areas. AFD conducts feasibility studies that include sociological and geographical analysis of the areas in which projects are planned. On the other hand, AFD is realistic about the extent to which it can understand the sectarian dimension of programme implementation: “we are not anthropologists.” Furthermore, AFD and other aid actors are committed to working with the Government of Lebanon – their main government interlocutor is the Council for Development and Reconstruction – and they are aware that the government tends to be influenced by sectarian factors in its distribution of resources.¹¹⁵

The weakness of the Lebanese state

Many aid actors believe that the way that Lebanese loyalties are divided between community and state – which is a consequence of the structure of the political settlement – impedes the consolidation of state control and the establishment of functioning that institutions. According to the UN, confessionalism “impacts directly on the most central responsibilities of the state: security, administration of justice and the distribution of wealth and services.”¹¹⁶ The World Bank argues that confessional leaders’ capture of “the decision process in areas of economic and social policies” affects institutional strength in key areas:

“Lebanon’s political economy is characterized by a political system based on confessions, and by the existence of powerful interest groups in key economic sectors. This mix leads to frequent conflicts between political leaders from different sectarian groups as well as to the capture of the decision process in the areas of economic and social policies. The most powerful groups are in the banking and real estate sectors. On the one hand, and because of the sectarian polarization of the system, bargaining, cliental behavior, and political rent shape the functioning of institutions. On the other hand, internal political divergences and the influence of vested interests have a strong impact on the legal process regulating social and economic life.”¹¹⁷

The failure of the Lebanese state to monopolise violence across Lebanese territory generates immense international concern. The weakness of state security institutions

¹¹⁴ Interview UK stabilization adviser 31 January 2012.

¹¹⁵ Interview with AFD official, Beirut, 7 March 2012.

¹¹⁶ United Nations Peacebuilding Fund Priority Plan for Lebanon, 2011.

¹¹⁷ *Using Lebanon’s Large Capital Inflows to Foster Sustainable Long-Term Growth*, World Bank, Washington DC, January 2012, p.14.

allows Lebanon to be used as a launching ground for attacks against Israel, as well as a location for other terrorist organisations.¹¹⁸ It also provides non-state institutions with a rationale for building military capabilities that many Lebanese regard as legitimate. Most significantly, the inability of the Lebanese Armed Forces (LAF) to resist Israeli invasions has allowed Hizbollah, a Shiite organization, to appropriate a key element of Lebanese national defence (“resistance”). Other confessional-based militias also provide some types of policing and personal security in Lebanese communities.¹¹⁹

In other areas, the capture of state institutions by confessional groups limits the state’s ability to provide services efficiently. During the civil war, militia leaders monopolized provision of electricity, water and other goods. These monopolies have persisted in the post-war period – “so electricity still doesn’t work.”¹²⁰ Political parties’ control of state assets is used to promote the interests of particular communities, rather than to supply services according to needs: if the Ministry of Health is headed by a Maronite, then health services tend to be extended primarily to Maronite areas.¹²¹ Whichever faction leader “wins” the Ministry of Telecommunications is likely to gain, for himself or his community, the proceeds of this lucrative government department – so the telecoms ministry is the subject of fierce haggling when Lebanese governments are formed. This is one reason why Lebanon is the only country in the world in which the state owns mobile telephone networks.¹²²

Sectarianism, aid actors believe, impedes the functioning of the civil service. The “rules of civil service recruitment require confessional distribution of civil service posts, and this means that appointments are not merit-based.”¹²³ Many appointments are postponed or prevented because they are subject to haggling between factions, and also because it is often difficult to find an appropriately qualified official who is also from the “right” sectarian background.¹²⁴ There is currently no Budget Director in the Ministry of Finance, for example, because the ministry has been unable to identify an appropriately qualified Maronite to fill the post.¹²⁵ Although the high vacancy rate in the civil service is widely acknowledged as a problem, explanations for it vary: the Prime Minister’s economic adviser believes that the government’s inability to offer competitive salaries is a more significant impediment than sectarianism to the effective functioning of the administration.¹²⁶

Aid actors believe that the Lebanese parliament is also weakened by the political arrangements. The UK stabilization adviser commented that the “confessional system affects parliamentary scrutiny, influences the way that the electorate can express dissatisfaction.. politicians are not there to deliver the national project.”¹²⁷ Another European official argued that there is a “serious ... democratic problem in Lebanon,” despite the appearance of a democratic system; the political bosses are “not

¹¹⁸ See UN Secretary-General’s reports on implementation of Security Council Resolution 1701, available at UNSCOL website: <http://unscol.unmissions.org/>.

¹¹⁹ WDR Lebanon AG session 24 February 2012.

¹²⁰ Interview UK stabilization adviser 31 January 2012.

¹²¹ Interview with Lebanese analyst, 1 February 2012

¹²² Economic and Social Reform Action Plan, Lebanese Republic Presidency of the Council of Ministers, 5 December 2011.

¹²³ Interview with UN official, Beirut, 30 January 2012.

¹²⁴ Interview, European Union Delegation, Beirut, 1 February 2012.

¹²⁵ Interview with government official, Ministry of Finance, 31 January 2012.

¹²⁶ Interview, 5 March 2012.

¹²⁷ Interview UK stabilization adviser 31 January 2012.

representative of the community,” even though they are almost universally treated as such.¹²⁸ But the electoral system prevents the emergence of new political actors.

Aid actors have established an array of responses to address the problem of state weakness in Lebanon. UNIFIL is a direct attempt to compensate for the Lebanese state's failure to monopolize force, to prevent conflict between Israel and Lebanon until the Government of Lebanon is able to control the area south of the Litani. Peacekeeping is not generally considered to be an “aid” response; however, many European donors provide a large proportion of their assistance to Lebanon via UNIFIL, often via packages of assistance that are delivered to the areas in which their troops are present; and the south has undoubtedly benefitted economically from the presence of UNIFIL.

Another “interim” measure to compensate for the weakness of the Lebanese state is an international initiative to provide technical advisers to the government. The current system of “implanting” advisers in ministries was established in the early 1990s as a way to capacitate them in the immediate post-war period. It has endured and grown, and now there are over 200 officials on international contracts working in Lebanese ministries. They are paid higher salaries than regular civil servants, and their appointments are not subject to confessional quotas or political haggling. The programme has increased capacity in key areas. However, one Ministry of Finance official argued that this system was a “parallel administration”: although the individuals concerned were doing “a great job,” institutional memory was lost when they left.¹²⁹ UN officials engage with these advisers at a working level, and argue that while the system has benefits it also “drives a wedge between the [permanent] civil service and ministers, because the systems privilege a circle of advisors who have been placed by the international community.”¹³⁰

Other aid programmes aim permanently to enhance capacity in key state institutions. The UK has been working to strengthen Lebanese security institutions, including border operations. The security sector is, in the view of the UK stabilization adviser, “a primary driver of stability”: strengthening Lebanese state security, and particularly the army, would “remove the reason for Israel to invade.... [and] if the state is stepping up its response, the rationale for Hizbullah's presence is weakened.” One indication of the LAF's progress during the past five years is evidence of greater US confidence.¹³¹

The EC is working to enhance the functioning of the Lebanese parliament, by enhancing its administration and the research capacity of parliamentary committees. Work in this area is possible because it does not directly challenge any politician's political interests. Commission officials admit that the strengthening the “infrastructure of democracy” will not fully resolve democratic problems in Lebanon, which are a consequence of less tractable issues relating to the confessional system; but it is important to be pragmatic, to “shoot in areas where there is a lot to be done.”¹³²

One of the dilemmas aid actors face is how much to invest in strengthening state institutions while the overall political settlement continues to impede reform. The World Bank explains how difficult it is to achieve reform when the system is dominated by sectarian leaders who rely on rents to maintain power:

¹²⁸ Interview EU Delegation Beirut 1 February 2012.

¹²⁹ Interview, Ministry of Finance, Beirut, 31 January 2012.

¹³⁰ Interview with UN official, Beirut, 30 January 2012.

¹³¹ Interview UK stabilization adviser 31 January 2012.

¹³² Interview with EC official, Beirut, 1 February 2012.

“The allocation of rents within the public sector corresponds to a sensitive political equilibrium.... no reform will be successful in any sector if it reduces the political rent of one sectarian leader while other leaders keep their rents in other sectors. No matter the quality or soundness of technical advice, key structural and sector reforms have often been delayed and stalled because of potential disruptions to the political equilibrium.”

To promote reform, the Bank recommends a number of measures to minimize opposition, including “designing an appropriate compensation mechanism and promoting a comprehensive reform package [to] bring the system to a new equilibrium” while simultaneously deploying “substantial efforts... to explain that reform is not a zero-sum game... since the size of the pie will be increasing for all.”¹³³

The inequitable and inefficient distribution of national resources

Social sector spending in Lebanon is high, in nominal terms and as a proportion of GDP, but this high social spending is not commensurate with outcomes. Lebanon uses at least 25 percent more inputs (public spending) to produce the same health outcomes as best practice countries, and least 13 percent more incomes for education.¹³⁴ There are various explanations for the mismatch between expenditures and outcomes, many of which relate to the political settlement: corruption; a lack of checks and balances (which are “are replaced with reciprocal political consent and toleration by politicians of each other’s misdeeds”); and inefficiency in the public sector.¹³⁵

One very significant factor underlying the inefficiency of public investments in Lebanon is that national resources are allocated according to the political concern for sectarian balance, rather than according to needs. This has contributed to a widening gap between affluent areas and deprived areas of the country. The economists Nisreen Salti and Jad Chaaban conducted a major study of the role of sectarianism in the allocation of public expenditure in post-war Lebanon, and found that while “Balanced development and growth have been at the center of the discourse of all governments in Lebanon since the end of the civil war in 1990, the country has seen growing inequality and disparities in growth rates and development across regions.” Salti and Chaaban found

“that the discourse of balanced development has been primarily rhetorical and that public funds have been channeled along a vector remarkably consistent with political concern for sectarian balance.”¹³⁶

Genuinely balanced regional development – which would provide national resources to geographical areas in which needs are greatest – has been impeded by the dominance of sectarian considerations in public life.

¹³³ *Using Lebanon’s Large Capital Inflows to Foster Sustainable Long-Term Growth*, World Bank, Washington DC, January 2012, p xi.

¹³⁴ “The Ministry of Finance estimates that public social expenditures (defined by the operations of the ministries of Education, Health, and Social Affairs and expenditures channeled through related agencies) stood at 6.75 percent of GDP in 2006, which represents 35 percent of primary expenditures in 2006. When public pensions and end-of-service indemnities are also taken into account, total social expenditures rise to 8.32 percent of GDP, with public social expenditures representing more than 25 percent of government primary expenditures in 2006.” *Lebanon 2008-09, The National Human Development Report: toward a citizen’s state*, UNDP, 2009, pp127-8.

¹³⁵ *Lebanon 2008-09, The National Human Development Report: toward a citizen’s state*, UNDP, 2009, pp127-8.

¹³⁶ Jad Chaaban and Nisreen Salti, ‘The Role Of Sectarianism In The Allocation Of Public Expenditure In Postwar Lebanon,’ *International Journal of Middle Eastern Studies*, no 42 (2010), 637–655

There are some areas of the country from which Government of Lebanon civil or security authorities are almost completely absent. In the wake of the 2006 war, the lack of Lebanese government presence in south Lebanon, the Bekaa and Beirut's southern suburbs impeded state institutions' aid delivery to war-affected populations – and this gave Hizbullah and other regional actors (particularly Iran and Qatar) an opportunity to win popular support by delivering rapid and substantial help. The Government conspicuously failed to win the support of populations living in these areas during the post-war period.¹³⁷ Western aid agencies also had problems delivering aid effectively to the south, in part because aid officials were not permitted contact with Hizbullah, which plays the key role in governing the South.¹³⁸

Aid actors are concerned from an equity perspective about the deeply unequal distribution of resources in Lebanon.¹³⁹ This issue is also significant from a security perspective: the UN political office, UNSCOL, has long been concerned about the absence of Government of Lebanon civil presence and lack of service delivery in certain areas of the country, particularly south of the Litani where UNIFIL has been assisting the Lebanese Armed Forces deployment since 2006. Government provision of social services and development assistance to these areas would provide more equitable and efficient development outcomes, and would also complement Government of Lebanon efforts to establish security control across Lebanese territory.

Despite the desirability of a more equitable distribution of government resources across the country, international aid projects may be mirroring the government's distribution of development assistance, tending to support programmes according to the dictates of sectarian political balance rather than need. This may be partly because donors are following standard practice and implementing projects according to the request of the Government of Lebanon, which itself distributes according to sectarian political considerations rather than needs.¹⁴⁰ Beyond this, donors do not appear to be pursuing a coordinated strategy to promote the extension of state civil control to all parts of Lebanon. Donors do make investments in marginalized areas such as the south and the Bekaa in response to crisis: currently donors are interested in the Bekaa because of the influx of Syrian refugees, and after the 2006 war there were a number of recovery initiatives in the south. But funding to the area south of Litani is drying up now: the “south is increasingly left to UNIFIL.”¹⁴¹

Preliminary findings

Most aid actors in Lebanon are highly critical of the country's political settlement. They believe that the settlement has either preserved or exacerbated tensions between

¹³⁷ In a survey following the second tranche of compensation payments in Lebanon 30% of respondents were very satisfied with the contribution of Qatar, 33% with Hizbullah's reconstruction organization Jihad al-Binaa, while only 4% expressed satisfaction with the Lebanese Government's Council of the South. 62% stated they were very dissatisfied with the Council of the South. Tellingly 57% of the population in the south of the country viewed the central government less favorably for its role in the reconstruction effort. Quoted in Alistair Harris, 'Reconstructing Gaza – Lessons from Lebanon.' USIP Briefing, March 2009.

¹³⁸ Alistair Harris, 'Reconstructing Gaza – Lessons from Lebanon.' USIP Briefing, March 2009.

¹³⁹ An EU official argues that Lebanon is “a deeply unfair society”: the tax system favours the rich, the situation of women is “unacceptable,” and conditions for migrant workers and Palestinians is “terrible.” Interview EU Delegation Beirut 1 February 2012.

¹⁴⁰ Jad Chaaban and Nisreen Salti, 'The Role Of Sectarianism In The Allocation Of Public Expenditure In Postwar Lebanon,' *International Journal of Middle Eastern Studies*, no 42 (2010), 637–655

¹⁴¹ Interview with UN official, 30 January and 26 March 2012.

Lebanese sectarian communities. Because the settlement includes no mechanism for adjusting the sectarian power-sharing formula in light of social, economic and demographic changes, it contributes to regular bouts of violence, through which political actors force a reformulation of the elite pact. The political settlement allows a closed and corrupt political elite to monopolise national politics and use state resources for personal and political gain. It prevents the establishment of strong, merit-based state institutions that can distribute national resources fairly and govern competently on behalf of all Lebanese; it is therefore fundamentally inequitable, and impedes economic and social development of the country. The political settlement has, most seriously, contributed to a situation in which Lebanese actors continually “invite” support from outside, and this allows more powerful states to pursue their own interests and fight their own regional battles from Lebanese territory.

Aid actors are also aware that under the current political settlement, efforts to strengthen state institutions may constitute little more than tinkering with a system that is fundamentally flawed. Robust Lebanese defence and security capabilities can be developed only if political leaders can first agree on threats; at present, Lebanese parties (and people) have fundamentally different assessments of what threatens them, and the political arrangements do not help to bridge these differences in perception. It is therefore immensely difficult to build capabilities, although progress is possible at a limited, technical level.¹⁴² In other areas, such as elections, there is a risk “of perfecting a dysfunctional system”¹⁴³ that would not deliver democratic outcomes no matter how smoothly it functioned.

Despite these problems, there is little appetite among western aid actors for robust interventions towards changing the political settlement. One reason for this is that although the power-sharing system has many faults, it does give the leaders of all confessional groups an interest in the *status quo*. No confessional bloc is excluded, although many individual Lebanese do feel under-represented in politics. The current political settlement therefore reduces the risk of serious conflict, even though it increases the risk of low-level violence by introducing the need for constant trade-offs between confessional groups.

The appetite for pushing reform in Lebanon has been further reduced since the advent of the uprising in Syria, the emergence of other instances of sectarian tension in the region, and the rise of Islamist parties in Egypt and elsewhere. Iraq, Bahrain and now Syria remind Lebanese and their international partners of the difficulties inherent in governing profoundly plural societies. Historically, some Lebanese have defended Lebanon’s consociational or confessional system as the best – or least-worst – defence for freedom of conscience and religion in a deeply plural society.¹⁴⁴ Today, the champions of confessionalism “can point to the value of the system in preventing the kinds of conflict that are happening now in Syria and Iraq.”¹⁴⁵

¹⁴² WDR Lebanon AG session 24 February 2012.

¹⁴³ Interview UK stabilization adviser 31 January 2012.

¹⁴⁴ Michel Chiha, a banker and journalist, who played a major role in drafting the constitution, defended the adoption of confessionalism as the philosophy of political participation, when he said: “confessionalism in Lebanon ... is the guarantee of equitable political and social representation for the associated confessional minorities ... These minorities take the confessional label because Lebanon has always been a refuge for freedom of conscience ... The confessional basis of the Lebanese balance is not arbitrary. It does not result from prejudice, but from the need to recognise distinctive characteristics that differ as widely as those between political parties. With time, these differences may diminish and slowly disappear. Presently, Lebanon’s reason for being lies precisely in its distinctive confessional balance and this is first revealed at the level of legislative power.”

¹⁴⁵ Interview UK stabilization adviser 31 January 2012.

Western states are also working with the Lebanese system, rather than seeking to change it, because of a profound nervousness about destabilizing Lebanon. The revised power-sharing pact that ended the civil war has proved fairly durable, but few analysts believe that Lebanese have dealt conclusively with the grievances that fed the conflict for fifteen years. The threat of resumed civil war is always present. The Middle East region is already undergoing a period of immense turbulence, and Lebanese and internationals are grateful that Lebanon has so far remained stable. Western anxieties about instability in Lebanon are heightened considerably by the country's proximity to Israel, the threat that Hizbullah poses to Israel's security, and the role that Hizbullah could play if tensions relating to Iran's nuclear programme were to escalate.

Western aid actors and diplomats are sometimes accused, through their practices in Lebanon, of "making bad status quo sustainable."¹⁴⁶ But while the current period of regional turbulence persists, a push for political reform in Lebanon looks highly unlikely.

¹⁴⁶ Interview with Lebanese analyst, Beirut, 1 February 2012.

LEBANON¹⁴⁷

Governance Indicators

Year	2000	2005	2010
Polity IV	-66 *	7	7
Freedom House: Political Rights	6	5	5
Freedom House: Civil Liberties	5	4	3
WGI: Voice & Accountability	-.78	-.18	-.23
WGI: Political Stability	-1.11	-1.24	-1.20
WGI: Government Effectiveness	-.54	-.74	-.54

* Foreign Occupation

International Economic Presence

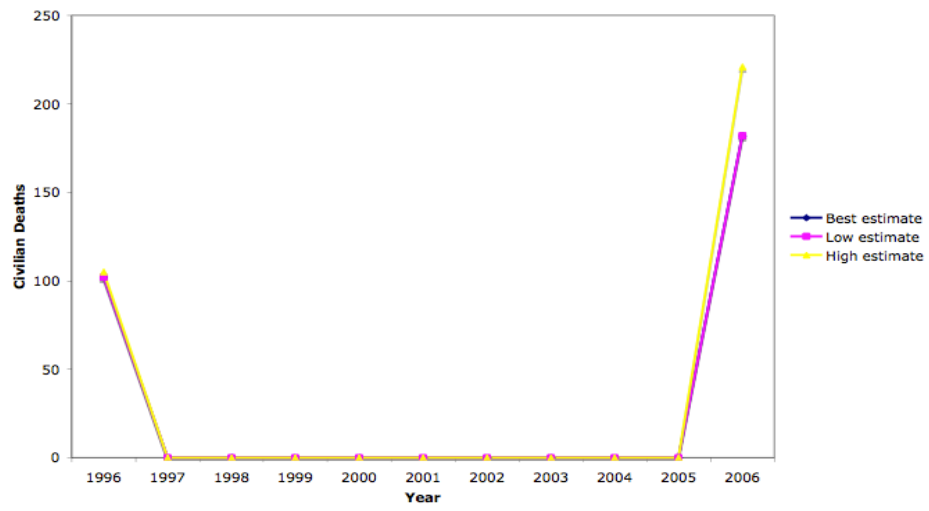
ODA per capita		ODA - % GNI	FDI net inflows - % GDP
2000: \$52.81	2009: \$138	1.2%	11%
Use of ODA by Sector (2009)		Major Donors (2010)	
Health and Population	25.7%	United States	\$560.24 M
Economic Infrastructure	18.8%	France	\$129.15 M
Other Social Sectors	17.4%	United Kingdom	\$103.03 M
Humanitarian Aid	10.5%	Germany	\$83.26 M
Production Sectors	9.2%	Denmark	\$66.08 M
Education	5%	Sweden	\$44.52 M

Structure of Economy

Government Expenditures (% GDP)		GDP per Capita		Tax Revenue (% GDP)
Total	32.8%	\$9,228	17.09%	
Military	4.2%	Sectors as % GDP		
Health	1.8%	Agriculture	Industry	Services
Education	8.1%	4.6%	19.7%	75.7%

History of Violence – Civilian Deaths

¹⁴⁷ Data from: Polity IV; Freedom House; World Bank Governance Indicators; World Bank; International Monetary Fund; AidFlows; CIA World FactBook.



Kenya

by Paul Keating

Summary

Kenya's 2007-08 post-election crisis was a short, sharp episode of politically motivated violence. The political settlement that followed presents a useful study of a sound political mediation process leading to a codified set of formal and far-reaching agreements. The case demonstrates good collective engagement by international actors, albeit in a context of limited donor leverage.

The Kenya National Dialogue and Reconciliation (KNDR) process is seen to have provided a robust political framework. For four years, the political settlement in Kenya has bound together deeply divided political actors in a power-sharing government. The KNDR has also provided the framework for an ambitious and quite successful governance reform programme.

The KNDR has weathered legitimacy challenges and political turbulence, particularly early on. It has proven to be 'acceptable enough' as an inclusive wider process, even if the central power-sharing agreement was seen to be less so. KNDR helped provide an environment within which strong external stakeholders in Kenyan civil society have been able to influence Government action and promote reforms in ways that were not previously possible in Kenya.

International actors in Kenya unified quickly behind a single, credible mediation effort and have maintained their unified stance during KNDR implementation. Coordinated and nuanced public and private diplomacy, joint funding of key KNDR activities (the mediation, commissions etc) and civil society, as well as the provision of expert technical assistance have been seen to be important niche support in an environment where international actors would otherwise have quite limited influence on Kenyan politics beyond the initial crisis management period.

With the new Kenyan Constitution now in place, the transition from the power-sharing arrangements under KNDR to a new dispensation is already underway. The new constitution and the sustainability of other progress made under KNDR will be tested in the lead up to and following the next general elections, now delayed until 2013.

Introduction

The post-election violence that consumed much of Kenya following the announcement of the presidential election results in December 2007 shocked Kenyan society and the international community. Many observers, however, saw the crisis as a resurgence of preexisting tensions. With the exception of the relatively peaceful and overwhelming victory of President Kibaki's NARC coalition in 2002, Kenya's 1992 and 1997 elections were also accompanied by considerable ethno-regional violence incited by political elites. While these episodes were not as violent, they did lead to some 1000 deaths and left half a million displaced.

The political settlement that followed the 2007 violence represents a useful example of how international actors can support national reconciliation processes. The political settlement that followed the crisis is widely considered strong, with a four-year period of stability preserved alongside the development of far-reaching reforms. This political settlement was largely set through four mediated agreements that included 'ceasefire and humanitarian provisions', a power-sharing agreement and a roadmap for addressing governance concerns and longer term underlying causes of conflict. The Kenya National Dialogue and Recovery (KNDR) is seen as a sophisticated settlement, underpinned by continuing and quite inclusive dialogue and regular monitoring. The use of an effective monitoring mechanism and visits by Kofi Annan and other AU Panel members at strategic moments has also been credited with maintaining focus both domestically and internationally.

This case study is based on document review and key informant interviews conducted in March 2012. Owing to the time constraints, the research is necessarily limited. Primary research through interviews has an inherent bias towards understanding the positions of international actors, as this was the focus of the field visit. However, the research also attempts to incorporate additional viewpoints obtained from national actors (government and civil society) obtained through both primary and secondary source document review. All interviews were undertaken on a non-attribution basis using semi-structured questionnaires.

Background

Although on the surface the lead up to elections was peaceful, it was clear to many that aggressive political mobilization was underway in the lead up to the 2007 election. Ethnic and regional differences were stoked up by the main political factions including by widespread incitement on ethnic radio stations. It was well-known from polling that the Presidential election would be a tight race between the incumbent President Kibaki (PNU) and Raila Odinga (ODM) and that several core characteristics of Kenya politics (i.e. winner takes all, patronage politics under-pinned by ethnic tension and inequality grievances) were clearly undiminished in 2007 and would ensure a hard fought contest.

Following a peaceful final campaigning period and a generally violence free election day, fighting broke out on the evening of the announcement of the electoral results. The conflict escalated rapidly in a series of retaliatory attacks inflamed by hate-speech and fear-mongering by politicians. The State apparatus and political leadership was ineffectual in responding and in some cases appeared complicit in the growing surge of clashes. The spasms of violence through January 2008 resulted in 1,500 deaths, the displacement of 600,000 people along with thousands of rapes and serious human rights abuses. There was enormous damage to property and the Kenyan economy suffered \$1 billion in lost productivity in two short months. Economic growth pitched from 7.1 percent in 2007 to 1.6 percent in the following year. Tourism earnings fell by almost 20 percent.

International actors, their numbers depleted during the New Year holiday period, were also caught off-guard. As domestic and international actors scrambled to find a mediated solution, the conflict continued to unfold through January 2008.

The Establishment of a New Political Settlement

This section provides observations on the mediation of the crisis, the nature of the settlement and its implementation. It is not a thorough analysis of the settlement but seeks to highlight interesting facets of the settlement and its evolution since 2008, particularly as it relates to the role of international actors.

Mediating the Settlement

The quality of the international mediation effort was a critical ingredient for the longer-term success of the settlement. At the national level, there was no scope for a Kenyan-led mediation; no national figures emerged with the requisite standing who could have transcended the ethnic and political divides. Early *ad hoc* mediation offers and initiatives collapsed quickly as neither party was willing to concede their claims to outright victory.

Collective international pressure in early January 2008 (including threatening a range of targeted mechanisms like travel bans, visa revocations and even aid suspension), as well as regional political pressure, played a major role in bringing the parties together for mediation. After an initially confused set of responses from the international community, support rallied behind the AU mediation. Spearheaded by AU Chairman John Kufuor. Following the nomination of Kofi Annan, the international community quickly aligned behind this single, credible effort. International unity is seen as critical to the success of the mediation. Many noted that an AU lead and the selection of a mediator uniquely well positioned to lead the Panel were also integral.

The mediation was strongly supported not only through diplomatic statements but also through funding and technical assistance offers that were directed through the mediation Secretariat thereby giving real credence to the 'One Mediation' approach.

The Kenya National Dialogue and Reconciliation (KNDR) process was formally launched on 29 January 2008. The mediation process itself was seen as well-structured and laid the groundwork for continued cooperation. It engaged the parties in an intensive 40-day negotiation in Nairobi, with occasional breakouts by the mediation teams to outside destinations in order to create space to resolve major breakdowns. Under the auspices of Kofi Annan's AU Panel of Eminent African Personalities, the two parties, the AU mediation team, a host of experts and national stakeholders negotiated a comprehensive settlement under four agenda items:

1. Immediate action to stop the violence and restore fundamental rights and liberties
2. Immediate measures to address the humanitarian crisis and promote reconciliation, healing and restoration
3. Measures to overcome the current political crisis
4. Long-term issues and solutions

It is important to note that from the outset the lynchpin ceasefire and power-sharing deals (Agendas 1 and 3) were not seen as an end in itself but as a means to a wider reform agenda. Agenda Item 4 provided the framework for dealing with underlying issues:

- Undertaking constitutional, legal and institutional (police, judiciary, civil service, parliamentary) reform

- Undertaking land reform
- Tackling poverty and inequality and combating regional development imbalances
- Tackling unemployment, particularly youth
- Consolidating national cohesion and unity
- Addressing transparency, accountability and impunity

The first three agenda items were progressively agreed and announced over 4 weeks, culminating in the signing of the power-sharing agreement on 28 February, which led to formation of the ‘Grand Coalition Government’. To anchor the power-sharing agreement, and to provide additional legitimacy, it was subsequently enacted through Parliament in the National Accord and Reconciliation Act (18 March 2008).

The power-sharing coalition was sworn in on 17 April 2008 following arduous negotiations on the number and distribution of Cabinet posts. The cost of these pain-taking negotiations was an almost doubling of Kenya’s Cabinet Ministers from 26 to 40 positions to ensure key actors on both sides were accommodated.

Negotiations on how to implement the fourth agenda item on long-term issues continued until principles and an implementation framework were agreed in May and July 2008, respectively. The table below summarizes the framework of agreements negotiated under the KNDR.

KNDR Agreements (2008)

<i>Agenda Item One (Ending Violence):</i>
- Signed Public Agreement and Statement (1 February 2008)
<i>Agenda Item Two (Humanitarian and Reconciliation):</i>
- Signed Public Agreement (4 February 2008)
<i>Agenda Item Three (Electoral Crisis and Power-sharing):</i>
- Agreement to establish independent investigation body for all aspects of the 2007 presidential election process (14 February 2008)
- “Acting Together For Kenya” Power-sharing Agreement (28 February 2008) later enacted in the National Accord and Reconciliation Act (18 March 2008)
<i>Agenda Item Four (Long term issues):</i>
- Agreement to establish the Independent Review Commission on the 2007 Elections (IREC, or the Kriegler Commission) (4 March 2008)
- Agreement to establish the Commission of Inquiry into the Post-Election Violence (CIPEV, or the Waki Commission) (4 March 2008)
- Agreement to Establish a Truth, Justice and Reconciliation Commission (TJRC) (4 March 2008)
- Roadmap for a Comprehensive Constitutional Review (4 March 2008)
- Implementation Framework for Long-Term Issues (30 July 2008)

The structure of the settlement agenda and its agreements had an important impact on implementation. The framework provided for segmentation of complex issues within an overall approach and allowed for the de-linking of short-term acrimonious issues such as the investigations on electoral flaws and post-election violence from other issues. These

were routed into subsequently established commissions but with tight deadlines for implementation of their work.

The mediation set the tone for what has been regarded a generally 'inclusive enough' dialogue. The Mediation team engaged not only the Principals and their teams, but also went directly to Parliament to enlist their support and understand their concerns. Kenyan civil society was engaged and was well organized in assembling peak bodies to influence the negotiations. Among the most notable were the Concerned Citizens for Peace Forum (CCP), the Kenyans for Peace Truth and Justice (KPTJ) and the Kenyan Coalition of Human Rights Organizations (KNHCR) and were able to bring highly influential Kenyan figures to engage on their behalf.

Implementing the settlement

To facilitate the ongoing implementation of the agreements (particularly Agenda 4), the KNDR process was designed as an ongoing process with dedicated Dialogue Teams drawn from the Coalition partners meeting periodically and supported by a standing AU Panel Secretariat in Nairobi. This AU Coordination and Liaison Office (CLO) continues to support the Dialogue Teams of the Coalition partners in monitoring and reviewing implementation of the KNDR agreements, and supports visits of Kofi Annan and other Panel members, as well as information dissemination.

The monitoring work of the dialogue teams and the AU's CLO was supported by an independent mechanism. A company – South Consulting – engaged by the Open Society Institute provided regular, objective reports to track implementation, including through public polling. These reports, which are submitted to the dialogue teams and the CLO, provide a technical foundation for discussions. The reports are later issued publicly and key findings are sent to media houses for dissemination. The CLO and the consulting company then hold stakeholder meetings with the main KNDR stakeholder groups, and then regional dissemination meetings are held around the country. The feedback from this dissemination process is incorporated into the next report. As the KNDR gives way to electioneering in the coming year it is felt that such monitoring processes (and indeed the KNDR framework overall) will be of diminishing value but were very useful earlier to track progress.

In addition to the monitoring report, the AU Panel has held annual Stakeholder Consultations bringing together the Government and major actors with external experts to review annual progress. The most recent of these was held in December 2011. This is complemented by regular and highly publicized visits by the Kofi Annan as the Chair of the AU Panel, who has maintained strong relationships with the Parties.

The first major KNDR commissions to complete their work were critical to continuing the success of the KNDR process. Both the Kriegler Independent Commission for the Review of the 2007 Elections (IREC) and the Waki Commission for the Investigation of Post-Election Violence (CIPEV) provided de-personalized, technical recommendations that presented highly politically charged issues in a professional and measured manner. The serious and substantive findings of both reports allowed process to move on from recriminations. Both were forward-looking with clear, implementable recommendations. The Waki Commission Report in particular masterfully established a roadmap for dealing with the questions of accountability for violence, as well as measures for escalating the

issues to the international stage (to the ICC via the AU Panel) if no domestic progress was made on impunity matters.

These two commissions sent an important *signal* – key to building confidence – about maintaining momentum. The positive public reception of their reports lay in stark contrast to the criticisms of the Coalition Government in its first year, which had failed to deliver on major commitments and was paralyzed by bickering over roles and responsibilities of the Prime Minister and President functions, and over the running of ministries. Indeed, the Coalition Government still struggles to work effectively as a unitary entity. Deep antagonism persists between the coalition government partners and it is often criticized as working as two governments in one. This will not improve in the lead up to elections.

Nonetheless, the power-sharing bargain has held together despite many challenges, especially in 2008-09. The Government managed to overcome a number of early crises (for example, confrontation and eventual backing-down over President Kibaki's unilateral judicial appointments in 2008). There has been only one resignation from the Coalition Cabinet since its formation. Critics and supporters alike believe that the benefits (access to resources, patronage systems) of remaining in the coalition outweigh the incentives of the parties to break from it.

In 2008 and into 2009, the power-sharing arrangement was criticized by a number of commentators (but less so by international actors) as illegitimate, narrow and rewarding those who created the crisis. Others, offended by the gross misuse of public funds by these same actors denounced the power-sharing as a new and even more voracious 'politics of eating the national cake'. These challenges from civil society, and amplified by a restive media, reached their peak in 2008-09.

As the reform agenda began to accelerate in 2010, and with the passage of the new Kenyan Constitution by popular referendum in August 2010, the amount and ferocity of criticism abated. In addition, the energies of civil society actors have channeled more into pursuing the specific agenda 4 items and issues related to the Constitution Implementation Commission.

Throughout this same period, there was also a strong counter-narrative in parts of civil society that this was a fair price to stop the violence, stabilize the country and to develop a long-term reform agenda. Generally, it appears that the need for an elite political settlement was well-understood in Kenya, and that the trade-offs were acceptable. It was acknowledged by many that this was a crisis of the political class and that they were indispensable to Kenya moving forward. In addition, patronage politics and a high level of corruption were already widely acknowledged as part of Kenyan politics.

Real progress has been achieved under the power-sharing period despite political foot-dragging on some key issues. Interlocutors point to major improvements that they consider to have been possible thanks to the framework provided by the political settlement:

- It is widely felt that there is much greater transparency in Kenyan Government than ever before thanks to the dynamics of power-sharing.

- Public vetting of officials is increasingly commonplace. In 2007, the courts were seen as entirely ineffective but now a very popular reformist chief justice is appointed and confidence in the judiciary is increasing.
- A newly established independent electoral board (IEBC) enjoys very high popular ratings and demonstrated excellent performance during the Constitutional referendum in 2010
- The 2010 Constitution is a concrete and critically important milestone achieved in this period. It also articulates the new framework to replace KNDR. The Constitution and the Constitution Implementation Commission (CIC) includes the remaining issues of the KNDR agenda 4 and is even more expansive on issues of devolution, ethics, integrity, land, and a very progressive Bill of Rights. However, the implementing legislation is proving harder as the detail is addressed, and already some bills are setting out to limit or narrow the interpretation of the Constitution.
- The Truth, Justice and Reconciliation Commission has made more modest progress and is criticized for not launching a large-scale reconciliation process. But it has worked steadily in collecting more than 30,000 submissions and has held numerous public hearings on the events of 2007-08 and on reconciliation.

Some areas of implementation have seen decidedly less progress. The National Cohesion and Integration Commission (NCIC) commenced its work late and has struggled to achieve real relevance, but most believe it is improving and has (with some prompting from stakeholders) engaged well on issues of hate speech, including referring cases for prosecution in 2010. Far less progress has been made in the field of security sector strengthening, and the anti-corruption commission has essentially stalled due to lack of political will.

Some criticize the KNDR as being overly ambitious, leading to an overabundance of laws to support KNDR implementation. Critics contend that this pace of legislating has at times led to poorly conceived or drafted bills, and poor or hasty consultation before legislation is enacted.

Winding up the settlement

The general elections scheduled for 2012 were to see the dissolution of the Parliament, the winding down of the power-sharing Government and the end of the KNDR. The structures supporting the KNDR (the monitoring tools, the AU Coordination and Liaison Office etc) would also end. Following the conduct of successful elections a new Government would be charged with continuing to pursue reforms under the framework of the Constitution.

Although the elections will be delayed until early 2013, the process of political mobilization is already underway. Fragmentation of the Coalition is accelerating as politicians focus more on the elections ahead (and amplifying the differences between the competing parties). Intra-party politics is also fragmenting. Observers note with concern that the political discourse and the growing mobilization effort is reverting to the ethnic and regional roots used in the previous electoral contest.

The political jockeying for the next election is being conducted in the shadow of the ongoing ICC proceedings. The ICC is being subjected to heavy political spin as a result. In particular, the President's party has invoked international and domestic conspiracies – including the so-called 'triple O conspiracy' ('Ocampo, Obama, Odinga') – that paint the ICC as inherently biased. The steps taken by the ICC in the coming 12 months will have significant impact on political positioning for the elections. The ICC introduces an unusually prominent international aspect to the upcoming elections and there is real concern that it will be harnessed in negative political campaigns.

In the lead up to the elections, civil society actors are stepping up their engagement. Six different elections will be held on the same day, presenting a daunting voter education task for Government and for civil society. Civil society actors are also working on civic education programs peaceful elections and stability. Many of these efforts are donor financed. The Kenyan private sector is mobilizing a major campaign called 'My Kenya' to encourage peaceful elections for the country based on sentiments of national pride and stability.

It appears that a credible domestic crisis resolution plan or system is not yet in place in the event of a troubled election. Some elements have been established, such as early warning systems embedded in the National Security Council, a framework for the NCIC to deal with instances of hate speech, and District Peace Committees are (more or less) functional in many 'hotspots'. However, it is not clear that there is a system to engage and mobilize key figures in society that could engage to prevent the escalation of violence if there are outbreaks. The political will and capacity to respond to the early warning signs will be critical but are notoriously hard to measure in advance.

A number of interlocutors have noted that the forthcoming elections and the role of the first post-power-sharing government will have a decisive impact on Kenya's future directions. The continuation of the KNDR reform momentum under a new and enlightened constitution hangs in the balance with the coming election. There are real concerns that outright victory in the elections by either side could see a return to exclusive, winner-takes-all government with a rapid retrenchment and undermining of the legislation and structures that might constrain Government power.

The complex issues facing Kenya in the coming years further underscore the importance of a constructive new approach to politics. The discovery of oil in poor and disenfranchised Northern Kenya, emergent Kikuyu and Luo tensions in the northern Rift Valley, the enormous surge of unemployed youth, issues of land tenure coming to a head, and the challenges of moving to a devolved system of (to be created but as yet largely non-existent) County Government structures which will become the frontlines for Government to manage regional tensions and local conflicts.

The results of the 2013 elections will potentially re-shape Kenya far more fundamentally than the power-sharing period that has provided for a stable and overall quite progressive period of reforms, but perhaps may not have fundamentally shifted the logic of Kenyan politics.

Role of International Actors

The following provides observations of interesting points of engagement by, and the interaction among, international actors during the mediation and implementation of the Kenyan political settlement.

Support to Mediation

Despite considerable early confusion in the international community response to the crisis, it quickly unified behind ‘One Mediation’. This helped prevent a protracted and acrimonious period of ‘mediation shopping’. Very high level international diplomatic pressure was applied on the parties in the early weeks. Both regional and international actors pushed hard for acceptance of the mediation, including Desmond Tutu, Tanzanian President Kikwete, UK Prime Minister Gordon Brown, US Secretary of State Condeleeza Rice and Jendayi Frazer, before AU Chairman Kufuor’s AU Panel recommendation was accepted. High levels of pressure were also reportedly applied during tense moments of the mediation negotiation (for example in a breakdown over coalition dispute resolution procedures).

The African Union Panel of Eminent Personalities led by the globally respected figure of Kofi Annan was a highly appropriate mediation proposal for Kenya but it still required intensive international lobbying – led by John Kufour, the AU Chairperson - to be accepted. The decision to route international calls for mediation through bilateral pressure and regional structures (and not for example the UN Security Council) many view as important to securing agreement to the mediation in the Kenyan context.

Donors responded to the mediation quickly by supporting it financially and by routing the majority of their technical assistance offers through the AU Panel secretariat. Critically, they also supported the mediation in both their public and private diplomacy. This reinforced the single mediation concept. The UNDP responded by setting up quickly multi-donor basket funds and managing them with a good level of risk tolerance and administrative flexibility. Some noted that Kofi Annan’s involvement eased fears surrounding such risk. The initial mediation and first commissions cost approximately \$10 million, funded through the UNDP joint funding modalities.

International support during implementation

Coordinated international pressure also helped push the parties through a rocky first year. Publicly, embassies quickly closed ranks and issued joint statements or would rally behind positions led by one international actor. For example in the first year, the EU often played ‘good cop’ to the US ‘bad cop,’ but coordinated with and supported by other embassies.

This approach of a joined up international communication effort continued through the following years. Positions would be coordinated on key issues and then embassies that could issue statements locally (rather than only through their foreign ministries) did so on behalf of a group of partners using opinion editorials, public letters, public statements etc. These have diminished over time but are still employed periodically. This coordination effort also served a labour-sharing function as many embassies in Kenya have small political offices that cover multiple countries from Nairobi.

Many donors noted that important coordination structures were strengthened or were established as a result of the KNDR that still continue today. The peak international

coordination group is the Donor Coordination Group (DCG) which meets at Head of Mission level. Its role and the substance of its agenda was radically strengthened during the KNDR period under Swedish and World Bank chairing.

A political coordination group was established to respond to the many issues arising from the crisis and the KNDR implementation. Called the Like-minded Donors Group (LIMID), this Canadian chaired political coordination forum complemented (and in membership overlaps with) the political coordination of EU member states. LIMID served as the main body for coordination of public statements on issues of political consequence. In parallel to the LIMID grouping, the aid partners meet through the Democratic Governance Donor Group (DGDG) and its subsidiary Conflict Working Group to discuss issues of relevance to the KNDR and to issues of conflict preparedness or peacebuilding.

Within the UN Country Team, following the crisis, a Peace and Development Team was established to develop a conceptual framework for peacebuilding in Kenya and to step up coordinated peacebuilding programming by UN entities, including early warning support to Government.

Using the same basket funding modalities as for the mediation (or in some cases through direct bilateral channels), donors have provided joint funding and expertise to key KNDR commissions. This was particularly important in the first year to maintain momentum in the KNDR process.

Unlike in some other settings, funding has been quite readily available to support the KNDR. Many donors, beyond the demands for initial crisis response funding which a smaller number could respond to, have been able to quite easily reallocate funds that were being programmed for governance activities. Because the KNDR agenda has very much mirrored a 'good governance' agenda, it has been relatively easy to allocate funds in support.

Still, the Government of Kenya funded the bulk of KNDR implementation, with donors providing top up funding or niche support for the commissions, which were authorized by Government to resource mobilize for funding short-falls outside of their operating expenses. With the coming election, for example, Kenya is paying for 90% of the estimate costs while donors will provide additional support, largely through a civil society basket fund, primarily for civic and voter education programmes.

Donors have been able to provide a high level of support to civil society actors in support of KNDR. Because the Government's MOUs with many donors have lapsed over this period of power-sharing (and some donors have been reluctant in recent years to renegotiate until the elected government is installed), there has also been a greater license for donors to programme outside of Government frameworks and provide direct assistance to civil society, or directly support capacity building activities in support of 'champions' in institutions such as Parliament.

Donors' relationships with civil society organizations (CSOs) have been strong through the KNDR period. There is a very open dialogue between embassies and CSOs. Many Kenyan CSOs are also very strong and able to receive and use donor funding effectively, especially in areas of high specialization (human rights, transition justice, reconciliation etc.

Despite the impact of Kenya's unrest on their own economies, regional actors are seen to have played a somewhat muted role in the Kenyan political settlement perhaps driven by not wanting to be seen as meddling in their larger neighbour's affairs, and perhaps due to their own domestic political situations. Rather, the AU was left to play the lead African role. Of the regional actors, Tanzania receives more credit for its role in pushing for mediation.

Overall, development partners are clear that their role in Kenya, beyond pushing for resolution to the initial crisis, has been limited to a supporting role. They see their primary value addition has been in providing well-coordinated financing as well as public and private diplomacy to help encourage implementation.

Main Findings

Nationally-inspired and -owned. Although internationally mediated, and enjoying sustained international engagement during implementation, the substance of the KNDR is strongly Kenyan owned. The substantive agenda of the mediation and settlement drew heavily on existing Kenyan reform agendas and built on an extensive dialogue that had followed a 2006 Report of the African Review Peer Mechanism as well as issues contained in the Government's own *Vision 2030* agenda and Medium Term Plan. The crisis provided the urgency, and the settlement provided momentum for an agenda already politically pre-digested by Kenyan reformers and the political elite. Implementation has been overwhelmingly delivered by Kenyans and the bulk has been funded by the Government of Kenya with niche donor support.

The settlement has been sufficient to hold deeply divided rivals together.

Despite continued acrimony between the coalition partners throughout the power-sharing period, the arrangement has been held together by convergent interests in the short term. The Coalition has been maintained through a combination of factors, including: provisions for collapsing the coalition that created a sense of 'mutually assured political destruction' between the parties combined with a lack of clarity on the consequences of coalition collapse; In addition, many point out that the power-sharing Government gave the parties a five year window to establish or maintain and gain from patronage systems through the use of public resources. Also important has been sustained public and international scrutiny of the process, combined with a desire of some key political figures to improve their low standing after the crisis.

The settlement framework is 'living' and targets long term issues. The KNDR was not just a crisis management agreement. It has continued to evolve and the Dialogue Teams have continued to meet throughout, supported by the AU Panel's Coordination and Liaison Office. The long-term 'Agenda 4' framework has enabled subsidiary processes to be launched which in themselves have been far-reaching and inclusive in nature (e.g. the Constitution Review Commission, Truth, Justice and Reconciliation Commission, National Cohesion and Integration Commission). Agenda 4 has provided an ongoing implementation framework for engaging important root cause issues.

The settlement has influenced political behavior and maintained reform momentum. The delicate political balance within the power-sharing settlement has provided space for independent actors (civil society, media, and judiciary) to influence and adjust the behavior of the Coalition partners and to push for reforms. Civil society

organizations have found more leverage than in past to promote issues and to lobby for policy changes because the power-sharing arrangement, and concerns about its collapse, has moderated political behavior. On several prominent issues, threats of coalition collapse and public outcry have seen Coalition partners to back down from proposed actions. In addition, subsidiary processes launched under KNDR have helped maintain momentum and build leverage. In the first year of implementation, two key commissions - the Kriegler Commission (investigating the flawed 2007 elections) and Waki Commission (investigating post-electoral violence) - played a pivotal role in providing substantive follow-up to the initial KNDR agreements by laying out detailed recommendations, timelines and, particularly in the case of the Waki Commission, by signaling that there could be real sanctions for failures to progress the KNDR. Some have criticized the perhaps overly ambitious implementation timelines (in that it has at times shortcut full consultation/deliberation or simply produces hastily and poorly conceived legislation) but most felt maintaining momentum was more important.

Inclusiveness and legitimacy concerns have diminished over time. Despite quite successful efforts to engage civil society in the mediation, the settlement was at its core a power-sharing deal between rival political parties. The early years of the 'Grand Coalition' exhibited all the hallmarks of a narrow, exclusive and highly self-interested political bargain. Concerns were expressed that the dispensation further entrenched public corruption and permitted impunity for lower and middle level perpetrators of the 2007-08 violence. However, as reform momentum accelerated from early 2010 - most notably with the adoption of a new constitution - support for (if not perceptions of the legitimacy of) the process improved significantly. Relatively successful delivery has built a *de facto* legitimacy for the KNDR over time (despite the sustained criticisms of the Coalition partners and their political inner cliques who have benefited from the settlement).

Transition to a new political dispensation is already underway. A year from elections (and the end of the power-sharing coalition), the mediated political settlement is already transitioning to the future political framework. With the new constitution in place, the end-game for the political settlement is now clearly articulated. Many noted that already Kenya's political discourse has transitioned from the power-sharing agreement as the organizing framework to the new constitution as the new political dispensation. Many of the reforms or reform plans laid out under the KNDR are now more permanently cast within the Constitution, which is a more comprehensive and far-reaching framework. An otherwise potentially uneasy transition period is potentially being made easier by virtue of the new framework already being in place.

The KNDR's success is highly context-dependent. Kenya is a fast-developing country with elites who have much to lose, who value stability and who, like the international community, were shocked at the scale of the crisis and at the behaviour of 'the political class'. The 2007/08 crisis was a short, sharp episode of politically instigated violence. The core apparatus of the State - while proven to be weak - remained intact. The pre-existing high capacity of Kenya's civil society, media and business sector provided strong inputs and impetus to the KNDR process at critical stages. Effective social mobilization and pressure brought to bear by these actors has been a hallmark of the implementation period. International actors found it easy to identify and support high capacity partners in Kenya's civil society.

Concern about sustainability and the next election. The sustainability of the achievements made during the Coalition power-sharing period remains to be seen. There is concern about the potential for troubled (and likely protracted run-off) elections in early 2013, followed by the possible return to ‘winner takes all’ breed of politics still divided along ethno-regional lines. Despite four years of coalition government, it is not clear that there has been any real improvement in underlying political behaviour. Already, political mobilization is displaying some unwelcome characteristics of previous elections through incitement and ethnically charged political mobilization.

Good practice international engagement. The Kenya case appears to demonstrate sound international engagement with a largely nationally-owned mediation and implementation process. The unity of the international community behind the ‘one mediation’ approach, along with coordinated messaging (public and private) and joint funding modalities have been effective. This unified approach has allowed individual donors to avoid bilateral head-on confrontation with the Government, especially after both parties fired early shots across the bows of Western countries who might have sought ‘to dictate’ to Kenya. Donor support to the settlement process has largely been routed through KNDR national mechanisms (e.g. to reform commissions) as well as support to national civil society actors and through peacebuilding programmes.

Positive political-development coordination experience. Political and development coordination in support of the KNDR has been good. The longer term ‘Agenda 4’ issues laid out by the KNDR process closely resemble an accelerated ‘good governance’ reform programme, which provided an easily understood framework for both aid and political staff to engage with, albeit with their differing lexicons and priorities. It provided a clear set of collective Kenyan ‘priorities’ for governance reform and political dialogue that had proved elusive in past. Prior to Agenda 4, donors felt that support for one set of governance reform priorities could easily be painted as bias by other political actors.

Although a sound international response, impact is less clear in the Kenya context. Beyond the intensive and very important public and private crisis diplomacy in pushing for mediation, and in supporting Kofi Annan’s process, it becomes harder to attribute weight to international actors’ actions. Pressure from the international community (in concert with civil society) in the rocky first year of implementation also helped build momentum. In the crucial first 12 months, joint international statements, strong quiet diplomacy as well as swift and well-coordinated support to the mediation and other early reform activities did represent real value-addition by international actors. However, this can be over-stated. In a country where total aid flows represent approximately 5% of Kenya’s GNI and a small fraction of Government revenue, the influence of donors (and especially aid programming decisions) is likely less than in some other contexts. Rather, concerns about international and regional reputation, credit ratings, and domestic pressures from powerful private interests as well as political positioning for elections and potential ‘legacy’ concerns of the outgoing President appear to have been more powerful drivers of elite behavior.

Some ‘soft-pedaling’ on key issues. Some accuse that donors and civil society have tolerated issues such as corruption, mismanagement of funds and impunity of lower level actors for violence in 2007-8 during the KNDR period. Some claim the ‘soft-pedaling’ on diversion of public funds by the Coalition Government was probably a necessary part of the bargain, that it would have distracted from the real progress being made on

important reform issues, and that this endemic problem requires longer term solutions and a committed government. Other donors refute that this dynamic if it exists has anything to do with preserving the KNDR agreement and that progress is in fact being made, but that results will come slowly.

The ICC process adds an interesting international dimension. The ICC process has introduced a dimension of real uncertainty into the political calculus of national political actors. It is an independent international process but was triggered through a domestic process of leverage building under the KNDR. In line with the recommendations of the Waki Commission in 2008, the ICC's engagement was initiated by the AU Panel following a failure of domestic political commitment to establish a national Special Tribunal. This introduced an external and uncontrollable dimension to the calculus of otherwise extremely powerful interests. Further, it laid the responsibility for the ICC process at the feet of politicians who were unwilling to move ahead the national process of dealing with impunity. It served an important warning to the Kenyan political actors that there could be consequences for inaction under the KNDR, and that there would not be impunity at the highest levels. The ICC process is being watched closely and will have real political implications for the election. Initially strong support for the ICC process by the majority of Kenyans is beginning to wane as political narratives are being developed to undermine the perceived impartiality of the process. The Kenya-based diplomatic community is careful to distance itself from the ICC noting only that it is in an independent judicial proceeding.

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KENYA¹⁴⁸

Governance Indicators

Year	2000	2005	2010
Polity IV	-2	8	8
Freedom House: Political Rights	6	3	4
Freedom House: Civil Liberties	5	3	3
WGI: Voice & Accountability	-.78	-.18	-.23
WGI: Political Stability	-1.1	-1.24	-1.2
WGI: Government Effectiveness	-.53	-.74	-.54

International Economic Presence

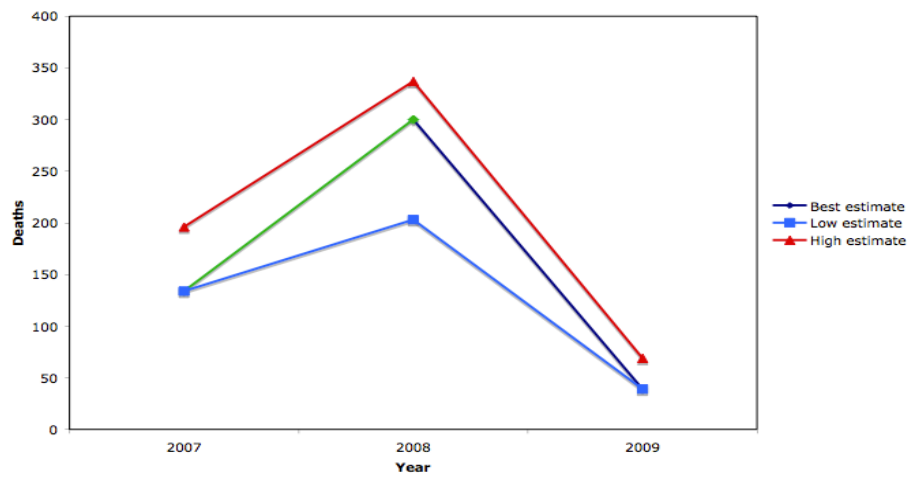
ODA per capita		ODA - % GNI	FDI net inflows - % GDP
2000: \$16.20	2009: \$40.26	5.1%	.6%
Use of ODA by Sector (2009)		Major Donors (2010)	
Health and Population	22.7%	United States	\$560.24 M
Economic Infrastructure	22.5%	France	\$129.15 M
Other Social Sectors	12.9%	United Kingdom	\$103.03 M
Humanitarian Aid	12.7%	Germany	\$83.26 M
Program Assistance	9.9%	Denmark	\$66.08 M
Production Sectors	8.8%	Sweden	\$44.52 M

Structure of Economy

Government Expenditures (% GDP)		GDP per Capita		Tax Revenue (% GDP)
Total	30.5%	\$795		18.8%
Military	1.9%	Sectors as % GDP		
Health	6.9%	Agriculture	Industry	Services
Education	7.0%	19%	16.4%	64.6%

History of Violence – Civilian Deaths

¹⁴⁸ Data from: Polity IV; Freedom House; World Bank Governance Indicators; World Bank; International Monetary Funds; AidFlows; CIA World FactBook.



Somalia

by Paul Keating

The Somali Political 'Settlement' & International Actors

Summary

Somalia and its international partners are still in search of a viable political settlement. After 14 political processes in 20 years, a clear pathway out of fragility remains elusive. In the face of powerful centrifugal pressures, the existing elite arrangement – the Transitional Federal Institutions – has failed to deliver. In months a new political framework will replace the weak and largely discredited Transitional Federal Government, which has been propped up in Mogadishu by external finances and the commendable military efforts of AMISOM, and more recently supported in South and Central Somalia by Kenyan and Ethiopian forces.

Concern continues that international actors are not yet working with the right framework, do not have the right players onboard, and do not have the right incentives available to produce a viable political settlement across competing national stakeholders.

The international community effort has lacked strong political leadership and international and regional efforts are far from cohesive. AU and UN missions have been pushed to the fore but not strongly supported by bilateral actors. Lack of clarity between the IGAD, AU and UN political mandates has further inhibited the emergence of a strong political lead. Governments have exhibited no real interest in playing a strong leadership role, and no serious political pressure forums (such as the Libya contact group or the Sudan troika) have emerged. Several 'non-traditional donors' are prominent actors in the Somalia context. Yet, they remain near the margins of the mainstream international political discourse, despite a rhetorical recognition of their importance roles. Regional governments have contributed strongly to the military response to Somalia, but have shied from a strong, public political lead with only a couple of notable exceptions

Absent clear political stewardship and a credible national government partner, the international response has become highly 'projectized'. It responds to the national and institutional interests of assistance providers, be they aid or security actors. Military strategies, stabilization, recovery and development strategies, anti-piracy, counter-terrorism, security sector reform and humanitarian emergency relief operate in stovepipes. These 'projects' struggle to manage internal coordination dynamics, let alone achieve cohesion under an overall political lead. Strategies for reigning in the central government can be at odds – for example, political actors bemoan the fact that there is little in the forward plans of development actors that could be harnessed as incentives for securing political progress

At the same time, continued failure of weak, centralized political processes is increasingly leading to a 'dual track' approach by partners, with more emphasis on supporting functioning governance arrangements at the local/regional level (building on relatively successful experiences in Somaliland and to a lesser extent Puntland) while moving ahead on the central government track. In Al-Shabaab controlled areas active conflict and humanitarian crisis continues with no end in sight. However, international military

pressure has increased and Al-Shabaab defections have been reported. Furthermore, local level support in some areas appears to be waning due to mishandling of the food crisis, forced recruitments and local taxation by the increasingly pressurized militant group.

Introduction

As a context void of political institutions and plagued by violence, Somalia represents a test of the role of international actors in developing a political settlement. Multilateral agencies, donors and foreign ministries have focused on empowering a strong central government, and have been integral in establishing Somalia's Transitional Federal Government (TFG). However, strong centrifugal dynamics between competing actors has thwarted attempts to develop a lasting political settlement.¹⁴⁹

The following analyzes the formation and current state of the political settlement in Somalia; the role of international actors, including strategies deployed; and some potential steps forward in developing a lasting political settlement. Because development and security in the Somalia contexts is intimately related to the political settlement, it offers important lessons for future programming and the limits of international actors' influence.

Owing to the time constraints, the research is necessarily limited. While it was not possible to travel to Somalia, the majority of international actors remain based in Nairobi. The primary research through interviews has an inherent bias towards understanding the positions of international actors as this was the focus of the field visit interviews. However, the research also attempts to incorporate additional viewpoints obtained through secondary source document review.

The political 'settlement' in Somalia

Within Somalia there are those actors who contest the control of the central State (most notably Al Shabaab); those who contest the shape and composition of government (including factions within the current government); those who contest the balance of centre to periphery power and would prefer weaker central structures (emerging State administrations); those who contest the notion of the singular Somali State and seek autonomy/independence and who have unilaterally declared such already (Somaliland as sovereign and independent, Puntland as semi-autonomous); and those who would further atomize governance structures based on sub-clan interests and territorial claims, and which give rise to fears of 'balkanization.'

Describing such a highly unstable political situation in Somalia as a 'settlement' of any sort is a stretch; currently it can be better characterized as an ongoing political process, or 'bargain,' supported by the international community. The current weak Transitional Federal Government (TFG) has manifestly failed to engage across the range of these complicated political interests, and has dragged its heels on a substantive reconciliation and cooperation dialogue with even 'pro-Government' or 'anti-Al Shabaab' entities such as the Alhus Sunna Wal Jama'ah grouping.

Attempts at Political Settlement

In the two decades following the collapse of Somalia's central government in 1991, the international community has engaged in 14 peace processes to try to restore stability and

¹⁴⁹ Here 'political settlement' refers to 'the expression of a common understanding, usually forged between elites, about how power is organized and exercised.'

governance in Somalia. The focus of international involvement has centered on restoring the State of Somalia through the re-establishment of central government.

These peace processes resulted in the so-called 'transition' framework, centred on Somalia's Transitional Federal Institutions. The TFIs have their origins in the Mbagathi peace process that commenced in 2000 with the Somalia National Peace Conference (SNPC) and resulted in the creation of the Transitional National Government (TNG), which faltered in the following years. The TNG was replaced under an IGAD brokered agreement in 2004, which adopted federalism and decentralization as the desired governance structure for Somalia and established the TFIs to help chart the transition to a federal state:

- Transitional Federal Charter
- Transitional Federal Parliament
- Transitional Federal Government (which replaced the earlier unsuccessful Transitional National Government)
- Judiciary (defined under the Transitional Federal Charter)

From its inception, the very notion of establishing these transitional central government structures was violently contested by warlords and later by the Islamic Courts Union (ICU). The ICU overthrew the TFG in mid-2006 and controlled all but the northern autonomous and semi-autonomous regions by late 2006.

Following an invasion by Ethiopian troops (supported by US airpower), the ICU was defeated militarily in December 2006 and the TFG was reinstated in Mogadishu under protection from Ethiopian forces. The ICU splintered into two armed factions (Al Shabaab and Hizbul Islam) staging from southern Somalia and intent on defeating the TFG militarily, as well as an unarmed and relatively moderate faction (The Alliance for Re-liberation of Somalia (ARS)) based in Eritrea and Djibouti.

In early 2007, AMISOM was deployed following the withdrawal of Ethiopian forces in order to help protect the TFG and to provide support in its effort to counter the growing threat of Al Shabaab militants in 2007-08. After a difficult early establishment, AMISOM has made steady gains against Al-Shabaab although at a significant cost in lives.

In mid-2008 a new round of peace talks was initiated in Djibouti in an attempt to reconcile the moderate membership of the ARS with the TFG. In January 2009 a power-sharing deal was reached that folded ARS into the transitional government. To secure this deal the size of the transitional federal parliament was doubled to 550 members (200 members for ARS and 75 representatives of 'Somali business and civil society') and ICU/ARS Chairman Sheik Sharif was appointed President of the TFG. The Transition Parliament voted to amend the Transitional Charter to give the new expanded power-sharing government and additional mandate of 2 years from 2009 to 2011.

The Transitional Federal Government

By the end of 2010 it had become clear that the political project had faltered. The TFG was not functioning and measures were required to wrap up the framework. To confirm the fears of the international community, in February 2011 the TFP and TFG unilaterally voted themselves a three year extension of their mandate. The international community

strongly decried this measure and threatened to cut support. A subsequent crisis between the Prime Minister and President in Summer 2011 led to a mediated settlement pushed strongly by President Museveni.

The expanded TFG and TFP has been almost entirely propped up by international support and under constant threat from Al-Shabaab. Parliamentarians, government officials, their advisors, their security sector personnel and their trips to international conferences are paid in large part by foreign donors. Their presence and physical security in Mogadishu is assured thanks to the now 12,000-strong AMISOM international military force, which has led the largely successful effort (supported by TFG troops) to expel Al Shabaab from the capital city in late 2011 and more recently push towards outlying towns near Mogadishu.

The record of performance of the TFIs since the Djibouti peace process has been disappointing. The Parliament has proven to be a quite powerful entity but is deeply factionalized and has struggled to progress substantive political issues. The Judiciary remains non-functional. The TFIs have been beset with conflict between the President, Prime Minister and Speaker of Parliament, which have occasionally boiled over into full crisis as with the removal of the Prime Minister in Summer 2011, and the attempted ouster of the Speaker in late 2011. These crises have required heavy international engagement to stabilize the situation.

As with previous central government experiments in Somalia, the TFG has lionized revenue and resources (both national and international) and the vast majority of the technical support offered by the international community has been used to prop up the central structures, rather than support any form of decentralized governance. The record of the TFG in grappling with the substantive issues of decentralization, of reconciliation or on a future beyond the transition has been dismal. It has been accused of seeing a self-perpetuating transition as an end in itself. At the same time it has been proven to be extremely weak at providing services even within Mogadishu. The TFG is widely seen to be deeply corrupt, and its security services predatory which has further undermined its legitimacy in the eyes of many.

The Kampala Accord averted the crisis by removing the Prime Minister and by also officially extending the TFG for one year until August 2012 with a demand for a clear timetable. It also assigned oversight to IGAD Heads of State to hold the TFG to account for the tasks in the transition, although it is not clear how this mechanism is being used. A 'Roadmap for Ending the Transition' was negotiated under UN Auspices in September 2011, which laid out the tasks required to move to a new constituent and elected government by August 2012. The Roadmap, if overly ambitious, does provide a framework for progress and there is a real sense of urgency – at least, on the part of the international community.

The Approaching Transition & New Constitution

The agreement of a new federal Constitution is the planned anchor of the new political dispensation for the country, around which settlements could then be built with different groups in Somalia. The end of the current transitional institutions and their Charter is scheduled for August 2012. However, the 'Roadmap' of political, constitutional and reconciliation tasks agreed following the one year extension of the TFG is lagging badly. International actors are still committed to the end of the transition in Summer 2012, but clarity on a successor framework (a national constituent assembly, a draft constitution, a

process of consultation and referendum on the Constitution, representative elections etc) remain as yet largely undefined and under-planned. In the event that key milestones are not achieved by the end of the transition, it remains unclear what sort of 'care-taker' arrangements are possible for maintaining the executive arm of Government. A recent Italian non-paper suggesting a UN interim administration has been categorically rejected.

The international community has remained firm in its messaging about the end of transition in August 2012. And at the 23 February London Conference, the communiqué explicitly underlined that the transition would end in August. In pursuit of the ambitious deadlines of the Roadmap, the UN has also been promoting, through the so-called Garowe process (in meetings in December 2011 and February 2012), a set of principles and agreements on the future parameters for a federal constitution and the end of transition.

In parallel to the centralized political framework, regional autonomy movements have been growing. In 1991 the autonomous Somaliland declared its independence and has underscored its intention to deal with Somali government structures only on a sovereign equal basis. In 1998, Puntland officially asserted its semi-autonomous status, but is active in the ongoing debate on a federal Somalia of which it will remain a part. At the same time, tensions around the border areas of Somaliland and Puntland are beginning to spill over into conflict.

In addition, more than 30 sub-national entities have emerged in recent years seeking some form of recognition in a future federal structure and giving rise to concerns around unfettered decentralization based on clan and sub-clan interests. Meanwhile, in South-Central Somalia, conflict continues in Al-Shabaab controlled areas with little clarity on how those areas will be folded into discussions on an emerging federal system.

The draft constitution seems unlikely to overcome these concerns. The constitution unsurprisingly calls for a Federalist structure, which many will likely oppose. Due to security concerns, the constitution will not be put to popular referendum but will instead be voted on by a 825-person Constituent Assembly. However, the 135 diverse 'elders' who will select this assembly appear at the time of writing to have stalled the process, due to concerns about the text of the Constitution. Many are skeptical all of this can be achieved before August particularly as the incentives (and sanctions) are few for the incumbent TFG and TFP members to act decisively on this agenda.

Role of International Actors

The overarching challenge for international actors working on Somalia is the stark reality that Somalia is a failed or collapsed state. It is not a fragile or failing state, for which recent international frameworks have been developed. It has been collapsed for two decades. Political settlement will require sustained, deliberative reconciliation and intensive trust-building efforts across Somalia at the sub-national level. This presents a fundamental dilemma for international actors that struggle to work without a central government counterpart to provide much needed 'legitimacy' and 'ownership'.

In 2010, Somalia expert Ken Menkhaus neatly summarized the key failings of the past two decades of international attempts at forging a settlement in Somalia. Two years later, many of these appear to remain relevant:

- Lack of international political will

- Misdiagnosis due to lack of knowledge
- Over-emphasis on boilerplate strategies for State revival and power-sharing
- Lack of strategies for key issues such as reconciliation, managing spoilers
- Lack of neutrality
- Poor quality mediators

Although many actors are engaged in the Somalia situation, there is little strength or momentum in the effort. Engagement at Government headquarters and embassies in Nairobi (only Turkey is based in Mogadishu, and only Turkey and the UK have accredited Ambassadors) is at relatively junior levels with only periodic senior interest (as at the recent London Conference in February 2012). The international community funds the vast bulk of the 'TFIs' activities as well as the extensive meetings machinery around the political process. International actors have also to a large extent driven the agenda and the pace of these meetings. The international community and those Somali representatives it funds to participate appear to be caught in a classic elite capture scenario, with neither set of actors clear who is leading or following. With the dramatic loss of confidence in the TFG in recent years, the international community has stepped up as the pacesetter, though it has fallen short of promoting new solutions through a substantive agenda.

Traditional donors have not been the only international actors in Somali politics; regional players and non-traditional donors as well. The main regional actors engaged in Somalia have been Uganda, Djibouti, Ethiopia, Kenya, Tanzania and to lesser extent Burundi. The role of Eritrea is also alleged to be significant and is the subject of Security Council monitoring. Individual regional countries, while assertive in their narrow areas of interest, have not played a major political leadership role in explicitly steering the peace process. The Kampala Accord of 2011 (pushed strongly by President Museveni) was a notable exception and played an important role in resolving a crisis within the TFG and between the TFG and the international community. The Kampala Accord also ascribed a new and significant role to IGAD Heads of State to serve as oversight bureau for overseeing the 'End of the Transition'. This was seen as an opportunity for stepped up regional engagement but it has not been leveraged strongly since. The AU and many of its Member States are of course (and rightly) eager to portray AMISOM as a real success as an African solution. The AU would like to leverage a leading political role from this, but AMISOM has not been well-capacitated to serve a political-military, rather than primarily a military entity.

The main 'non-traditional' donors engaged in Somalia - UAE, Qatar, Turkey – are operating bilaterally with the TFG. They remain at the margins of the mainstream political discourse on Somalia. Although they are increasingly present in the formal local and international coordination forums (Turkey, Qatar, UAE, Kuwait and China attend the Somali Donor Group for example) there is little substantive coordination ongoing. Western donors are concerned with the opaque and uncoordinated nature of the assistance provided by these actors, and argue they should be engaged more to leverage their unique knowledge and links. Basic lack of familiarity with one another compounds underlying mistrust between these traditional and 'non-traditional' donors. For their part, the non-traditional donors are reportedly underwhelmed by formal western aid coordination processes. Their critiques appear to point – not altogether unfairly – to the fact that coordination is not in-country; bureaucratic and jargonistic; restrictive and ideological in the way assistance 'should be' provided; and simply too resource intensive. Increasingly there is some tactical coordination between the UN aid agencies, the OIC

and Turkey in Mogadishu which is building stronger relationships in the field. The UN is working to assist the upcoming Istanbul Conference on Somalia, which will be the next high level event following the London Conference.

The strategies of international actors

Fundamentally, all international actors with an interest in Somalia have struggled to muster the political and financial resources and the patience required to take their engagement with Somalia from mitigating the effects of a collapsed state to building a viable long-term solution for the unique challenge that is Somalia. While almost all concur that the TFG has disappointed, this fractious and corrupt structure has persisted for five years in part because the international community was unwilling to imperil or unpick a hard won power-sharing arrangement with moderate Islamists in 2008. Many feel that the international community was initially over-invested in success at the central level, and were unwilling to reign in TFG for fear of de-stabilizing the tenuous Djibouti framework. Now, nearing the end of transition and with an enormous amount to be done to define successor governance arrangements, the international community has limited leverage (either sanctions or incentives) to reign in those same actors. As one interlocutor put it ‘They let the turkeys plan Christmas dinner. They cannot now be surprised dinner is not ready’.

Aid strategies: In Somalia there are very real tensions between recovery and stabilization actors on one hand and the humanitarian actors on the other. A clear example of this is in Mogadishu and in ‘newly recovered areas’ in South-Central Somalia. Here humanitarian funding is used in accordance with humanitarian principles, whereas stabilization actors with a fraction of the resources are seeking to invest in the more political effort of stabilization programmes with and through local authorities. Although the final product might end up the same (e.g. water points or other basic infrastructure), the resources, the ideologies and the mechanisms used differ and can put aid actors at logger-heads with one another. (n.b. The vast bulk of aid resources were channeled towards the massive famine response (some 800mn in 2011 vs 100-150m on recovery/development activities) in Somalia in the past year).

Meanwhile political actors bemoan the fact that there is little in the forward plans of development actors (i.e. the promise of large scale infrastructure projects, investment guarantees, pensions for disengaging combatants and politicians) that could be harnessed as incentives for securing political progress. The sum total of the planned recovery initiatives, stabilization projects and the new Stability Fund are unlikely to provide the needed incentives package for influencing national political agendas.

Military strategies: Operations by AMISOM, Kenyan (soon to be re-hatted to AMISOM) and Ethiopian forces (as well as ongoing counter-terrorism operations) also lack overall coherence. Indeed, the Kenyan incursion came as a genuine surprise to international actors (although regional partners may well have been alerted in advance) and both its military and political objectives have shifted over time without clear rationale. These regional military incursions are not governed by any unified (or even coordinated) political strategy even as they continue to expand their operations and to make local political and security arrangements with militias and local authorities. The folding of Kenya’s operation into AMISOM will provide at least an institutional mechanism for greater military coordination but not necessarily greater coherence with political actors. Notably, the UN Security Council in expanding the mandate and the

support for AMISOM set out clear objectives against which support for the mission would be measured, including:

- (a) Consolidation of security and stability ... by the Somali security forces and AMISOM, on the basis of clear military objectives integrated into a political strategy;
- (b) Effective regional coordination and cooperation on security issues by AMISOM;¹⁵⁰

A meaningful politically-directed exit strategy is required quickly for the newly expanded AMISOM with its growing role across south-central Somalia. A failure to articulate AMISOM's conditions for departure may well feed into an easily developed narrative about AMISOM designs as the latest 'occupying force', and even more so as Kenyan forces are folded into the structure.

Security Sector Reform strategies: Most donor funded security sector reform activities are predicated on rebuilding a national security and law enforcement apparatus. Donors provide almost all of the training, equipment and stipends to the Somali Police Force, and training, equipment and supplies to the National Security Forces. Access constraints have resulted in logistical challenges and a skewing towards a Mogadishu-centric capacity that responds (many argue along pre-existing patronage lines) to central government political actors. Transparency and corruption concerns have plagued SSR programmes and have led to suspensions of payments in the past.

Donors have worked hard to promote and develop a national security sector development plan (the National Security Stabilization Plan), which provides a framework for SSR efforts, but it is yet to be adopted by Parliament. Efforts are also underway by the international community to try to push the TFG to reinvigorate and make more inclusive the Joint Security Committee (JSC) to oversee the security sector. At the recent London Conference, international partners adopted Principles for Support to the Security and Justice Sector to guide their assistance programmes. It has more recently included representatives of regional administrations such as Puntland, Galmadug and the Ahlu Sunna Wal Jama'a regions. Issues of integration of Al-Shabaab defectors are increasingly the topic of discussion along with the need to support security, law and order in 'newly liberated areas'. The approach to such issues requires greater political guidance than is often received.

Sanctions and constraints: Disincentives for spoiler behavior (embargoes, sanctions etc) have been applied in the Somalia context since 1992 (and overhauled in 2002), and are being progressively strengthened. Some targeted sanctions (individual travel bans, financial and other asset sanctions etc) are being expanded to target Al Shabaab and other 'spoilers' of the peace process. The latest extension of the mandate of the Monitoring Group for Somalia and Eritrea indicates a broadening of the sanctions regime to target individuals involved in use of children in armed conflict, breaches of IHL and denial/obstruction of humanitarian assistance. Regional sanctions have also been applied in an effort to cut off resources to Al-Shabaab (most recently coal exports along with suggestions of bans on heavy shipping to Al-Shabaab controlled ports).

Challenges remain with spoilers *within* the political framework, especially as the transition comes to an end and international leverage over the incumbents in the transitional

¹⁵⁰ S/RES/2036 (2012) of 22 Feb 2012. Also note US/French resistance and grumpiness.

institutions decreases. New developments such as the introduction of a Joint Financial Management Board for both donors and the government to share monitoring of both revenue and donor funds and to scrutinize corruption issues (combined with an additional role for the Somalia-Eritrea Monitoring Group in investigating corruption) also builds new leverage in areas where the corruption record and legitimacy of central government has been severely criticized.

Weaknesses in the international approach

The strategies described above provide an overview of the various tools employed in the Somali context. Overall, the process of this research emphasized several key issues with the international community's engagement that particularly hindered its chances for success.

Projectization: The international effort in Somalia is highly projectized and quite fragmented. This is in large measure due to the absence of a legitimate and trusted government structure in which international actors have confidence, and which can help set out broad-based and Somali-owned strategies for security and development. The various international 'projects' be they military, political, security and justice reform, recovery/stabilization, anti-piracy, counter-terrorism or humanitarian relief, are not coordinated and rarely if ever are they mutually reinforcing. Often they send mixed and at times contradictory signals. This unbridled dynamic leads to tension and institutional tempers flare quickly when different agendas undermine or cut across one another. There is also friction over the allocation of resources to different efforts, for example the resources invested in AMISOM (estimated \$500m per annum, set to rise to \$750m) or the anti-piracy effort (approximately \$1.3 billion annually for the naval effort alone) versus the inability of the UN to raise pledges for more than 25 percent of the \$23 million needed for the critical constituent assembly and constitutional process; and concern at the end of the first quarter that the 2012 UN Consolidate Appeal for humanitarian assistance is only 9 percent funded.

International leadership: Absent Government playing the role, international leadership has also been found wanting. Many attribute the lack of effective international community engagement to the absence of 'leadership'. Although an easy criticism to level, in the case of Somalia, it does appear warranted. No strong leadership bloc has emerged – no troika as in Sudan, no High level Contact Group as in Libya. Bilateral governments as one interlocutor put it 'have been in a race to the back of the line' to lead in Somalia, although there are indications of the UK and Turkey stepping up their roles. On the intergovernmental side, the recent addition in 2011 of an enhanced IGAD mandate has further clouded the mandates and responsibilities of the multilateral entities – the UN, the AU and IGAD – in the political sphere. Member States have not helped to clarify these roles, rather they have repeatedly called on these competing entities to sort out a division of labour between them, an effort that has, unsurprisingly, stalled. Instead, relations between the three inter-governmental organizations are regulated through a carefully inoffensive MOU signed in 2010. Within the UN, there has been strong resistance to an 'integrated' mission bringing the Country Team and UNPOS closer together. This is argued primarily on humanitarian grounds, given the ongoing conflict setting and concerns integration would worsen the already highly politicized environment for aid providers in Al-Shabaab held areas. The United Kingdom and Turkey appear intent on trying to elevate the dialogue but it is unclear if this can be maintained over time, especially as Somalia is now competing for attention with a number of other major political crises and a time of global financial austerity.

Reconciliation: Beyond efforts to engage Al-Shabaab politically, many commentators note that the international approach had not shown patience for the longer requirement of pursuing reconciliation in Somalia. The slow process of sub-national reconciliation and trust-building that is required within Somalia (and indeed the depth of understanding of the complex issues requiring reconciliation) is not commensurate with the timelines and resources international actors have been willing to invest. Internationally brokered central Government solutions in Somalia have rarely engaged with underlying, long-standing grievances between the groups represented at central level. Instead, these representatives and their international sponsors are pre-occupied with the survival of the power-sharing deal at central level. The most recent international political project of supporting the TFG appears to perpetuate this model. The TFG has achieved very little in the way of rapprochement and reconciliation even with so-called ‘friendly forces’ or ‘Anti-Al Shabaab forces’ let alone with others. It is recognized, however, that without stability, it will be extremely difficult to embark on a broader based, nation-wide reconciliation agenda. Where stability has persisted, as in Somaliland, good strides have been made in the slow and very local processes required for reconciliation. Based upon that reconciliation effort, the autonomous structures of Somaliland were built.

Timelines: Despite rhetorical flourishes to the contrary, rarely do international actors have the strategies, resources or patience to sustain slow grassroots and bottom-up approaches over long periods of time. With relatively few political resources available, international actors will struggle to track and make sense of multiple low level initiatives and to see how these may lead to an overall State level solution. International actors also struggle to engage effectively when there is insecurity and when there are serious access and accountability constraints. All of these are manifest problems in Somalia.

Complex and formalistic coordination: The fragmentation dynamics outlined above have unsurprisingly played out through the gradual layering of complex and weak coordination forums. Aid forums (The Coordination of International Support for Somalia (CISS) Executive Committee, The Somalia Donor Group, development sector coordination groups, the Humanitarian Country Team and cluster coordination groups) although complex are functional. Political coordination is conducted formally through the International Contact Group (ICG) which was referred to by one interlocutor as ‘formalistic meetings in pleasant global capitals’ (the next of which is to be held in Rome in late Spring). There are also periodic high level meetings such as the recent London Conference and forthcoming Istanbul Conference). The Communique of the London Conference implicitly recognized the need to reform and re-energize the ICG effort when it “welcomed the ICG’s decision ... to look at restructuring to become more effective. We recommended that the ICG establish working groups on the political process, security and justice, and stability and development. We noted that, within the ICG, a core group of engaged countries would drive progress in support of UN, AU and IGAD efforts.” As of late March 2012, arrangements to take this forward are yet to be elaborated.

Leverage: As noted above, the international community (particularly as austerity bites in Western capitals) does not have significant development resources in play in Somalia, or even a promise of it in the near future. Resource flows (security sector, piracy, humanitarian relief, development) to Somalia have been significant although enormously difficult to estimate and shrouded in an unusually high level of secrecy and/or confusion. The bulk of recent funding has been for humanitarian and military/anti-piracy efforts.

There are no substantial plans for scaled-up development (e.g. large-scale infrastructure) programmes in Somalia that could be harnessed to incentivize stronger commitment to political settlement and longer term stability. Instead, the bulk of official aid delivered is likely to continue to be provided through humanitarian channels. Smaller-scale stabilization and recovery resources are being applied to support local administrations but are constrained in the amount available and limited access in the country.

Central findings

In the absence of a firm political settlement in Somalia, the following observations highlight key points about the ongoing effort to achieve settlement and the role of international actors therein.

There is a clear need to strengthen the inclusiveness of the next national political framework. Current transitional government members and parliamentarians are largely self-selected by virtue of connections and resources to engage the international conference machinery that has defined the process. These individuals were selected under the non-democratic but broadly representational ‘4.5 formula’ that distributed national positions along clan lines (for the four major clans, and for minority groups). The formula is criticized for undermining democracy and meritocracy, and that it undermines issues based politics in favour of balancing vested clan interests and leading to bloated government structures. With the shape of the constituent assembly and a future parliament under discussion, there are efforts to try to re-dress the representation challenge by introducing for example suggested quotas for women (30% of the 1000 constituent assembly delegates and 20% of the future parliament). In addition, the Garowe process has settled on the need for a bicameral legislature that will use the 4.5 formula in the lower house but elected representation from federal states in the upper house. However, it is unclear who will legitimately represent the large proportion of the country under Al-Shabaab control and in active conflict with three international military forces (Ethiopia, AMISOM and Kenya) that ostensibly support the central government. One option being considered is to keep a share of seats vacant until they are able to be filled, rather than fill all representatives’ seats immediately.

A central government dispensation alone will be insufficient. There is a fairly high level of agreement about the need to move quickly on issues of decentralizing power and forging an approach that tackles both national and regional governance issues at the same time. While the politics of defining the central level governance framework have faltered under the TFG, some progress has been made at engaging sub-national politics in recent months. For many years it has been recognized that the ‘top down’ approach needs to be supported by a ‘bottom up’ approach. Through the ‘Garowe process’, agreement was reached about foundational principles for establishing a federal structure in Somalia. Critics say the Garowe process is ‘not so much bottom up, as a top down vision of what bottom up should be’, and others criticize that it has not itself been a sufficiently representative exercise. Nonetheless, the TFG had been intransigent on these issues until recently and so the Garowe process – pushed strongly by the UN under the auspices of the “the Roadmap” - represents real progress on a critical issue.

Building on pockets of stability and working governance arrangements. A number of international actors have recognized the importance of pursuing a ‘dual track’ approach in Somalia. This involves greater support to, and increasingly through, the stable regional administrations and autonomous areas. This builds on experience of success in Somaliland where development partner programmes are expanding. In

Puntland too, as well in other emerging administrations, there have been efforts by international actors to work with and through, regional administrations. The same approach is being taken for some donors' stabilization activities in Mogadishu by working through the Mayor and district councilor's offices rather than through central government. At the London Conference, a Stability Fund was launched to support local administrations and sends a tangible signal about the intentions of some donors. Many feel that the same pragmatic approach will be needed in South-Central Somalia as the TFG and its international military partners (Kenya, Ethiopia, AMISOM) secure 'newly liberated' or 'newly recovered' areas. Others argue that absent a strong overall framework, this sort of funding incentivizes fragmentation before the political deals are in place to control it. A similar accusation is leveled at Ethiopian and Kenyan forces as they empower and arm militias and local authorities against Al-Shabaab, but without a political strategy in place.

Reaching out to 'the enemy' There are fundamental national and international disagreements about the merits or otherwise of political engagement with Al-Shabaab. At the regional level, Qatar is perhaps the strongest proponents of engagement, while Ethiopia is outspoken in rejecting dialogue with Al-Shabaab in favour of military-led pressure. Internationally too, there are divergent opinions with the US still firmly against such efforts favouring marginalization of Al-Shabaab, while others are non-committal or sit in the middle of the spectrum. Overall though, there appears to be a growing consensus that Al-Shabaab is not the central obstacle to settlement in Somalia but that its de-stabilizing influence will continue to prevent progress on many other, deeper challenges. Notably, there was no mention of Al-Shabaab in the recent London Conference Communiqué.

Finding points of convergence There are high levels of domestic and international disillusionment with the current political process in Somalia. Beyond the adoption of dual track (i.e. both bottom up and top down) strategies by key donors, there are few new ideas in play among international actors. Pursuit of a centralized approach is still the main effort of the international community although lessons have been learned about the shortcomings of the unrepresentative, weak and corrupt TFG. There is also recognition of the need for representation that is not exclusively unelected and clan-based in future structures. The first challenge in this regard is to assemble a more inclusive cast of Somali representatives who will help define the next political period through a constituent assembly. In addition, partners recognize that without more competent central administrators who can improve service delivery and reduce rampant corruption, the de facto legitimacy of the central state will continue to suffer. There is agreement that the next dispensation must accelerate efforts to resolve decentralization questions, and yet must guard against the worrying possibility of 'balkanisation' to the sub-clan level. However, there is as yet little clarity let alone consensus on how all of this can be achieved with just months before the end of the transition. It is also far from clear how critical issues, including the organization of government, the role of religion, borders and autonomy issues will all be grappled with in the constitutional process. Or how the large portion of the country still under Al-Shabaab control can be represented in these critical discussions of national importance.

The London Conference and beyond – the value of international events? The high level conference held in London on 23 February was an attempt to galvanize senior level focus on Somalia. Although some contend it was yet another ritual event in the Somalia conference circuit, others claim it did show how high-level engagement could force some

progress in the lead up to, if not after, a meeting of top officials. The UK and others contend that there was a concerted drive on numerous fronts in the lead up to the conference to bring trophies and collect accolades at the event. For example, the UN Security Council, the AU and Kenyan military (agreed after some acrimony to authorize the AMISOM expansion a day before the London conference), the Ethiopian military captured Baidoa (also on 22 February), and AMISOM pushed its operations beyond Mogadishu for the first time in mid-February. In addition, it was felt that the conference secured agreement on several important issues – the definite end of the transition in August; recognition of the dual approach of working locally and centrally, the need for a more responsible and accountable central government, etc. The Istanbul Conference on Somalia, the next high profile event, will focus on longer term issues of infrastructure development and also examine options for incentivizing performance, and penalizing spoilers. Less clear, however, is how these issues will all be grappled with and taken forward with Somali interlocutors in Somalia so that the process is not contingent on high-level overseas events to rally last minute progress. Although replete with mentions of Somali ownership, leadership and inclusiveness, many note it is hard to see how these aspirations will be possible when the peace process dialogue remains in an international orbit. In this regard, recent UN-led initiatives (the September 2011 consultative meeting on the Roadmap to End Transition in Mogadishu and the two constitutional consultations known as the ‘Garowe Process’ in Puntland) and the progressive relocation of UNPOS to Mogadishu have been welcomed as important, if not well-overdue. Of course, these processes have also received criticism for dealing with a small group, which may well be rejected by others when the constituent assembly is formed.

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Rwanda

by Manuela Travagianti

NOTE

This case study is based on document review (including academic works and policy reports) and key informant interviews (working for international donors, development agencies and human rights organizations) conducted by the author over the phone between February and April 2012. No government-related official has been interviewed for this study. Informants asked for complete anonymity or non-attribution of their statements at the beginning of the conversation, and answered a set of semi-structured questionnaires and open-ended questions. Interviewee responses reflect their personal views and they do not speak on behalf of their respective organizations. Given resource constraints the research is necessarily limited, and the study draws heavily on a background paper commissioned for the 2011 World Development Report written by Dr. Omar Shahabudin McDoom.¹⁵¹

Background

1.1 Historical context: strong state, weak society

A set of unique geographic, demographic, and cultural characteristics have combined to define the historical context of the tiny Great Lakes state of Rwanda. The tenth smallest country in Africa (as defined by land area), Rwanda has the distinction of being its most densely populated, with an estimated population in 2011 of 407 people per square kilometer. Its borders have remained largely intact since the consolidation in the mid-1800s of the Kingdom of Rwanda, through colonization, to independence in 1962. Unlike most other countries in sub-Saharan Africa, Rwanda's population is culturally and linguistically homogeneous, with close to 99% of its population comprised of two main demographic groups (approximately 84% Hutu and 15% Tutsi) that share the same language (Kinyarwanda), territorial origin, history, and religion.

The two demographic categories of Hutu and Tutsi that make up the majority of the population are not ethnic groups in the anthropological meaning of the term, as they share a common language, religion, history, and culture (and in many cases, stem from the same clan). Rather, relationships between the groups historically involved a complex interlacing of economic, social, and power relations that might more accurately be described as a caste system.¹⁵² Distinctions between Tutsis and Hutus crystallized as an important part of Rwanda political identity in the late 1880s, as power was consolidated under the Tutsi king Rwabugiri.¹⁵³ These distinctions and the political structure of the kingdom were exploited by Rwanda's colonial rulers, particularly the Belgians (1916-

¹⁵¹McDoom, Omar Shahabudin (2011) "Rwanda's Exit Pathway from Violence: A Strategic Assessment," Background case study for the 2011 World Development Report, World Bank.

¹⁵² Citation for caste system

¹⁵³ David and Catharine Newbury as referenced in USAID's CAF 2011.

1959), who favored the minority Tutsis and reinforced their elite status through access to power, wealth, education, and colonial appointments enforced through a system of identity cards and ethnic classification in censuses.¹⁵⁴

In 1959 the Tutsi monarchy was overthrown by a popular revolt led by Hutu leaders, who maintained power after independence from Belgium in 1962. The single party government that followed exacerbated political and economic inequality along ethnic lines within the population, and thousands of Tutsi were killed in pogroms or fled to neighboring countries (Uvin, 1999; Prunier, 1995). In 1965, the Hutu elite established a one-party state, further consolidating control under the regime of Juvenal Habyarimana from 1973 until 1994. The country was gripped by periodic bouts of violence, notably 1959-1962 and again in 1973, in which thousands of Tutsi were killed and/or fled the country.

Importantly, and unique within Africa, the Rwandan state has historically been very strong and highly centralized, with a long history of centralized planning and a complex system of local administration from pre-colonial times through the modern day that enables the centre to project the power of the state throughout the territory. Historically, this meant a strong state ruling over a divided society, in which power was exercised by one ethnic group over the other.¹⁵⁵ As McDoom notes, “Those who control the Rwandan state possess the means to control society to an extent which few other African nation-states enjoy.”¹⁵⁶ As we shall see, the historical strength of the state has important implications for the nature of the political settlement in post-genocide Rwanda.

1.2 The civil war and the genocide (1990-1994)

In 1987, a movement calling itself the Rwandan Patriotic Front, or RPF, was created by members of the Rwandan Tutsi refugee diaspora in Uganda (many of whom played a central role in helping Yoweri Museveni overthrow the government of Milton Oboto in 1986).¹⁵⁷ On October 1, 1990, the RPF’s armed wing, the Rwandan Patriotic Army (RPA), marched across the border into Northern Rwanda and launched attacks aimed at overthrowing the Habyarimana government. An ensuing civil war took place between 1990 and 1992, waged in classic insurgent guerrilla fashion by the RPF with reprisals by the Rwandan military.

President Habyarimana’s government responded initially with repression, then by promoting mild political concessions to opposition parties, but as the violence continued, a cease-fire was negotiated in 1992. A peace agreement was signed in August 1993 in Arusha, providing for power-sharing between Habyarimana’s former single party (MRND), the internal opposition parties, and the RPF, in an agreement that was widely

¹⁵⁴ See, among others, Reyntjens, 1996; Newbury, 1998. Emphasis on the role of the Belgians in creating/imposing artificial distinctions based on ethnicity is an important element of the current Rwandan government’s efforts to build a post-ethnic society.

¹⁵⁵ Reference Migdal “Strong states/weak societies” framework

¹⁵⁶ McDoom, p. 37.

¹⁵⁷ Tutsi refugees firstly fled to Uganda in 1959; by 1990 there were an estimated 200,000 Rwandan Tutsi refugees living in Uganda.

viewed as favoring the RPF. However, the Arusha Accords were never implemented. The war and subsequent peace agreement radicalized the internal opposition, and helped consolidate support for the so-called “Hutu Power” ideology. Following the beginning of the civil war in neighboring Burundi (where the country’s first democratically elected Hutu President was assassinated by Tutsi extremists within the army), on April 6, 1994, the plane carrying President Habyarimana and Burundian President Cyprien Ntaryamira was shot down as it prepared to land in Kigali. The plane crash triggered an immediate national mobilization of anti-Tutsi militias, and set into motion the Rwandan genocide, in which approximately 800,000 Tutsi and moderate Hutu were slaughtered over 100 days from April to July 1994.¹⁵⁸

1.3 End of the war and post-conflict years

The RPF took back arms and eventually gained control over the country in July 1994, ending the genocide and toppling the Hutu regime. Between two and three million Hutus fled the advancing RPF forces over the border to neighboring countries, including most of the genocide’s perpetrators (namely the *interahamwe* militia and remnants of the government and Rwandan army). The RPF declared an end to the war on July 14, 1994.

Collective violence has occurred repeatedly after the end of the war (attacks against civilians by the RPF army,¹⁵⁹ fighting between the army and armed challengers in western and northern Rwanda in 1997 and 1998,¹⁶⁰ Rwanda’s central role in toppling the Mobutu government in neighboring Zaire and its role in the Congo Wars of the 1990s-2000s). Nevertheless the RPF government has maintained and consolidated its control of the state and achieved a remarkable degree of economic development. Paul Kagame, former RPF armed leader and former vice-president and minister of defense, was elected President in 2003, and re-elected to office in 2010, with 93% of the votes, during a largely uncontested election marred by violence and marked by events of concern, including grenade attacks, intimidations, murders and assassination attempts, and restriction of media activities¹⁶¹.

WHAT IS THE “POLITICAL SETTLEMENT” IN RWANDA?¹⁶²

The political settlement in Rwanda is circumscribed by several factors, notably (1) the immediate history of the genocide and impact on the population; (2) the total military victory of the RPF, and escape or removal of nearly all extremist elements of the former regime; (3) the collective failure of the international community to help prevent or stop the genocide; (4) the historically strong centralized Rwandan state; and (5) the association between competitive politics and mass killings in Rwanda’s post-colonial history.¹⁶³

¹⁵⁸ Prunier, 1995

¹⁵⁹ Prunier 1997, Des Forges 1999, Longman 2004

¹⁶⁰ Reyntjens 2004

¹⁶¹ HRW, 2010

¹⁶² This section draws heavily on McDoom, 2011.

¹⁶³ As McDoom points out, “All three of Rwanda’s previous regimes were regimes in which power was held by one ethnic group to the exclusion of the other and all three of these regimes came to an end through extra-constitutional and violent means: the Tutsi monarchy in 1959 and the two

Given these factors, the RPF was able to set the terms and pace of the transition and therefore dictate the political settlement, which is characterized by authority and control rather than inclusion (what at least one scholar has termed a “repressive peace”).¹⁶⁴

In many ways, the Rwandan case challenges notions of what the 2011 WDR refers to as “inclusive enough” coalitions – despite being not very inclusive at all (and amid criticisms that political space is shrinking), the political settlement has been very successful in maintaining stability, consolidating state authority and capacity, and delivering remarkable and sustained economic growth. These accomplishments are noteworthy within a region plagued by political violence, instability, corruption, and poor governance; even more so when considering the decimated state institutions and deeply traumatized population that the RPF inherited in 1994. On the surface, Rwanda’s political settlement seems to be working, and the Kagame government has become a prominent advocate within international debates for a new model of post-conflict governance based on prioritizing economic development over political liberalization. Yet its success is intrinsically linked with the success of the RPF regime in consolidating its power and stifling dissent. As McDoom asks, “How capable is Rwanda today, after 16 years of policies designed to transform its society and economy, of withstanding the stresses which pushed it towards violence in 1994, without the current regime?”¹⁶⁵ To examine this question, it is worth looking at the evolution of the political settlement over the past 18 years.

2.1 Confidence-building measures

The RPF assumed power in July 1994 after a total military victory, made more complete by the absence of all extremist elements of the former regime, which had escaped with the fleeing population (and would continue to operate from refugee camps in Eastern Zaire over the next several years). In marked contrast to a negotiated settlement, which would require careful balancing of power and interests among competing stakeholders, this left the RPF in a position to essentially dictate the terms of the political settlement.¹⁶⁶ Some of these terms have rightfully been criticized as victor’s justice, notably the lack of accountability for atrocities committed by RPF forces against the civilian population. But in other respects, the RPF made some interesting choices early in the transition that signaled a break with the past and helped build confidence within a deeply traumatized society.

These signals were notable in four areas: (1) the decision to continue with an adapted form of the power-sharing provisions agreed in Arusha, (2) the inclusion of moderate Hutus within the senior leadership ranks of the RPF government, (3) adoption of a national policy of unity and reconciliation, and (4) commitment to good governance and economic development.

Hutu ethnocracies in 1973 and 1994.” (page 5-6). In comments on McDoom’s paper, Senior Advisor to President Kagame, Dr. Jean-Paul Kimonyo, stated “...the two short periods of plural politics, between 1957-1963 and 1991-1994, have both led to mass killings with political parties and independent media playing a big role in that violence.” See footnote 7 on page 5.

¹⁶⁴ Samset, 2011

¹⁶⁵ McDoom, page 1

¹⁶⁶ For more on this point, see McDoom, page 10-12.

In its Declaration issued in July 1994, and subsequent Protocol of Agreement with seven political parties signed in November 1994, the RPF affirmed its intention to uphold the power sharing agreements signed in Arusha and create a government of national unity. However, it made some critical modifications to the Arusha provisions: first, by strengthening the role of President and creating the office of Vice President, and second, by extending the transition period from the 22 months foreseen in the Accords to what ultimately became 9 years.¹⁶⁷ The former single party MRND, which was one of the signatories of the Arusha agreements, was banned from politics because of its leading role in the 1994 genocide, and its seats in parliament reassigned to the RPF, which further consolidated the RPF's dominance in the government.¹⁶⁸ Yet despite these moves to consolidate power, the RPF made an explicit choice not to rule as a single party, but instead attempted to create a government of national unity with representation from the political opposition and across ethnic groups.

Pasteur Bizimungu, a senior Hutu member of the RPF, was appointed President, while Paul Kagame, the Tutsi military commander of the RPF, was made Vice-President. Although this effectively concentrated political power in the hands of the RPF, the cross-ethnic appointments had a strong signaling effect, marking "the first time in Rwandan post-colonial history that power had been shared, even nominally, across ethnic lines."¹⁶⁹ Other moderate Hutus within the RPF were promoted to prominent positions as well, although many subsequently fell out with Kagame and later left the government, or were driven into exile.

The RPF also adopted a policy of national unity and reconciliation, notably characterized by its attempt to eliminate ethnic identification and promote instead a single national Rwandan identity. The government has strongly promoted an historic narrative which blames Belgian colonial policies for exacerbating inter-ethnic tensions and inciting conflict, rather than assigning blame to either ethnic group. Coming on the wake of the cataclysmic violence of 1994 and the poisonous role that the Hutu Power ideology had played in inciting ethnic violence, this decision again had a strong signaling effect, even though it has created its own sources of tension by stifling debate and discussion about the past, and giving the government a convenient label with which to quash dissent. In practice, many observers have noted that Rwandans are still preoccupied with the issue of ethnicity, even if it is not permissible to discuss such issues in public.¹⁷⁰

Much has been made of the "culture of impunity" in Rwanda, where perpetrators of past episodes of political violence – notably in 1959-62 and 1973 – went unpunished. In a tightly controlled society, the argument goes, this created a climate where citizens had little incentive to resist later calls to violence. This interpretation of history may have debatable value in explaining the violence of 1994, but it did offer the RPF another way to signal a break with the past by ensuring accountability for the crimes of the genocide. Given high levels of individual complicity in the genocide, this intention ultimately created its own set of problems. By the year 2000, the Rwandan prison population

¹⁶⁷ McDoom, p 10

¹⁶⁸ Reyntjens, 2004

¹⁶⁹ McDoom, p 12.

¹⁷⁰ McDoom, CITE OTHERS

swelled to over 120,000,¹⁷¹ completely overwhelming a criminal justice system that had been devastated during the conflict in terms of both infrastructure and human capital. The accused languished for years in horrific conditions in the central prisons and community detention centers known as *cachots*, with as many as 40% having been detained without a file or any other documentation.¹⁷² While the international community invested millions of dollars in setting up an international criminal tribunal in Arusha to try the top-level perpetrators who had orchestrated the genocide, the Rwandan courts struggled to process the rest. After it became obvious that it would take over 100 years to process the cases through the courts, the government embarked on an ambitious hybrid justice experiment called *gacaca*, which essentially relied on thousands of local hearings at the community level to bring together perpetrators, survivors, and witnesses, record accusations and witness testimony, hear confessions and defenses, and adjudicate punishment (which in most cases amounted to time served). From 2002 through 2009, the *gacaca* courts heard over a million cases.¹⁷³

2.2 Exclusion and shrinking political space

The signaling effect of the confidence-building measures outlined above -- when coupled with tremendous gains in economic growth, service delivery, and human development -- certainly played a role in helping the RPF consolidate its authority and boost its legitimacy. However, these developments have been offset by actions by the regime to curtail political space and exclude potential political competition, notably during the lead-up to the 2003 and 2010 presidential elections.

It is important to note that ethnic and political alliances often overlap. Though the RPF is predominantly Tutsi, opposition, dissent, and repression also exist within the small Tutsi community; and there are many prominent Hutus within the RPF itself. At least two forms of exclusion should be highlighted over the past 17 years: the former opposition (and, in large, the Hutu ethnic majority), and dissident groups within the ruling political circle.

While Rwanda formally boasts a multiparty democracy, with regular multi-party elections and an officially free press, in practice the democratic process remains heavily constrained. *De facto*, the country is dominated by one party. Over the past decade the RPF has not restrained from abusing its power by intimidating and harassing dissidents, as well as by influencing the electoral process. Restrictive laws banning “divisionism”, introduced to create national unity and reconciliation, have been used to fight political opponents and civil dissent to the ruling party. President Kagame stated in 1995 that he regarded elections, and especially multi-party elections, as promoting divisions, in contrast with the RPF goals of national unity, reconciliation, and security. This was the justification to suspend party activities in 1995.¹⁷⁴ From early 1995, Hutu elites became the victims of harassment, imprisonments, and physical elimination.

¹⁷¹ CITE

¹⁷² From memory - CITE

¹⁷³ Rwanda government *gacaca* website, http://inkiko-gacaca.gov.rw/English/?page_id=464

¹⁷⁴ ICG, 2001

Any forms of dissent from within the government itself have been repressed by the RPF. This became apparently shortly after the formation of the government of national unity, as both non-RPF and RPF members of the government began leaving (or were forced out), beginning in 1995, soon after the killing of Hutu civilians in the Kibeho displacement camp in April 1995 by elements of the Tutsi-dominated Rwandan Patriotic Army.¹⁷⁵ Exclusion of political opponents began in 1998, with limitations on the political action of the MDR (Mouvement Démocratique Républicain), one of the few existing parties which attempted to maintain autonomy from the RPF. The party was eventually banned in 2003. The emergence of other opposition actors was also stifled: leaders and members of a newly founded party (the PDR, Parti Démocratique pour le Renouveau) were immediately placed under house arrest, threatened, or allegedly assassinated. Two parties were refused recognition: the ADEP-Mizero (Alliance pour la démocratie, l'équité et le progrès) and the PSP (Parti pour la solidarité et le progrès). Such actions have been widely recognized and condemned by researchers and international community.¹⁷⁶

The presidential elections in 2003 and the legislative elections in 2003 and 2008 were characterized by significant pressure to vote for the ruling party, as well as fraud (see MOE UE 2003, 2008). In the months preceding the 2010 presidential elections, in which the incumbent Paul Kagame was re-elected with 93% of the vote share, members of the FDU-Inkingi and the Democratic Green Party of Rwanda - new opposition parties critical of government policies - suffered serious incidents of intimidation (including the unexplained murder of the vice-president of the Democratic Green Party) by individuals and institutions close to the government and the RPF.¹⁷⁷

Apart from political opposition, voices of dissent from local and international civil society and the media have also been repressed. Critics of the government, including journalists, are frequently threatened, and several have been arrested and prosecuted for expressing their opinions. Since the late 1990s, members of human rights associations have been subject to direct persecution, and the civil service or RPF members have infiltrated the NGO network.¹⁷⁸ Civil society recently came under new pressure with an attempt to regroup existing organizations under an umbrella group, which might pressure them to speak with a singular, uncritical voice.¹⁷⁹ In the run-up to the 2010 parliamentary elections, violations of press freedom, including the closure of news media, intensified.¹⁸⁰

Such government hostility towards human rights defenders has severely limited the scope for Rwandan civil society organizations to report on human rights violations and has drastically reduced the support from non-political actors for the political settlement. As a result, civil society is extremely weak in Rwanda. This suggests that the 'rules' of the

¹⁷⁵ For more see McDoom, p. 12.

¹⁷⁶ USAID (2002); HRW, Reyntjens (2011), Samset (2011)

¹⁷⁷ HRW (2010)

¹⁷⁸ Reyntjens, 2011; author's interviews, March-April 2012.

¹⁷⁹ Author's interviews, March-April 2012.

¹⁸⁰ Reporters without borders, August 2, 2010

political game are not widely accepted as legitimate, but rather enforced through coercion, a concern confirmed also by the fact that the judiciary has been dominated by the ruling party's views.¹⁸¹ In addition to local civil society and media, the Rwandan government has opposed the work of international journalists and human rights activists.

Finally, there is concern that the already small elite around the President, which includes politicians, army and intelligent chiefs, and is mainly composed of English-speaking Tutsi returnees from Uganda to the expenses of Tutsis who remained in Rwanda, may be increasingly shrinking.¹⁸²

2.3 A multifaceted 'legitimacy'

While it is clear that the Rwandan government lacks democratic accountability, there are several factors that may influence the legitimacy of the political system in the eyes of its citizens. This includes historical legitimacy, particularly in the eyes of the Tutsi population, for having ended the genocide, as well as performance legitimacy through the delivery of public goods, such as security, economic development, and provision of public services.

Certainly the RPF has achieved impressive public security and the monopoly of force, especially with respect to the conflict years. Kigali is considered one of the safest cities in Africa, and the rest of the country can make similar claims. However, if *security* is accomplished through repression, this may challenge *stability* in the mid-to-long term. While development cannot take place without security, it is not clear what kind of security is being achieved in Rwanda. Who or what is being secured, and, most importantly, from what threats?

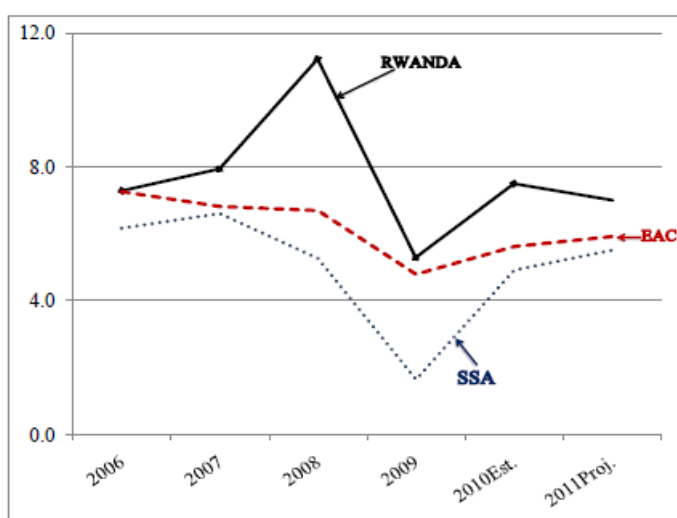
In terms of economic development, the country has achieved impressive and sustained growth. Immediately after the genocide, the Rwandan economy boomed with double-digit GDP growth figures; growth eventually stabilized at an average of 7 percent annually, which is two percentage points higher than averages for the East African Community (EAC), and even more than that in comparison to the whole of Sub Saharan Africa (SSA), as shown in Fig 2.¹⁸³

¹⁸¹ HRW, 2008

¹⁸² Author's interviews, March-April 2012

¹⁸³ Rwanda economic update, Spring edition 2011, the World Bank

Figure 1: Rwanda's Real Growth Compared to EAC and SSA (Percent)



Source: World Development Indicator (WDI) and International Monetary Fund

The popular perception of service delivery over time is very positive: while there are few surveys, and great caution should be always used due to the persistent fear in expressing genuine opinions, people appear very appreciative of the fast improvement of the country's economy and of the provision of public services. Great investments have been made on health, social protection, and education, which continue to receive the lion's share of government spending (in the 2010/11 budget, the human development and social sectors cluster, which includes health, education, social protection and youth, culture & sports, constituted 31.1 percent).¹⁸⁴ The literacy rate has reached 70%, above the average of Sub-Saharan countries, and infrastructures are also developing.

It should also be noted that in terms of public policy implementation the system appears to be very inclusive. Though ethnic and partisan divisions persist in the distribution and control of power, and laws against divisionism have been exploited to justify the repression of political opponents and retain power by the minority, there seems to be a genuine interest in reversing the trend of the past and ensuring healthcare, public education, welfare, regardless of regional and/or ethnic identities.¹⁸⁵ On the other hand, the percentage of people living below the poverty line is still almost 50%¹⁸⁶ and inequality has skyrocketed, reaching a Gini index of 50.9 in 2011.¹⁸⁷ The rural-urban divide has widened in recent years, and there is a perception that the business sector continues to be controlled by a restricted elite close to the ruling party and English-speaking Tutsi elite of

¹⁸⁴ Rwanda economic update, Spring edition 2011, the World Bank

¹⁸⁵ Author's interviews, March-April 2012

¹⁸⁶ World bank economic indicators, retrieved at <http://data.worldbank.org/country/rwanda>

¹⁸⁷ World bank economic indicators, retrieved at <http://data.worldbank.org/country/rwanda>

the Ugandan returnees.¹⁸⁸ These types of horizontal inequalities might lead to economic and political tensions in the future.¹⁸⁹

2.4 A multifaceted 'governance'

According to all international indicators, Rwanda is far from being a democratic country. In 2009 Rwanda was ranked 157th out of 175 countries in the 2009 Reporters Without Borders press freedom index. The most recent freedom house report identifies Rwanda as “not free”, and the Economist Intelligence Unit's 2011 democracy index ranks Rwanda 136th out of 167 countries, down two places from 2010 and placing it among the countries considered to be "authoritarian" regimes.¹⁹⁰

Yet governance is much more than democratic openness and accountability. The World Bank's World Governance Indicators on Political Stability provide a broader framework on which to evaluate the country's political situation, and Rwanda scores well on some criteria. Unsurprisingly, the value for “voice and accountability”, which measures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media, is very low, with no substantial change over the years.¹⁹¹ In striking comparison, however, Rwanda scores quite high on all indicators of state building, such as rule of law, control of corruption, and government effectiveness, with fast and remarkable improvement over the post-conflict years.

The high value for “political stability,” measuring the perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including domestic violence and terrorism, suggests that the political system is not expected to go through any political crisis anytime soon. This expectation is shared by perception of practitioners in the field, who are not worried about short-term stability, but do express concerns regarding Rwanda's medium to long term stability, which appears to be conditional on the 2017 elections. Whether the RPF will open up to

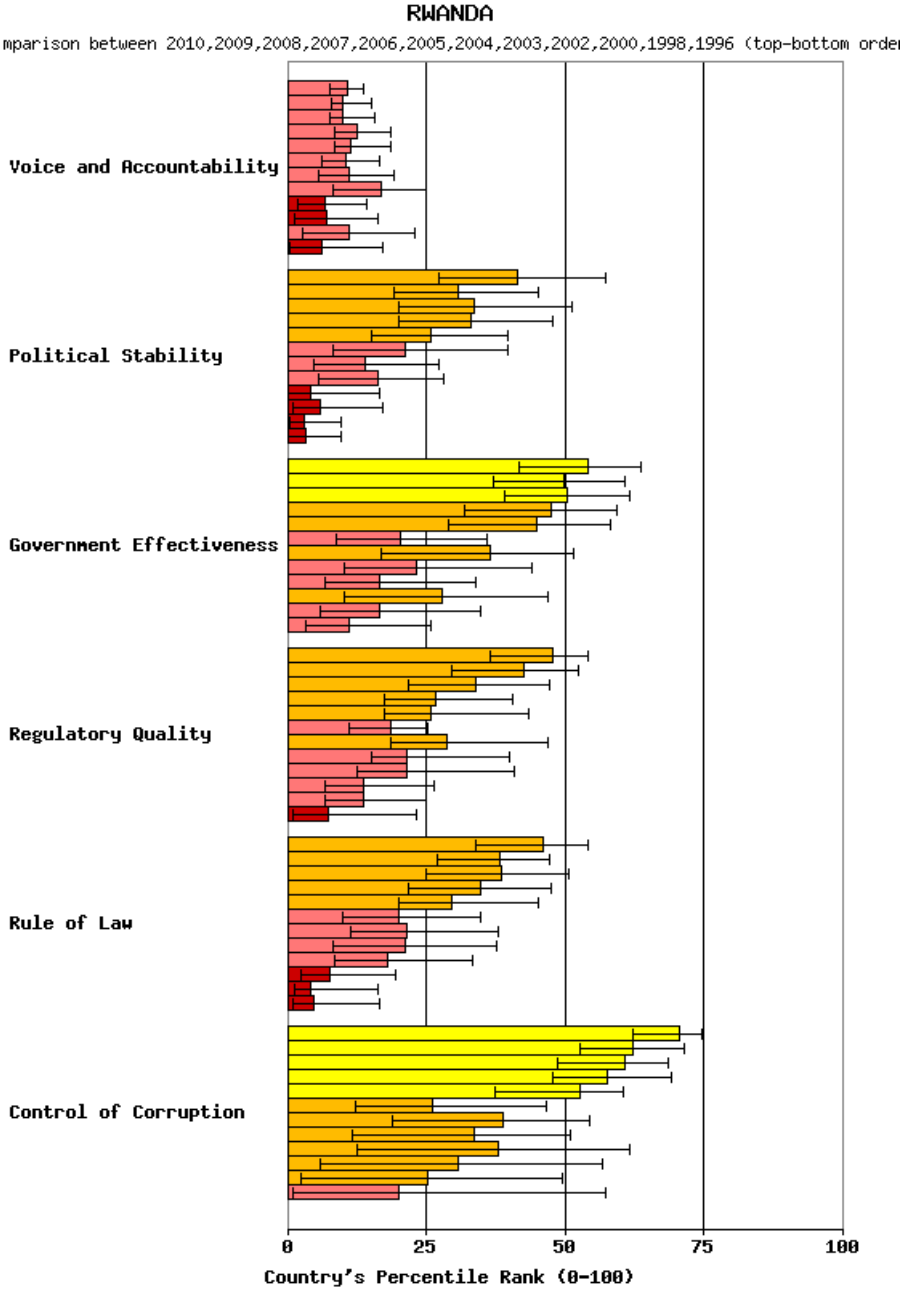
¹⁸⁸ USAID reported in 2001 that Tutsi returnees tended to control leadership and management positions in many of the country's leading civil society organizations, especially in national-level collectives regrouping associations from different civil society sectors (ARD, 2001). This perception does not appear to have changed by 2012: McLean Hilker (2011) builds upon her interviews to argue that “there is a continued perception that Tutsi returnees dominate most economic sectors in Rwanda today”. Similar comments also emerged during some author's interviews (March-April 2012)

¹⁸⁹ See also McDoom 2011's discussion of horizontal inequalities, p. 15.

¹⁹⁰ The category indices are based on the sum of the indicator scores in the category, converted to a 0-10 scale. Adjustments to the category scores are made if countries do not score a 1 in the following critical areas for democracy: whether national elections are free and fair; the security of voters; the influence of foreign powers on government; and the capability of the civil service to implement policies.

¹⁹¹ A striking, yet naive comparison could be made between Rwanda and Burundi here, since the WB indicators for Burundi show exactly the opposite trend, of high voice and accountability but low state strength and political stability, up to the elections in 2010 (when the indicator values declined)

democratic competition, and whether the opposition parties and the population will be ready for a political transition, is, however, not entirely clear.



Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), The Worldwide Governance Indicators: Methodology and Analytical Issues

Note: The governance indicators presented here aggregate the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, and international organizations. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.

Figure: World Bank's Governance indicators for Rwanda, years 1996-2010.

3. THE ROLE AND THE IMPACT OF THE INTERNATIONAL COMMUNITY IN RWANDA

After the genocide, the RPF was supported by ‘Friends of the New Rwanda’, in particular the US, the UK and the Netherlands.¹⁹² The UK has emerged as one of the most important bilateral aid donors, and has sustained consistent levels of support for the government over the years. Other donors, such as the US, Canada, the Netherlands, and Sweden, have become more critical toward the actions of the regime. For instance, following the 2008 report by the UN expert panel on the role of Rwanda in the conflict in the Democratic Republic of Congo, in 2009 the Netherlands aborted general budget support that had already been committed. Sweden also suspended some support to Rwanda following the UN report. In 2010, the Dutch Minister expressed the intention of drastically reducing the use of general budget support right across Dutch aid because of concerns around freedom of expression.¹⁹³ In contrast, while UK budget to international aid has been cut in recent years, DFID aid to Rwanda has not been reduced (Beswick, 2011). It remains to be seen whether recent accusations by the 2012 UN panel of experts report that Rwanda played a role in arming, financing, and supporting the M23 rebel group in Eastern DRC will have an effect on bilateral support – although indications are that it will not.

“Too much to lose not to work with the government”

As discussed above, the political settlement in Rwanda is a product of a one-sided victory. The RPF ended the genocide and restored domestic peace with little military or diplomatic help from the international community. The byproduct of this inaction by international actors have been feelings of guilt (perhaps raising aid levels), and lack of leverage over the President and his inner circle, who have made it clear that the government has absolute sovereignty over its domestic policies and will set its own pace in the process of political transition and democratization.¹⁹⁴ For the UK, this has been accompanied by strong ties between the Rwandan government (in particular, in the person of President Kagame) and UK political parties and politicians (Beswick, 2011).

The basis for strong relations between the UK and Rwanda, however, chiefly reflects the significant achievements of the RPF-led government in development and security, as described in previous paragraphs. Good performers and committed leaders and elites are highly valued as partners by donors, and Kagame and his educated and efficient government provide a vision and strong track record in implementing projects and reforms.

The value of the dollar spent for a provider of aid in Rwanda is extremely high: dollars are well managed and accounted for, and investments yield the desired results. The virtual absence of corruption, high levels of administrative efficiency, and highly educated and internationally trained technocrats and politicians, make the government

¹⁹² Reyntjens, 2004

¹⁹³ See Beswick, 2011; Rosenthal and Knappen (2010); OECD (2011); MASP Rwanda 2012-2015

¹⁹⁴ Author’s interviews, March-April 2012.

highly effective and credible. In interviews, practitioners recognize the political challenges that prevail, but, at the same time, assert that the lives of people all across the country are remarkably improving. In comparison to other countries which exhibit less authoritarian systems, Rwanda ensures higher returns to international aid.¹⁹⁵

While it should be noted that political élites also control the largest share of business development in the capital, thus making them the principal beneficiaries of economic growth, and, indirectly, of international aid, donors are convinced that the efficient and corruption-free implementation of public policies throughout the country is substantially contributing to eradicate poverty, and that international aid reaches the whole Rwandan population in need.

The resulting paradox is this: Rwanda is at the same time the model partner in terms of implementation of development programs, but among the worse partners in terms of aligning to principles of democratic governance. Some critics argue that unconditional donor support to the government, guided by the notion that stability and development would eventually engender greater democracy, has conversely helped create an entrenched political settlement, and effectively minimized donors' abilities to support the positive trajectory they seek to promote (Beswick, 2011).

Currently, donors do not base their support on political conditionality. Decisions on budget support are made on the basis of government commitments and assessment of achievements. The absence of conditionality in Rwanda cannot be explained by the fact that its government is not dependent on aid, nor that it possesses alternative, conditionality-free sources of income. International aid in fact constitutes almost half of the government budget,¹⁹⁶ Rwanda has no lucrative legally-derived natural resources rents, and development agencies reject the interpretation that their budget support decisions may be driven by concerns over other actors (such as China), especially since Rwanda is not a highly strategic country.¹⁹⁷ The absence of strict conditionality is thus a deliberate decision, as donors have come to the conclusion that change will eventually come through internal dynamics rather than external pressure.

Nevertheless, there are ways to influence the evolution of political processes in a more indirect way. Donors nurture some hope that different financing mechanisms, as well as a certain set of governance-related programs, will help support a more participatory political culture and an institutional framework for public debate, which in turn can help create the long lasting base of a functioning democratic system.

4. CONCLUSIONS AND IMPLICATIONS FOR FURTHER WORK

¹⁹⁵ Author's interviews, March-April 2012

¹⁹⁶ However the external financed budget share is planned to decline by one fifth to 35.2 percent down from 43.9 percent in 2009/10 (World Bank, 2011).

¹⁹⁷ Author's interviews, Feb-April 2012

Rwanda provides an interesting counter-example to the WDR's call for "inclusive enough" coalitions: a political settlement that is not based on inclusion, and in fact appears to becoming less inclusive over time, yet has endured for nearly two decades. However, this lack of political inclusion or pluralism has not brought the country back to the verge of conflict, and perceptions of security and state capability seem to improve every year. The Rwandan story contains important unanswered questions: Can the current stability sustain itself in the face of increasing political exclusion? Will the continuous denial of pluralism eventually bring the country back to political conflict, or will the regime be able to gradually open itself to political competition?

Given Rwanda's political history and poor track record with political pluralism, it is clear that any efforts to open political space must be carefully managed, with the aim of gradually allowing Rwandan political and civil society to evolve as independent counterweights to the regime. It is important to understand which components of political life may be easier to build confidence on, in order to ensure a peaceful resolution of tensions within the society and the power sphere. While the international community waits to see if the political system may open up to democratic competition, efforts may be made to create the institutional and cultural basis for political participation and accountability, to help smooth such a transition.

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RWANDA¹⁹⁸

Governance Indicators

Year	2000	2005	2010
Polity IV	-4	-3	-4
Freedom House: Political Rights	7	6	6
Freedom House: Civil Liberties	6	5	5
WGI: Voice & Accountability	-1.6	-1.18	-.23
WGI: Political Stability	-1.11	-1.24	-1.20
WGI: Government Effectiveness	-.54	-.74	-.54

International Economic Presence

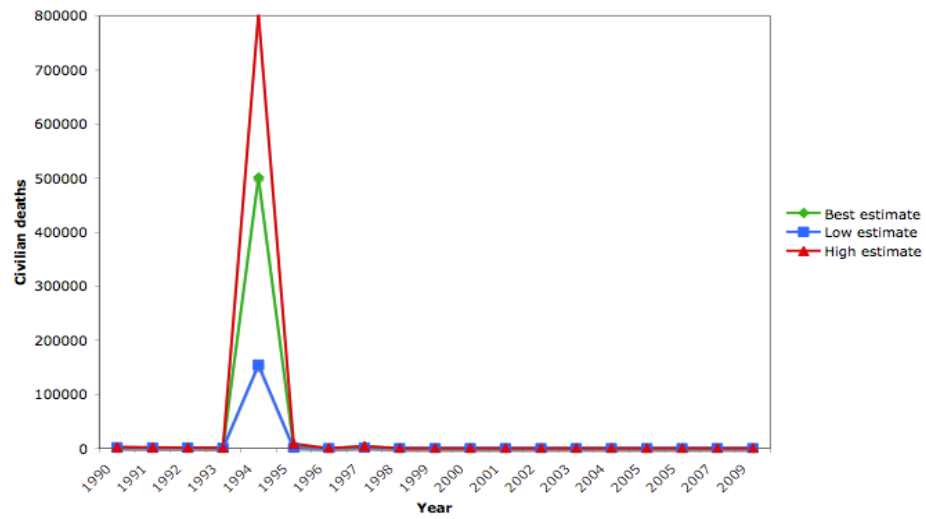
ODA per capita		ODA - % GNI	FDI net inflows - % GDP
2000: \$40.39	2010: \$97	18.5%	.8%
Use of ODA by Sector (2009)		Major Donors (2010)	
Program Assistance	23.0%	United States	\$139.18 M
Economic Infrastructure	18.9%	United Kingdom	\$103.95 M
Other Social Sectors	18.2%	Belgium	\$72.87 M
Health and Population	16.9%	Netherlands	\$51.57 M
Production Sectors	12.1%	Germany	\$50.39 M
Education	5.8%	Japan	\$40.79 M

Structure of Economy

Government Expenditures (% GDP)		GDP per Capita		Tax Revenue (% GDP)
Total	25.9%	\$530		N/A
Military	1.4%	Sectors as % GDP		
Health	4.7%	Agriculture	Industry	Services
Education	9.0%	33%	13.9%	53.1%

¹⁹⁸ Data from: Polity IV; Freedom House; World Bank Governance Indicators; World Bank; International Monetary Fund; AidFlows; CIA World FactBook.

History of Violence – Civilian Deaths



Introduction & Summary of Findings

In May 2012, protestors in major Burmese cities took to the streets in response to rolling electricity blackouts. Within weeks the government had responded, with Yangon's access to electricity increasing from 4 to 20 hours a day. Yet the importance of these protests lay not in the government's response, but in the political signals they sent. The largest uprisings since the brutally suppressed 2007 Saffron Revolution, demonstrations were largely peaceful; after 50 years of military rule, the relative normalcy of these protests represented an important signal of the new civilian government's commitment to improving voice and accountability.

Reform in Burma has been remarkable both for its extent and speed. Two years ago the ruling military junta, led by General Than Shwe, showed few signs that it would begin the process of liberalization. The brutal suppression of the Saffron Revolution and the continued house arrest of the pro-democracy figurehead Aung San Suu Kyi appeared signs of the junta's stronghold. Even the 2010 elections offered few signs of hope, with results blatantly fixed in favor of the junta's political wing and the constitution guaranteeing 25% of seats for the military. The choice of former general Thein Sein as president seemed unlikely to drive change. Yet soon after taking office, change began. Suu Kyi was not only released, but allowed to run for office in the April 2012 by-elections. Political parties could hold rallies and meetings. The government turned its attention to development, and especially health and education. Relations with the West improved, as the country distanced itself from China. The April elections were judged free and fair, with all but one of the 44 open seats going to the National League for Democracy (NLD).

Clear challenges remain. Most recently, conflict between Muslim and Christian members of the Rakhine state in the country's Western provinces resulted in a re-imposition of a state of emergency in affected areas; this points to a broader, continued struggle to manage the ethnic insurgencies that initially provoked military rule in the first place. There are concerns that the reforms may be too deeply linked to Thein Sein's leadership, and his close relationship with Suu Kyi. Perhaps most importantly, the country faces a deep development crisis. The expectations generated by reforms, and especially promises for development, could lead to dissatisfaction and further protests; even if overall peaceful, this instability may justify a return to military rule and a state of emergency.

Conducted as a desk review through research and interviews, the following addresses the durability and inclusivity of Burma's political settlement. This study employs UK DFID's definition of political settlements as "the forging of a common understanding, usually between political elites, that their best interests or beliefs are served through acquiescence to a framework for administering political power."¹⁹⁹

While conditions in Burma are still in flux, the primary focus of this study is to better understand the drivers of change of recent reforms, focusing on the role of elite-decision-making, civil society, and international actors. The opacity of the regime means that the drivers identified are theories rather than conclusions, but aid in understanding why a government with a massive force advantage has allowed change to occur at all.

¹⁹⁹ Alan Whites, "States in Development: Understanding State-building," DfID Working Paper, 2008.

To understand the political settlement, as well as how and why it has changed, the following first outlines Burma's political history, focusing on the military junta and its suppression of civil society. It then discusses post-2008 political changes, before turning to understanding the sources of this change: first, internal drivers, both elite and civil society; then international, including the role of sanctions, cooperation, and foreign aid. Because an increase in donor activity in Burma is expected in the wake of reforms, the study then briefly turns to theories of how international aid can take advantage of the new window of opportunity to strengthen the political settlement.

This study reaches several tentative conclusions:

- The Burmese political settlement is an example of domestic and elite-driven reform. Two sets of drivers – one permissive, one progressive – led to the new political settlement. Permissive drivers included the junta's desire to maintain personal amassed wealth by preventing the rise of a new leader, and pressure from within to control corruption. Progressive drivers included Thein Sein's championing of reformism, and Aung San Suu Kyi's engagement with the government process.
- Civil society – and in particular the 2007 Saffron Revolution and the 2008 response to Cyclone Nargis – likely played an important role in the timing of reforms.
- The primary beneficiaries of recent reforms have been pro-democracy movements, and to an extent broader civil society. Ethnic minorities remain more excluded, and violence continues in certain areas. More intense fighting may have implications for the durability of the political settlement as a whole.
- Confidence-building measures between the civilian government and NLD have been important in ensuring a peaceful transition with buy-in from both the military and pro-democracy opposition.
- Continued reform will likely depend on the ability of the current government to deliver on promises of economic development and ensure political stability, to prevent a reassertion of military influence.
- The role of international actors in driving change forward has been limited, with the most important normative role played by ASEAN.
- Most agree that sanctions have had at best minimal, and at worst counterproductive, effects on the political settlement. They may have justified the regime's xenophobia; reinforced elite dependence on the junta; and undermined development and the growth of civil society.
- While ODA to Burma has played an important role in encouraging local civil society activity and providing humanitarian aid, particularly after Cyclone Nargis, restrictions and challenges have prevented it from significantly expanding or strengthening the political settlement.
- China's financial support has traditionally bolstered the regime. However, economic dependence on China has become increasingly unpopular nationally due to concerns about over-dependence and political influence; a desire to ease off this reliance may have factored into the decision to allow some reforms.
- Development faces a new window of opportunity in Burma. Improvements in living conditions and economic growth will, moving forward, be important to empowering reformist elements in the government.

Historical Background

1.1 The Rise of the Junta

Prior to recent reforms Burma had been under constant military rule since a 1962 coup – justified as a means to suppress the ethnic minority insurgencies that had raged since 1948 – ended a brief period of post-colonial democracy. General Ne Win and the Burmese Socialist People's Party (BSPP) stayed in power until his disastrous 1987 decision to demonitize between 60 and 80% of Burma's currency, allegedly based on numerological advice.²⁰⁰ The subsequent mass demonstrations, known as the "8888" uprisings, rocketed Aung San Suu Kyi to prominence as the lead opposition figure in the country. Ne Win resigned as chairman of the BSPP and briefly handed power to a civilian advisor, but mounting protests resulted in a reassertion of military control under General Saw Maung and the State Law and Order Restoration Council (SLORC).

Though alleged as an interim step towards a disciplined democracy, under Maung's watch the military more than doubled to about 400,000. In 1990 the SLORC agreed to elections for seats on a committee to draft a new constitution. In 1990 the SLORC agreed to elections for seats on a committee to draft a new constitution. In elections deemed "free and fair" by the international community, the National League for Democracy (NLD) took 80% of contested seats, which it interpreted this as a sign of popular support for democracy and demanded political power. Subsequently the SLORC withdrew its recognition of the election results. A new wave of protests followed, brutally suppressed, and Suu Kyi was placed under house arrest.

1.2 Sources of Power under General Than Shwe

In 1992 General Maung resigned after allegedly suffering a breakdown and referring to himself as the reincarnation of an 11th century king.²⁰¹ General Than Shwe assumed power, maintaining his stronghold until 2010 through a mix of force (military, political, social and economic controls) and overtures at political legitimacy (ceasefires with ethnic groups and moves towards constitution drafting). The junta virtually excluded non-elite input, leading to a restrictive political settlement; however, the junta's use of force has made it relatively stable.

Of the two, force was the dominant tool. Mass mobilization was outlawed. Military "volunteers" were dispatched to rural areas as an extension of authority. The Electronics Act banned Burmese citizens from using the internet to criticize the government. Universities were relocated to remote areas and courses shortened to discourage student mobilization. Rape and forced labor occurred widely. Agricultural policy typically included a set percentage to be sold to the government at lower-than-market prices; for a period of time, this included all rice produced beyond the needs of the family.²⁰² Within its ranks, the highly personalist regime has also ensured unity through force. Khin Nyunt, a high-ranking SPDC member, lost an internal power struggle in 2004. Nyunt was arrested and his department purged. Ne Win himself was thrown under house arrest, and a number of his families were incarcerated for threatening to overthrow the state.

²⁰⁰ McCarthy, "Overturning the alms bowl: the price of survival and the consequences for political legitimacy in Burma," *Australian Journal of International Affairs* Vol. 62, No. 3 (September 2008): 298-314.

²⁰¹ Robert McG. Thomas Jr, "Saw Maung is Dead at 68; Led a Brutal Burmese Coup," *The New York Times*, <http://www.nytimes.com/1997/07/27/world/saw-maung-is-dead-at-68-led-a-brutal-burmese-coup.html>.

²⁰² Ardeth Maung Thawngghmung, "Rural Perceptions of State Legitimacy in Burma/Myanmar," *The Journal of Peasant Studies*, 30:2 (January 2003): pp. 1-40.

The regime also attempted – with less success than its exercise of force – to build up a base of political legitimacy to support and extend its rule. Its strategies to do so included highlighting its “role in the battle against ethnic separatist and communist insurgencies, the promotion and defense of Buddhism, the reinvigoration of monarchical traditions, and their claims of economic stewardship and regional integration.”²⁰³ The regime continued to paint itself as an interim step towards a “disciplined democracy,” thus making overtures at reform through a National Convention process to draft a constitution and the release of a National Roadmap to an electoral system. The SLORC even renamed itself as the SPDC in 1997 to soften its image. Most central to the regime’s rule, under Maung and Shwe the government signed bilateral ceasefire treaties with the majority of armed ethnic organizations. This is a powerful source of justification for the military’s power: “the country’s need for unity, stability and independence will likely remain core arguments for a strong central government in the future.”²⁰⁴

More than its well-documented human rights abuses, the country’s consistently poor economic performance has provoked the greatest threats to its power. Both the 1988 and 2007 protests (discussed further below) were triggered by disastrous economic decisions reflecting the state’s total control over the economy. The junta determined trade, price, and foreign exchange rates, and imposed tariffs of up to 500%.²⁰⁵ Currency is printed at a high rate. Though the junta claims double-digit growth, in fact GDP increases are about 2-3% a year and largely reflective of the export of natural gas. GDP per capita is only \$700.²⁰⁶ Macroeconomic policy was described as “arbitrary, erratic, and without expert input.”²⁰⁷ The military proved consistently ineffective at meeting basic development needs and expanding Burma’s economy, particularly noticeable in contrast to the growth of its neighbors.

1.3 The 2007 Uprisings

On August 15, 2007, the SPDC removed fuel subsidies, leading to spikes in natural gas prices of as much as 500% and doubling of fuel and diesel costs.²⁰⁸ Within days members of the pro-democracy ’88 Generation organized peaceful demonstrations to pressure the government to provide economic relief, and by September 5 monks had joined protests. The unique standing of monks in Burmese society made this of particular significance to the spread of the protests. The army became involved in suppression of the protests, firing shots over the heads of monks, and beating them with bamboo. Images of the beatings were broadcast through the country.²⁰⁹ When local officials went to the monastery to apologize for abuses, a crowd of monks and protestors gathered, set fire to four of the delegations’ cars, prevented the officials from leaving, and demanded the release of detained monks. A secret organization of anti-junta monks was formed: the All Burma Monks Alliance (ABMA). ABMA described the military government as “the enemy of the people” and stated they would fight until they “wiped the military dictatorship from the land of Burma.”²¹⁰

²⁰³ Stephen McCarthy, “Legitimacy under Military Rule: Burma,” *Politics and Policy* 38, no. 3 (2010): 545-569.

²⁰⁴ McCarthy, “Legitimacy under Military Rule.”

²⁰⁵ Mya Maung, “Burma’s Economic Performance Under Military Rule,” *Asian Survey*, Vol. 36 (1997).

²⁰⁶ Gwen Robinson, “Myanmar and UN Plan Donor Conference,” *Financial Times*, 15 February 2012.

²⁰⁷ Sean Turnell, “Finding Dollars and Sense: Burma’s Economy in 2010,” in *Finding Dollars, Sense and Legitimacy in Burma*, ed. Susan L. Levenstein (Woodrow Wilson Center for Scholars 2010): 21.

²⁰⁸ “Burma’s 2007 Protests,” Human Rights Watch, December 2007.

²⁰⁹ New Media in the 2007 Saffron Revolution (find full cite)

²¹⁰ Kyaw Yin Hlaing, “Challenging the Authoritarian State: Buddhist Monks and Peaceful Protests in Burma,” *The Fletcher Forum of World Affairs*, 32: 1 Winter 2008: pp. 125-144.

The organization quickly initiated a protest by encouraging all monks to overturn their alms bowl before military members and their family, Patta Nikkujjana Kamma, equivalent to excommunication. This had profound effects for the legitimacy of the SPDC, which had, in part, based its rule on acting to preserve the Buddhist tradition. Monks had attempted the same during the 1990 protests, with the government responding by de-robing and arresting hundreds. The monks stressed nonviolence in their protests, in an attempt to dissuade the junta from using force. When blocked in Rangoon, some Buddhist monks knelt before soldiers, which is sinful when done by elders or superiors; the frightened soldiers let the monks pass.²¹¹ When the government failed to follow through on demands, monks excommunicated SPDC leaders: “The clergy boycotts the evil, sadistic, pitiless and immensely thieving military rulers! Excommunication together with rejection of their donations of four material things and abstaining of preaching to them has come into effect!”²¹²

On September 24, between 30 and 50,000 monks and an equivalent number of protestors marched through Rangoon, apparently invigorated by the lack of a violent response from the government.²¹³ On September 25, the government began its response. A curfew was announced and the government began to arrest public figures who supported protests, including comedian Zargana. On September 26, soldiers and police opened fire on a demonstration in Rangoon; the regime claimed that only 10 people had been killed, one of whom was a Japanese journalist, but that almost 3,000 had been detained.²¹⁴ For the next several days, onlookers tell of systemic and widespread violence, including shooting unarmed civilians without warning; beating and killing monks; and “disappearing” numerous protestors. By September 30, the arrests and killings by the militias and military had made large scale protest impossible. Monastery raids resulted in wide incarceration and de-robing of monks. Family members of prominent peace and democracy activists were detained indefinitely. The Government Technical Institute (GTI), near the Insein prison, was used as a detention center for overflow. On October 4, 100 prisoners were released from GTI; another 500 were released on October 6. All were forced to sign a blank paper, which it was explained was a promise never to participate in protests again.²¹⁵

Features of the Political Settlement

2.1 Bounded Inclusivity in the 2008 Constitution

The 2008 constitution represented the beginning of a reformed political settlement that – while in some ways preserving the status quo – also paved the way for greater civilian input into government decision-making. The constitution describes a military-guided, multi-party “disciplined” democracy split into seven states, seven regions, one territory, and six self-administered areas controlled by ceasefire groups. It establishes a bicameral national parliament, with one quarter of all seats controlled by the military. Under its dictates each state and region has its own unicameral regional parliament, and each self-

²¹¹ Ibid.

²¹² As quoted in *Crackdown: Repression of the 2007 Popular Protests in Burma*, Human Rights Watch (December 2007).

²¹³ Ibid.

²¹⁴ Andrew Selth, “Burma’s ‘Saffron Revolution’ and the limits of international influence,” *Australian Journal of International Affairs* 62:3 (September 2008): 281-297.

²¹⁵ Human Rights Watch, *Crackdown*.

administered area a “Leading Body.” Parliament elects the president, and he, in turn, chooses the commander-in-chief.

Three features guarantee that the military will maintain a central role in the new government for the foreseeable. First, a National Defense and Security Council (NDSC) – essentially a military tribunal – rule on matters of national and international security and foreign affairs, can declare a state of emergency, and can “exercise sovereign power in the name of the president.”²¹⁶ Second, 25% of seats on all levels are military-controlled, and any amendment must be supported by more than 75% of parliament. Third, it ensures virtual military immunity by establishing military tribunals separate from the judicial branch, meaning that there would be no civilian oversight over cases of sexual abuse, forced labor, and child soldiers.

However, through the lens of the political settlement the constitution did ease the path towards reform. First, the quasi-parliamentary procedures indicate that a broader cross-section of society will have a more vocal position in the government.²¹⁷ Second, while it ensures that the military will remain the major provider of peace and security, it does leave greater room for discussions of economic and social development.²¹⁸ Third, the establishment of regional governing bodies opens up the potential for greater participation of ethnic minorities. Not all of these features have been implemented in the new political settlement – in particular, the regional structures hold only nominal power, with little economic sway – but they do point to the potential for change.²¹⁹

2.2 The Referendum, Cyclone Nargis, and the 2010 Elections

The government’s significant force advantage meant it felt little immediate pressure to reform following the Saffron Revolution. The referendum on the new constitution was set for May 10, 2008, but on May 2 Cyclone Nargis devastated large swathes of the country, leaving 140,000 dead or missing. The SPDC announced that voting would take place as planned except in hurricane-affected areas, where it would be delayed for two weeks. Aid workers were not allowed in – a prominent Burma scholar suggests that the junta prevented humanitarian relief from entering until after the elections, fearing foreign interference. Tellingly, visas were not granted until elections ended on May 24. The military appeared to be diverting aid towards its own gains, including evicting refugees from shelters to use them as polling stations.²²⁰ Fraud was widespread: ballots were distributed pre-marked and civilians intimidated. The junta announced that the constitution received 92.4% of votes, and that 99% of the country had voted.²²¹ *The New York Times* described the scene as follows:

In Datgyigone, a village 35 miles north of Yangon, a precinct captain burst into laughter when asked if he thought most people would vote for the Constitution. “Everyone will vote yes,” he said. “Of course yes. Hundred percent.”

²¹⁶ “Complex, divergent forces are re-shaping Burma,” *Oxford Analytica*, 15 May 2012.

²¹⁷ Priscilla Clapp, “Burma’s Political Transition: Implications for US Policy,” *Ruling Myanmar: From Cyclone Nargis to National Elections*, 2010.

²¹⁸ Richard Horsey, “Strategy and Priorities in Addressing the Humanitarian Situation in Burma,” Presentation to “Burma/Myanmar: Views from the Ground and the International Community,” 9 May 2009.

²¹⁹ Author interviews.

²²⁰ Unknown reporter in Burma and Seth Mydans, “Rulers Keep Grip on Aid as Burmese Cast Votes,” *The New York Times*, 11 May 2008, <http://www.nytimes.com/2008/05/11/world/asia/11myanmar.html?pagewanted=all>.

²²¹ *Burma: Decades of Repression*, Amnesty International, 25 October 2010, <http://www.amnesty.org.au/crisis/comments/22778>.

But he said that most voters had no idea what they were voting for, and that neither he nor most people he knew had actually read the proposed Constitution. ‘The government says vote, so we vote,’ he said with a shrug.²²²

Along similar lines, the 2010 elections were fixed in favor of the civilian branch of the military government, the Union of Solidarity and Development Party (USPD). The majority of USPD officials were former junta members who had left the military in order to participate in civilian politics. Suu Kyi, briefly released following the 2008 referendum, was re-arrested for “trespassing.” Restrictions on protests and rallies remained. In March 2010, the junta announced five new election laws, creating an election commission. The military government would appoint all members of the commission and have the final say over the election results. The second law banned anyone serving a prison term from belonging to a political party, meaning that no political prisoner would be able to participate. Based on this, Suu Kyi’s associated political party, the NLD, refused to participate in elections at all.

Ban Ki Moon called the elections “insufficiently inclusive, participatory, and transparent.”²²³ Initial reports pointed to a turnout as low as 20% in some areas, and observers reported widespread intimidation and bribery. The USPD predictably won 190 out of the disputed 219 seats in the lower house, and 95 of the 107 disputed seats in the upper house. Thein Sein, a former military officer who resigned to join the USPD, became the civilian president of Burma. Factoring in the 25% of seats controlled by the military, the SPDC remained in total control. Some post-election violence occurred, though military suppression limited uprisings. Minority groups experienced the worst of this: over 20,000 fled to Thailand to escape fighting between government troops and armed ethnic groups.²²⁴

2.3 Confidence-building and the April 1 Elections

Despite all signs pointing to a continuation of the status quo, Thein Sein’s inaugural speech was “remarkable for its frank acknowledgment of the country’s grave economic, social, and political problems and for his stated intention to address them seriously.”²²⁵ Shortly after the elections, Suu Kyi was released once again – though this was the scheduled end of her sentence, it had been extended twice before. More surprising still, the junta agreed to her to run in the 2012 parliamentary elections for the 45 seats vacated over the past year. This is a significant step: “Even if she is the leader of a minority party... she will be a potent symbol for national reconciliation and democratic change... The lady is showing her trust in the government,” said political analyst Nyo Myint.²²⁶

The period leading up to the April 1 elections saw a significant expansion in the political settlement. Most significantly the government eased restrictions on election rallies and protests. After the NLD complained that it could not find public meeting space, the

²²² Unknown reporter in Burma and Seth Mydans, “Rulers Keep Grip on Aid as Burmese Cast Votes,” *The New York Times*, 11 May 2008, <http://www.nytimes.com/2008/05/11/world/asia/11myanmar.html?pagewanted=all>.

²²³ “Highlights of the Noon Briefing,” 8 November 2010, http://www.un.org/News/ossg/hilites/hilites_arch_view.asp?HighID=1751.

²²⁴ “Burma refugees flee to Thailand after violent clashes,” *The Guardian*, 9 November 2010, <http://www.guardian.co.uk/world/2010/nov/09/burma-refugees-flee-thailand-violence>.

²²⁵ Priscilla Clapp and Suzanne DiMaggio, *Advancing Myanmar’s Transition: a Way Forward for US Policy* (Asia Society 2012).

²²⁶ As quoted in Larry Jagan, “Burmese Hinge Hopes on Free, Fair Polls,” *IPS News*, 21 February 2012, <http://ipsnews.net/news.asp?idnews=106836>.

SPDC quickly responded. One leader of the NLD called this move “very significant.”²²⁷ Activists protesting plans for a coal plant were given a meeting with a deputy Cabinet minister. He told them the government would stop the building of the \$4,000 megawatt plant out of pollution concerns. There are questions whether this was used to either boost the popularity of the military regime, or was simply agreed to because the government lacked funding; nevertheless, Thant Myint-U called protests and work by such civil society groups as “a big part of the changes that have taken place in Burma.”²²⁸ In Yangon, government advisors and academics, including U Myint, the chief economic advisor to the president, sat before an audience of 1,500 to answer questions on government policies. One participant said, “Nobody would have dared grill officials like this, even a year ago – that is, if they would have had the opportunity.”²²⁹ The civilian government also established an independent National Human Rights Commission (NHRC), which rebuffed President Sein’s claim that there were no political prisoners in Burma and demanded their release. In 2011, two general amnesties saw the release of many of the political prisoners, including former prime minister Khin Nyunt, reporters, 1988 uprising leader Mink Ko Naing, and prominent comedian and activist Zarganar. The government also permitted unions and strikes for the first time since military rule was established.

On April 1, 2012, Burma held elections widely considered free and fair. The NLD won 43 seats, with one going to the USDP and one to the Shan Nationalities Democratic Party. Tensions resumed briefly when NLD members opposed the language required for swearing in parliament, as it required members to “safeguard” the military’s constitution. The willingness of the NLD to engage cooperatively with the USDP government in the elections largely reflects the confidence-building measures taken by Sein in the lead-up to elections. Whereas the NLD boycotted the 2010 proceedings, the government’s active reassurance – by enhancing the ability of opposition to protest and organize – eased tensions and allowed both reformist USDP and the NLD to work cooperatively.

2.4. Ethnic Minorities in the New Political Settlement

The government breaks ethnic groups into eight major groupings: Kachin, Kayah, Kayin, Chin, Mon, Bamar, Rakhine, and Shan states. The Bamar represent the majority culture, making up 68% and virtually the entire ruling elite.²³⁰ Overall, there are about 135 designated “races” or “nationalities” through Burma.²³¹ Many of these minorities have waged insurgencies against the government; however, ceasefires established under the SLORC/SPDC had largely eliminated violence. By 2009, there were roughly 41 armed groups, 2/3 of which had reached a ceasefire with the government.²³² Only about 10 of these continue to take any action against the government.²³³ Usually these ceasefires left groups armed and in control of certain territories. While the role of ethnic minorities in the new Burmese political settlement is still in flux, two significant developments have occurred since the release of the 2008 Constitution: first, the disastrous attempt to, in

²²⁷ “Myanmar to Consider ASEAN Poll Monitors,” *AFP*, 21 February 2012, <http://au.news.yahoo.com/thewest/a/-/world/12972605/myanmar-to-seriously-consider-poll-monitors/>.

²²⁸ Todd Pitman, “Burma Warily Tests New Right to Protest,” *Time*, 14 February 2012, <http://www.time.com/time/world/article/0,8599,2106786,00.html>.

²²⁹ Gwen Robinson, “Myanmar Adjusts to new era of openness,” *Financial Times*, 20 February 2012, www.ft.com/intl/cms/s/0/8b40a05c-5b03-11e1-a2b3-00144feabdc0.html#axzz1n2kA9vY3.

²³⁰ Lawrence E. Cline, “Insurgency in amber: ethnic opposition groups in Myanmar,” *Small Wars and Insurgencies* 20:3 (September-December 2009): pp. 574-591.

²³¹ David I. Steinberg, “Myanmar’s Perpetual Dilemma: Ethnicity in a “Discipline-Flourishing Democracy,” *East-West Center Working Papers* (April 2011).

²³² Cline, “Insurgency in amber: ethnic opposition groups in Myanmar.”

²³³ Ibid

April 2009, organize ceasefire groups into a Border Guard Force (BGF); and second, the November 2010 elections, which despite being deeply flawed hinted at prospects for greater self determination.

In April 2009, the junta decided to create the Border Guard Force (BGF), which sought to unite the ceasefire groups with the Burmese army against other regional factions. Under this plan, each battalion of minority forces would have ten percent regular troops, and one third of leadership would be from the Burmese army. Negotiations failed virtually across the board. Fighting broke out in Kokang, Kachin and Wa areas along the Chinese border. The Burmese military wiped out the small Kokang militia entirely in August 2009, and about 37,000 people fled to China.²³⁴ Among the few groups who did join, the DBKA – a Buddhist breakaway segment of the majority Christian KNLA/KNU – allied with the Burmese army to displace the KNU. On September 1, 2010, the junta issued a final deadline for joining the BGF, after which the ceasefires would be void.²³⁵ Fighting spread to the Mon, Karen, Shan, and Kachin areas of Burma; fighting with the Kachin Independence Army (KIA) saw an estimated 20,000 people flee since between June and September 2011.²³⁶

In August 2011, however, the government did an about-face. President Sein announced that peace negotiations would be held through three phases: a ceasefire; the establishment of liaison offices and regional development deals; and agreements in parliament.²³⁷ An in-country official highlighted that the government appears to have in principal met many of the demands of the ceasefire groups, implying a more influential role in the process of reconciliation and the government's greater willingness to cooperate.

Status of Major Ethnic Rebel Groups in Burma ²³⁸		
Name	Troop Strength	Status
United Wa State Army	20-25,000	Ceasefire in 1989; lapsed after rejecting BGF proposal; re-signed in 2011
Kachin Independence Army (KIA)	10,000	Ceasefire in 1994; lapsed after rejecting BGF proposal; no current ceasefire
Shan State Army (SSA)/Shan State Army-South (SSA-S)/ Shan State Army-North (SSA-N)	6-10,000	SSA-S refused ceasefire; SSA-N entered in 1989; combined in May 2011; some SSA-N have joined BGF; SSA-S signed ceasefire December 2011
Karen National Liberation Army (KNLA), armed wing of the Karen National Union (KNU)	2-12,000	No ceasefire agreement; ceasefire agreed to in January 2012; group has indicated internal splits that may void ceasefire
Democratic Karen Buddhist	6,000	Splinter of KNU; first group to join

²³⁴ David I. Steinberg, "Myanmar's Perpetual Dilemma: Ethnicity in a "Discipline-Flourishing Democracy," *East-West Center Working Papers* (April 2011).

²³⁵ Ibid.

²³⁶ Simon Roughneen, "US Cables Predict Border Guard Force Would Backfire," *Irrawaddy*, 6 September 2011, http://irrawaddy.org/article.php?art_id=22021.

²³⁷ "New Mon State Party agrees to peace deal," *Mizzima News*, 27 February 2012, <http://www.mizzima.com/news/inside-burma/6660-new-mon-state-party-agrees-to-peace-deal.html>.

²³⁸ Information largely drawn from CS Kuppaswamy, "Myanmar: Ethnic Conflict and Revived Civil War," *South Asia Analysis* (paper no. 4630), August 2011; and CS Kuppaswamy, "Myanmar: the Second Round of Ceasefire with Ethnic Groups – Analysis," *Eurasia Review*, 10 February 2012, <http://www.eurasiareview.com/10022012-myanmar-the-second-round-of-ceasefire-with-ethnic-groups-analysis/>.

Army (DKBA)		BGF
New Mon State Party (NMSP)	700	Ceasefire agreement in 1995; ceasefire lapsed after rejected BGF; ceasefire agreed to in February 2012.

Ethnic minorities remain the group most excluded from the political settlement. These groups do not speak with a united voice, and only the Shan are represented with a seat in the national parliament. Despite progress towards democracy, ethnic minority groups may face significant logistical challenges in achieving a voice nationally: “Put simply, for the major parties, democracy comes first and is above all else, whereas for almost all ethnic-based organizations, ethnic rights take precedence over democracy.”²³⁹ The regional governments have little to no decision-making power on their own, since they do not have a tax base, interviewees stressed. While in the future these governments may become more autonomous, significant doubts remain. Perhaps the most positive sign of forward momentum in expanding inclusion to ethnic minority groups, one interviewee stressed that the government checked the power of regional military commanders, particularly 12 senior military officials who had set up “mini-fiefdoms.” Before stepping down, Than Shwe promoted the old crop of regional officials and replaced them with young senior officers; he then put in place very senior retired military officials as civilian members of the government, subjugating the military to the civilian government.

2.5. Pro-Democracy Movements in the New Political Settlement

Pro-democracy advocates have been among the most positively affected by the expansion of the political settlement. For the first time since 1990 the NLD actively campaigned for a seat in government; its landslide victory reflects the marked change in government tolerance towards political expression and pro-democracy movements. That Suu Kyi won a seat represents a particularly important symbolic sign of reform. Indeed, in January 2012 Thein Sein vowed: “We want our people to take part in the democratic reform process and we want democracy to thrive in Myanmar. I wish to assure you that I shall endeavor to establish a healthy democracy in Myanmar.”²⁴⁰

A number of challenges remain for the NLD. It remains a minority party, with 44 seats of 600 total. The military will, for the foreseeable future, maintain 25% of seats; any amendment to the current constitution requires a 75% majority. The 2008 Constitution guarantees a return to military rule in a “state of emergency,” which would likely include protests on the scale of the Saffron Revolution – this makes an alignment with the ruling elite important for the process of continued reform, interviewees stressed. The relationship between Suu Kyi and Thein Sein remains crucial for forward momentum, which – given Thein Sein’s reliance on support from the USDP more broadly – could prove difficult in the future.

Internal Drivers of Change

The continued opacity of the Burmese regime makes it difficult to identify what drove the most recent period of reforms. While the role of international actors will be addressed later in this study, most experts agree that the reforms were driven primarily by internal considerations. The following briefly explores these drivers of change.

²³⁹ Khin Zaw Win, “2010 and the Unfinished Task of Nation-Building,” *Ruling Myanmar: from Cyclone Nargis to National Elections*, 2010: p. 28.

²⁴⁰ Martin Abbugao, “Myanmar president vows ‘healthy democracy’,” *AFP*, 29 January 2012.

Overall, it shows that changes in the political settlement have been driven largely by the former military junta and Thein Sein's leadership.

3.1 Ruling Elite's Decision-Making

Reform in Burma was "absolutely internal at the highest level. This is a classic case of transition from authoritarianism from the top, down," one interviewee stated. Another reiterated: "there's been a pretty broad consensus among the elite that this reform, at least the fundamental democratic reforms, are fundamental for the future of the country." While civil society, discussed further below, played a role in pushing forward reforms, change occurred with the express permission of the military. Most agree that drivers of change came largely from the elite level. The following discusses several theories of change: the role of the economy; the safeguarding of personal wealth; and internal political tensions.

3.1.1. Economic Drivers: Burma faces an acute development crisis. Approximately 32% of the population is under the poverty line. About 50% of students finish primary school, and only a small percentage of these students complete middle and high school. The agriculture, fisheries and forestry sector accounts for 40% of GDP, 25% of total exports and more than 50% of aggregate employment. The government's reliance on natural resources exports leads to a lack of investment in other sectors and to environmental degradation.²⁴¹

The significance of development to the junta lay beyond the popular protests that they could spur – the government had proven its longevity in the face of such opposition. The elite worried about a potential internal power struggle, deriving from two sources. First, Myanmar had clearly fallen behind its neighbors, which created a potential national security problem. Second, corruption in the military had become so widespread that the junta faced pushback from the military itself. Military officers in particular called for reform, since they often suffered from poor levels of development themselves.

3.1.2. *Securing the Junta's Retirement:* Members of the junta accumulated vast personal wealth over their reign, largely through corruption and state-control of major enterprises. Among the most consistent explanations for reforms lay in that General Than Shwe and his associates may be looking to secure "retirement." An ongoing pattern in Burma is that, following a power struggle or the removal of a leader from his post, former leaders are placed under house arrest to minimize threats to the new leadership. Transitioning towards a more civilian style of government allowed continued military presence without necessitating the rise of a powerful new leader, allowing the former junta leaders to enjoy their spoils. Under this conception, the junta is most concerned with maintaining the vast personal fortune that corruption and economic control had granted.

3.1.3 *Thein Sein and Reformism:* Also widely echoed was the importance that Thein Sein – and, more broadly, the internal reformist movement – played in driving change. The divide between reformists and hardliners is not a clear one; a prominent scholar and activist characterized the split as between those "for" and "against" corruption. Support for reform is often determined by issue, rather than set in broad camps. Thein Sein has become the figurehead and leader of reformism, an important boon to liberalization efforts. He has the ability to form a cabinet, appoint and dismiss chief ministers from regional governments, and decide on union ministers, with the exception of the

²⁴¹ Soubhik Ronnie Saha, *Working through Ambiguity: International NGOs in Myanmar* (The Hauser Center for Nonprofit Organizations, Harvard University, September 2011).

ministries of defense, home affairs and border area affairs.²⁴² His experiences traveling abroad as foreign minister highlighted the need for changes in development policy, and he has used his position as a platform to promote change. For example, during his State of the Union Address – a significant political step in and of itself – he proposed a system of universal healthcare and promised a doubling in education spending.

Some fear that change may actually be too personality-driven, dependent on the continued strength of the relationship between Suu Kyi and Sein. Former presidential speechwriter Nay Win Maung argued: “The changes have been ad hoc,” he said. “There’s been no strategy. It’s been personality-based.” The civilian government itself recognized that it had until 2015 to show genuine progress on economic development before discontent could lead to a resurgence of hardliners, one interviewee warned.²⁴³ Another reiterated that supporters of reform felt pressure to show its tangible benefits, such as de-mining initiatives to prove the benefits of the new round of ceasefire negotiations.

3.2 Opposition & Civil Society

The presence of a vibrant civil society in Burma was highlighted by Cyclone Nargis, when government inaction and the barring of international workers from entry meant that community-based organizations became the primary providers of aid.²⁴⁴ One interviewee suggested that the weak national reaction to the cyclone’s devastation may have contributed to reform pressures by highlighting the inability of the government to respond to the needs of its peoples. Popular protests likely played an important role in determining the timing of reform, and the NLD in organizing a coherent opposition party. However, the massive force advantage enjoyed by the junta, as well as its social and economic controls, largely constrained the ability of civil society and opposition movements to offer genuine challenges prior to Thein Sein’s arrival. Following the elite-led change in the political environment, Suu Kyi came to play an important role in legitimizing the new government.

3.2.1 Suu Kyi and the NLD: While the NLD has been an important symbol of resistance and organizer of protests, most interviewees did not attribute to it a direct role in driving the period of reforms; however, Suu Kyi’s work with the civilian government has strengthened Thein Sein’s legitimacy and development platform. Suu Kyi’s arrest and the party’s inability to organize meant that it had little organizational capacity prior to Sein’s presidency. Since then, however, Suu Kyi’s willingness to cooperate with the government has acted as a major boon to legitimacy and stability. She has pushed for reform, but not to the point of government breakdown, working within the constraints of a still military-dominant political culture. As one example, recently leadership of the NLD began to encourage tourism to Burma, a change from its past policy of encouraging boycotts and sanctions unpopular with younger members.²⁴⁵ Suu Kyi has also met with Thein Sein and encouraged dialogue with the government, highlighting that the turn to democracy will be a gradual process. In doing so she has helped prevent the large scale pro-democracy protests that may threaten a return to military rule, and has strengthened the broader legitimacy of the civilian government.

²⁴² “Complex, divergent forces are re-shaping Burma,” *Oxford Analytica*, 15 May 2012.

²⁴³ For more, see Clapp and DiMaggio 2012.

²⁴⁴ For more, see *I Want to Help my Own People: State Control and Civil Society in Burma after Cyclone Nargis* (Human Rights Watch 2010).

²⁴⁵ Virginia M. Moncrieff, “Burma: democracy banned but NLD lifts tourism boycott,” *Huffington Post*, 7 November 2010, http://www.huffingtonpost.com/virginia-moncrieff/burma-democracy-banned-bu_b_780002.html.

3.2.2. *Popular Protests*: Though the Saffron Revolution can be considered a turning point in the Burmese political settlement, it likely did not instigate the changes that followed – in fact, the constitution may have been already written – but it did push forward the timeline for release. The role of protests in actively driving reform, however, is debated: Thant Myint-U has called protests and work by such civil society groups as “a big part of the changes that have taken place in Burma,”²⁴⁶ while others highlighted that these were symptoms rather than causes, more a reflection of the regime’s increased openness than a driver of it. The participation of Buddhist monks in the 2007 protests was likely particularly significant, since “historically, the impact of Buddhism on Burmese political legitimacy cannot be underestimated.”²⁴⁷ The revered role of Buddhism in majority Bamar society meant that the government frequently employed elaborate religious ceremonies in order to fashion itself the protector of the religion, allying itself with past monarchs. The widespread show of discontent likely played an important role in spurring the government to action.²⁴⁸

3.2.3 *Ethnic Minority Groups*: The role of ethnic minority groups in encouraging reform appears marginal. In fact, continued tensions between the government and minority groups, particularly following the disastrous BGF attempt, may have been a setback, as it strengthened the potential legitimacy of military rule as a means towards unity. These groups do not share the priorities of the pro-democracy and civil society activists, and they have been further disenfranchised by extreme poverty. The potential for wider conflict with the border groups may become one of the most significant strains on the continued reform of the political settlement, several interviewees stressed.

International Drivers of Change

While reform in Burma was likely primarily elite-driven, the activities of international actors have, arguably, played a role in both paving the way for and disempowering reformists. The following sections addresses three broad international strategies towards the regime and their effect on the political settlement: sanctions, primarily a strategy of western nations; cooperation, by regional actors like ASEAN, Japan, and China; and foreign aid.

4.1. Sanctions

4.1.1 *The Utility of Sanctions*: Extending back to 1997, sanctions on Burma were tightened further following the Saffron Revolution. They include financial and travel sanctions; prohibition of new investment in Burma; a ban on importation of certain projects; and freezing of US assets for three major state-owned companies.²⁴⁹ Americans also prevent the World Bank, IMF or UNDP from providing loans or aid to the government. European donors have joined the USA in imposing sanctions, primarily through a travel ban on SPDC leadership, though far less comprehensive and more flexible in the provision of aid (DFID is the biggest in-country donor to Burma).

The assumption underlying economic sanctions is that they will either destabilize the region or compel military rulers to relinquish political controls.²⁵⁰ However, resource

²⁴⁶ Todd Pitman, “Burma Warily Tests New Right to Protest,” *Time*, 14 February 2012, <http://www.time.com/time/world/article/0,8599,2106786,00.html>.

²⁴⁷ McCarthy, “Overturning the alms bowl.”

²⁴⁸ Benedict Rogers, “The Saffron Revolution: The Role of Religion in Burma’s Movement for Peace and Democracy,” *Totalitarian Movements and Political Religions*, 9:1 (March 2008): 115-118.

²⁴⁹ Larry A. Niksch and Martin A. Weiss, *Burma: Economic Sanctions*, Congressional Research Service, 3 August 2009.

²⁵⁰ Morton B. Pederson, “Burma, the International Community, and Human Rights (with Particular Attention to the Role of Foreign Aid)”

extraction has allowed Burma to continue to profit through trade with other nations, like China and ASEAN. This, in turn, has empowered the military, even as poverty spreads through the general population. Western sanctions may have in fact justified xenophobia, and the emphasis on democratization further alienated the regime. Sanctions have also negatively affected the development arena: the 2003 US import ban on Burma's garment industry eliminated 75,000 jobs virtually overnight. The Global Fund of \$90 million over five years was designed to eliminate malaria, tuberculosis, and HIV/AIDS, but was vetoed by members of Congress who claimed effective monitoring was impossible.²⁵¹ Its most positive possible effect may have been forcing Burma to recognize its status as a pariah state, which one interviewee said made it "deeply uncomfortable."

Even smart sanctions, such as those levied against resource industries, have been criticized. Some charged that the inflexibility of sanctions meant that the US was not given room to develop creative solutions.²⁵² Drezner has pointed out that smart sanctions are rarely implemented correctly.²⁵³ Freeman and Quinn suggest that the concept is fundamentally flawed: democratization actually occurs more slowly in sanctioned states, because elites in integrated economies rely less on corruption and the favor of a dictatorship for their wealth.²⁵⁴

4.1.2 The New US Position: Recently, the US has shifted its position on Burma. Kurt Campbell, Assistant Secretary of State for East Asian and Pacific Affairs, stated: "A policy of pragmatic engagement with the Burmese authorities holds the best hope for advancing our goals. Under this approach, US sanctions will remain in place until Burmese authorities demonstrate that they are prepared to make meaningful progress on US core concerns. The leaders of Burma's democratic opposition have confirmed to us their support for this approach."²⁵⁵ The visit of Secretary of State Clinton to Burma further underlined a shift in US willingness to engage the regime, incentivizing an internal focus on reform. Following the April 1 elections, the US announced plans to ease economic sanctions on investment and to name a US ambassador, the first in 22 years. The effect of these behaviors is as yet unclear,

4.2 Cooperation

4.2.1 ASEAN & Japan: While western nations imposed sanctions, Burma's neighbors have followed a policy of neutrality and engagement, combined with targeted rebukes. ASEAN has followed its charter's call for "non-interference," though it has nevertheless sought to influence political development through "constructive engagement."²⁵⁶ The principle derives from Indonesia's own regime transition – current minister of Indonesia, Marty Natalagaway, has said: "Our first democratic elections in 1999 were far from perfect. We too had seats reserved for the military in parliament... But each election since has been better and better. The transition to democracy is a process, and what Myanmar is doing is starting the long journey to democracy."

²⁵¹ Thihan Myo Nyun, "Feeling Good or Doing Good: Inefficacy of the US Unilateral Sanctions Against the Military Government of Burma/Myanmar," *Washington University Global Studies Law Review* Vol 7:455.

²⁵² Ibid.

²⁵³ Daniel W. Drezner, "How Smart are Smart Sanctions?" *International Studies Review* 5 (2003): pp. 107-110.

²⁵⁴ John R. Freeman and Dennis P. Quinn, "The Economic Origins of Democracy Reconsidered," *American Political Science Review* 106 (February 2012): pp. 58-80.

²⁵⁵ David I. Steinberg, "Anticipations and Anticipated Responses: the United States and the 2010 Burmese Elections,"

²⁵⁶ Lee Jones, "ASEAN's Albatross: ASEAN's Burma Policy, from Constructive Engagement to Critical Disengagement," *Asian Security* 4(3) (2008): pp. 271-293.

The goals of its behavior are primarily economic liberalization over democratization, given the mixed regimes of many member states. In the aftermath of Cyclone Nargis, ASEAN's neutrality allowed it to play an important role in coordination of delivery of humanitarian aid. However, beginning in 2005 the organization became more open about levying criticisms against the junta. In 2005, ASEAN criticized that the junta had taken no steps on its National Roadmap. That same year ASEAN passed over Myanmar for chairmanship given its human rights record. In 2007, it issued a rebuke of government behavior in the Saffron Revolution, and in 2008 reprimanding the junta for Suu Kyi's imprisonment.

Japan, similarly, argued that "aid and trade coupled with quiet diplomacy is the best approach to encouraging reform."²⁵⁷ Though it cut aid in 1988 and again since the failed reform period in 2003 and the 2007 protests, Japan's International Cooperation Agency continues to provide grants, loans and assistance directly to the government.²⁵⁸ Its unwillingness to follow the western position reflects Burma's strategic position between China and India; Japan wishes to avoid alienating Burma for fear of greater Chinese influence.²⁵⁹

ASEAN has likely played the greatest role of any international actor in positively affecting change, according to most interviewees. ASEAN exploited three pathways to encourage change. First, by passing Burma over for chairmanship, the organization highlighted the degree to which Burma had become a pariah state. This ran against the Burmese junta's vision of itself as a rich, powerful state, and further prompted the need for reform. It will shortly be taking on chairmanship of ASEAN, an honor that it has consistently lobbied for and that it has been granted largely based on its show of liberalization. Second, the maintenance of relationships with Burma allowed officials to travel more freely through these neighboring states, allowing them to see the degree to which Burma had fallen behind economically. Third, the organization's involvement helped to shift power away from China. One interviewee stressed that as a powerful economic grouping it can exploit both Burma's desire for development and its hope for greater regional influence.

4.2.2. China: China has been the largest economic presence in Burma since after the 1988 uprising. The relationship with Burma hit a high in the period leading up to the most recent reforms: in 2010 alone, China invested more than \$8 billion in Burma, and the volume of bilateral trade rose significantly compared to the previous decade.²⁶⁰ According to official Chinese data, trade between the two hit \$4.44 billion in 2010, a 53.2% rise over 2009. This accounted for approximately 83% of Burmese cross-border trade.²⁶¹ Chinese arms sales and military aid has exceeded \$3 billion, much of which was leveraged against future oil revenue. China has played a significant complicating role in any push for reform by pouring money into large infrastructure projects, purchased energy resources, provided arms, and generally significantly bolstered the regime's wealth.

²⁵⁷ Kanae Doi, "Japan's Special Relationship with Burma?" *Human Rights Watch*, 21 October 2011.

²⁵⁸ Soubhik Ronnie Saha, *Working through Ambiguity: International NGOs in Myanmar* (The Hauser Center for Nonprofit Organizations, Harvard University, September 2011).

²⁵⁹ Deborah Di Dio, "Review: Myanmar: Prospects for Change," *Journal of Contemporary Asia*, 41:3 (2011): pp. 501-505.

²⁶⁰ "Welcome, neighbour: China's relations with Myanmar," *The Economist*, 9 September 2010.

²⁶¹ "Myanmar-China border trade fair launched in Muse," *Xinhua*, 29 April 2011, http://news.xinhuanet.com/english2010/china/2011-04/29/c_13851770.htm.

However, China's role in supporting the SPDC has made it the subject of criticism by reformers in the country, and has shown signs of fraying. Both leadership and broader society felt deeply uncomfortable about China's "crushing embrace," as it ran contrary to Burma's traditional foreign policy stance of non-alignment and independence, several interviewees stressed that. Its role in large projects and arms trading has "created the impression among Burmese citizens that China has been raiding the country's wealth by handing corrupt SPDC generals.... Fairly or unfairly, China has become associated in the public mind with corruption of the army, the economy and the environment."²⁶² The decision not to complete a \$3.6 billion Chinese-funded dam – possibly bending to public pressure, though also possibly because Burma could not provide its share of funds – was at once a message of reform for the US and a sign of potentially deteriorating tensions with China.²⁶³ More development-minded members of the new government have stated that while current pledges to provide oil and gas to China and Thailand will be completed, future energy projects would focus on providing energy to Burma itself first. Furthermore, though China likely does not want to compete for influence, it likely recognizes that improving and stabilizing the political settlement is in its interest, given the periodic insurgencies waged along its border.

4.2.2. *The UN*: The UN has been a consistent presence in Burma since 1992, when the Commission on Human Rights mandated the creation of a Special Rapporteur. In 1993 a General Assembly Resolution requested the Secretary General continue discussions with the junta, interpreted as a call for the application of "good offices" principles of engagement. Ban Ki-Moon has made Burma a signature issue, articulating a five-point plan for specific requests made of the regime:

- (1) The release of all political prisoners
- (2) "all-inclusive" dialogue
- (3) Conditions to allow transition to a democratic government
- (4) Improving socio-economic conditions;
- (5) Regularizing the "good offices" process by setting up a UN office in the country.

Relative to ASEAN, the UN thus adopted a more aggressive stance, but relative to the US it showed far greater willingness to engage. With the exception of UNDP, which has a mandate restricting it from working with or through the government, much of UN programming has sought to engage the Junta and major opposition actors. In December 2007, UN SG Ban created the Group of Friends on Myanmar as an informal mechanism for discussion across donors.

However, prior to reforms effectiveness was restrained by the requirements of "good offices." The junta has often denied high-level representatives from entering the country. Divisions in the international community over how to respond to the military regime further complicated the UN's presence, given the dueling strategies of isolation and engagement. Nor did the mandate allow the UN to involve itself in the ethnic insurgencies, including the maintenance of ceasefires.²⁶⁴

Since reforms, Ban and the UN have taken an increasingly active role, as restrictions from inside Burma have eased. Ban committed the UN to a significantly expanded role, including aid for peacebuilding and conducting a census, contingent on continued progress on reform. He has frequently encouraged Sein and Suu Kyi to work together,

²⁶² Lee Jones, "ASEAN's Albatross: ASEAN's Burma Policy, from Constructive Engagement to Critical Disengagement," *Asian Security* 4(3) (2008): pp. 271-293.

²⁶³ "As Myanmar opens, China alliance starts to fray," *Reuters*, 13 February 2012.

²⁶⁴ Elsin Wainwright, "Myanmar," *ARGPO* 2010

including calling for the NLD to move from being a solely opposition party and take a genuine political stance.²⁶⁵ The UN also sent an envoy to Rakhine, a site of intense ethnic violence in June 2012, with officials meeting with Sein to discuss the situation.

4.4. Foreign Aid and the Legitimacy/Accountability-Effectiveness Tradeoff²⁶⁶

Foreign aid as a tool to build the political settlement in Burma has faced two fundamental challenges: first, how to support development without bolstering a harsh dictatorship; and second, the domestic and international policies that have restricted the access of aid workers. Both have limited the degree to which foreign aid played a role in the recent reforms, though – as discussed in the next section – these changes have led to a new window of opportunity for donor agencies.

The tension between potentially bolstering a regime considered illegitimate verses the restrictions on effectiveness when government channels are skirted has been a central challenge to aid delivery in Burma. Unlike in other fragile states, donors do not want to support government capacity to provide for citizens, but rather encourage internal reform. Thus, organizations “must choose whether to work through government structures (with the associated problems of corruption and perception by local populations) in order to strengthen the longer-term capacity of the government, or to start one independently (thus relieving the regime of its responsibilities to its people).”²⁶⁷ Furthermore, given the repression experienced in the country, fear remains a large impediment to action: “People will come together, but... they need the door opened for them by local senior authorities... Here it *needs* to happen.”²⁶⁸

Aid has also been constrained by both the junta’s distrust and donor policy. The junta’s resistance to international interference has restricted the movement and access of foreign workers: for instance, providing aid to displaced persons was considered illegal, as it challenges the sovereignty of the government.²⁶⁹ Particularly prior to the civilian government, visas were challenging to get and travel passes needed to travel outside of Yangon. International NGOs typically operate under 1 to 3 year agreements. Such an uncertain future makes long-term projects and funding more difficult. On the donor side, safeguards to prevent misuse of funds have compromised effectiveness.²⁷⁰ Political sensitivities have also made donor harmonization difficult, as a degree of secrecy is required for operation. This, in turn, makes reliable baseline data “one of the most important limitations to aid effectiveness.”²⁷¹

The combination of these challenges mean aid is widely considered to have played a minimal role in reforms to the Burmese political settlement. Between 1990 and 2007, ODA per capita was less than \$5 annually; this was the lowest level of the 50 least

²⁶⁵ Joshua Kurlantzick, “Ban Ki-Moon’s Trip to Myanmar,” *Council on Foreign Relations*, 1 May 2012, <http://blogs.cfr.org/asia/2012/05/01/ban-ki-moons-trip-to-myanmar/>.

²⁶⁶ In addition to background research and interviews, and given the limited scope of this report, it draws heavily on two broader studies of development assistance in Burma: Soubhik Ronnie Saha, *Working through Ambiguity: International NGOs in Myanmar*, and Anthony Ware, “Contextualisation of International Development Principles to Difficult Contexts: A Case Study of Myanmar.”

²⁶⁷ Saha, *Working through Ambiguity*.

²⁶⁸ Anthony Ware, “Contextualisation of International Development Principles to Difficult Contexts: A Case Study of Myanmar,” *Citizenship and Globalisation Research Papers* No. 1 (October 2010).

²⁶⁹ Ashley South, “Humanitarian aid to IDPs in Burma: activities and debates,” *Burma’s Displaced People*, FMR 30.

²⁷⁰ Saha, *Working through Ambiguity: International NGOs in Myanmar*.

²⁷¹ Adaeze Igboemeka, “Aid Effectiveness in Burma/Myanmar: Study on Development Agency Perceptions,” UK Department for International Development-South East Asia, August 2005

developed countries in the world.²⁷² DFID provides the most aid to Burma of any nation, followed closely by Japan. Most aid, particularly since Cyclone Nargis, is humanitarian, representing 46% of total aid over the last five years. Health and education have made up 17% and 8%, respectively; however, restrictions on the movement of aid workers has made it difficult to reach many of the most in-need populations, such as the ethnic minority border areas. One DFID official in Burma highlighted that the majority of work has been on issue-based civil society work, where aid can go towards not only addressing manageable challenges but building the capacity of groups to work together and with the media.

The New Window of Opportunity for Foreign Actors

Though foreign aid has been largely restricted in Burma, the more recent reforms have opened a new window of opportunity for international actors to expand and stabilize the political settlement. Prior to the most recent set of reforms, a major impediment to action was “a lot of fear of doing new things, or of being seen to be taking the lead on things or pushing forward... [a] kind of a status-quo culture... a real fear of being clamped down on.”²⁷³ With relaxations on restrictions, both national civil society and international donors have increased space for development activity. Donors have already begun to fill this space: USAID recently pledged \$55 million for a multi-sector project.²⁷⁴ A DFID in Burma employee interviewed stated that already the expansion of donor work in the country meant that coordination was becoming an increasing challenge.

The story of Burma’s transition is still very much unfolding. Given the increasing emphasis on political institution-building that followed the *World Development Report 2011*, it represents an important opportunity to test how international actors can interact with the underlying politics of a state. Continued liberalization of Burma’s politics and economy will rest on progress on development; stabilizing the security situation in the border regions; and continuing to expand representation. The below outlines two broad pathways for international actors to promote development and stabilize and broaden the political settlement, derived primarily from interviews: (1) deeper engagement in the political process; and (2) development as a theory of change.

5.1. Engagement with the Political Process

The Burmese civilian government is currently struggling to negotiate across a wide set of interests – the NLD and democracy supporters, who call for varying levels of constitutional or political reform; the ethnic minority groups, whose goals lie less with democracy than with self-governance; and the military and USPD itself, whose members have complex and variable perspectives on the reform process. Thein Sein’s position is thus somewhat precarious, dependent upon at least to a degree staying in the good graces of both the former junta and Aung San Suu Kyi. The recent violence in the Rakhine state, meanwhile – which saw the re-imposition of military rule in the small area – shows the tenuous hold that the central government has on its long-running insurgency. The international community can likely play an important role in negotiating the interests of these competing actors.

5.1.1. Political dialogue. After years of suppression of political expression, open discourse is a relatively new practice in Burma. International actors can play two important roles through convening dialogues: first, it can act as a mediator across competing interests;

²⁷² Saha, *Working through Ambiguity: International NGOs in Myanmar*.

²⁷³ Ware, “Contextualisation of International Development Principles to Difficult Contexts.”

²⁷⁴ Saha, *Working through Ambiguity*.

and second, it can act to share the experiences of other nations or current knowledge on related statebuilding and peacebuilding issues. Particularly in navigating the interests of pro-democracy and USPD interests, the convening of more frank dialogues may allow greater understanding of competing positions. Meanwhile, drawing on the knowledge of international experts can ensure that those reforms occurring in Burma are done with the fullest knowledge possible. The Asia Society has already successfully used this approach through its Track 2 dialogue with the Myanmar Development Resources Institute (MDRI).

5.1.2 Strengthening Ceasefires: Though the government has negotiated ceasefires with all but one of the armed groups operating, they remain tenuous. Recently the government requested the development of a strategic framework for peacebuilding in conflict-affected areas, a major step forward in showing its willingness to allow international actors to become involved in national security affairs. This framework seeks to understand how an external presence can uphold ceasefires and reinforce the peace process, through development of liaison offices; supporting the establishment of community development committees; and drawing on existing networks, including local NGOs, to monitor ceasefires. However, engagement on these issues remain highly charged. Falling under the set of issues controlled by the military, perceived encroachment by foreigners may backfire. This can most visibly be seen in the violence in the Rakhine state, where 10 UN aid workers have been detained and 3 charged with inciting violence. This is not a wholly unexpected response – since the goal is to maintain national unity, blaming external actors may deflect attention from the government.

5.2 Development as a Theory of Change

Economic development will likely be a strong determinant of the stability of the political settlement going forward, and of prospects for further reform. Tangible progress offers proof of the benefits of reform, empowering reformist over hardliner elements. However, there is a “fear that if the country’s economic decline is not arrested and reversed relatively soon, it will lead to widespread dissatisfaction and instability, threatening a return to harsh security measures.”²⁷⁵ The government itself believed it had until 2015 to prove its effectiveness at development before facing a crisis of legitimacy, either within the ruling elite or civil society, one interviewee warned. The rapid political reforms that have occurred in Burma may in fact be working against the current government, since they have not yet been matched by economic progress: “expectations of real change in Burma could quickly become frustrated, once it becomes apparent that many of the changes required will take years, or decades, to achieve.”²⁷⁶ The below discusses potential avenues for development, with the goal of

5.2.1. Government Discussions & Policy Planning: The introduction of civilian rule has opened new space for donor agencies to work through the central civilian government, increasing access to the health and education sectors, allowing involvement in service delivery, and permitting discussions of national policies. International engagement with and support for the civilian regime represents an important path to strengthening the pull of reformist elements, several interviewees argued. Though to date interactions with the government remain limited, DFID has increasingly been working on more political issues, like transparency surrounding natural resource revenues and ethnic ceasefires. UN officials are working with the government to organize the first large-scale international aid conference later in the year, focusing on reducing poverty levels from 26% to the

²⁷⁵ Clapp and DiMaggio 2012.

²⁷⁶ South 2012.

government target of 16% by 2015.²⁷⁷ Alignment with government priorities will, at least in the medium-term, be important for continued expansion of donor activities, interviewees confirmed. For instance, the Kokang and Wa Initiative (KOWI) – a multi-sector approach to poppy cultivation prevention – offers a case of alignment with the government that led to broader policy change.²⁷⁸

5.2.2. Capacity-Building: Now that the government has taken a more active role in promoting development, much of the challenge to strengthening social service provision relates not to unwillingness, but to lack of capacity to organize and implement policies. Particularly given the weakness of education in the country, technical needs are vast. Capacity-building and technical assistance would be an important step in ensuring reform, several interviewees stressed; such activities would be allowed under sanctions, meaning that the US could use this as a step towards greater engagement.

5.2.3. Donor Harmonization: Among the most consistent policy recommendations, donor harmonization was underlined as a major priority as aid to Burma increased. Reasons for this are twofold: first, to maximize effectiveness donors should roughly share a strategy and understand the broader map of development activities; second, an overly rapid influx of aid could overwhelm the government's own capacity for change.

5.2.4. Regional Government Cooperation: The 2008 Constitution's establishment of regional government structures empowered local officials to handle many aspects of development and community-building. The engagement of local officials is central to ensuring both the political space to operate and buy-in from community members. Particularly prior to the most recent set of reforms, local officials were considered more willing than national actors to engage with international agencies on development projects. For instance, the Three Diseases Fund model, which pulled officials from the Ministry of Health into the project, was offered as a potential model for other sectors.²⁷⁹ Currently state funds are delivered virtually entirely through the national government, however, leaving regional structures with relatively little capability. Still, an in-country donor official highlighted these structures as a potentially important feature of future opportunities

5.2.5. Partnership with Local NGOs: There are an estimated 214,000 CBOs and some 270 apolitical LNGOs operating in Burma. While most INGOs in the country partner with local CBOs or NGOs, many of these community groups are not registered, making it difficult to officially partner with them and creating a tendency to link to better-documented religion-based groups.²⁸⁰ Furthermore, local actors have complained that these INGOs “see the local partners as their implementers, not in any sense of true partnership.”²⁸¹ The INGO community has attempted to more tightly couple with domestic organizations through such groupings as Paung Ku Consortium, Myanmar NGO Network, Local Resource Center, and Capacity-Building Initiative, to communicate with and provide training to local civil society.²⁸² In the new political landscape, increased openness to development agencies may allow more official cooperation between INGOs and local NGOs. However, the rush of new actors may

²⁷⁷ Gwen Robinson, “Myanmar and UN Plan Donor Conference,” *Financial Times*, 15 February 2012.

²⁷⁸ Igboemeka, “Aid Effectiveness in Burma/Myanmar: Study on Development Agency Perceptions.”

²⁷⁹ Ware, “Contextualisation of International Development Principles to Difficult Contexts: A Case Study of Myanmar.”

²⁸⁰ Saha, *Working through Ambiguity: International NGOs in Myanmar*.

²⁸¹ Ware, “Contextualisation of International Development Principles to Difficult Contexts: A Case Study of Myanmar.”

²⁸² Saha, *Working through Ambiguity: International NGOs in Myanmar*.

overwhelm the capacities of these local organizations or lead to a potentially problematic ‘poaching’ of talented civil society actors away from the public sector.

5.2.6. Expansion into Ethnic Minority Areas: Opinions are split as to the role of external actors in the ethnic minority areas. On the one hand, observers emphasize that the goals of the ethnic minority regions are fundamentally distinct from those of pro-democracy advocates. The Burmese military still considers ethnic minority regions an area of central importance to national security, meaning that external intervention may have a counterproductive backlash. On the other, some emphasize that the minority areas hold the same high hopes for development prospects as the rest of the country. Failing to deliver may destabilize these key regions. To that effect the expansion of INGOs into troubled regions can offer a number of benefits: they can serve as observers to deter human rights violations; build capacity for local actors; and link the regions to the outside world.²⁸³ The ethnic minority areas remain arguably the weakest point in the political settlement and the most vulnerable moving forward, making provision of basic development needs all the more important.

²⁸³ Ibid.

Year	2000	2005	2010
Polity IV	-7	-8	-6
Freedom House: Political Rights	7	7	7
Freedom House: Civil Liberties	7	7	7
WGI: Voice & Accountability	-2.06	-2.21	-2.09
WGI: Political Stability	-1.75	-.88	-1.29
WGI: Government Effectiveness	-1.21	-1.55	-1.67

BURMA²⁸⁴

Governance Indicators

International Economic Presence

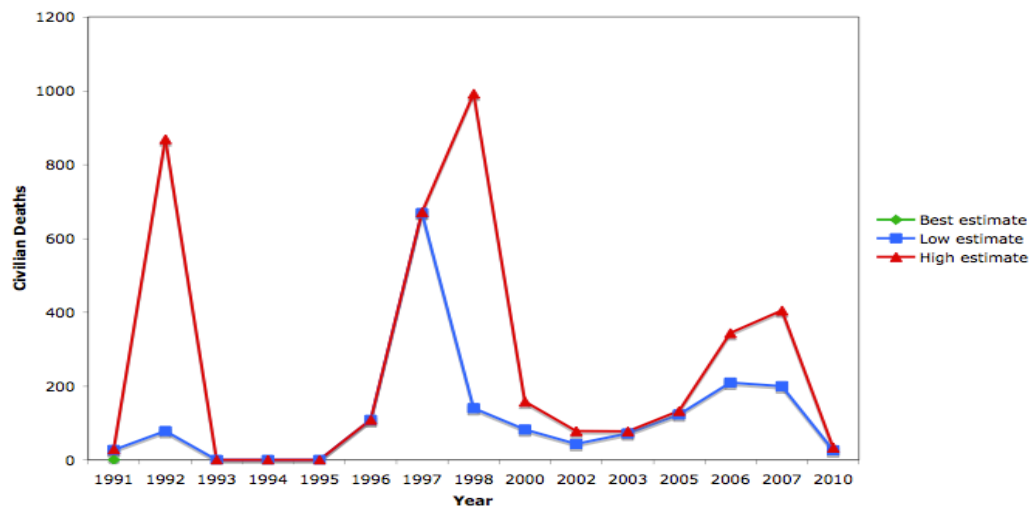
<i>ODA per capita</i>		<i>ODA - % GDP</i>	<i>FDI - % GDP</i>
2000: \$2.27	2009: \$7.14	n/a	n/a
<i>Use of ODA by Sector (2009)</i>		<i>Major Donors (2009)</i>	
Humanitarian Aid	50.2%	United Kingdom	\$53.14 M
Health and Population	20.5%	Japan	\$48.28 M
Other Social Sectors	9.9%	United States	\$35.22 M
Other	7.9%	Norway	\$18.88 M
Program assistance	6.0%	Australia	\$17.89 M
Education	5.5%	Sweden	\$17.71 M

Structure of Economy

<i>Government Expenditures (% GDP)</i>		<i>GDP per Capita</i>		<i>Tax Revenue (% GDP)</i>
Total	9.2%	N/A		3.9%
Military	1.3%	<i>Sectors as % GDP</i>		
Health	1.3%	<i>Agriculture</i>	<i>Industry</i>	<i>Services</i>
Education	2.0%	38.2%	18.2%	43.6%

²⁸⁴ Data from: Polity IV; Freedom House; World Bank Governance Indicators; World Bank; International Monetary Fund; AidFlows; CIA World FactBook.

History of Violence – Civilian Deaths



Annexes

Annex 1: Applying the WDR 2011 Framework to Lebanon: Report on Phase 1

February-March 2012

April 20, 2012

A. Introduction

1. Lebanese citizens have been observing developments in the Middle East, particularly in Syria, with a mixture of excitement and concern. Although the country's political and social equilibrium remain intact, periods of regional disruption have often had a profound influence on the country; indeed, many Lebanese believe that developments in the world outside determine Lebanon's destiny.

2. The British Embassy in Lebanon recently launched an exercise designed to explore the potential for positive political change in this fluid environment ('the exercise'). The project is being led by Nigel Roberts, former Director of the *2011 World Development Report: Conflict, Security, and Development* ('the WDR'), with support from New York University's Center on International Cooperation (NYU/CIC) and the research consultancy Pursue (collectively, 'the project team'). This note describes the findings of the preliminary phase (Phase 1) of the exercise, and sets out recommendations for a main phase (Phase 2,) -- which would take place between June 2012 and March 2013.

B. Conceptual Framework and Approach

3. The basic premise underlying the exercise is drawn from the WDR. This report is based on a historical review of some 40 countries' experiences in tackling deep-seated violent conflict over the past 60 years. No simple formulae emerge – but a way of understanding violence does: as a failure of national institutions. The WDR argues that all societies experience conflict, which arises from societal “stress factors” (conventionally clustered under three headings -- insecurity, injustice and a lack of economic opportunity); what often distinguishes those societies that have been able to manage conflict relatively peacefully from those that have not is the presence of “legitimate” institutions with national reach and authority ('legitimacy' is defined by the WDR in terms of inclusiveness, accountability and effectiveness; 'institutions' as “social norms and behaviors – such as the ability of leaders to transcend sectarian and political differences [...] as well as rules, laws and organizations”). Put another way, “states with weak institutions run the greatest risk of the onset and recurrence of civil war, and of extreme levels of political violence.”

4. From this insight the WDR builds an evidence-based case for focusing on institutions as the basis for peace-making, as well as state-building. The historical record reveals two tracks of action common to most notable efforts to combat gross instability and violence; both are responses to the specific “stress factors” that have sparked violence.

a) The first is the creation of public confidence in a new future – a fundamentally

psychological process whereby expectations are changed from deep cynicism, particularly over the intentions and abilities of the state. The WDR identifies two key factors that are strongly associated with this “narrative shift”: the formation of political and social coalitions that are “inclusive enough” (using the WDR’s terminology: generally this means *more* inclusive than has been the recent norm, but not necessarily including *all* actors in society (such as unregenerate ‘spoilers’)); and an ability by leaders to provide convincing “signals of intent”. These will commonly be difficult, even counter-intuitive, and need to bear some relation to what has caused the public to lose confidence in the first place (examples include measures to punish hitherto unaccountable security forces, or to provide economic benefits and services to neglected groups/areas).

- b) The second is to build on changing social momentum by laying down the basis for national institutions that can sustain this early shift in confidence – turning signals into continuing processes. Again, the institutions that matter here are those that are able to address the most destabilizing “stress factors”, and are most commonly those that have, in WDR shorthand, delivered enough “citizen security, justice and jobs” to pre-empt most new threats of violence. The WDR also points to (and measures) how long countries need to create legitimate institutions. Because this process takes a generation or more, *continuous* public confidence-building is required: it is a mistake to see the creation of confidence as a short-term challenge and building institutions as a medium-term one: they need to proceed in parallel and in close harmony.

5. The WDR also points out that countries that have emerged from deep instability and severe violence have not done so in any smooth, linear way. Peace-building is erratic, subject to setback and constantly contested by those whose interests are threatened by a new political status quo. Neither the extended nature of the challenge nor the inevitability of setback are well-understood by the development community, which is hampered by short-duration political and project cycles and often shies away from the messy contests that mark real reform.

6. Phase 1 of the exercise aimed to help the project team understand how Lebanese perceive their country’s situation and the possibilities for productive change. An Advisory Group (AG) of Lebanese experts was created, and four sessions were held with Nigel Roberts and the project team to discuss the applicability of the WDR’s methodology and key findings to Lebanon (see **Annex A**). Following these sessions, Pursue convened six focus groups (FGs) to discuss the same broad set of issues (see **Annex B**). This note draws on these consultations to offer initial observations on stresses, on the status of Lebanese institutions and on possible ways forward. The project team is conscious that neither the Advisory Group nor the focus groups can be seen as ‘representative’ of the Lebanese population as a whole, and could not be expected to provide a definitive mapping of the institutional challenges that Lebanon faces.

C. Findings from Advisory Group Meetings and Focus Groups

Advisory Group and Focus Group Observations

7. It is worth noting at the outset the significant degree of consensus between different Advisory Group (AG) members, and between the AG and the overall direction

of the observations made in the Focus Group (FG) discussions. Lebanon was seen by many as intrinsically violent, and its founding political settlement as an arrangement that has undercut the power, legitimacy and potential of the state in favor of the sectarian institutions that now run the country. These institutions and their leaders were often described as lacking accountability, in part because their followers have few alternatives but to rely on them for protection and services; they also expose the country to the interests of external supporters with little concern for Lebanese welfare. As a result, we were told, most Lebanese feel powerless and cynical about the prospects of positive political change; at the same time, the sectarian power-sharing status quo is grudgingly seen as a source of relative stability and resilience, and its dissolution is not viewed as realistic or desirable.

Stress Factors

8. ***Internal Stress Factors.*** Importantly, the WDR distinguishes between “internal” and “external” stress factors – internal stresses being those that emanate primarily from the dynamics within a particular society, and external stresses referring to pressures that arise from regional or global interests and developments. In making this distinction, the authors of the WDR were seeking to counteract a common under-emphasis in academic and policy literature on the extent to which powerful external forces can determine the fate of smaller and more vulnerable countries. Importantly for the Lebanon case, though, the WDR also finds that internal stability and resilience can offer protection against negative external influences.

- a) *Insecurity.* AG and FG participants continually referred back to Lebanon’s unique 1943 political settlement as integral to any understanding of Lebanese insecurity. In this settlement, known as the National Pact, Lebanese leaders agreed on a sectarian power-sharing formula that divided political and administrative posts among the country’s major identity groups.¹ This political settlement lacked any built-in mechanism for adjusting power-sharing arrangements in response to social, economic and demographic change. Because the assumed formula is zero-sum (with gains by one community leading to losses by another), adjustments are perceived to occur only after great tension has accumulated. We were told that most Lebanese have limited faith in the resilience of their system of government: they tend to believe it will, at some point, break down again. Equally, they feel genuinely threatened by other sectarian groups and believe they have little choice but to rely on their own community’s leaders, and not the state, to protect them. This form of allegiance is well-understood by Lebanon’s political and religious elites, who often justify their hold on power by demonizing other groups and stressing past atrocities and injustices. In the words of one AG member: “elites used to exploit Christian fears in a sea of Muslims. Now we have graduated to Shi’ite fears in a sea of Sunnis, or Sunni fears of Shi’ite onslaught.” The power of these leaders has been further entrenched by provisions in Lebanon’s constitution which assign authority over educational and personal legal matters to sectarian authorities.
- b) *Injustice.* Participants identified a similar dynamic in relation to injustice: state resources are distributed along sectarian lines, rather than on the basis of objective need;² this facilitates corruption, given the ineffectiveness of any mediating mechanisms. Any chance of addressing the country’s debilitating legacy of war crimes (and crimes committed under the cover of war) was also seen as stymied by sectarian

loyalties: many of the country's current political leaders are complicit in such crimes, but zero-sum logic prevents serious efforts at redress.

- c) *Lack of economic opportunity.* Economic inequality among Lebanese is regarded as an important outcome of a state that is disempowered, with poor reach in some disadvantaged regions and an inability to redistribute wealth through taxation. Although many private corporations are less influenced by sectarianism than the public sector, corruption is rife and sectarian elites have a major impact on their clients' access to jobs and other economic opportunities. Lebanese economic growth has, in the past, prompted tension rather than national cohesion: the gains of one sectarian group are often seen as the losses of another, and carry the potential for confrontation: "tensions derive from discontent at what others (and other communities) are getting, perhaps more than from discontent about what one's own community or family is getting."

9. *External stress factors.* Turning to external influences, participants focused almost entirely on Lebanon's exposure to three major regional conflicts: the Israeli-Palestinian struggle, with its influx of Palestinian refugees and internal and associated cross-border violence; Iran's confrontation with Israel and the West, most recently around Iran's nuclear program; and Syrian designs on Lebanon and the way in which this has opened the country to the fallout from Syria's own current turmoil. What makes these conflicts particularly destabilizing, we were told, is the manner in which Lebanese sectarian parties draw support and external legitimacy from regional contenders, thereby importing the dynamic of a chronically unstable region. Lebanese people are acutely aware of the potential for regional tensions to impact Lebanon;³ instances of sectarian violence and other sources of sectarian tension (such as the electoral success of Islamists in Egypt) tend to increase Lebanese fears of internal conflict.

Lebanon's Institutions

10. *The paradoxical state.* Participants pointed to a strong paradox: the state's reach is limited and its public institutions are seen by most as stunted and dysfunctional, which intensifies Lebanese reliance on sub-national, sectarian institutions for both security and services (Hizbullah was described as a "state within a non-state") – and yet Lebanon does not function like a typical 'failed state'. It is a middle-income country with a vibrant banking sector, a lucrative tourism industry, a free press and parliamentary institutions. Common crime rates are quite moderate. Importantly, while most other Arab states are either strongly authoritarian or have descended into violence, Lebanon's post-war power-sharing agreement supports many social and political freedoms and has proven quite stable in recent years (with no uncontrolled outbreaks of political violence since 1990).

11. *The lack of a shared national narrative.* The project team was told repeatedly that Lebanese lack confidence in the *idea* of the state: there is "no national identity"; no common "identity or belonging"; "no faith in a social contract". As a result, the state is unable to draw on any common assumption that it is the proper source of authority, should represent all Lebanese and should resolve conflicts among them. In explaining this, some AG members argued that the state's legitimacy had never taken root because such a large proportion of its original population had no belief in, or felt excluded from, the original "state idea" of a Maronite-dominated "Christian refuge"⁴ – an alienating construct compounded by constitutional arrangements that identified and assigned

specific sectarian rights. This lack of shared belief has made it easier for people to take up arms against state institutions, and to promote their own interests. It has contributed to the creation of “mini-states within Lebanon with separate economic, judicial and security institutions”, in which non-state Lebanese groups and their foreign sponsors are able to govern with widespread consent. It also permits external state involvement in Lebanese political affairs to a degree that would, in other countries, be seen as a gross violation of sovereignty.

12. ***Lebanese state institutions.*** Participants saw the state as lacking ‘performance legitimacy’ in almost every area, arguing that most Lebanese believe it incapable of providing basic services or security. FG participants complained of “chaos and corruption” affecting “all government sectors and employees”, a “breakdown of state institutions,” a lack of accountability and the impossibility of securing government responses without patronage. State provision of power, water, telecoms and transport was seen as “surprisingly bad” for a middle-income country possessing such impressive human capital, with both AG and FG participants believing that sectarian quotas are largely responsible for this. They pointed to the many opinion polls and surveys⁵ that show a lack of popular trust in state institutions, and cited this to explain why so many turn to non-state institutions (such as Hizbullah’s courts and police service) to deliver justice and security. Sectarian dominance of the education sector reinforces these attitudes, with sect-exclusive schools teaching their own versions of Lebanese history and culture and helping perpetuate social divisions and fears. The weakness of state security institutions, a major concern of the international community,⁶ has led to a proliferation of non-state security bodies: “Politicians buy their own security from companies; Hizbullah has ‘taken on’ one aspect of national security” (a reference to Hizbullah’s conflict with Israel). Some Lebanese do see the army as a genuinely national institution, but are dubious about its ability to guarantee internal or national security. Participants also alluded to a lack of confidence in parliament as a forum capable of promoting positive change, with elections seen as significantly manipulated by the dominant, sect-based political parties and by external actors.

13. ***Sectarian institutions.*** As the WDR points out, “If the country’s formal institutions do not deliver local justice, education, or employment, an individual has a greater incentive to turn toward non-state groups that can deliver, even if the groups are violent”. Participants all noted the contrast between the weakness of Lebanese state institutions and the strength of some sectarian alternatives. These institutions vary enormously in terms of resources, organizational capacity and leadership (Hizbullah’s military and intelligence capabilities and its extensive provision of social services have been well-documented; AG and FG members commented on the party’s ability to administer justice and civil policing in “its” areas, as well as to provide health, education and post-war reconstruction assistance). Other political parties also possess substantial material resources, which they use to provide services and security to their own constituencies. The legitimacy and power of the *zuama*, or political bosses, varies considerably, with some clearly enjoying the respect of international governments as well as their own adherents. The *zuama* were seen as definitive actors in Lebanese political, economic and social life: as one FG participant noted, “at the end of the day it is the politician who calls the judge, not the mufti”. At the same time, we learned, *zuama* are widely seen as an unaccountable elite, many of whom acquired power and money through war profiteering and outright crime and who now use state assets to sustain patronage – and who have, in turn, been “bought” by external state or diaspora patrons. Thus, while sectarian institutions have substantial capabilities, they cannot by definition

be nationally inclusive or representative.

14. ***Sectarianism: the “best-fit” solution for Lebanon?*** The WDR argues that the enemy of the good is often the policy model that espouses an unrealistic ‘perfect’ solution, and that a search for a “best-fit” answer is often all that is feasible. Few analysts, and no-one in the AG or FGs, endorses Lebanon’s system of sectarian power-sharing with the enthusiasm with which, for example, Arendt Lijphart praises Switzerland’s “magic formula.”⁷ Nonetheless, we were told, most Lebanese see sectarian power-sharing as a necessary evil, the ‘least bad’ system for keeping an intrinsically conflict-ridden, incoherent society under control -- at least for now. Sectarian power-sharing is valued by many Lebanese because it is seen as providing a degree of stability, and to contain large-scale violence between identity groups. The system gives every community leader a stake, and helps to prevent violent efforts to overthrow the political settlement; it also helps allay genuine fears of the domination of the country by a majority and – according to some analyses – makes authoritarian government almost impossible. Even those who believe that sectarianism must eventually be abolished argue that conditions are not yet right for such reform: people are “afraid of a non-confessional state”; a secular state is “not available as an option” at present, because social forces are simply not there to support such a transition.

Two Alternative Propositions

15. As the WDR found, citizens of countries beset by long-running conflict often believe that their society is incorrigibly violent, are highly skeptical that positive change is possible – and fear the consequences of meddling with the status quo. The lessons of past disappointments speak loudly in environments where the price of misplaced optimism can be social ostracism or death.

16. The opinions expressed by AG and FG members suggest two quite different hypotheses about the state. The first is that Lebanon’s political settlement and institutional make-up are striking examples of a “best-fit” solution. Lebanon was created as a small and weak state, home to many distinct identity groups and prey to more powerful neighbors: these are design elements that the country’s leaders were forced to confront. Rather than constituting Lebanon’s ‘original sin’, the 1943 political settlement has turned out to be an act of redemption, sparing Lebanon from the majoritarian intolerance that characterizes almost every other state in the region. It has its price, as the AG and FG discussions stressed, but is resilient and is not impervious to adjustment. The events of 2008 could be said to show this: they brought internal instability and state stagnation, but no serious inter-communal violence – and resulted in a compromise that gave Shi’ites a more proportionate voice. So could an increasing propensity to build political coalitions across sects and factions, as the current FPM/Hizbullah alliance demonstrates. Thus while Lebanon does not conform to conventional European notions of statehood, it has achieved a plurality and ‘fractured inclusiveness’ that protects identity groups in ways denied Kurds, Palestinians and Christians in ostensibly democratic states in the neighborhood.

17. The alternative thesis runs somewhat differently. The relative stability provided by Lebanon’s sectarian power-sharing arrangements should not be dismissed; however, these arrangements amplify the country’s exposure to predatory outside influences, and to the volatilities of an unpredictable region. The essential rigidities of Lebanon’s

political settlement mean that shifts in demography, domestic power and external influence are not easily accommodated and often lead to violence, as in 1958 and in 1975. The notion that Lebanon's sectarian political settlement is a "best-fit" for the country does not hold water from a geopolitical perspective, while the dysfunctionalities of sectarianism hamper the pursuit of broad-based social and economic welfare. The question, then, should not be not whether, but *how* the country can move towards forms of internal cohesion that improve security and equity.

18. The WDR country cases offer support for this second hypothesis, since they show that countries with strong national institutions have normally managed external security stresses better than countries where elites and factions depend on competing external actors for support and validation. From a Lebanon WDR project perspective, however, both hypotheses deserve a considered hearing in the main phase of the exercise. The WDR's intervention logic is based on an understanding of stress factors and of supporting national leadership, governance and institutions as a way towards greater political stability and socio-economic resilience – a premise that appears valid whichever hypothesis is ultimately accepted. Acknowledging the status quo as "best-fit" does not negate the case for more capable, less partisan public institutions – both as an end in themselves and as sources of reference, competition and accountability for sectarian institutions. The real issue under either hypothesis is how to initiate processes of change that are not rejected from the outset, or generate violent reactions.

D. Looking Forward

19. The WDR identifies three particular difficulties in launching and sustaining programs of institutional change in countries with long histories of organized violence. The first is trust: obtaining an initial agreement is often hampered by elites who suspect one another's intentions and by a lack of popular belief in the state as a neutral, effective body. Second, maintaining agreement can be difficult because institutional change may increase the risks of violence in the short term, due to reactions by groups that stand to lose power or economic benefits. And third, the fragility of such transitions can be increased by the actions of external parties who stand to lose or gain from an internal reform process. Nonetheless, as described in paragraph 4 above, many countries have managed their way through these tricky transitions, and most have done so using a combination of confidence-building measures and sustained efforts to build credible national institutions. Typically these transitions are initiated by new political accommodations, or "inclusive enough" political and social coalitions. Typically, they have been supported – or have at least been allowed to emerge – by external actors with the power to influence internal events. Despite agreeing that all three risk factors are appreciable in the Lebanese context, AG and FG participants nonetheless believed that well-targeted measures could, if skillfully introduced, do much to build confidence in the credibility of the state.

Constructive Coalitions

20. When considering how the lessons of the WDR might be applied in Lebanon, it is important to avoid any suggestion that a WDR project would try to create or overtly support the emergence of new social and political coalitions: this would be both naïve and meddlesome. What is relevant is the possibility that today's conditions are conducive to the formation of more inclusive political arrangements, and that work on strengthening the effectiveness of state institutions could help support such processes.

21. Lebanese parties experimented with a more inclusive approach to coalition-building in the early 1990s with the Taif agreement, the deal struck by surviving deputies of Lebanon's 1972 parliament which helped end the civil war. The post-Taif coalition omitted key parties, however, due to their role in the civil war (notably some Christian groups). Syria's continued military presence and political involvement also distorted the country's political evolution. AG members argued that conditions today are more receptive to inclusiveness: Hizbullah is no longer 'underground' and is represented in parliament and government; Syrian troops have also departed, and Syrian influence is much reduced. AG and FG participants speculated that preoccupation by regional governments with their own affairs could lessen Lebanon's exposure to interference (viewed another way, this preoccupation could encourage Lebanese political leaders to deal with one other more directly, as opposed to relying on external mediation).

22. Participants were clear that progress needs to come from within Lebanese society, but were unable to be much more specific than this. Many participants believed that education reform was essential to fostering ideas of national responsibility; in the interim, though, it might be feasible to engage youth in a national conversation of the kind that has transformed the political space in other countries in the region such as Tunisia and Egypt. At the same time, it was recognized that the state needs to be able to demonstrate greater effectiveness if it is to act as any kind of magnet for such aspirations.

Building Public Confidence in the State

23. Interestingly, given the prevalent mood of cynicism about the state and its institutions, participants argued that 'small wins' could quickly rebuild confidence in the state – an observation that is consistent with observed citizen reactions in conflict-ridden societies.

24. The AG and FG sessions identified three areas in which effective state performance could transform its moribund reputation and begin to build some state legitimacy. The first was the provision of basic services. Power, water, health care, telecommunications, transportation and social welfare were all seen as relevant, with different service improvements important for different groups and regions. Thus, for example, the government would prioritize one or more essential services to marginalized communities in the South, North and/or Bekaa if the objective was to seed the idea of state legitimacy there (and ultimately to challenge the primacy of sectarian institutions). The second was rule of law service provision – in the sense of apprehending criminals of all types, from petty thieves to corrupt officials. In the words of one FG participant, "we have to revive the concept of accountability; if I see a corrupt official charged then I can regain confidence in the state". A third area was reform of the taxation system. How such programs could be designed, sponsored and sequenced, though, was not elaborated, though participants stressed that these tactical considerations were vital to any chance of success.

International Actors

25. AG and FG participants continually stressed Lebanon's susceptibility to international influences. The WDR notes that "restoring confidence... generally requires a combination of leadership and international support – normally, neither alone can suffice." In Lebanon's case, though, the potential for external parties to cause harm, not good, is the real issue – and is magnified by the nature of the political settlement. Ideally,

any process of institutional reform should be protected from undue interference from outside; realistically this cannot be guaranteed, and would remain a vulnerability of this project. The cast of characters is so disunited in its diplomacy (Iran, Syria, the US, Israel, Turkey, the EU, the UN) and has such a poor collective record of concern for Lebanese welfare that it would be fanciful to imagine that British diplomacy could ‘protect’ the exercise. At a technical level, and where OECD donor activities are concerned, efforts can and should be made to create alignment behind the effort to test the institutional lessons of the WDR in Lebanon. This could ultimately mean the provision of long-term funding for institutional reform, with a commitment to sustaining involvement in the event of political crises and other predictable setbacks.

E. Proposal for Phase 2 of the WDR Lebanon Project: June 2012 – March 2013

This section describes in outline a proposed next phase. A more detailed Phase 2 Project Proposal and Budget are currently being prepared by the project team, and will be submitted for consideration in May 2012.

June – July 2012

26. These initial background findings will be used to explore in detail whether and how the lessons of the WDR can be used to support a process of strengthening state effectiveness in Lebanon.

27. Nigel Roberts would visit Lebanon in June 2012 for about 10 days. This visit should coincide with the presence of UK-supported political and security experts who are familiar with the WDR, and should also feature discussions in London with the FCO, DfID and MoD. Ideally, Nigel would be accompanied by a noted national ‘practitioner’ from a conflict-affected environment in which ethnic/identity issues are prominent (such as Northern Ireland, the Balkans or Ukraine). The participation of such a practitioner would help underline the WDR’s focus on learning from the experience of countries, institutions and leaders who have dealt directly with violent conflict.

28. The visit would involve meetings with government and with key sectarian authorities, and travel to different parts of the country to speak to citizens and witness realities on the ground. It would also involve meetings with key external political authorities posted to Lebanon, as well as with academics, policy-makers and businessmen. A variety of interactive approaches would be used, depending on the situation and the interlocutors – from presentations of aspects of the WDR to group discussions to informal meetings. The Phase 1 Advisory Group would be asked to act as a facilitator and reference point during the visit.

29. Following this visit, Nigel would submit a brief report to the British Embassy in Lebanon; this report would summarize the key stress factors operating in Lebanon, and would discuss the extent to which Lebanon’s political settlement represents a “best-fit” solution to the country’s internal and external challenges (paragraphs 16-17). The paper would review the performance of key national institutions and would suggest a program of actions designed to create greater confidence in selected national institutions. Proposals would be guided by international experience, but would be driven principally by Lebanon’s political and social realities. The report would also propose a program of analytical and research work needed to further substantiate the findings of the visit and report, including (as appropriate) additional focus group/polling activity and

workshops/seminars. The research work would be undertaken/overseen by Pursue and/or New York University's Center on International Cooperation (NYU/CIC).

July – December 2012

30. During the following six months, Nigel Roberts would work with the British Embassy to develop a dialogue with key Lebanese decision-makers around the report's proposals. This is likely to require further visits to Lebanon by Nigel, supported (at the same time or separately) by other political and security experts with substantial knowledge of Lebanon, as well as by 'practitioners' from relevant conflict-affected environments. This dialogue would include government, civil society, confessional groups and key external political representatives. The UK-funded WDR International Advisory Group to be established by NYU/CIC would play a peer review role and would explore ways in which the Lebanon project might be adapted to/applied in other country contexts.

31. The purpose of this stage of the work would be to test the viability of the paper's proposals, and to modify/replace them on the basis of how they are received and the extent to which they stand up to scrutiny by various stakeholders. Research launched following the June-July stage of the work would be integrated into the process as it became available. At an appropriate point, Nigel would write a second report recommending whether the British Government should support a series of specific measures designed to strengthen national institutions – and what those measures might be. At the British Embassy's discretion, these proposals would be discussed with London and with other national and international stakeholders.

January – March 2013

32. If the British Embassy determines that a strong basis for a program of British support for national institutional development has emerged from work done thus far under the Lebanon WDR Project, a project proposal would be prepared for consideration by the UK, preferably in partnership with other donors. At the same time, should this be appropriate, initial activities could be undertaken using residual funds from the Phase 2 project budget.

Endnotes

Annex A

The Advisory Group: Members, Key Questions and Summary of Discussions

The project team invited a five-member Advisory Group to discuss key WDR themes and their applicability to the context of Lebanon. Advisory Group members are from a variety of professional backgrounds; all have substantial experience of dealing with Lebanese institutions, and proven analytical capabilities. They were asked to read the entire WDR to ensure that they understood the analytical framework for the exercise. Advisory Group members attended four two-hour sessions in Beirut, at which they were led by Nigel Roberts in detailed discussions of four questions: 1) The nature of violence in Lebanon; 2) Could Lebanese institutions do more to help prevent violence? What stops this happening?; 3) What can be done to encourage institutional transformation in Lebanon?; and 4) What is needed from outside parties?. The sessions were held during the second half of February 2012.

Members of the Advisory Group are:

1. Youssef Chaitani: UN ESCWA official and historian of Lebanon and Syria;
2. Antoine Haddad: economist, civil society activist, politician;
3. Hassan Krayem: political scientist at the American University of Beirut and UNDP governance expert;
4. Aline Matta: lawyer, American Bar Association Lebanon Program Director;
5. George Yacoub: senior businessman, analyst of Lebanese politics.

Session 1: The nature of violence in Lebanon

17 February 2012

Present:

Project Team: Nigel Roberts, Consultant; Elizabeth Sellwood, Center on International Cooperation, NYU; Sahar Tabaja, Pursue Ltd.; Danny Mina, Pursue Ltd.; Jeremy Chivers, British Embassy Beirut; Lama Zahar, British Embassy Beirut.

Advisory Group: Youssef Chaitani; Antoine Haddad; Hassan Krayem; Aline Matta; George Yacoub

Observer: Vito Intini, ESCWA

Themes

- *Participants agreed that conflict in Lebanon, which often turns violent, is “endemic.” Lebanese parties have not agreed on an enduring governing formula: sectarian power-sharing can “only ever be imbalanced” because “the economic and demographic balance among communities changes constantly.” The country has therefore witnessed repeated efforts by community leaders to change the balance of forces among them, and often these moments of change lead to violent conflict.*
- *Several participants noted that Lebanon was governed by an elite pact. The current system of elite community leaders (zuama) has deep historical roots. Elites are supported by external parties; they use rents obtained from both state and external sources to maintain Lebanese clients. In turn, Lebanese elites are used by their external patrons as proxies. The elite pact and related weakness of the Lebanese state makes Lebanon highly vulnerable to external intervention.*

- *It is not clear why elites manage to maintain such a substantial level of support from Lebanese people. Perhaps people are misled, and genuinely believe that they benefit from the system; perhaps they fear loss of economic support and protection from the leader. Furthermore, since Lebanon's establishment/independence, there has never been consensus among Lebanese people about the state: both the state idea and state institutions have remained weak. The state cannot provide a convincing alternative to the community. Lebanese who are skeptical of the elite-dominated sectarian system tend to leave the country, believing they are too weak to change the system.*
- *Some aspects of the segregation/separation of Lebanese communities have increased since the civil war. Geographical separation has increased, aggravated by religious leaders. Community separation, the dominance of communal over national identity, and Lebanon's adversarial culture make it easier for Lebanese "to turn the guns on each other."*

Notes of the meeting:

1. The project team and Advisory Group members introduced themselves.
2. Project coordinator Elizabeth Sellwood explained the origins and purposes of the project. The WDR 2011 addressed many of the issues that had plagued Lebanon in the recent past. Arguably, Lebanon was entering the kind of "transition moment" that, according to the WDR analysis, might present opportunities for positive change but could also trigger violent conflict. The project would apply the WDR framework to the current situation in Lebanon, seeking to help the Government of Lebanon and other Lebanese parties to identify ways to build confidence in collective action and move towards positive institutional transformation. The project would also aim to identify options to increase the focus and consistency of international support to Lebanese actors.
3. Nigel Roberts added that one of the lessons of the WDR process was the importance of engaging deeply and intensively with people involved in national processes of change, reform and conflict. The international community has a tendency to seek to apply solutions that have worked elsewhere; but this is seldom successful. International actors must instead expend time and effort understanding the specific nature of the countries in which they are working, and the factors that precipitate violence. Policy has to derive from this deep understanding. The WDR sets out no "recipe" for national or international action. The role of Nigel and the team would be to try to 'broker' international experience in the Lebanese context.
4. Nigel Roberts then explained some of the origins of the World Bank's decision to produce a World Development Report on Conflict, Security and Development. The subject matter was more political than previous WDRs, and represented a departure from normal World Bank practice. The Bank had taken the decision to look deeply into these issues in part because of the way that sustained violence distorts markets, and impacts deeply on other aspects of development that are at the core of the Bank's work. Producing the report had presented several challenges. In researching the report, the Bank had worked closely with other parties, including the UN; and because data on conflict countries is weak the WDR team had chosen to rely on historical case analysis.

5. Nigel then explained how he and colleagues had been seeking to apply the WDR since the Report was completed nine months ago. In Afghanistan, he had decided to conduct a study of when and why periods of stability had occurred; this was conducted via an examination of Afghan history since 1880. In South Sudan, he had been helping the new government to develop a strategy for stabilization, focusing on sequencing and prioritization of institutional changes. In Myanmar, the process of political reform had raised expectations, while the economy was contracting; this presented specific challenges for the stability of the country, which needed urgently to be addressed by the government and its international partners.
6. Nigel outlined some of the issues raised in the WDR about the changing nature of violence. Inter-ethnic violence, he noted, was not a new phenomenon but it had been noticed less by researchers during the Cold War, when many civil wars were financed and otherwise regulated by the US and USSR. The end of the Cold War, combined with globalization, had led to an increase in private (often criminal) financing of violence: the political world had been increasingly penetrated by commercial motivations. Today, criminal and/or commercial proceeds fund many long-running conflicts; this may make such conflicts more difficult to resolve.
7. Hassan Krayem noted that in Lebanon, criminal commercial motivations and behaviours had deeply penetrated the civil war, and persisted in the post-war years. Almost every civil war has both internal and external elements; Lebanon was no exception, but inter-communal conflict was probably the most important factor. Ideology also played an important motivating role. Communal conflict in Lebanon is “endemic”; Lebanese parties have not agreed on a governing formula, so the country has witnessed repeated efforts by communities to change the balance of forces. Each time, these forces are supported by outside parties, to the point that it is impossible to understand who is serving whom.
8. George Yacoub noted the importance of distinguishing between domestic and “overseas” engagement, interventions from “across the border.” Lebanese needed to recognize that conflict has not been generated entirely from outside. There is a strong relationship between domestic actors and criminal organization in Lebanon. Actors across the border provide “cover” for those engaged in domestic politics and criminal actions. Yacoub agreed that Lebanon suffers from “systemic” internal conflict, supported by outside. The weakness of states like Lebanon makes them fair game for outsiders who use the country as a playground.
9. Antoine Haddad argued that the types of violent conflict that Lebanon had witnessed in the 1840s-60s were still being repeated. At Lebanon’s creation, Christians saw Lebanon as a “final historic entity,” while Muslims saw it as a French creation. The first massive period of post-independence violence took place in 1958; this was caused by a mix of communities’ dissatisfaction with their share of power, and external factors. Lebanon can be characterised as a non-geographical confederation, in which power is shared among communities. Lebanese people “are living through” the process of repeated elite pact-making: the most recent revision of Lebanon’s pact was at Doha [in 2008]. Taef sought institutional change [but failed to accomplish it].

10. Youssef Chaitani agreed that Lebanon “embodies” the notion of “elite pact” government, as described in the WDR. The country’s governance pattern has proven to be of formidable resilience: the elite pact and associated socio-economic rentier system is over two hundred years old. The ruling elite utilizes state assets and foreign assistance to maintain patronage networks and constituency. Rents obtained by elites are disbursed internally and externally: internally, for legitimacy and loyalty and to maintain power base; and externally, to project political relevance and attract assistance. Political and economic transactions take place under an array of slogans: Liberation of Palestine, Arab nationalism, Lebanon first, or upholding the status of one sect from being consumed by another. Elites used to exploit Christian fears in a sea of Muslims; now we have graduated to Shiite fears in a sea of Sunni, or Sunni fears of the Shiite onslaught. Lebanon has always mirrored regional polarization, foreign patronage has always been available, local elites were always ready to toe the line. Lebanon has always suffered from weak state institutions and thus remains at the mercy of its ruling elite, or ruling oligarchs and their foreign backers. The Lebanese ruling elite has managed to attract sizable constituencies: it is not clear why, though literature on this subject notes that income and education are conflict-mitigation elements.
11. George Yacoub noted that the Lebanese people had failed to create a stable system. Repeated revisions of the pact constituted “shenanigans to overcome the paradox of [Lebanon’s] creation,” in which the inclusion of a majority of Muslims had broken Maronite dominance. One could not have the territory of Greater Lebanon *and* democracy *and* Maronite dominance.
12. Hassan Krayem noted the views of consociationalists, who argued that the system of elite pact-making was the only way to keep plural societies such as Lebanon stable. In reality, Krayem argued, the system “can only ever be imbalanced.” It was important to note that Lebanon was experiencing high rates of economic growth during periods in which conflict had broken out (prior to 1958, and again prior to the outbreak of civil war in 1975). Problems were created by rising expectations: tensions derive from discontent at what others (and other communities) are getting, perhaps more than from discontent about what one’s own community or family is getting.
13. Krayem further noted also that a “cultural factor” was relevant in identifying the sources of violence. The group discussed this, agreeing that all Lebanese communities were equally violent.
14. In response to a question about the institutional arrangements that had been established at Taef, Antoine Haddad argued that Taef should not be regarded as a specific text but rather as a process. The process was intended to lead to certain objectives, including abolition of sectarianism. Taef signatories had also sought to tackle issues relating to Lebanon’s sovereignty, including its relationship with Israel and Syria: “Syria never respected Lebanese sovereignty.” Taef “is constructive, positive – but it was never applied.”
15. George Yacoub commented that sovereignty is not something “god-given”: it has requirements. Lebanese people had allowed elites to survive, and had blamed

lack of sovereignty on others while failing to take the steps necessary to acquire sovereignty themselves. They treat Lebanon “like a hotel, not a country.”

16. Aline Matta asked why the inequitable distribution of power within Lebanon, which had been a longstanding source of tension and conflict, had not been resolved. Many people in Lebanon were, she believed, misguided. They could be divided into three groups: 1) people who do benefit from the sectarian system; 2) people who *think* they benefit from the system (this is a very large group); and 3) people who believe they suffer from the sectarian system, but also believe they are too weak to change it. Many members of the third group (including, she admitted, Matta herself) decide to leave Lebanon, rather than trying to take responsibility for changing the system.
17. Matta further noted that Lebanon’s culture was adversarial: compromise is perceived as weakness, as one could see in the courts system. The Lebanese system is not transparent: one never knew what was being said, what deals were being done “behind closed doors.” She also noted that resolution of the Palestine question was “essential” for stability in Lebanon; but Lebanon very rarely had a voice in discussions about this issue.
18. The group discussed the issue of segregation of Lebanese communities. Dahiya, Matta noted, had been a Christian and Muslim community before the war, but geographic separation had increased significantly during the war years. Segregation had been aggravated by religious leaders.
19. The issue of national identity was critical. Matta noted that Lebanese people identify themselves first as members of a community (Maronite, Shiite etc) before they identify themselves as Lebanese. This “makes it easier for them to turn the guns on each other.” George Yacoub noted that issues of identity went back “far beyond the civil war”: he recounted his own experience, in the 1950s, of being informed that he would never attain high rank in the Lebanese foreign ministry because he was from a small sect. Such sectarian issues do not matter in the world of business and commerce, but they have always determined individuals’ prospects in public affairs.
20. Nigel Roberts noted that issues of culture and habit *do* influence the likelihood of violence, but one should also recall that such factors are susceptible to change. Germany provides an excellent example of such cultural change: the Germany that we experience now is fundamentally different from the Germany of the 1920s and 30s. All countries, furthermore, are governed by elites: the important question is whether those elites are sufficiently permeable to ensure that groups or individuals can aspire to enter them. Egypt under Mubarak provides a good recent example of a state in which the elite had become ossified, and lost legitimacy at the domestic level. For a time, the state retained international legitimacy; but when the population perceived that this international legitimacy was fragile, and its domestic legitimacy very limited, the regime crumbled quickly. The discussion had indicated that Lebanon’s modern political settlement is unstable, and that this made it highly vulnerable to external intervention.

Session 2: Could Lebanese institutions do more to help prevent violence? What stops this happening?

21 February 2012

Present:

Project Team: Nigel Roberts, Consultant; Elizabeth Sellwood, Center on International Cooperation, NYU; Sahar Tabaja, Pursue Ltd.; Danny Mina, Pursue Ltd.; Jeremy Chivers, British Embassy Beirut.

Advisory Group: Youssef Chaitani; Antoine Haddad; Hassan Krayem; Aline Matta; George Yacoub

Themes

- *Participants discussed concepts of legitimacy in the Lebanese context. Legitimacy has a subjective element and some argued that in Lebanon, it is “as fractured as the society.” Participants discussed the legitimacy or otherwise of the zaim, whether they were recognized nationally as legitimate (or only among their own communities), and how they acquired loyalty through rents.*
- *Turning to Lebanese state institutions, the group discussed the creation and evolution of the state; whether it was perceived as legitimate during the civil war; and how state had “handed over” key functions to confessional institutions. Personal status issues, education, and Lebanese media are now dominated by confessional institutions. Confessional control of these areas contributes to a lack of shared national identity, and to divergent perceptions of Lebanese history, culture, and the threats facing Lebanese people.*
- *State institutions themselves are divided up among confessional groups: ministries are “owned” by confessional leaders, and civil service appointments are made on the basis of confessional status rather than merit. This, together with corruption, adds to the persistent weakness of the Lebanese state and to minimal trust in state institutions. The group discussed the state institutions’ lack of capacity to provide basic services. Because of state institutions’ perceived weakness, people turn to confessional institutions, including courts and security institutions, for services and support.*
- *Participants also discussed issues of security in Lebanon, including reasons for the current multiplicity of state and non-state security institutions. Half the Lebanese population feels threatened existentially by one set of factors, while the other half feel threatened by different factors. While this divergence of threat perceptions persists, it will be difficult to establish legitimate national security institutions.*

Notes of the meeting

1. Nigel Roberts opened the meeting by noting that the existence of strong, sub-national identity groups or communities was not unique to Lebanon: many other countries had experienced clashes between such group identity and the idea of a common national identity. Many European states had experienced three hundred years of struggle prior to the creation of strong, legitimate state institutions. Lebanon faced several questions: what could shatter the ideas that underlie such identity groups, and permit the emergence of national identity; and could this process could without the country experiencing the slow and painful transformation that European states had undergone. Gross outside intervention has sometimes achieved such transformation, but this was obviously undesirable. “Leadership” was obviously important, though this concept was slippery and hard to define.

2. Nigel then discussed some of the WDR findings relating to institutions. The WDR team had found that when increasing stresses combine with weak or illegitimate institutions the likelihood of violent conflict increases significantly. Stress factors could be security-related, political/identity related or economic. Nigel cited the Country Policy and Institutional Assessment (CPIA) framework used by the World Bank and other multilateral development banks, which shows across a range of cases that “countries lacking the institutional capacity and accountability to absorb systemic stress are more likely to experience violence” [for details and figures see Box 2.10, WDR2011 p.87]. The CPIA evidence constitutes a strong indicator of the power of institutions to contain violence.
3. Nigel further noted that the WDR discusses national institutions: institutions must have a national characteristic of some sort to be effective in reducing the threat of violence. This poses a dilemma in the Lebanese case: to what extent are the strongest, most relevant institutions in Lebanon considered nationally legitimate?
4. George Yacoub sought to clarify the notion of legitimacy employed by Nigel and the WDR team. Was Nigel referring to legal legitimacy, conferred through international recognition or through the constitution? Surely public perceptions were also relevant? Hassan Krayem responded that legitimacy always had a subjective element: it is not an absolute. Elizabeth Sellwood discussed the example of Walid Jumblatt: was Jumblatt’s Druze “institution” legitimate, according to the WDR use of the idea?
5. Nigel responded that legitimacy was highly subjective. In some cases it has a basis in law and constitution. Perhaps a better way to define institutional legitimacy would be “responsiveness to those to whom the institution matters.” When legitimacy is absent, “you sure can tell”: the recent case of the Mubarak regime’s institutions in Egypt were a good example. Legitimate institutions could help to mediate between interests in a society to resolve conflict. In a functional state, the institution of a budget works to mediate what would otherwise be a vicious argument over allocation of resources, transacting the argument in a formal way that is accepted by all parties. George Yacoub responded that in Lebanon, “Legitimacy is as fractured as the society.” Legitimacy “is in the eye of the beholder.”
6. The group discussed the sources of legitimacy of the *zaim*, or political leader. Yacoub noted that “not everyone in Lebanon can become a *zaim*”; leadership was passed from father to son, with some exceptions. Others noted that there were in fact many exceptions (Aoun, Nasrallah, Geagea).
7. Antoine Haddad argued that in the Lebanese case, one could identify three sources of institutional legitimacy: 1) capacity; 2) accountability; and 3) inclusiveness. The third was perhaps the most important. Responding to the point about Jumblatt, Haddad noted that Jumblatt was recognized within the Druze community as the preeminent leader, and this was one source of his legitimacy. Outside the Druze, in the wider society of Lebanon, Jumblatt was also recognized as the preeminent leader of the Druze: this was another, different source of his legitimacy. Haddad argued that in investigating Lebanese legitimacy, we first needed to understand the state, and then the other institutions.

8. Youssef Chaitani added that legitimacy could be reduced, in this context, to responsiveness. Lebanese political leaders and followers operated according to a simple formula, whereby rents were provided in return for loyalty. Some had tried to break this formula – President Shihab, for example – but such reform efforts had failed.
9. Yacoub noted that between 1920 and 1943, the Mandate authorities had mediated between Lebanese groups. The 1943 Pact “was an attempt on the part of politicians to see that everyone accepted the departure of France.” Since 1943, the “entire Lebanese political conduct” has avoided tackling the basic problem of Lebanon’s foundation. Power-sharing has continued to be based on rigid formulae, and each time the formula has to be revised in response to changes on the ground, “some community loses.” Such revisions are inevitably accompanied by strong resistance from the losers, and often by violence.
10. Haddad returned to the Taef agreement, which envisaged a transitional phase (in which citizens would be dealt with as community members) leading to the establishment of a citizen’s state. “The whole transitional phase has been abused, misconducted,” and impeded by Syrian intervention. Each Lebanese effort towards institutional reform has been prevented by “the convergence of too many adverse circumstances.”
11. Hassan Krayem noted that during the civil war, the notion of legitimacy was widely used: all militia were considered illegitimate, and the state was legitimate. At the end of the war, Lebanese sought a common institution with the legitimacy to make a peace deal: surviving members of the 1972 parliament were selected to draw up the Document of National Accord at Taef. Parliament was the surviving legitimate Lebanese institution. Krayem added that when Lebanon was established as a territorial entity in 1920, “half of Lebanese questioned the legitimacy of the state.” The 1943 pact was “re-issued” in 1958; Taef constituted another pact; Doha yet another.
12. The state, Krayem went on, has been “giving up” its duties to confessional institutions. Personal status laws were governed exclusively by religious authorities. Education was another domain in which confessional communities had immense control: 50 percent of Lebanese education is private, and private education is “dangerously” dominated by confessional communities who teach their own versions of Lebanese history and culture. During the civil war, confessional communities took over increasing amounts of space from the state. Media is another area of confessional division.
13. Yacoub commented that the confessional take-over “was not an invisible hand”: Lebanese had agency over the division of public space between the state and confessional communities. Aline Matta pointed out that ministries are divided confessionally; civil service posts within ministries are allocated according to confession; and even theoretically sound, merit-based institutions such as the judiciary were pervaded by confessionalism and corruption. The result was that people had no trust in the institutions: this was evident from opinion polling, and from the way people turned to non-state institutions (such as Hizbullah’s courts) for justice. What was needed, Matta argued, was merit-based institutions.

14. Chaitani explained that to reach consensus in Lebanese contexts, “everyone has to be at the table.” Krayem added that many people in Lebanon fear majoritarianism; legitimacy therefore comes from consensual agreements such as Taef. Yacoub argued that the “subcontracting” of decisions to communal leaderships constituted an abdication of responsibility by the Lebanese people.
15. Krayem turned to the issue of elections. He pointed out that in 2005 and 2009, there had been broad consensus across Lebanon about the results of elections. Such elections had not, however, led to accountable public institutions or to increasingly “functional life”: the elected coalition had proved unable to govern. Accountability is “almost nil” in Lebanon. No Lebanese government has ever fallen as a result of a no-confidence vote in parliament. Non-confessional, civic forces are very weak.
16. Haddad pointed out that the current system is very costly: it produces “a fragility phase with the possibility of civil war” every two decades. We are currently facing the risk of another violent conflict. The state is paralysed. The elected majority does not govern, and half of Lebanon has no belief that an election will improve their lives. Transparency in public life is very low, public mobilization very high.
17. Haddad turned to the issue of threats: Lebanese do not believe that the central state can protect them from external threats. Threats perceived by half the population are completely different from the threats perceived by the other half – and for both halves, these are existential threats. Shia feel threatened by Israel or by Sunni submergence; the “other half” of Lebanese are threatened by a different set of issues. When confronted with existential fears, legitimacy is defined by the question “will I be able to survive, or not?” Any process that addresses state-building without accounting for these external/existential threats is incomplete.
18. Yacoub sought to defend Lebanese state institutions, which “do provide minimum services” to Lebanese people. These institutions are the “only binding factor”; if these institutions were to fail, we would face “a very dangerous situation.” Matta contested Yacoub’s point, arguing that people don’t believe that state institutions provide services. The judiciary, for example, was not perceived as legitimate or capable of providing justice. Sahar Tabaja added that in 2006, relief had been provided by political parties rather than state institutions. Krayem pointed out that there was nothing wrong with civil society contributions, provided these contributions were not at the expense of central authority. He recalled that in 2006, the Government of Lebanon allowed all donors to implement or fund reconstruction projects exactly as they wished, “giving the impression not just of softness, but of the jelly-like nature” of the Lebanese state.
19. Matta argued that corruption in Lebanon was “an entity in itself.” She also questioned the WDR’s omission of references to the legal profession in the sections on justice. One of the biggest problems facing Lebanon’s justice sector was the weakness of the bar association.
20. The group moved on to a discussion about security. Yacoub pointed out that Lebanese have neither personal security nor national security. “There is no national consensus among Lebanese about what constitutes security... no

national security policy, domestic or external.” There are many types of security institutions: Politicians buy their own security from companies; Hizbullah have “taken on” one aspect of national security; the army, which was partly de-segregated under Lahoud, is weak and used as a backup for the internal security apparatus. The ISF is “as fractured and corrupt” as the entire community. Krayem noted some progress in creating national security institutions: security forces have grown significantly since 1975, at least in terms of numbers, and there is “consensus that these institutions provide a safeguard” – though many people were disappointed by their performance in 2008. Parliament provides another such safety net for resolving conflict through dialogue. Matta noted the national security forces’ three different responses to crises of 2006, 2007 and 2008.

21. Jeremy Chivers added that the Lebanese state had not secured a monopoly of violence. There was a divergence of identities, each with their own interests, and consequent perceived threats to these interests, which could be contradictory. If Lebanese could not agree on national interest, they could not agree on threats to the national interest, which form the basis of a defence strategy to counter these threats which in turn informs capabilities required. Krayem pointed out that prior to the civil war, half the Lebanese population was pro-Palestinian, anti-Israel, while the other half was willing to deal with the Israelis; however, by 2000 there was no segment of the Lebanese (other than the SLA) willing to deal with Israel. [The implication is that there is national agreement that Israel constitutes a threat.]
22. Nigel concluded by asking group members to consider, prior to the next session, what could be done to change institutional arrangements in practical terms.

Session 3: What can be done to encourage institutional transformation in Lebanon?

24 February 2012

Present:

Project Team: Nigel Roberts, Consultant; Elizabeth Sellwood, Center on International Cooperation, NYU; Sahar Tabaja, Pursue Ltd.; Danny Mina, Pursue Ltd.; Jeremy Chivers, British Embassy Beirut.

Advisory Group: Antoine Haddad; Hassan Krayem; Aline Matta; George Yacoub

Themes:

- *Participants proposed several specific ideas for building confidence and promoting institutional change in Lebanon. These included a focus on stabilization and reform in Tripoli, as a “case study” that had suffered numerous cycles of violence; and a “road map” which would set out a vision for Lebanon’s future.*
- *Participants discussed reasons underlying Lebanese leaders’ failure to build public confidence and promote institutional reform in the post-Taif period. In the early 1990s, many positive elements had been present, including coalition-building, a degree of consensus around a national programme, strong international support for the agreement, and some national leadership.*

However, some key parties had been excluded from the coalition, and issues of justice and security had not been addressed.

- *The group discussed formation of coalitions, and how participation/exclusion was decided. Was there a role for third parties in coalition-forming?*
- *Conditions for building an inclusive-enough coalition may be better now than they were in the post Taif-period. Lebanese parties are more equitably represented in Lebanese politics now that Syria has withdrawn. The inter-confessional dynamics have changed considerably since the pre-war period, particularly the Sunni-Shiite dynamic. On the other hand, there is now very little consensus around a national programme or agenda.*
- *Participants discussed how Lebanese people perceive their interests, and how the question of identity or belonging influences their behaviour and choices. Identity is important, and sometimes trumps interest. It is important to admit that under current circumstances there is little appetite in Lebanon for de-confessionalising the system, as prescribed in Taif: a road map for Lebanon would therefore need to describe a different vision for reform.*
- *It would also be important to understand the interests, motivations and dynamics among political leaders. One can see evidence of flexibility in the Lebanese system: coalitions shift frequently, and are formed between surprising partners. To understand why and how these shifts occur, we need to look deeply into the current means by which political leaders exercise power. Confidence would need to be built among the political class, as well as among ordinary Lebanese.*
- *Any efforts towards institutional change would be resisted strongly by confessional leaders, who would seek and obtain backing from outside. To succeed, any reform process would need to be protected from external interventions.*

Notes of the meeting:

1. The meeting would focus on “What can be done to encourage institutional transformation in Lebanon?” Nigel explained that he would draw open the work session by explaining some of the content of Chapters 4 and 5 of the WDR, entitled *Restoring confidence: moving away from the brink*; and *Transforming institutions to deliver citizen security, justice and jobs*.
2. First, he sought to correct the perception some might have gained from reading the WDR that “Restoring confidence” and “Transforming institutions” should be done sequentially, one in the short term and the second in the medium to long term. These should not be time-separated processes. Both were essential, and should occur simultaneously.
3. The WDR team had worked by examining the historical experiences of 40 countries that had moved away from violence in some depth, and a further 30 countries in less depth. The WDR team had tried to identify the ideas and practices of policy-makers in these cases. The chapters included observations from these past experiences, not prescriptions.
4. *Restoring confidence* is a deliberately soft, psychological expression: this wording was deliberate. The team had noted two factors that had helped to build or restore public confidence in many of the historical cases: first, *inclusive-enough coalitions* had been formed; and second, these coalitions had put forward convincing *signals of intent*. The coalitions were sometimes counter-intuitive, for example including previously opposing parties. These coalitions built confidence by doing things that are meaningful to people in the country, *signaling intent*. In some cases, these

signals were something as straightforward as providing a service – for example, the Liberian government’s provision, for the first time in many years, of electricity to the capital. In Eastern DRC, the important *signal* was government action to address abuses by militia and government forces. What convinces people depends on “where the shoe pinches worst.” If the public sector is collapsed or hollowed-out, it will be unable to take effective action in many areas, but can build confidence by doing one or two things really well. Leadership is important in identifying what these one or two things should be.

5. The WDR describes “commitment mechanisms” – where there is sometimes a convincing case for third party involvement. One example is the “dual key” Ministry of Finance/UN sign-off for treasury decisions which was used in Liberia. It is important to emphasise that confidence building is a psychological process. Development practitioners tend to want to get involved immediately in what they regard as the “real stuff” of “institution building”, rather than focus on these soft issues. But in fact, psychological factors can provide the most solid basis for building the state and economy. The WDR team could not find much measurable data on building public confidence, so the evidence is not included in the report. However, its authors concluded that confidence-building is incredibly important in bringing societies away from violence – even though it is difficult to measure. Governments that were able to deliver two, three or four important things were able to re-image the narrative and begin lasting change.
6. Chapter 5 deals with the evolution of “legitimate” institutions. It is a work in progress: we do not have all the answers; and there is sometimes a mismatch, in the text, between the message and the prescriptions. Nigel noted that while many development institutions have medium-to-long term focus in principle, in practice they don’t work like that. Personnel are deployed for short assignments, and tend to focus on new initiatives rather than sustaining existing ones.
7. The WDR team identified three blocs of institutions that matter for stabilization: i) those that enhance citizen security; ii) those that are able to address injustice (though Ch5 focuses on justice systems, which are only part of the story); iii) those that provide economic opportunity, especially livelihoods and jobs. We don’t know a great deal about how work effectively in the third area: public sector job creation is something that most donors don’t like (possibly a mistake); and we know little about sharing private sector risk-taking. The creation of these national institutions leads to psychological and perceptual changes, creating conditions in which people feel comfortable and hopeful. Expectations that have been battered in the past begin to be restored.
8. Aline Matta commented that Tripoli seemed an interesting case study in which one could try to test some of the ideas in these sections of the report. Violence between Sunni residents of Bab al-Tibbaneh and Alawite residents of Jabel Mohsen had broken out almost every month since the end of the civil war. Several factors fed the violence: youth unemployment; sectarian fragmentation; the proximity of the border, with associated smuggling networks; the existence of a large population of Palestine refugees; and infiltration by terrorist groups from outside. Tripoli, as a governorate, is relatively self-contained. Tripoli also includes all elements present in the wider Lebanese context, but as a “subject” for confidence-building would be easier, because it is smaller: it could, for example,

be the subject of a pilot set of police reforms, or a pilot pact between formerly opposing groups. Matta added that she had found the WDR analysis of confidence building very convincing, and relevant to Lebanon. People in Lebanon have no evidence that change can occur.

9. Jeremy Chivers commented that in Lebanon there were contested notions about who was responsible for building confidence: was this the role of the state?
10. Antoine Haddad agreed on the necessity of a confidence-building approach. In the 1990s, Lebanese had experimented with an “inclusive enough” coalition to implement Taif. However, key Christian communities had been excluded from the process because their leaders were linked to crimes – although most Muslims (including militia, who had also committed crimes during the war) were allowed to participate. A key question is: *Who decides who is inside the coalition?* Are external parties needed to ensure that the coalition is inclusive-enough?
11. Haddad added that the state should play a central role in building institutions for new jobs. Lebanese are experienced in the private sector; but the government also needs to play a role in regulating the business environment, setting rules and directing, creating new comparative advantages through education.
12. Haddad argued that Lebanon needs a road map for confidence building. This would provide a vision, looking several years ahead. The road map would need to neutralize externalities; it would help people to understand what to expect, in the short term and longer term. We need, he argued, to “Talk politics, to turn people from victims into partners.” Elections are not the right way to do this: many people feel unrepresented in the current electoral system. We need to set rules and expectations, but also to convince people that they themselves are responsible.
13. Hassan Krayem said that he had also been reminded of the post-civil war period. Sound steps were taken in the early 1990s: there was coalition-building, and elite pact, and some national leadership; and Taif was backed by regional and international actors. The coalition was not inclusive enough, however. Security had been compromised. And justice had not been addressed at all. So now “we have a weak, soft and empty state.”
14. Haddad commented that since the withdrawal of Syria [in 2005], there was a better balance of power between Lebanese communities. We are better positioned now to build an inclusive-enough coalition. We have greater inclusion, freer speech. However, disagreement on a national agenda is wider than it was in the 1990s. Narrowing this gap must be a priority. Elections have also been gerrymandered, so civil society groups feel excluded. These groups are genuinely national but cannot be represented in parliament under the current system. Lebanon also faces major threats from outside, particularly that emanating from the situation in Syria.
15. Nigel responded that local level processes had been launched in Latin America, where the external environment and external actors were failing to address the (drugs-related) causes of violence. States had proved unable to get on top of the hugely powerful forces involved in the illegal drugs trade. Multi-sector municipal

programmes had been launched in Rio, Cali and Medellin, and the WDR described the impressive success of these programmes: “They show at least how you can start a process,” though sustaining them would be difficult if the external conditions did not improve.

16. Nigel then turned to the question of who controls coalition membership. In Afghanistan, such a process (the *Loya Jirga*) had been launched following the overthrow of the Taliban. Both Taliban and other warlords had lost popular legitimacy at that time. Unfortunately, the US had regarded some of the warlords as pliable allies in their fight against Al Qaeda, and had chosen to rehabilitate them. In Lebanon, one would have to contend with many powerful external forces in establishing an inclusive-enough coalition.
17. Nigel also commented, on the issue of the private sector needing the state, that the IFIs had finally emerged from the Thatcher/Reagan right-wing economic model that had previously dominated their work. Successful transitions in south Asia had been characterized by the state’s creation of a positive environment for business. Nigel asked whether the establishment of the kind of road map proposed by Antoine might be worth exploring in greater depth.
18. Krayem proposed an external intervention to help Lebanese to find a different governing formula for their country. There was much evidence since 2005 that the current formula was not working. However, the “final solution” identified by the Taif signatories was not agreeable to all. Gradual movement towards de-confessionalising the system was not viable now: confessional forces would resist. Lebanese need to discuss building confidence around a different road map.
19. Krayem added that significant changes have occurred among Lebanese political actors since Taif. Then, Hizbullah was “underground”; today it is not only visible but “is dictating national policy.” The Sunni-Shia power struggle has also changed, and is very different from the pre-war power struggle.
20. Chivers asked how it was possible to convince people that belonging to a coalition was in their interest.
21. Haddad commented that in the Lebanese context, one had to consider people’s motivations on two levels: first, interests; and second, identity or belonging. The second was at least as important as a first; indeed, among Lebanese, identity would sometimes trump interest. In Haddad’s view, it was important to admit that “people are afraid of a non-confessional state.” However, they should be given the options of choosing a more united central state or living separately. Currently people want the advantages of both; but they must make a compromise between preserving identity and living in a united Lebanon. Some options such as fiscal decentralization have never been tried. Haddad added that personally, he would prefer to leave than live in a starkly segregated state. But Lebanese should face the choice.
22. George Yacoub commented that during the last two sessions, we had been hearing a narrative without delving deeply into how the situation had been going wrong. We depended mainly on our own perceptions. He pointed out that coalitions do form in Lebanon: there are binding factors in Lebanese society, and

we need to concentrate on these binding factors in order to understand how to produce change. The system is, in fact, quite susceptible to change: we see surprising coalitions emerging, such as that between Aoun and Hizbullah; and we see Jumblatt switching coalition partners “like a pendulum.” In this, we can see evidence of the Lebanese system working. Coalitions and interests are very fluid in Lebanon. We need to understand these leaders and their motivations: anything that ignores these factors won’t work. Yacoub criticized historians of the civil war, who mainly focused on narrative rather than the dynamics between the actors. A key question, he argued, was: Why hasn’t the system changed?

23. Matta agreed that we needed to understand the political class, and indeed build confidence among them as well as among ordinary people. She noted that Lebanese politicians were unable even to agree on “sterile,” uncontentious issues: everything became politicized. How would it be possible to depoliticize debates about basic issues, such as service provision?
24. Yacoub added that “someone in this group” should examine precisely how Lebanese political actors wield and exercise power. The power structure, he argued, is diffused. There are layers or pyramids that can be defined. Power is not distributed evenly among politicians, which is why coalitions shift. The shift in relationships between politicians is historical, not something that has occurred since the civil war. Exercise of power by these politicians has made Lebanon what it is today.
25. On the issue of foreign or third party intervention, Matta recalled that Lebanon had a long history of such interventions but they had been deeply partial. Haddad commented on several motivations that had distorted foreign interventions in the Middle East, including oil and Israel. National interest would be a good starting point for considering reform: security; justice; basic services (which in Lebanon were absolutely crucial); job creation through a business-friendly environment; social protection. Lebanese could agree on these, but the confessional system would impose obstacles and confessional leaders would be supported from outside. In order to achieve consensus around these points of national interest, Lebanon would need to be isolated from external influences. There were good possibilities for change “as long as we keep the truce and protect Lebanon from bloodshed.” It was also important to admit that external interventions had had positive results; UNIFIL, for example, had done a good job; and “without 1701 the country would be devastated.”
26. Yacoub commented that the state of public finances in Lebanon was very serious, and must be addressed urgently in order to preserve the vestiges of the state. Politicians are not taking this issue seriously: one he spoke to today said “we are going to get gas”; but gas revenues would not cover Lebanon’s public debt. There is no effective tax system and revenues are insufficient.
27. Nigel closed the session by asking the group to consider, prior to the next meeting, how to move from the analytical framework to policy/action. One crucial question was *exactly who* could introduce new ideas. Which external interventions might be most effective in bringing stability? Which external parties had scope to protect the process?

Session 4: What is needed from outside parties?

27 February 2012

Present:

Project Team: Nigel Roberts, Consultant; Elizabeth Sellwood, Center on International Cooperation, NYU; Sahar Tabaja, Pursue Ltd.; Danny Mina, Pursue Ltd.; Jeremy Chivers, British Embassy Beirut.

Advisory Group: Antoine Haddad; Hassan Krayem; Aline Matta; Youssef Chaitani

Themes:

- *Since its foundation, external parties have intervened directly in Lebanese affairs. Regional powers have sought to promote their own interests via Lebanon, and Lebanese parties have sought to use external parties to secure gains in the domestic arena. Alliances between external parties and Lebanese actors have shifted many times. It would be impossible to insulate Lebanon from external forces: the country is an “open arena.”*
- *Lebanon has also been affected by two major regional major conflicts in its immediate neighbourhood: first, the Israeli-Palestinian conflict, which has continued “non-stop” since 1948; and second, “at least one conflict between a regional power and an international power,” the latest version of which is the conflict between Iran and the West.*
- *Neither Lebanon’s pluralism nor its susceptibility to outside influences should be regarded as unique. However, some participants argued that the extreme tension in the region, combined with the current weakness of Lebanon’s internal texture, created a particular set of risks.*
- *There was a discussion about the extent of change that could be expected in Lebanon as a consequence of developments in Syria. Participants agreed that it would be difficult to articulate a forward-looking vision for Lebanon when the region was in such a profound state of flux.*
- *Participants discussed possible alternative models for government in the Middle East. Turkey provided a positive model. Participants also discussed options for stronger regional cooperation, and whether such regional cooperation might help to shield Lebanon from negative external interventions, or provide incentives for change at the national level, in Lebanon and in the wider region. Such regional cooperation is currently weak in the Middle East.*
- *Participants agreed with the WDR’s analysis of problems relating to the international development system, particularly its criticism of the short-term nature of donor engagement. On the other hand, the nature of government in Lebanon led donors to make mistakes: donors should follow the guidance provided to them by governments, but for “national ownership” to be effective the government has to be in charge.*

Notes of the meeting:

1. Nigel opened the meeting by explaining that the development community has often overlooked external factors in producing tensions. The WDR discusses two types of external influences. The first set includes diplomatic/military interventions: progress away from conflict situations requires a benign international environment, and particularly behaviours by external powers that support the interests of less powerful states. In Lebanon, we will need to consider the actions of regional powers which are working “off the international map,” and which may be unregulated by countervailing forces.
2. The second set of external influences relate to flaws in the socio-economic system and the aid system. The donor community and other multilateral institutions intervene in ways that are not always beneficial: interventions tend to be short-term, risk averse, and to focus on “recovery” rather than prevention. The term “post-conflict” is flawed and potentially dangerous: it assumes a false, linear analysis of conflict. Other problems with the aid system have arisen as more actors have entered the aid world, especially in high profile situations such as Afghanistan and Haiti. In Haiti, in particular, thousands of NGOs arrived in the wake of the earthquake. These NGOs are far less accountable than larger, formal donors and in Haiti their work has complicated immensely the process of state formation.
3. Nigel argued that the policy-making process should begin by a substantial effort to understand violence, via analysis of stress factors and how they interact with capabilities. By asking the right questions, it would be possible to guide a substantial change in donor approaches. An approach that started by examining how stress factors interact with capabilities would lead to a prevention-oriented approach.
4. Donors also needed to introduce more subtle oversight procedures than some that are currently used: for example, adding or reducing funding in response to events is sometimes destructive. Improving coordination among multiple actors in the field is also very important, but difficult. Synthesizing donor approaches would always be difficult in the absence of a coherent, clear-sighted government.
5. Returning to the issue of short-sighted donor approaches, Nigel commented that the World Bank programmes that have had the best results were those with a timeframe of 10-15 years. However, professionals in organisations such as the Bank were rewarded for innovation, not for sustaining existing projects. There was a need for institutional change in the aid world.
6. Hassan Krayem commented that he had found the WDR accurate on these issues, and especially appreciated its emphasis on moving aid interventions towards longer-term objectives. Turning to Lebanon’s situation, he argued that regional players have always been important – including in 1958 and 1975. Israel invaded in 1978 and ’82. One could see interplay between external and local forces: Nasser in the 1950s; the PLO in the 1970s; now Syria and Iran. Saudi Arabia and other Arab countries are also deeply involved in Lebanese affairs. These interventions create “dual problems”: regional powers promote their own interests, Lebanese parties align themselves with external parties to secure gains in the domestic arena. It would be impossible to insulate Lebanon from these

forces: the country is an “open arena.” The challenge instead is to convert foreign interventions into positive influences for Lebanon.

7. On the current situation in Lebanon, Krayem commented that the Lebanese “grand coalition” was currently in deep disagreement over most aspects of the Lebanese agenda. Taif was regarded as “transitional,” not a final solution, and perhaps the coalition sought a new governing formula. It had never been easy in Lebanon to change the governing formula: change had always come at massive cost. The secular state was “not available as an option” at present: social forces were not there to support such a transition. There should be an effort to conclude an agreement on the role and functions of the state, and how to protect Lebanon from regional events. Instead, Lebanon was “waiting for history to reveal” what would happen in Syria and how this would affect Lebanese politics and society.
8. Antoine Haddad agreed with much of this analysis. Lebanon was highly fractured. This was not unique: all societies had experienced problems associated with pluralism. However, the extreme tension in the region, combined with the weakness of Lebanon’s internal texture, was “unique.” Lebanon had suffered almost since independence from the existence of two major conflicts on its borders: the Israeli-Palestinian conflict, which had affected Lebanon “non-stop” since 1948; and “at least one conflict between a regional power and an international power”: the conflict between Iran and the West is “the latest version.” Lebanon will never be fully stable until these conflicts are resolved. Haddad commented that the current stability was a “blessing”: “Thank god we have at least stability through this government.” The most important factor in the Syrian conflict, he argued, related to Syria’s relationship with Iran – although the Syrian people “do have a case.”
9. The Israeli-Palestinian conflict, Haddad added, was currently “almost forgotten,” but also key to Lebanon’s stability. Iran was playing with Hamas, the PKK, “although its preferred game is in Lebanon.” Israel’s “selfish” approach to its immediate neighbours is a “major source of conflict in Lebanon.” Things had changed a little with Israel since it “learned the lessons” of 2000; however, the danger from Israel was still present. Without a sustainable solution for the Palestinians, Lebanon would continue to be affected by instability. This was not to diminish the importance of the truce in south Lebanon, and the good job being done by UNIFIL.
10. Turning to Iran, Haddad commented that many Lebanese regard the Iranian government differently from how they view the Syrian one: Iran is a theocratic regime with some internal legitimacy. Iran has made a major investment in Lebanon: during the past 30 years it has spent approximately US\$50 billion in Lebanon, and this is an investment on which Iran expects a return. There is an important difference between the Iran-Hizbullah relationship and the relationship between other Lebanese parties and their external patrons: other Lebanese parties have multiple external supporters (Future Movement has links with both France and the US, for example), and are unable to play regional roles. Hizbullah, in contrast, relies overwhelmingly on Iran and the relationship is very deep. Hizbullah is part of Iran’s regional strategy; Hizbullah is therefore motivated by its regional function, as well as by internal Lebanese factors.

11. Haddad concluded by asking Nigel to compare Lebanon's relationship with external powers to other situations, including the former Soviet bloc countries. Would Poland, for example, have ever been able to transition to democracy without the collapse of the Soviet Union? Nigel responded that between 1939 and the late 1980s, constructive Polish nationalist forces had been negated by the overwhelming presence of the USSR. This was one end of the spectrum of international involvement. Lebanon's situation is not as extreme as Poland's was during these years, although Lebanese actors are certainly limited by external involvement.
12. Krayem commented that while internal Lebanese forces were unable to influence the regional situation, the shape of alliances inside Lebanon, and between Lebanese parties and regional actors, was very "dynamic". Strong Shia support to Palestinians, which was evident in the 1960s, concluded with the war of the camps in 1985-87. At the beginning of the civil war, Christians allied with Syria; they ended up allying with Israel. At the end of the civil war, Iraq was supporting Aoun. The PLO were with Aoun by the end of the war.
13. Krayem added that a regional security agreement could support Lebanese stability. He recalled how Saudi-Syria rapprochement had influenced the situation in Lebanon in late 2008. Finland might be an interesting example: it had managed to shield itself from the USSR, despite its proximity. Haddad remarked that there was no "Yalta Line" in the Middle East, but perhaps one should be established. Krayem said that the line could be drawn only when the region had become stable. At present, the regional situation was evolving very fast, and it was unclear where change would lead – possibly to the conservative monarchies. Haddad added that if we were to repeat this conversation again in two months' time, events in Syria might have changed everything. Youssef Chaitani disagreed: Lebanese parties would always be able to find external supporters, even if regional patrons changed. A new power would emerge in Syria. It was an enduring pattern in Lebanese politics.
14. Jeremy Chivers commented that the state should be able to play a mediating role among Lebanese parties. Haddad responded that attempts at Lebanese state-building had always been "decapitated" from outside. Lebanon would never have a chance until regional conflicts were resolved.
15. Chivers commented that donors working in Lebanon were looking after their own interests. Even when the Lebanese parties had defined objectives, it was difficult to get donors to support them in a unified way. Krayem responded that donor behaviour was profoundly influenced by the situation in Lebanon: Lebanon had no national plan, and this led donors to make mistakes. Donors should, in principle, follow the guidance provided to them by governments, but for "national ownership" to be effective the government has to be in charge. Chaitani added that work to increase civil service capacity was difficult when civil servants reported to their confessional leaders. Danny Mina added that external powers tended to treat Lebanese leaders as independent faction-leaders, rather than as domestic actors in Lebanon: for example, the Saudis treated Saad Hariri as a head of state when he went to Riyadh.

16. Chivers raised the question of incentives for political change: he asked whether in the post-Communist transition in Eastern Europe, the incentive of EU membership had superseded internal divisions. Could supra-national identity help to overcome internal identity crises? Regional security communities might be one means of defusing confessional mistrust in the Middle East region. Nigel responded that Eastern Europe had undergone a dramatically successful transition after the Soviet regime crumbled: one could have seen the “Balkans experience” repeated in other parts of the continent, but this did not in fact occur. In other places, we have witnessed dramatic changes in political culture, arising in part from increased regional cooperation: in Latin America, moral suasion has reduced the incidence of coups d’etat; in Africa, there was some evidence that the AU and ECOWAS was shifting governance norms. One could not see the same happening in South Asia where small countries remain “under India’s heel.” There is, however, no equivalent regional body in the Middle East.
17. Krayem commented that the Arab League was the “weakest link” in the region. The two poles were Turkey and Iran. In Arab countries, religious and ethnic divisions continued to motivate people: “behaviour in this region is not necessarily rational.” People were deeply afraid of coming changes: Christians are fearful of what happened in Iraq, which now has a government system “even worse than Lebanon’s” – Iraqis had, in fact, been considering Lebanon’s government model in 2003. In Syria, the emergence of a closed, Salafist system of government would be alarming to many communities in Lebanon.
18. In Haddad’s view, many people in the Arab world were looking to Turkey and Iran for possible government models. Turkey has a secular system, has embraced the market economy, seeks good relations with its neighbours, but is led by an Islamist government. Syria could look towards Turkey’s model rather than Saudi’s or Egypt’s. We are, however, living in a moment of “total turbulence” and this is not a good moment for Lebanon to identify a common vision. Any regional war would be a disaster for Lebanon.
19. Chivers raised a dilemma faced by Western actors in Lebanon: did they, in fact, want direct elections in this country, when the outcome of such elections could well be a government that was hostile to the West? Matta commented that US policies in the region had been driven by outcomes rather than processes: they had disregarded election results when the results were not favourable to US allies. The evolving situation in Egypt and Tunisia, and US responses to it, would be interesting to watch.
20. Krayem commented that the confessional system in Lebanon would not allow an authoritarian system to persist. He argued that a transition to secular government would need to be gradual; but it would be worth exploring options for moving progressively towards deconfessionalising, for example starting with public employment where one could begin with a 50-50 Christian-Muslim balance rather than the current complex quota arrangements. Haddad added that one could alternate positions among confessions, ensuring that all were represented in government but not fixing the posts. A Shia president, for example, could be envisaged provided the Prime Minister and Speaker were Sunni and Christian. But such a reform process in Lebanon could not really begin prior to geopolitical stabilization.

21. This was the last scheduled meeting for the group. Nigel thanked them, and turned to next steps for the process. The project team would run four focus group sessions, in which we would seek to gain better understanding of the stress factors that people experience in Lebanon. He commented that in some places, focus groups and polling had been used to great effect to understand social perceptions and changes: in Gaza, for example, polls had been conducted continuously for 20 years and were trusted ways to understand social, political and economic change under various iterations of occupation.
22. Chivers commented that the British Embassy would inform the Government of Lebanon about the project when the project team's thinking was more advanced. It would be important to have GoL involvement and support at the next stage of the project.
23. The advisory group agreed to reconvene in late March/early April to discuss findings from the focus groups and next steps.

Annex B

The Focus Groups: Composition, Key Questions and Summary of Discussions

Following conclusion of the Advisory Group sessions, the project team identified key themes that had emerged. They decided to test the Advisory Group's assessments against the experiences of a broader group of Lebanese, through convening focus groups of people who were experienced in dealing with Lebanese institutions at a professional level, and who would be capable of analyzing the strengths and weaknesses of the current system. Civil society activists, political party members, public sector officials and people from the private sector were chosen to participate in these groups. An experienced facilitator was employed to moderate the groups.

The project team devised questions that focus group members would be positioned to answer without prior knowledge of the WDR. In determining the composition of groups, they also sought participants who would be able to interact with relative ease: so, for example, some groups included young participants, while others comprised more senior figures. The members were of mixed sectarian background; according to the moderator, they might have been more willing to discuss inter-sectarian tensions if the groups had been composed of members of only one sect.

Notes for all six focus groups are provided below. A full transcript of Focus Group 1 is also included.

WDR Focus Group 1

Politically Active & Civil Society

6/6/12 10:44 AM

Brief introduction of the participants: Masar, Knowledge Development Center, Catholic Relief Services, Amel, Free Patriotic Movement, Democratic Youth Union, Lebanese Forces.

Moderator: What are the most pressing stresses facing Lebanon today?

KS: Traffic stresses me out every day, it influences my job too.

SM: Economic stresses, depleting funds.

AA: The loans I have to pay at the end of every month, in addition to the inefficiency of government administrations and bureaucrats – no one listens to you or knows how to answer the simplest questions about how to undertake the most basic government procedures. Things are always vague and unclear.

BC: No respect for public space, many are irresponsible and think only about themselves. Example of garbage on the beach.

KS: We have inherited the French bureaucracy which is slow, in contrast to the American bureaucracy. Chaos and corruption has affected all government sectors and its employees. I can understand why, because their superiors are corrupt.

JH: Rights and responsibilities – traffic, corruption, the public sector, relationship of citizens to their surroundings, this is all due to the breakdown of state institutions. There is no confidence in governing bodies – The shakiness of society and the distrust in the government - there is no faith in the social contract – citizens' rights and obligations are upheld by everyone. Example: If a someone drove his/her car in the wrong direction, no one will be held responsible. Another example, you would want to use a 'wasta' to get things done at a government institution.

SM: This lack of faith in state institutions. The absence of an identity or belonging – there is a problem of allegiance.

NC: culture of adversity, people are still being raised in shadow of civil war to mistrust the other and take what they need with their own hands, or with physical force (culture of zaaraneh/thuggish culture). There is no behavioural ethics – we have not aborted the war mentality.

Moderator: Just to recap, you all mentioned state weakness, corruption, allegiance, interaction of citizens with each other, financial constraints.

AA: The monetary issue or economic situation affects things though this may not be related

KS: No it is related, everything is interlinked and has to be solved in a one package deal. We should not discuss these things in generic ways, nor should the government deal with

these as such. The majority of Lebanese are not chaotic or corrupt but sometimes are forced to behave this way in order to ascertain some rights due to the weakness of the state. Example of owner of small cell phone shop – lack of quality control, instead kickbacks override business ethics.

NC: We should reach a point where we should set the right example and go against the tide.

KS: You are being idealistic, we have to be rationale and opt for regulatory measures/changes.

Moderator: In your opinion, what are the primary threats to Lebanon's stability now?

KS: Corruption

JH: Regional instability, corruption, economic situation; we have been walking on the edge over the past 10 years, if we look at our monetary policy and budget, 50% of our budget goes to servicing the debt and 30% goes to salaries and wages. The way finances are being managed is awful.

AA: Maybe if we didn't have a sectarian system these issues would not have been stresses – regional stresses or macroeconomic conditions would not have been as bad or able to affect as much.

SM: Maybe if there had been a stronger state, sectarian belonging would not be so strong. Lack of stability may not necessarily be an internal conflict, the Israeli war is external, so is the Syrian uprising.

NC: Inequality concerning civil rights, multiple Lebanese and non-Lebanese parties have arms outside state control, this is a critical issue for stability.

KS: There are many factors for instability, what is worrisome is how mass riots for equality can become a source of sectarian tension.

JH: Lack of accountability; this has caused a culture of corruption. NC is right, look at elections; this is now a game, we are paid to vote and then those who we elect steal from the government but also assure me some services outside the framework of the state. We hold the sect responsible instead of the individuals who have committed wrong doings. This lack of accountability affects everything in addition to parties, civil society and so on. Look at the movements for civil marriage, women's right and so on, it was all politicised. This culture is due to the degradation of nationalism and citizenship.

BC: Let's look at two internal factors: the increase in robbery and crime, and the increase in street children.

Moderator: does this affect stability?

JH: These are all symptoms of the reasons for lack of stability; they don't contribute to stability.

AA: Sectarianism is a huge obstacle to statehood: it hinders the presence of a strong state, hinders improving the economic situation, even basic civil campaigns like the women's rights. Even on education, if we go to schools in different areas we are taught different things. If we want to solve our problems, we will find that sectarianism is the biggest driver of all these problems.

KS: Lots of problems have become much larger so now we have to look at treating other things and not hide behind sectarianism – if the system was gone tomorrow, there will be huge issues to deal with in government institutions and bureaucracies. A lot of work needs to be done on development.

JH: If we look at the percentage of families under the poverty line, the numbers are not that frightening but if we look at the geographic distribution it becomes frightening; in some areas 50% of people live under the poverty line. Marginalisation of people is also a major problem, look at the agricultural sector, completely abandoned and unsecured. When these families' livelihoods are threatened, they will move to urban poverty belts, thus leading to security problems and instability. There are no assurances for families who rely on agriculture for a living.

KS: Industries are marginalised.

Moderator: What do you think are the greatest sources of injustice in Lebanon today? Do you think they could contribute to violence or conflict?

NC: there is no justice – judicial system is corrupt, sometimes it is sectarian but in many times it is more about interests. Judges report to their political leaders.

SM: People's rights are not guaranteed by law,

KS: Source of injustice is for the most part laws and legislation. To begin with, laws discriminating against women, also personal status laws – and we can't only blame the government, this is a reflection of society. Personal status laws were mandated to the sects by the Ottomans and we are waiting for the state to take it back – example of the little girl who was married at 10 and prostituted by her husband; she could not get a divorce because the Sheikh asked for witnesses for her prostitution. Sects are fighting this inequality because of monetary gain and interests.

NC: Inability to express free opinion, being oppressed will lead to a big retaliation.

AA: I have the opposite opinion, I actually think we have the freedom to express ourselves freely, I can vent until the next election session, but I don't have the freedom to find a job without nepotism or without relying on my zaim. We don't have the liberty of liberating ourselves from our feudal lords.

Moderator: How do you think regional developments affect Lebanon? And do you think the Lebanese overestimate the influence of external actors on Lebanese affairs?

SM: External and internal are connected – certain groups are tied to external actors and therefore no matter what happens outside we will always be in a violent cycle.

NC: In my opinion, we did not deserve our independence in 1943, we were a collection of sects but had no common Lebanese identity developed

KS: There are sectarian ties and there are ties of interests. I agree with Nadim that the source of our problems are internal but I disagree that we should have one common identity, everyone is free to believe what they will, but at the end of the day we have to operate in a modern state so I can fight for my own agenda but within the laws of this state. We need to work on citizenship.

AA: To reaffirm, we should be citizens no matter what our political belonging is.

JH: In the past 100 years Lebanon has always been affected by regional events, however, the recent events are serious; whether it was the changes in oil prices or the regime change in Tunis, Libya and Egypt and the Iranian/Arab developments. To what extent are we affected, is the question that takes us back to internal factors. We cannot escape from the worry or stresses of all these factors. The region is at a crossroad.

KS: I wanted to reaffirm JH's but focus on the internal; Lebanon's history of invasions by sects and other nations have had the most internal impact. Ex, Mamluks invasion of the region. Israel and the US will not strike Iran, it is to their benefit to have Salafists reach power.

SH: What will affect Lebanon most is the Syrian rev. (how specifically?) mini clashes will take place but nothing on a larger scale, Salafi movement rising in Egypt in a way that is concerning, violent Salafi rhetoric against Shia, this may affect Lebanon depending what happens in Syria, and if Al Qaeda declares Lebanon a land for jihad.

BC: Islamic movements are competing with nationalisation.

SM: Revolutions take time and this is only the first year, so those who removed Mubarak can remove the Salafis

KS: Disagrees, army and Mubarak's intelligence are still in control, this isn't a revolution.

JH: We can't keep discussing just the political or security affects, the economic factors are larger, banking sector, trade and transport, agriculture and so on. We are a fragile system being placed in a rocky environment.

Moderator: Which institutions matter most to you, in your daily life? Which institutions (formal or informal) do you think are the most critical to Lebanon's stability? Why do you think they can contribute positively?

AA: Institution of marriage (laughter)

NC: Electricity Du Liban. We are at a stage in which we cannot live power shortages and high costs.

SH: the security/military institutions, the army, I live in Hamra and the security situation is loose, fights happen, people are behaving in a militia-like manner and the army doesn't do anything, I can understand why people who live in the southern suburbs prefer Hezbollah's police force to the army, because they are more effective. Only LAF's special forces can effectively deal with thugs.

SM: All institutions but specifically the ministry of culture, they have a tiny budget and we have no other entity to preserve our culture

BC: The religious institutions, in all their facets and their impact on our lives from birth to death

AA: Parliament and cabinet as institutions, even with our confessional system and all its consequences, these institutions should be playing a minimum role in making the country work

SH: My employment is affected by this power-sharing in the system, my dad worked with the national employment institution at the MoL and it is ineffective and not functional

KS: Ministry of education is the major key – look at the new curriculum, it was supposed to be implemented but they never were, no critical capacity is developed for students, staff are untrained and teachers still have a one-way, dictatorial approach to education, relationship is one of submissiveness and fear and not respect and ability to challenge and learn how to learn, not just regurgitate.

JH: There is a service issue, but there is also the social security issue, and I want to focus on the issue of employment policies and social security (pension and insurance). The National employment institutions were founded in 77 but it is useless and we have no strategies for employment. The issue of social security and pension is also a critical one, if we are unable to pay to NSSF how will those families depending on pension pay survive? And we have been using band aids but have not take major steps to reform this properly

NC: the syndicates are no longer doing their job because they have become politicized.

JH: All of civil society has been affected by political pressures, and therefore cannot balance state institutions and perform their role as a watch dog/whistle blower.

Moderator: Which institution represents you in public life, and takes action in response to your concerns? How much do you think Lebanon's institutions (formal or informal) are representative and inclusive? If institutions are not representative, why not? And what can make them more so?

KS: I agree with Sherif, the military institutions. But the LAF is the only institution that can provide security.

JH: Can I disagree? It has become part of our culture, but the military institutions must not play that large a role, they should abide to political and civil institutions concerned with public policy. The judiciary should also play a critical role but at the end of the day, the cabinet should set security, social and economic policy. But at this stage we function

reactively not proactively – if something happens that necessitates a law or a decree we come up with it but there is no vision or planning. We are maybe the only country in the world that has not had a public budget over the past seven years – we are spending without a plan.

NC: The judiciary – we are giving the military a much larger role than it should have, the military shouldn't be in the streets breaking up fights between citizens, they should be on the border

AA: Military stepping in to fill the gap of other institutions.

SH: Militias who participated in the civil war are now in power. These militia personalities have hindered state functions, and the Lebanese are paying the price for this.. Example of Ziad Baroud didn't last because he was not part of the warlord elite.

Moderator: What do you think undermines Lebanon's state institutions?

KS: Religious figures (clergymen), specific example: sectarian system hobbles personal status, also government's budget to religious educational institutions is higher than to sown educational institutions. There is an old rivalry between the security sector and the feudal lords. Army vs. Confessional vs. Feudal. Religious figures are slowing down state reform.

AA: Much of the services that should be coming from state institutions to citizen are coming from religious institutions instead, so let's not focus just on religious men, the heads or zouama of sects primarily undermine and hold back institutions, using religious men in some cases. At the end of the day it is the politician who calls the judge not the mufti

SM: we can blame others but at the end of the day it is the Lebanese citizen who also carries the blame, I can decide not to vote for that zaim or accept money from him.

NC: What undermines it is also the presence of mini-states within Lebanon, that have separate economic, judicial and security institutions that hinder the strength of our state.

JH: Independence of judiciary and the regulatory bodies, we are breaking down the mechanisms of checks and balances by tying them to the politicians – when we have 30 ministers also being 30 PMs, then we have a problem – thus separation of powers should be in practice not just in theory. The larger power of the executive authorities over the other authorities is seriously problematic

SH: Overlap of cabinet and parliament and the confusion of roles of leaders and politicians and no accountability

Moderator: What strengthens the State?

KS: Long term, having citizens with enough confidence in the state

Short term, modernising state institutions and its administration, access to information, the automation of ministerial services.

JH: Transparency and the ability of the citizen to know beforehand what duties the state expects from her/him and the rights he/she is entitled to.

Moderator: How much do you think Lebanon's institutions (formal or informal) are representative and inclusive? If institutions are not representative, why not? And what can make them more so?

AA: Institutions should not be representative or inclusive, parliament should be, and for the most part, it is representative. But that does not mean that institutions and administrations can function properly or perform their roles

JH: Representation isn't just exclusive to confessional diversity. It should encompass all of the Lebanese society/constituencies. The confidence of citizens in the state increases when they know that those individuals working in those administrations or civil servants are there because of their competence and not connections

Moderator: What types of day-to-day problems are most urgently in need of government action?

KS: Services

NC: we go back to the same issue, people are not voting on the right basis. There is no electoral program. Even if there was, no one would understand it, all they would care about is what their politicians think. Embezzlement should stop.

KS: Public transport, would make a huge difference to people, look at how much corruption is rife there, are the buses public or private?

AA: MoJ, MoI, MoE,

Moderator: Specify what you think is essential

AA: Transport is essential, health coverage is essential, policies to facilitate house loans, if I want to get married I can't afford a house

NC: Freedom of expression and taking our viewpoint into account

Moderator: What are the problems and their solutions

NC: Implementation of the law

JH: Specific government strategies and policies, Yemen have a 2025 paper, we don't even have a budget. We need to have a vision, a strategy set by the government.

AA: Minister Nahhas was trying to work on the issue of social services. Another issue is the electoral law plan, if the government presents something credible then it signals that it is moving towards thinking in terms of accountability. Minimum of personal status, to

at least have the choice of civil registration, they had started something before but it got locked in a drawer. In education, it might be more complicated, but there are specific steps that could be taken, revising budgets and support to public schools, shutting down or regulating the 'free schools' in the curriculum the sessions on religion, the history book, it's easy to do a session on religious awareness reform project for independence of judiciary,

SH: On the issue of education, I teach in southern suburbs of Beirut, and the situation is deplorable - it's either too cold or too hot, students can't focus. The book I teach is so strict I can't deviate from though it is ridiculous at some points, in the way the material is presented

NC: The issue of collective memory is critical, if at the very least, the issue of automating car numbers was held up because of the difference in opinions.

Moderator: What can the government do to protect you from security threats

NC: ISF don't have culture of serving the people, don't have the equipment, they need to be trained.

JH: Training on how to deal with the citizen, they frequently commit mistakes because of ignorance. They should know how to treat citizens, what their rights and obligations are and where their limits are. Security is a perception so certain behaviours can reinforce feelings of security amongst people.

SH: State institutions should treat 'all' citizens equally.

KS: Transport

NC: If we have a technocratic cabinet for a while, deals only with the services and does not do politics. Separating politics from legislation.

AA: I outlined some steps above; add to that the more recent appointments, if they happen according to competence. If there are DGs that are problematic or corrupt, if there is some accountability without a logic of revenge or political games, any concrete steps taken on electricity or transport. Lebanese should see that there are accountability measures in place – this would increase their trust in state institutions.

KS: If we look at all the work of civil society, there are concrete recommendations but they are being blocked by the parliament and the cabinet. The disability law changed but the women's and electoral didn't. For 12 years we've been working on youth policies and we have over 100 concrete proposals for change in the laws but they are not being passed. Look at the women's law, it was placed on agenda but has been so severely altered, that it cannot be recognised anymore as civil society initiative. Elections are a critical key like education. Example of youth policies, it got to the cabinet, was about to get 20 votes, and then was pulled over the issue of civil marriage.

Moderator: If you had 10 minutes with the Prime Minister or Speaker of Parliament, what would you tell them and why?

SH: If you want to show Lebanon is your priority, work on it.

NC: We can't claim that we are a democratic country and have the same speaker of parliament for this long, and to the PM do your job, take decisions and stop being evasive.

KS: If you want to preserve your interests, it is in change.

BC: Tie your words to actions/ implement your promises.

JH: This is a critical time in the region and it can be an opportunity to work on policy reform.

WDR Focus Group 2

Private & Public Sectors

6/6/12 10:44 AM

Introduction from Dayana

Moderator: What are the most pressing stresses facing Lebanon today?

RHA: worry about retirement and pension, I have no one to help me in older age, the market doesn't help, there is no supply to meet our demands.

Moderator: In your opinion, what are the primary threats to Lebanon's stability now?

RI: The lack of division of power, the weakness of the justice systems, you can't trust in the system. The sectarian system is exacerbating things, the educational system is poor and so are the socio-economic conditions. There is a bad track record for the LAF, it isn't united as we think it is.

HH: As a country that has been built on sects, we have the rights of sects and not citizens, we have no separation of power but we have a complete diffusion of power, we don't know who is responsible for what, all sects are involved in everything –at the end, socioeconomic conditions are bad but the sectarian system is the most dangerous threat.

FB: Lebanon is in resonance with what is happening outside – external (geopolitical) developments result are reflected through our system given that all our leaders are tied or follow external actors and we have no institutions that are not sectarian that can act as a buffer.

In other countries, we have a middle class that can act as a buffer, but people here due to the socio economic situation have to rely on sects, there are no alternatives.

AH: Our size and geographic location is a threat – we are impacted by what happens. I do not think we have a major sectarian issue, I think the media exaggerates it and we have no unbiased media sources that do not have a political agenda. Lebanese have big egos and are not united.

RA: There are other countries around the world that have diverse sects or groups and have discrimination and racism but why are their countries stable? Because the surroundings require it or pressure it– we had sects in the 60s why was there no war? Sees that it is tied to external actors who have economic interests. Nowadays Lebanese do not have the urge to fight other people's wars.

RI: Our political leaders are driven by economic interests, disagrees that external actors affect Lebanon, and focuses more on individual responsibility and behaviours.

Also focuses on laws and decrees: how did we vote in 2009 on the 1960 law? We have no policies on any level, educational, economic and security positions – one government resigned for the sake of the STL but then the next government did not deal with the issue.

WM: We hear from everyone that Lebanon's decision is not in Lebanon's hands but I ask if any of these external actors disappeared would the situation change in the country? The Arab Spring turned attention away from Lebanon so now it has been quiet, so yes regional considerations matter

AH: We have a delusion that there are 'others' who control things but who are they? We are a problem, we as citizens are giving up our role, we are society's make up. In Italy there is a government and a mafia, whereas in Lebanon the government is the mafia. We are feeding into the bribing system.

Moderator: What do you think are the greatest sources of injustice in Lebanon today? Do you think they could contribute to violence or conflict?

AH: There are no accountability mechanisms, we don't have justice, we are hostage to corruption – we go to (public sector) administrative circles, even if you don't have to pay we will give 'tips' to seem important but this causes issues for everyone else

KB: Taxation system is unfair, it does not touch the poorest but it also does not touch the richest and the burden is huge on the middle class, indirect taxes, though income tax is actually small compared to GDP.

Distribution of public spending: Beirut and Mount Lebanon have historically been the major recipients and the growth of the last few years has been service oriented and has not produced enough jobs, and we are entirely dependent on expat remittances, which are almost 25% of national income, but if these stop we would be in worse conditions.

These are all economic but this economic system is based on a political system, and this based on laws by a legislative authority that is not representative of the people as it is based on an unrepresentative electoral law. The economic system/plan is decided by a legislator who has come to power via an improper electoral law.

HH: All these reasons and administrative corruption do not lead to violent conflict or are a source of injustice – but Lebanon's makeup prevents these from becoming a source of instability, Akkar has been a poor area since the 60s but this has not lead to violent conflict. Poor conditions may lead to social insecurity or instability but not to violent conflict. No one is protesting, unless their sectarian leaders tell them to.

RI: Three main issues that lead to conflict:

- 1- Absence of a civil state, we have no equality of opportunity.
 - 2- No development, ex Akkar and Bekka.
 - 3- We have no social security: health, pension and education.
- We want a civil state, administrative decentralisation and rural/regional development.

RA: Injustice of the laws in Lebanon, agrees with KM, that these could lead to instability, and the corruption of the justice system, in addition to the electoral law. The justice system is infiltrated by political and sectarian parties.

Education is a major issue: we came out of a civil war and there was no educational programme to deal with this and bring the young generation together. Sectarian issues are used as an excuse or a cover.

AH: Lebanese exaggerate sometimes, why do we assume that all judges are corrupt?

RA: I meant to say that they don't even allow cases to get to the justice system

Moderator: Do you think economic variables play a factor in Lebanon's security and stability? If so, which variables and how?

HH: The economic situation doesn't necessarily lead to instability.

FB: Currently, regional considerations matter a lot, we are easily affected no matter what happens, what happens in Syria will definitely affect. How much can we discipline ourselves or resist external stresses? We do not know – this generation is even more sectarian than the older one.

RI: Lebanon is a mailbox for external actors to send messages to each other. We are not allowed to have a better economy or more security or to solve our problems on our own. Not only are we affected, we have no characteristics of a state

AH: Lebanese are self-cantered –according to them, anything happening anywhere else is somehow tied to us, the Syrians are revolting for us, or if the opposition wins they will attack us – we think it is all about us.

KB: At the level of public rhetoric, politicians at the time of the Syrians used to blame corruption on the Syrians and so on, but after the Syrians left, the same corruption is on-going, same monopolistic mafias, the ruling elite do use the excuse of external actors to justify shortcomings. However, geopolitically, yes it is true there is still a large role on Lebanese shoulders.

RA: We are used as a doormat but we have some awareness otherwise our situation would have been much worse.

Moderator: Which institutions matter most to you, in your daily life? Which institutions (formal or informal) do you think are the most critical to Lebanon's stability? Why do you think they can contribute positively?

RA: Media institutions play a huge role, the mobilisation of people and the way the news is propagated. They are playing a negative role.

WM: The ISF, security forces, we don't know whether to feel sad for them or to be angry at them, they cannot enforce the law and frequently waste sanctions violations of the law

RI: the justice system because ultimately they have to hold others accountable, if media violate the law or ISF don't enforce properly yet no one is being held accountable. Example of the petitions against certain candidates in the elections, we don't know what happened to them.

HH: We can't separate institutions, we have to look at all state institutions – what's the point of having education but no security. Military, justice and national employment institutions ultimately to name three.

AH: MoSA, we don't understand it, people think that MoSA is about helping the disabled but we ignore social policy which is critical – it should build bases in our society. I don't think the army is an important institution, our equipment is outdated, they cannot protect us, in 2008 they could not protect us, they were hiding in the theatre. MoSA should launch initiatives to enrich the society.

KB: Yes, the military matters, but the regulatory bodies, formal audit bureaus - we have many missing institutions as well, entities to regulate the market and prevent monopoly; there is no quality control over goods. Also the advisory council is taking political decisions

Moderator: What do you think undermines Lebanon's state institutions?

WM: Nepotism, putting personal or individual interests over the common good, if exceptions are made somewhere then they are made everywhere.

RI: Awareness of citizens matters, if I complain for four years then I go back and elect the same people- we do not hold leaders accountable. Secondly, no backing for the ISF, anyone can break the law if he/she is well connected.

The military did a good job previously, but they have been dragged into other internal conflicts that has affected their authority; political decisions control the army, the laws don't govern, the power of the elite governs.

WM: The win-lose mentality, doesn't allow progress and reform. No one is cooperating, instead it's destructive political competition.

FB: Lack of accountability, if someone knows that they can get away with breaking the law or knows that they won't be able to guarantee their rights.

HH: The authority of the state is much weaker, we used to be afraid of an ISF officer but now everyone claims that they can buy or sell any ISF officer. Parties are now much stronger than the state itself - we have lost the concept of the state.

RA: The state is now made up of the warlords from the period of the civil war – how are we going to have any accountability? Either someone falls back on his or her sect or his or her party, There is no state.

RI: Who said that those on the dialogue table should speak for us? They convened abroad and then called in and halted the conflict. Tying our fate as a state to individuals is a major problem. Feudal lords don't want a proper social welfare system, so that people continuously rely on them for services.

Moderator: What strengthens State institutions?

KB: This is a conversation that should be carried out beyond this table, but the issue of the human capital of public institutions is key – salaries are too low and not incentive enough for higher capabilities to join the civil service. Young people today have no incentive to join when they know that no matter how hard they work they will not have enough opportunities, as others will get ahead through nepotism. There is no recognition for achievements and hard work in the public sectors. The civil service is now exercising self-censorship on sectarian balance. Most who work for public sectors have no clue what civil service is. They work for their own interests.

HH: Administrative development is very necessary, activating monitoring institutions, two thirds of DGs in the government are acting and not actual, because of disagreement on appointments in the civil service. How to get over this sectarian issue? It needs generations to get over it, and May 7 took us back. LAF is against sectarianism, but it groups its soldiers according to their sects.

RA: Nothing can change even if those institutions are activated because it is not in the interest of those in power. The only change can come from the new generations, which is why reforming the current curriculum and the educational system is critical to produce a new generation that has a stronger national belonging than a sectarian belonging. Work has to start from the base and this work has to begin with civil society organisations and not state institutions.

Which institution represents you in public life, and takes action in response to your concerns? How much do you think Lebanon's institutions (formal or informal) are representative and inclusive? If institutions are not representative, why not? And what can make them more so?

RI: Not one single institution represents me; all are in danger, but the educational institutions matter to me the most. I would change the curriculum to begin with and would cancel religious classes, replace them with religious awareness classes and close all sectarian schools and universities.

FB: If I have to choose, I might say the syndicate of engineering. However, I did not vote in the last elections because I did not feel any of the candidates represented me. In Lebanon, normally sectarian institutions represent people but it should be state institutions and its services.

WM: I can say my firm represents me because I feel connected to it and will defend it but I'm not registered with the engineer's syndicate.

AH: I don't feel that there's anything that represents me because I'm in a society that does not allow me to express my real opinions if they are outside the norm. Civil society is one sphere but is not the solution.

RI: The state should represent us as a one institution and any break or structural weakness at any point affects this institution. These institutions become representative when citizens become part of decisions making process and are aware and behave according to their rights and obligations.

WM: I would speak about the army because I felt for the first time that there was a system and a discipline and is a successful institution that should have some credit.

RHA: I feel represented by the teachers' syndicates but only if they can make their voices heard.

What types of day-to-day problems are most urgently in need of government action?

RI: In the government before last, they set a list of citizen's priorities, including electricity and so on. And these needs are still there, if they are met, then that would build our confidence. We have to revive the concept of accountability; if I see a corrupt official charged then I can regain confidence. If we have a ministry of planning then my confidence might increase. If political cover is lifted from corrupt officials or violators. Example of spoiled meats, they busted the store but who was behind letting the shipment in?

HH: Equality in front of the law is a good thing, but I think that citizen's priorities are electricity, water, health and a free/available good education. On a higher level, we go to civil service appointments and broader issues such as water dams.

RA: This all is good but it won't happen because of the sectarian power sharing agreements and appointments and corruption. If they show us that they are going to run the government in a transparent manner, with open tenders and so on, then all the rest will be solved. None of it will happen if the state is weak.

How do you think Lebanese state institutions can be made more effective and capable? What specific actions should the government take to strengthen national institutions?

KB: I would go back to the taxation system, a fair taxation system that would allow for programme funding. But this won't happen on its own, a civil campaign is necessary to make these happen like the labour law and the Lebanese university founding in 1960.

Corruption is endemic, public spending is arbitrary and opaque, why are we still paying for the internally displaced 20 years after the war?

Win-lose mentality, people think that government represents opposing sect and the larger bite I can take the more the others lose.

WM: When the government serves all Lebanese and treats them equally.

FB: if I have to name one thing, a wave of arrests at top level

RI: If the government does not employ according to one's sect.

Administrative purification campaign to rout out corruption.

Freeing up public beaches and bringing it back into the public fold.

Having a technocratic cabinet, example of Ziad Baroud though they tried to prevent him from working.

These would be steps towards implementing the Taef agreement and dismantling the political sectarian system.

AH: I would get a shock if I see two ministers going to prison.

HH: When RI talked of reform, but we had a bad experience with reform with Lahoud.

RI: Reforms must be publicised, through campaigns, something similar to the Arab Spring.

WM: Reforms will hit a wall because they will threaten the ruling elite, we will need to have radical changes.

Do you think other Lebanese or external actors can and should support government action to reform Lebanese institutions?

HH: The people

RHA: A technocratic cabinet of ministers not connected to political parties.

Moderator: Do we need external help? Collective no, it should be internal.

RI: maybe we can learn from the experience of the Arab Spring, it has to be an issue of public opinion, and a partnership between civil society, state institutions and external institutions to help on some programmes. I'm against conditional funding but we might need help from transparency organisations or etc.

WM: Any reform efforts will be obstructed by the current political elite, so we need a drastic change in approach and mentality

Moderator: If you had 10 minutes with the Prime Minister or Speaker of Parliament, what would you tell them and why?

AH: I would make him wait for half an hour then give him some of my time.

HH: Would ask the speaker of parliament to hurry up with legislating new laws - we have major shortcomings in legislative change that we need to work on.

KB: I would ask those who have conflict interests to resign because public good has to come ahead

FB: To announce their earnings

RA: To the speaker of parliament, maybe he should rest and retire now with his wife, and the wives of politicians to sit aside and immunize ministries from political interventions.

RI: You have two options, either in your time we build state institutions or history will damn you

WDR Focus Group 3

Public Sector

6/6/12 10:44 AMPM

Brief introduction of the participants: Ministry of Environment, Central Bank, Lebanese – Palestinian Dialogue Committee, Council for Development and Reconstruction.

Moderator: What are the things that worry you or affect your peace of mind every day?

FA: At what level?

M: Personal.

YN: Political stability is affecting everything. Starts off at work and then it affects your personal life. There is chaos, no orientation, and this overflows to everything else.

TZ: Let me summarize things, it starts off at a traffic jam, people are rude, and it continues all the way till you get to your office. Then the news on the TV, the regional developments. On a professional level I wonder if I want to stay in Lebanon or move abroad, given that I am very well educated. In the ministries we work with, the benchmark is who you know. We have all studied abroad and we all notice that we cannot accept the current situation in Lebanon.

YA: People don't respect you according to your profession. I was trying to continue my PHD at the LU, and I faced so many obstacles, like sectarianism – I wondered where I was living, and why this was happening. Academia now influences my work. And my work is stagnant because of the political development, since we are pinned to the developments in the government.

FA: Things I fear are the source of my work. Starting from waking up in the morning and the traffic jams, all the way to the inefficiency of the government. My work with Palestinians is very worrisome, since we have to work with Palestinians who have played a big role in the civil war, who used to be very rich and now have become poor, etc. This portfolio and working on it spills over to one's personal life and outlook on things.

Moderator: In your opinion, what are the primary threats to Lebanon's stability now?

TZ: It is not about stability, it is about accommodating each other. In Lebanon, there is a current status quo, which is unclear to everyone. Citizens will not fight each other, and those who are willing to pick up arms and fight do not belong to parties, these use their arms to defend themselves and make a living.

FA: Syria, even if we disagree, Syria did play a role in Lebanon's stability. Now that they are becoming unstable, this will affect Lebanon. Israel too – mentioning Israel has become necessary since it is like a fingerprint now we have to say it to prove remind everyone that we are not collaborators - (everyone laughing)

YA: Palestinian issue might be a threat.

Moderator: How do you think regional developments affect Lebanon?

YN: Very much, because since 1943, Lebanon has been having the same pattern. History repeats itself. 1958, 1975, it developed. Now again, in 2005, Lebanon has always had a conductor, every time the conductor is taken out, chaos happens. There's always a regional factor.

YA: Lebanese are open to others, so they would accommodate others.

FA: The highest GDP is Beirut, then Nabateyeh. What economic incomes are there in Nabatiyeh? There are resources there; at one time, it was the Hanafis, then the Americans, the Libyans, then the Iranians, all have poured money there for their political interests.

T'Z: Lebanon is one of the tiniest countries in the world, with 4 million, so if there were a group of people recently making a lot of money, this is probably causing the high GDP. Lebanese like conspiracy theories, and people are influenced by regional developments.

FA: In Lebanon people know that if the ship sinks we all sink – concerning Syria. Many have realized that, and have tried to play down their statements and political manoeuvring.

YN: wait and see approach.

Moderator: What do you think are the greatest sources of injustice in Lebanon today?

FB: The electoral system, economy, the daily practices, how state institutions treat their employees. Things are unequal; a less number of people can vote people to power in contrast to more numbers required in other areas.

YN: The electoral system is the main problem, there is no such thing as a proper system, but in Lebanon we do not have a system. There was no power sharing deal after the war. It was just shifting the power from one side to the other. It's a vicious cycle that we cannot solve. Since 1943 Lebanon has been working on a patron client relationship. Maybe it's one of the ways to keep the zaims in power.

T'Z: There is injustice, starting from being born to a certain sect and having doors closed because of his/her sect – I cannot be president, my father who has worked for the LAF for the past decades, was hardly rewarded/recognised. Not just that, even if I were entitled to a post, I would not know the qualifications required since the zaim would have to appoint me. Third thing is that one can get what he/she wants through connections in state institutions. People have gotten used to this.

FA: There is a culture of collective injustice. For example, a whole sect has in the past complained that it is marginalized, it becomes collective.

Moderator: Do you think they could contribute to violence or conflict?

FA: Palestinians who are being sidelined will at one point explode/rebel.

TZ: Social justice

YA: Unemployment in state institutions.

TZ: I disagree, it's better to have an increase in employment in the private sector because the state cannot handle more employees

YA: But they are subcontracting work to consultants.

Moderator: Do you think economic variables play a factor in Lebanon's security and stability? If so, which variables and how?

YN: It is not economical, if someone called for a strike against the increase of prices, who would do it?

TZ: If I were to call for a protest against the sectarian system, all of the zouama will stay home; no one will take to the streets. However economic grievances could be a driver. There has been a lot of theft these days, people getting mugged and housing being broken into. People who have been properly educated will have more values, and will not kill or steal as soon as he/she loses their job. Whereas Palestinian refugees, no offence, who have not had a proper meal for ages, will.

YA: Economy and politics complement each other. One's goal in life is to be able to eat and have a shelter. If these two things don't exist what can one do?

Moderator: Which institutions matter most to you, in your daily life?

TZ: Security institutions, institutions are a fundamental thing in our society. We tried this 5 years ago, the institutions were shut down and we saw how the whole country was put at a halt. I'm not sure how relevant this question is, I'm living in a country where I'm eating spoiled meat and spoiled bread. If a cop stops me, I can make a phone call and take care of it. The current Palestinian who plotted an attack against the LAF is on the run and no one knows where he is.

YN: Institutions are there, but they do not really do anything, I can do whatever I want with my wasta.

FA: The judicial institutions is a safety net for those who don't have wasta. Yesterday's case about Dr. Hankir who was interrogated for having antic weapons in his house. He was asked to take off his clothes and squat – this is degrading, if it was not for the British embassy he would still be in prison.

TZ: To what extent can you trust judicial institutions whose judges are appointed by politicians?

FA: It's the only institution that can still defend people's rights.

Moderator: Which institutions (formal or informal) do you think are the most critical to Lebanon's stability?

TZ: Regulatory bodies

YN: I agree with Tarek.

YA: The central bank in relation to the financial situation.

FA: Do not know if we can call it an institution, the presence of a lot of arms with no regulation, is a big factor of stability. With all respect, LAF cannot face Hezbollah's units – in 2008 there was a reality check where the army could not stand up to Hezbollah. Therefore, stability to me is Hezbollah's arms. It's not right, but this is the truth. The administration of Hezbollah is exclusive, and they have managed to stand up to Israel and fight them whenever they want, which is a factor of instability.

TZ: The security institutions are handicapped. In May 7, just because they were afraid that the security forces would split, they did not play their role, which was to protect citizens. Hezbollah took the decision to take up their arms, where the security institutions had no clue and could not do anything about it.

YN: Security apparatus, but we are going in circles, we're going back to the main problem which is political. May 7 was not the only time when the army stayed away, the army did the same during the 1958 riots. Players change but history repeats itself.

FA: Technocrats are not a good idea because it has never worked. It's good for a change that we have this government which is homogeneous, better than having a government that is diverse and disagrees about everything.

TZ: Even if there were governments that had a homogenous political identity, they cannot do anything, for example if a future government came to power and submitted a decree to disarm Hezbollah, what will happen?

FA: small things can be done in homogenous governments, that's ok at least something is being done in contrast to nothing at all in diverse governments.

Moderator: What three things could undermine Lebanon's state institutions?

YA: The laws, nothing is being implemented, and they are ambiguous. Second thing is that government employees are not loyal to the institution they work for; they are loyal to their zaim.

FA: In the UK, they don't litter because they are educated, they litter because they will be held accountable and this causes societal development. And there is red tape to speed up bureaucracy.

YN: Strengthening civil service will place the right people in the right jobs. People have to know what civil service means.

TZ: accountability is very important, and having the right people in the right place. What pisses me off is that public employees enter when they are 18 and leave when they are 64, they have no incentive to work. There is no performance evaluation, there is no incentive, and this causes tension with new generations who join the institutions.

FA: I'm going to be the devil's advocate; the traffic police who's talking on his phone while on duty is being harassed about it, while he is only being paid \$600 and cannot afford medication.

Moderator: Which institution represents you in public life, and takes action in response to your concerns?

FA: The parliament should represent me.

OK, but what do you think represents you, not what should represent you.

TZ: Those who think like me, these institutions do not exist. Only NGOs who can't do much have similar thoughts to mine. Example, I advocate for non-smoking policy in the public.

YN: Academia. Knowledge starts at home.

FA: my municipality, I was engaged in the municipal elections. It's representative, I can approach it whenever I need it.

Why don't institutions represent you?

FA: What do you mean? To me I know that the central bank for example is doing well, and its director is always being awarded. The same goes for MEA; government hospitals are picking up too. These institutions are exclusive, contrary to other institutions.

TZ: There is a new trend now in Lebanon, people go to committees, like telecom committees for solving problems. The same is happening for traffic – there is a marketization of public services.

Moderator: What kind of daily problems do you feel have to be solved by the government?

YA: Traffic, but I'm sure it's going to be a bigger problem in the future.

FA: Decentralisation – but my main concern is the public debt. Is there an alternative for Paris III?

YN: Environment. Very big problems because of environment – social (traffic), economic (GDP, finance, health), and sustainable development (a way forward for reform).

TZ: I feel that the Lebanese state react to problems, they try to solve things once they come up. They have never placed a strategy or a plan for the years to come. For example, people who work in finance have no clue about the details of our debt.

Moderator: What specific steps should the government take to increase your confidence in its institutions?

TZ: Long term plans

YA: There are plans, but not being implemented. There are plans from the 60s being implemented now.

TZ: I meant a whole package.

YA: There has been no development strategy in Lebanon ever since Lebanon's independence.

TZ: There are old plans for a bridge, when they try to implement it now they can't because of the changes, so it costs them more to redesign. This is why we need a general strategy/plan – all inclusive.

FA: Anything, I do not care whatever it is, internet, electricity, anything. On an individual life, there is disaffection with the state - We plan our lives but do not take into consideration what the state may provide.

TZ: State implements security and sovereignty in all of Lebanon. I don't want a person being kidnapped in Bekaa and the security institutions not know where he/she is.

YN: Strengthening regulatory bodies, having a state budget, decrease in gasoline prices.

FA: Small win can change the mood. We are smart on capitalizing on things – example, projects that can economically boost the region. Opening the kollayat airport, development projects in Akkar.

YA: The state doesn't have money.

TZ: They can make pretend that people will be held accountable to breaking the law. Citizens who cross red lights will be held accountable, same for smoking indoors. In Dubai we all respect the laws, we don't respect our country. I am with Fadi for opening the kollayat airport, but I am against it too because I know that many have bought lands around the airport and will make millions.

FA: Tarek it's like this everywhere, not just in Lebanon. But back to your question, small economic incentives and projects.

YA: State should stop monopolising economic outlets.

Moderator: What could the government do to protect you and your family from the security problems that are facing Lebanon?

FA: Judicial institutions. If anything happens in the country we will all drown. But in real life, the zaim protects us.

I meant state not zaim.

TZ: The zaim is the state.

YN: Unfortunately

FA: If you want to sue someone you can do that, but you would be silly not to go to the zaim first.

TZ: Usually both the victim and the victimiser go to the same zaim.

FA: The framework is there. There are regulatory bodies in security institutions that should make sure that the soldiers are doing their job.

TZ: Fadi why do you feel that you need mukhabarat to watch over you?

FA: It is a projection because of my previous job at the ministry of interior, and now with the Palestinians.

YA: There are international institutions that help Lebanon – UN, World Bank, IMF – but there is a problem not just in Lebanon, these big intuitions have set template that expect to be implemented. They don't take into consideration the local fabrics. Nothing tailored for local setting.

FA: Law enforcement program for the US embassy. They gave us hummers etc, but this will not strengthen the army.

TZ: The most important thing is that international institutions who have best practices and capable teams who can assist in negotiations. For example, we have tenders from the IMF and WB which will not be approved because the director disproves them – may be because of politics.

YN: some IGOs have their own agendas. All the IGOs approach us for solid waste treatment, no one asks about clean air, or a sewage system.

Moderator: If you had 5 minutes with the Prime Minister or Speaker of Parliament, what would you tell them and why?

FA: I will not have time to say much, maybe just meet him, it would leave more impact. I would rather meet the president and tell him that if you are a conductor you cannot play an instrument.

YN: I would go to the PM, ask him maybe about the weather since he is so tall. I would tell him please govern, you are the government.

TZ: I feel that these five minutes will not change anything. I would ask for a senate, and that each sect has equal representation in this senate.

YA: I would sit with the speaker and him to legislate coherent laws.

WDR Focus Group 4

Civil Society

6/6/12 10:44 AMAM

Brief introduction of participants: Nabaa, ANND, Nahwa al Mowateneyah, OTI, Nasawiyya, Lebanese Foundation for Permanent Civil Peace.

Moderator: What are the things that worry you or affect your peace of mind every day?

FS: The sectarian system. The rules, the nationality issue, women's rights, corruption, electricity, you name it, in everything.

SA: It does not cause a daily worry to me, although I'm against it. I for example have not completed my studies; I do not have a degree, which worries me. I have the skills I need to communicate with people, but if I quit my job, I will probably be in trouble, because employers only take into consideration one's degree.

KD: The first thing that would come to one's mind is the sectarian system. In Lebanon we have a structural problem. We have a negative approach, a negative attitude. It begins with individuals, then it spills over to the institutions. When I was in a public school I had a terrible time. We have reached a conclusion that we cannot continue this way.

RK: Generally speaking, there are problems in communities. In the Lebanese context we have personal problems, and social/national problems which influence us. I worry about my job security, donor agencies not funding us anymore – mainly the economic situation.

Sectarianism is a problem, but it is not the main obstacle, yes a war can happen in Lebanon.

BA: I do not have long term worries, but I worry about my job security too. I do worry about the sectarian problem, the Syrian problems worry me, Salafists do, Fadel shaker has worried me – we have been polarized. Our cases are very fragile.

OH: I agree with Farah, the sectarian system causes me to worry, so does the economic situation. Lebanese citizens are poor, and are always in need of their zaims for services.

Ali: The developments that are happening in the region. I don't know if my kids will be educated, or receive medical treatment. Everything that is happening is causing danger to our kids and their future. What's happening in Syria worries me, what if tomorrow parties who are pro and anti start fighting?

Moderator: In your opinion, what are the primary threats to Lebanon's stability now?

Ali: When we hear of fighters coming into Lebanon

SA: There is a big possibility of Lebanese taking up arms, which will cause a war. Reasons for this can be unemployment, drop outs.

FS: The Lebanese themselves. They have not changed, they've been this way forever, the risks are always there. Unemployment, people can hand out money and ask for people to carry weapons.

RK: Social, economy, culture, political, they all have problems and factors that threaten our stability. Financial problems, environment, our heritage is being forgotten and sold.

KD: Radicalization, and political polarization, there is a militarization of the Lebanese society. There are several entry points for people to take up arms. People start fighting because of a basketball game, or a football game. The media is poisoning us; 7 channels broadcasting polarisation.

BA: There could be an event that could trigger a civil strife. The Syrian development will cause problems for us; people may want to settle their scores after the Syrian regime is removed.

Moderator: How do you think regional developments affect Lebanon?

BA: Negatively – there's a saying, wherever she gets pregnant, she will deliver here (in Lebanon). We are influenced with the negative developments only.

FS: It is a fact that we are influenced by regional developments.

Do you think the Lebanese overestimate the influence of external actors on Lebanese affairs?

SA: No, they do not blow things out of proportion. Lebanon is not a stable country; we cannot know what can suddenly happen. The sectarian system makes things worse, radicalisation, and for people to want to take up arms. There are many countries who have troublesome neighbours but they are capable of handling themselves. In Lebanon we can't keep hold of things.

Ali: All political parties are influenced by external factors and developments. The first thing we hear when we turn on the radio is the developments in Syria.

KD: There is exaggeration, but this is also because of individual analysis, we have 5 million different viewpoints.

Moderator: What do you think are the greatest sources of injustice in Lebanon today?

BA: The justice system, which is not reliable. I would first approach my relatives who are in the army; they would make some phone calls and see if things work out. 2-3 years we would have gone to Saad al Hariri but I don't think he has time right now, and we are fed up with this way of solving things.

OH: The constitution, which is pinned to zaïms. Educational system that is sectarian. One cannot go against the tide, becomes a victim.

FS: Women's rights. If someone violated the law or harmed me, I cannot turn to justice. I have no wasta, but this is the only thing that would help solve such problems.

BA: At one point the zaim would help, knowing that we (big family) will make it up to him during the elections.

KD: Women's rights. We show off that we have women empowerment; there is still a lot to do.

RK: Low salaries, one makes \$500 and spends \$2000, how will this person survive?

Ali: we pay for electricity but don't get it.

SA: educational opportunities.

Ali: Palestinians in Lebanon are entitled to receiving an education, but they cannot work in Lebanon. I have a brother who has a Masters in English literature and works for a private school – when officials come to check the school they hide my brother.

KD: We do not have equal development – nepotism – some areas are being developed on the expense of other regions. The middle class has left Beirut – they cannot afford an apartment in Beirut. Only a couple of people have most of the money – we have lost the buffer zone of the middle class. There are suburbs now that have become sources of instability. Over the past years crime has increased in Lebanon.

BA: The economic problems, especially in suburbs. They are waiting for people to pay them to either calm things down or make things worse. In a small street in Tripoli (Tebbani), some believe that they have a say in the stability in Lebanon, and they are being paid for this.

SA: I think we're taking this too far, blaming or judging people in certain areas. These people are victimised and making use of their victimisation.

BA: I agree, what I'm saying they have the ability to affect stability, but they cannot influence political change or rules. When no one passes the official exams in tebbani, you can't expect these students/inhabitants to positively influence anything. I would also blame the educational ministry for not taking this into account and changing something there.

Moderator: Which institutions matter most to you, in your daily life?

KD: The state. The ministries. Example, if I have a degree from abroad, it would be so difficult to attest my degree. There isn't one specific institution, but a bunch of institutions. I lost my ID in 2005, till now they haven't sent me one. No one was able to help. Ziad baroud started something very important which was the decentralisation of administration.

RK: The Lebanese university. Justice system.

FS: The ministry of labour, ministers keep changing after some good plans/projects are proposed. No sustainability. For example, Kafala (sponsorship) system that minister Nahas was working on, now it has stopped.

KD: Ministry of education, educational system needs to be updated. There is no orientation for students concerning the job market, jobless people are graduating. No ministry of planning.

SA: Public servants have strong security, they can talk to anyone is a bad way, knowing that no one can hold him/her accountable. Knowing that he/she will always have his/her job, no regulatory bodies. The audit bureau is not doing its job, there is no regulation, no one cares about the reports it drafts. It is not a matter of corruption; it is the mentality of public servants, ignorance.

Moderator: Would this cause instability? Such a culture?

SA: It is not the main reason, but yes, it is a driver, people getting used to making phone calls or having a wasta to get things done. However sometimes we are shocked when papers/processes go through, which would temporarily make me want to trust the state again.

AS: There are no plans/strategy for ministries to carry out projects. There is no orientation.

BA: The culture – for example in the ministry of justice you have judges who are not good. But where did they learn to be like this? Not at home, it's the system that spoiled him/her.

SA: Accountability. Teachers in public schools act like public services, they teach in a careless way. Students are being taught to be radical, sly, dishonest, students are taught to lie.

Ali: The ministry of interior. When i want to apply for a passport, 4-5 people want to interrogate me. I can just give \$100 to a simple employee and he can get me my passport.

Moderator: What could undermine Lebanon's state institutions?

AS: To just sit around and criticise. What we would should is that students should know their rights, mechanisms at the ministries, awareness for the citizens.

FS: The psychological pressure worries many of us when we need a paper or services from state institutions. I am very pessimistic. There is nothing tangible, the system needs to collapse. People have become part and parcel of this corrupt system. We need enough people to go crazy and revolt against the system, ministers who are not doing anything.

OH: Corruption and embezzlement is what weakens the state. Two years ago, the courts lost my file concerning my car loans. I spent 2 and half months trying to get my papers done, so i wanted to sue the judge who lost my file. When i got home, my relative who

works for the ministry of justice called me telling me that he would've helped, and telling me not to sue the judge since he is his friend.

BA: There is some optimism; civil society is doing a good job drawing people's attention to things. The masses need to move and change the system. Every small gain should be publicised. Small things at first. I can start from the street i live in, the building, the neighbourhood.

KD: People are the source of power/legislation – we need a new and fair electoral law.

Ali: Participation of the youth. These youth should be put in the right places since there are lots of credible and qualified Lebanese.

Moderator: Which institution represents you the most?

BA: Although I disagree with the LAF at so many times, it is still the closest to me. Plus my brother, and relatives are in the LAF. The LAF is diverse, and is neutral, and is diplomatic in dealing with all the sides.

SA: The parliament could be.

BA: Not one MP represents me.

SA: What do you want me to say, the social welfare system represents me? (*laughter*). I was going to say general security since my passport is easily processed, they are more efficient, procedures are there.

RK: Economic and social council, was supposed to be established, but it wasn't.

BA: I heard that the TVA office was technologically advanced and I heard good things about it.

SA: I want to change the question to what institutions do you think are up to date. What would represent me is a syndicate for NGOs (when/if established).

Moderator: What specific steps should the government take to increase your confidence in its institutions?

KD: Traffic jams. They can solve these problems by increasing the salaries of the ISF.

OH: Ministry of social works – it has taken 6 years for a tunnel to be built. Since the end of the civil war till now, we haven't had proper electricity and the ministry of energy keeps saying that the generators need to be changed.

Ali: Social works need a collective approach when construction anything – planning, we need a ministry of planning.

BA: The oil excavation. Till now we have not reached a common ground, whereas in Cyprus and Israel they have.

FS: Laws should be changed, others to be implemented. Domestic violence law should be approved as is. It is so simple.

SA: I agree with Ali. The cooperation with youth. However things are very complex, there is a system of corruption that is protecting most employees of public institutions. There needs to be transparency in all public works. And in all ministerial projects.

RK: atomisation, many administrations lack new technology, and expertise.

AS: Atomisation, transparency, online presence of state institutions.

OH: Municipalities should work on themselves. They are infiltrated by political parties.

BA: Civil society should be more confident in themselves. Women's rights, smoking in public places etc, these are all initiatives started by civil society – we must carry on and pressure the government, which would strengthen us and we would gain more confidence. We should first enforce new measures to the government.

Moderator: Do you think other Lebanese or external actors can and should support government action to reform Lebanese institutions?

BA: I am with the government receiving funds, however I do not trust the government to directly receive funds from international donors, unless they declare where the money is spent, and that regulatory bodies oversee this.

SA: These funds are only empowering zaims, unless there are regulatory bodies and watch dogs. On another note, I fear that if we were to pressure the state we will end up confronting a mafia – I don't think civil society can do that, it will get screwed. For example, if we were to pressure for electricity, we will end up confronting the generator mafia.

KD: There shouldn't be a political agenda behind these funds. They should be targeted. We won't need funds from abroad if the central bank increases its loans. Micro finance for agricultural projects for farmers in the village – they won't need to come back to Beirut.

SA: I am against funds for changing/better state institutions.

BA: True, instead they should work on bettering prisons, or building infrastructure.

RK: At the end of the day we have a lot of debt. If USAID came and funded our public schools this is great, but not that if one steals these funds.

Moderator: If you had 5 minutes with the Prime Minister or Speaker of Parliament, what would you tell them and why?

Ali: Berri, civil rights for Palestinians.

KD: PM, concerning policy making, not everything is tourism; there are other sectors, like agriculture, industry etc. Berri, where is the development in the south? Why are there huge schools in the south if there are no inhabitants?

SA: Berri, I have a picture for you, if you don't leave I will publicise it.

BA: I would ask them all to leave. And to think about how they will be mentioned in the history books that I hope we will draft in 20-30 years. I want to remind Mikati of the school which he initially promised for the poor in Tripoli, which turned out to cater only the rich, mainly his protégé.

OH: It's useless.

FS: I would kidnap them. There is nothing positive they can do.

RK: Berri to leave.

WDR Focus Group 5

Politically Active

6/6/12 10:44 AMPM

Brief introduction of the participants: Democratic Youth Union, Syrian Socialist Nationalist Party, Progressive Socialist Party, Lebanese Forces, Communist Party

Moderator: What are the things that worry you or affect your peace of mind every day?

ME: The future, I feel that we are in a country that does not know what is waiting for us in the future. The economy.

SM: The political situation, not knowing what could happen.

EK: The security, which is being controlled from outside. The living conditions, school fees, and job security. One has to wonder whether he/she should stay or leave the country.

Moderator: In your opinion, what are the primary threats to Lebanon's stability now?

ME: Armed factions, and the absence of a state, a real state should have a monopoly of power and decision making. We don't have this basic norm, instead there is Hezbollah.

SM: there is an absence of citizenship; there is no loyalty to the state.

EK: Hezbollah's arms is a problem, but the slogan 'Lebanon first' is wrong. We are separating ourselves from the Arab Israeli conflict. Israel is a bigger problem than Hezbollah. The US. Internally, there is monopoly of corrupt people on the banking sector. Which has cause immigration, other problems. And lastly, sectarianism.

Neamat: In Lebanon we disagree about everything, economy, politics, even our citizenship is looked at differently. Sectarianism threatens Lebanon; we are only loyal to our sect, which overrides everything else. There is always a sect trying to rule. We are split between a momana3a, and a Lebanon first agenda. We have a poor economy, political situation, etc. There is no Lebanon to be threatened, there are 18 Lebanons.

TD: (1) Hiding behind sectarianism, ex criticising the PM would mean criticising his sect. So one would be threatening his sect, which would lead to instability. (2) Sectarianism in public institutions, who are recruit their employees according to their sects. The Taef agreement made things worse. (3) Unequal development, causing marginalization and pushing people to becoming prone to radicalization. The suburbs in Beirut, in Tripoli, there is no development there.

Moderator: What do you think are the greatest sources of injustice in Lebanon today?

TD: The constitution

ME: There is no state, no basis for a state, economy and political are almost non-existent. No one can take decisions and are threatened. Absence of accountability.

SM: The political system. I cannot do anything if I don't have a political cover.

EK: The structure of the state, who are the Lebanese? Are they a bank? Drug traders? In Marxist thought there was specific class of people before the war, and these people have changed. I am for example living in an area that always has electricity, whereas other areas don't. There is a class of people who are benefitting from this status quo. This country cannot be built by business men, it can be built by economists.

Neamat: Food security from north to south – there have been tons of spoiled food discovered, but no one has protests. Instead people are saying that there will be a political cover for this, and people will forget about it. The reason is because of sectarianism, that's the first thing people look at, whose sect does this thief belong to? The sectarian system is the source of victimisation. The absence of a proper and healthy system that can hold the country together.

TD: The constitution which is a result of colonisation. Citizenship. Ever since the Taef agreement, Lebanon is not sovereign. When a government is absent for 6 months, and then one is created after king Faisal and Bashar meet, all Lebanese should just resign.

ME: The main problem is also in the Lebanese themselves, they do not believe in accountability. If I like a certain minister who agrees with my party then it's fine. The minute he changes allegiance we begin to hate him.

Moderator: Do you think economic variables play a factor in Lebanon's security and stability?

TD: There is no economic system in Lebanon. We are a society that is in debt, living in paying back the interests of loans. The economic situation creates all sorts of problems, like unemployment and crime and immigration.

Neamat: We are a consumer society. Paris I and II etc made things worse for us economically. Lebanese are born with debt. Tourism is sometimes the only source for income, whereas other sectors are handicap. Crime, suicide, and immigration are very high in Lebanon due to the economic situation. There are hundreds of kids begging in Hamra. This will not only cause instability, it will cause terrorism, radicalisation, or immigration.

SM: I cannot say more than what has been mentioned. The current economic situation is feeding into the current regime.

Moderator: How do you think regional developments affect Lebanon?

EK: A lot. The Syrian developments have increased the prices of real estates. Politically speaking, if the Syrian regime losses what will happen to Hezbollah, march 14? More violence? Samuel Huntington's theory of the class of civilisations – a Sunni Shia clash.

ME: Yes of course, for example what is happening in Syria has caused a shift in politics in Lebanon.

TD: No it doesn't influence. After the 2000 liberation, and the 2006 war, Lebanon is no longer influenced. On the contrary, Lebanon influences other countries. Syria and Lebanon mutually influence each other.

SM: Yeah but you just mentioned how the government was formed after Faisal and Bashar met.

T: When the ICC was established it was to bring down the Syrian regime. And that for Lebanon not to be the defender of Syria – so this is how Lebanon influences Syria.

Do you think the Lebanese overestimate the influence of external actors on Lebanese affairs?

Neamat: What happens in Lebanon also influences regional counties. Lebanon does intervene in Syria, for example the security council and Lebanon's stance. Any regional developments will affect us – nothing is blown out of proportion.

ME: when you have an armed party that is loyal to another country – to the ayatollah, there is no mobalagha.

TD: Any political movement, if you monitor what flags were raised, show that they are allied to other countries.

Moderator: Which institutions matter most to you, in your daily life?

TD: State institutions are all interlinked. Ex a project to be implemented by the ministry of tourism will need all other ministries to implement it. The ministry of justice matters the most to me, because it holds people accountable to their actions. A proper justice system to speak and work on behalf of the Lebanese, to preserve and protect their lives.

EK: The ministry of justice. And the ministry of education, so that there can be schools to bring up better generations. Teachers need to be trained, we need to have a rational and object history book.

SM: In an unstable country, the ministry of defence and interior. Although I think there has been political intervention. The LAF is still relatively intact.

ME: Justice, defence, interior. We need an army on the borders. We need a justice system to hold people accountable, and people need to live in a secure environment.

Neamat: All the institutions are equally important. The ministry of education has to make sure that there is a synchronised educational system for all schools. When a Lebanese sees a high calibre judge getting away with violating the role, he/she will do the same.

TD: The LAF on the borders.

Moderator: What strengthens the Lebanese state?

Neamat: Working on citizenship. We need to first work on Lebanese loyalty, freedom of expression, placing the right people in the right place. One should not turn to his sect or zaim for services. We need a new Lebanese system – a new civic rights. A new electoral law. As a woman, I cannot give my kids my nationality if their father was not a Lebanese. I cannot get civil marriage here. I cannot work in government jobs without a certain degree.

TD: Devolution of authority, not just in the government, but also in the political factions. Separating religion and politics. Establishing a new electoral law. Establishing a new justice system, establishing a ministry of planning.

ME: Citizens should work on themselves.

EK: The citizen, sectarianism, but there is something we should shed the light on. This system is corrupt. Sharbal Nahas is an example. I believe in the state, etc, but Sharbal's political party that appointed him was involved in this political and corrupt game. The youth should play a big role in bringing down the sectarian system.

Moderator: Which institution represents you?

Neamat: There is not one institution that represents me. We are being represented by the elite of sects. The parliament does not represent the Lebanese. The port and airport are very corrupt, and nepotism is used to employ people.

SM: All institutions don't represent my ambitions. All these institutions came to power by us, we voted them in.

ME: Some people in the parliament, mainly the political party that I am from, represent me. but the parliament as a whole doesn't. I feel partially represented.

EK: The parliament, not because its president is strong or its employees are so qualified (sarcastic), it's because I am looking forward for a person like Najah Wakeem (extreme anti – Rafic Hariri) to expose all the corruption going on.

TD: This is a decayed system. There isn't one ministry that represents me. However Ali Kanso (SSNP) is our representative in the parliament.

Moderator: What specific steps should the government take to increase your confidence in its institutions?

TD: Anything can cause a gain in confidence. An example is the Aoun's party at first claimed that they will bring change, which made people happy for a while, although nothing was done. Road works – that simple.

Neamat: There are decrees to be legislated, mainly related to women's rights. Ex, domestic violence, nationality. If these decrees were approved it would bring confidence. The electoral law. Health insurance. Any of these three if they were to come true, I would gain confidence in the state.

ME: When I see a policeman writing a ticket I am happy. Such small incidents that remind me of the presence of a state. Traffic regulation. Even though I don't like the minister of telecom, when the phone rates were decreased, I felt happy and confident that something was being done.

SM: When I see public works on the road. The electricity. Regulatory committees, black market.

EK: For people to be held accountable. The way security personnel treat citizens. Protestors shouldn't be beat up by the police. A long-term economic plan.

Moderator: Do you think other Lebanese or external actors can and should support government action to reform Lebanese institutions?

Neamat: Nothing is for free. This needs to be monitored by the state. For example, if an American company was to help fishers, we would want to know how. Many organisations sign agreements with donors who believe that some Lebanese parties are terrorists. Where did all the funds from the Arab world go?

SM: No, there is no such thing as free assistance. At the end of the day, it is all used for political gains.

TD: We can't even make matches in Lebanon. Therefore, we need assistance from abroad, but it should be regulated by the state. There are some partnerships that we don't know anything about. Empowering the LAF, US vs. Iran – both have agendas. The international community is in charge of funding. Funds that have been allocated for Lebanese after the 2006 war have been reallocated somewhere else.

EK: I am not against us receiving arms from anyone, but we need to know what is required in return. I know of employees from the IMF who have destructed countries, played a destructive role, like for example the Argentines.

Neamat: We should empower regulatory bodies.

Moderator: If you had 5 minutes with the Prime Minister or Speaker of Parliament, what would you tell them and why?

ME: Berri just leave.

SM: I can't talk to the SP as a SP, i have to talk to him as the leader of Amal. PM has not political weight, don't have anything to talk to him about.

Neamat: PM's economic plan is a disaster for Lebanon. The PM should look to George Ibrahim Abdullah who has been falsely charged and has been in jail for years. Berri should leave, new electoral law in case he will obviously be around until he dies.

EK: PM to look to George Ibrahim Abdullah. I can't stand Berri.

WDR Focus Group 6

Private Sector

6/6/12 10:44 AMPM

Brief introduction of the participants: Professor at the University of Saint Joseph, The Daily Star, Grandstands, law firm.

Moderator: What are the things that worry you or affect your peace of mind every day?

MG: Many things, one of them is of course we have to have many jobs to have a proper income. There is no stability; you won't know if there will be a decrease, or even increase in work.

TC: Three things, noise pollution, pollution, there is no urban planning, no global structures – there are small structures that may grow bigger. If I were to take a certain road to my work, it might change the next day, no street lightening. Since there is no public transport, there is a lot of traffic, so I cannot set the right time to get to my destination, in contrast to Europe were one can easily plan and know how long it will take to get to a place.

TO: The future, a young man who needs to start from scratch will face a lot of obstacles, which causes immigration. We all want to stay here but there is an absence to the basic needs.

Moderator: In your opinion, what are the primary threats to Lebanon's stability now?

TO: The security situation.

MG: There are several factors of stability. First of all, the security level, like any armed conflict. Other factors like poverty, accompanied with ignorance and illiteracy. This is a dangerous cocktail, in addition to radicalisation amongst all sects, and intolerance – ‘only I know, the rest don’t know anything, if you don’t agree with me you are my enemy.’ This is an explosive recipe. There is no critical way of looking at things. No critical thinking. Environment – for example, fishers, there is no more fish. No more timber because of the construction boom. All these factors can cause instability.

TC: There is something a bit weird, which is a cause and consequence, the general spirit/attitude of citizens. Everyone works on a short term basis. Example, investors want maximum profit at the shortest period of time because of the instability of Lebanon. This results in the mobile structures that can easily be moved as soon as a conflict takes place. For example, when I was in Germany I met a person who works in assurance, he could not work in Lebanon because Lebanese wanted to have big profits – he couldn’t have long term working friendships either.

TO: I agree with everything, in addition to the security situation, which does not encourage anyone to invest. The political and security situation leaves no room for long term projects.

MG: I would like to add an additional factor, which is the justice system. It does not give confidence to the Lebanese, because of the slow bureaucracy due to corruption and politics. There are a small number of judges whose hands are tied because they are pinned to politicians. Ex I have a law case from 1964 which just started. This creates a ‘now or never’ attitude, where one cannot defend his rights – this all causes instability. You need three legs for the country to stand up, legislative, authority, the third is the justice system, so the country is limping.

Moderator: What do you think are the greatest sources of injustice in Lebanon today?

TO: Huge discrepancies/unequal development in regions.

TC: No equal access to education in Lebanon. There is a big struggle in Lebanon; there is no way proper access to education.

MG: There are no social comfort networks – education, social welfare - no medical systems help, no social welfare for the poor. People who aren’t educated cannot help themselves when they are in trouble.

Moderator: What can cause violence and trouble in Lebanon?

TC: When you are living in a poor area with uneducated people, it is easy to recruit and boost radicalisation. So there are grievances that can be tapped into to.

MG: It is not just access to education. It is access to the legal system. For example, there is a poor family that is living in an apartment in Tripoli. They are all uneducated and sent their kids to school. One of their kids has a long beard, the other has a hijab. The owner of the building asked them to leave and that he wants back the apartment (old rent). The daughter approached me and asked for assistance. If it weren't for that, what could have happened? There needs to be a legal aid centre. People need legal advice.

Moderator: Do you think economic variables play a factor in Lebanon's security and stability? If so, which variables and how?

MG: You mean the absence of an economic system?

HA: By default economy affect stability. Poor families can become radicalised. But concerning the economic policies for the past 9 years, we have been functioning without a budget, whereas Lebanese abroad are financial experts and well known consultants. Militias have removed their road blocs from the streets and put in the parliament.

MG: Lebanon's economic problems have always been around since same problems since the 50s, bread etc. Poverty will cause violence, look at those who steal in the streets. Those who close down roads, drive in the wrong direction, throw things off the balcony – and on top of that, if one is poor, what do you expect from him?

Moderator: How do you think regional developments affect Lebanon?

TO: Directly, the majority of Lebanese have become politicised. If anything was to happen abroad it would be felt here.

MG: On the contrary, because of these developments regional powers have no time to cause trouble in Lebanon because they have a lot on their plates. What is dangerous is when the political game is shifted to armed conflict amongst political parties in Lebanon. My suggestion is to ask to what extent can this political situation turn into an armed conflict.

Do you think the Lebanese overestimate the influence of external actors on Lebanese affairs?

HA: I agree with the doctor, Lebanon cannot currently be a battlefield because of the regional developments. We are not chauvinists though, but this can relief us for a while. However, Lebanon is influenced because of the proxy relations between political parties and other countries. The most well equipped party is currently Hezbollah, however they do not have a say. I am worried about the North, which is similar to Syria – Alawites and Sunnis, where it could easily blow up.

TC: From a psychological point of view, how much do they overestimate their influence? Well, there are these fears from the civil war amongst those who lived it. This is influencing the new generation – they tell their kids that although you are living in stable times, anything may happen.

MG: I think Lebanese blow things out of proportion. Lebanese lived 15 years of war, in Europe after 5 years of war Freud provided them with studies and analysis, whereas in Lebanon no one did. There is a paranoiac attitude amongst Lebanese. When I was in France I was on a bus and I heard a very loud bang, I jumped up and screamed whereas everyone else was relaxed.

Moderator: Which institutions matter most to you, in your daily life?

TO: Financial institutions, which should work in parallel to other projects, our economic stability. We don't have the tools so these institutions assist us.

TC: Advisory Council – Lebanon is being led by powerful individuals. The AC empowers the state and government. No one even wants to resort to the AC.

HA: The parliament, which is the legislative authority in the country. Before the assassination of Hariri, the parliament allocated 0.1 percent of the national budget to the agricultural sector, they wanted the whole country to be based on services, a big hotel. So when a parliament votes (with a majority) on such a budget, what will happen to the Lebanese? Yes the AC is a need, for example, the recent raise in salaries, they all evaded from the AC because there was no way such a plan would succeed at the AC.

MG: The justice institution – the administration of the justice system which is handicapping the whole country, causing an increase in prices. There is a sector that is both private and public which is the educational sector – when will need to focus on the young generations if we wish to have a better future, since those who are in their mid twenties are a lost case – they cannot help better things.

Moderator: How can institutions strengthen the state?

HA: Accountability. Example, Lebanese will never cross a red light. The feeling of someone watching you and hold you accountable will strengthen the rule of law.

TC: Yes, but as a first step. As a second step it's the kind of approach for reform. Example, you should educate citizens - financial punishment should not be the educator – they should know that crossing a red light may kill someone; they shouldn't cross in fear of having to pay a fine.

Moderator: Which institutions matter most to you, in your daily life?

MG: Not one.

HA: There isn't one institution. Maybe civil society, but not one body or entity.

TO: Municipalities.

MG: I just noticed that I am from a different generation. We do not belong to Lebanon which is now.

Moderator: What could empower Lebanon's state institutions?

HA: A fair electoral law. This will never pass because the elite always has the sectarian threat ready and use it to fight representative electoral laws.

Why don't you feel represented?

MG: Until now, I do not have a contract with the Lebanese University. They have tried to take 5 percent of my salary, I appealed and they never got back to me. My state is stealing from me. They do not represent me. In universities, students are just giving

passing marks – in private schools/universities they pass students so they don't have a bad reputation. Others have a sectarian approach, like more Christians are passing in this school and vice versa. Politics and sectarianism infiltrates the educational institutions. There are some professors that don't teach anything. There is no code of ethics for education, and then you run into sectarian issues like 'Christians don't want to talk about this Muslims don't want to education about this'

TO: Ministries do not have the proper structures, there is only nepotism.

What can be done by the state to regain confidence?

MG: Collection and sorting of garbage - this is very easy and can be done quickly to have a clean country. We want a clean country. (2) Green areas in the city, which is not expensive. For example the Dam w'al Fariz area in Tripoli has no green areas. Greenery is comforting, and it sucks up pollution. People have the right to send their kids to run and play. Rich families can afford sending their kids to health clubs, whereas poor kids play with garbage.

HA: I agree with Marie. I would like to add the traffic laws. When I was in Qatar Lebanese were great drivers, knowing that they will be punished.

TC: Civic behaviour. When I travel abroad I feel that a state exists because I can feel the civic behaviour, how people act in a civilised way.

TO: When you stop seeing people trying to get into a hospital and cannot because he/she is poor, same goes for schools – we are always worried about our day to day lives, whereas abroad they don't.

HA: Personal status laws. For example, civil marriage that happens abroad and is registered here – this is hypocrisy, and it is only for religious figures to stay in power.

TC: Planning and organising by the state – electricity and water – what roads to take – when I feel that I don't need to plan these things, knowing that the state is taking care of it, I will feel confident in my state.

Moderator: Do you think other Lebanese or external actors can and should support government action to reform Lebanese institutions?

MG: The state doesn't want help.

HA: It's the other way round.

TO: Even if they did provide us with support we don't have the right people to handle it.

TC: I am with this assistance, but these entities have to be strict with their funds.

MG: There are many funds for the Lebanese state, security and environment sector. But what is happening is that for example Lebanon has signed the convention for biodiversity, for the protection of rivers. But all our rivers are in a disaster. A mafia has taken control over our country. I don't know how we will get rid of them, there is no drivers for change amongst them. This system is corrupt, and they fool people by passing decrees and not implementing them.

HA: The smoking ban is another example.

Moderator: If you had 5 minutes with the Prime Minister or Speaker of Parliament, what would you tell them and why?

TC: SP – leave, it's enough, 20 years is too much. PM : I hope you would behave according to the education you've received.

TO: PM : lets us all start thinking in the interests of this country, and not just individual interests. We need a technocrat government.

HA: SP : Berri keeps saying that he is with abolishing sectarian politics, I told him that you will lose. His answer is that he is with abolishing, but since there is a sectarian system he will have to take care of his sect. But if things change, he will reconsider. With PM – there are some state employees who don't have a legal status, but are there because of nepotism. PM said that he couldn't remove them because he will be blamed for removing Sunni employees that came during Rafic Harriri's time. The biggest problem is the sectarian system, which is used as a stick – used to manipulate.

MG: The Lebanese are hysteric, maybe they need more sectarianism to calm down. Both PM and SP are sectarian. I would ask them to clean the country, which is more tangible. The sectarian problem is entrenched in our country.

HA: People in Ziad Baroud's profile are needed.

TO: Appointing the right people in the right place.

Full Transcript of Focus Group 1

The following is a complete transcript of the Focus Group 1 session, for which notes are provided above. Other focus group sessions are recorded on audio file but have not been transcribed in full.

Diana: Good morning. We are pleased and honored to meet you. I know we woke you up earlier than usual on a Saturday, but I hope you'll feel comfortable [here]. Danny, if you want to explain a little about the project before we begin.

Danny: this is a closed session, and nothing of what we will talk about will be published. Your thoughts and opinions will be used to come up with a draft proposal for donors in Lebanon and abroad. So please, say what's on your mind and don't hold back so we can get the information needed for this proposal related to the World Developed Report. Diana is going to pick your brains on certain themes related to the relationship between the state institutions (official and unofficial) to the state's abilities.

Diana: Like we've said before, my name is Diana and I will be with you this session. I will ask some questions, which you will answer. Anything else (...) as long as we focus on the questions posed. Please, introduce yourself.

Khalil (...)

Diana: Khalil, what do you do?

Khalil: I am a research officer at the Arab NGO network for development. I'm currently coordinating the Rio+20 and following up on sustainable development nationally and locally.

Samer Abdullah. I am the general coordinator at Nahwa al-Mouwatinia, so I coordinate what goes on there. We work mainly on Youth participation and influence on policy making. We try to turn political material into educational material in the form of exercises and then distributed it in high schools. At the same time, we try to work on the issue of reform and parliament transparency. We have an ethical observatory that works to inform people about what the MPs are doing.

Bilal Ayoubi. I'm a project development specialist with OTI (office of transitional initiatives). It's a donor office affiliated with USAID. We work in the North, in Akkar and Tripoli. The OTI programs cover a large array of subjects, some of which are working with youth, stability, conflict resolution, engaging youth in civic activism, creating alternatives for (...).

Diana: And advocacy

Bilal: Definitely

Omar (...) Currently any accountant but also a trainer in NGOs.

Diana: A trainer in what fields exactly?

Omar:- capacity building, conflict resolution, (...) , non-violence, and (...)

Farah Salka. I'm the general coordinator at Nasawiya and anti-racism movement. We work on gender issues and with migrant domestic workers.

Diana: please raise your voices so we can get you on the recording.

Rabih Kays. I'm a lawyer and university professor. I'm also the program director for an NGO called Lebanese Foundation for Permanent Civil Peace.

Diana: Welcome. My first question for you is: what are the things that cause you daily worry or that affect your peace of mind?

Farah: the sectarian system

Diana: give me an example.

Farah: Everything... Like the laws, representation, everything directly or indirectly, the situation of women in Lebanon, corruption, electricity. Nothing is unaffected. I feel it is one of the root causes for all the problems we have.

Diana: Ok. What else?

--: the sectarian system does not give me daily worry. I'm against it, of course, but it doesn't constitute a personal, daily worry. Personally, I never finished college, and this is a long story. Currently I'm working on getting my degree, but if one day I choose to call it quits, [what I am] is not enough. I have the needed skills, but I feel that should I decide not to pursue my degree, nothing will be taken into account in the job market [other than my degree]. This is the first thing people look for on a CV. And so my worry is basically worry about the future and how it will be for me. This is very personal.

Diana: Can we say that the problem is unemployment and stability?

--: Yes, and the standards we apply to judge people in Lebanon.

Khalil: I think Farah said it first, and it's the sectarian system. I will give a general umbrella. The problem in Lebanon is structural, on both the level of institutions and individuals. We don't have a proactive or positive mentality, but always negative attitude. And you will see this manifest itself from the traffic to how the people drive. Also, the problem starts at the individual level to go upwards toward the institutions. I will give you an example: I was a student at the Rahbet school. When I got to grade 12, I wanted to go into Economics and Sociology, a section that was not available at my school. So, I chose to go to a public school instead. I wish I never did. You're a university professor and you know how public education is. One Saturday, I skipped school so as to sit for the SATs at AUB.

The next day, the principal asked where I was. When I explained to him in the simplest of terms that I was sitting for a university entrance exam, he insisted that there are no entrance exams given in the middle of the school year. What do you want me to say?

--: where were you?

Khalil: Bint Jbeil public high school. One gets the sense that there is a certain mentality that we might not want to evolve, or that we have reached a ceiling we do not wish to surpass. In my opinion, I think the problem could be resolved on an individual level, working with the organizations that are concerned with capacity building and raising awareness, as well as with schools and the youth. All this aims to establish a certain youth [movement] since they are the future. So there is a solution for this problem. I'm optimistic about it.

Diana: So you think the problem starts with the educational system that affects individuals, infiltrates one's everyday life and affects the way he treats other people.

Rabih, do you want to say something?

Rabih: Naturally, in Lebanon or any other country, problems vary. For us, there are two types of problems: Personal problems that cause personal worry; and societal or national problems that naturally affect the person because the relationship is mutual.

For me as a Lebanese man, I worry about the future. Is there work? Do I have a project to work on should the donors decide to pull the plug on spending since Lebanon is not a priority? Will I have to look for work? What should I do?

Diana: So it's the societal and economic burdens?

Rabih: Yes, if you will. But these are part of the societal problems. Sectarianism is part of this, but it is not a daily worry that affects my life. I'm more worried about that Lebanon could spiral into turmoil at any moment. Who can stop this? The political instability is affecting us negatively as well as the region.

--: I have nothing to share about daily worries on the long run. But there is something new every now and again.

*Ali Sallam Gebril walks in

Ali: Good morning.

--: (continues) The main concern then was getting the degree when we were in college and what would happen next. Then we started worrying about job security, as Rabih was saying. If I have to look for a new job, this is a concern. As for sectarianism, I agree that it is not a daily worry but it is a root cause. Today, the situation in Syria is alarming as well as the issue of the [spread] of Salafism. Even [singer] Fadel Shaker is a worry. Suddenly, my direct environment became polarized and divided. We dropped the [fight against] the sectarian system and started talking about Fadel Shaker. I feel that the situation here is very fragile. Perhaps we, as a community, have not taken up causes or truly championed for them.

Diana to Ali: Before we continue, what is your name?

Ali: Ali Sallam Gebril (?)

Diana: Ali, we are talking about things that cause you concern or worry. We will hear from Omar and come back to you.

Omar: I agree with Farah that the sectarian system causes daily worry. Maybe it's not a clear [and direct] thing, but it is definitely the cause of all the worry. And with the bad economic situation in the country, they are trying to make people feel that they need their sectarian leader (aka Zaeem). The Lebanese citizen is poor, and thus, needs his Zaeem to get access to hospitals or schools.

Diana: So it's like a vicious cycle.

Omar: Yes, and the economic situation reflects this.

Diana: So we have the bad economy and the sectarian system. Anything else? Ali?

Ali: The situation in general and the changes taking over on daily basis raise concern. You go to bed knowing one thing, and wake up the next morning with things having changed. For instances, I'm worried about my kids: Will they have access to schools or not? To hospitals or not? There are a lot of things that are happening that have become worrisome. This affects us now and our children in the future. We do not know where we are headed.

Diana: What's happening where?

Ali: On all levels and in all arenas.

Diana: Is there something that causes you personal worry?

Ali: For example, what's happening in Syria. Who can guarantee that all parties, whether with or against, will not take actions that will serve the opposition or the regime?

Diana: We will talk about this in a minute. What can we say is the main thing that threatens Lebanon's stability today?

--: What doesn't threaten its stability?!

Diana: Give me examples that could bring turmoil to Lebanon.

Ali: We have heard about armed groups entering Lebanon along the Lebanese-Syrian border.

Samer: There is a group of people, more specifically youth, (but of course not in all areas) who has taken up arms. There are suitable factors that should anyone provide arms, people might be susceptible to it and take up arms. This is necessary to turn any political conflict into war.

Diana: Samer, give me a reason why this is the case.

Samer: Possibly unemployment, low educational standards and all other factors related to education, parents, and the list goes on.

Farah: I don't know. I feel Lebanese want this [taking up arms]. Nothing had changed, and people still have the same mentality and still follow the same leader. There is nothing tangible for one to feel that there's an improvement. It's always the same stories, over and over.

Diana: Give me one example. It doesn't necessarily have to be related to security. It can be political, social ... etc

Farah: I feel that it is possible got anyone to give me money and I will carry arms. This is very possible.

Diana: So you agree with Samer?

--: Everywhere you look, there is a problem, be it cultural, social, environmental or political.

Diana: Give me one example of each.

--: Socially, there's the issue of poverty. Economically, if a financial crisis hits us, the situation [in the country] could deteriorate. Environmentally, there is the issue of garbage. Culturally, there are the ruins that we are selling.

Diana: Khalil, tell me something other than unemployment.

Khalil: Extremism also has its triggers and the suitable circumstances for it to grow under the bad state of the economy as well as society. The political division is a result of [bad] policies and practices that have been instated since the independence, and not just from 1992. Just so people would not accuse us of targeting certain figures. And what's more, there is a sort of militarization of the community, which is aiming the divisions inward and that's reflecting negatively.

Just like Samer said, there is a breeding ground for people to carry arms. And this translates into non-political issues that force themselves into the forefront. For example, if the Champville and al-Riyadi [basketball teams] play against each other, there will be fighting; and if Najmeh and al-Ansar [football teams] play against each other, there will be fighting.

I was watching the Korea vs Lebanon football match at the stadium. The Lebanese who are supposedly there to cheer on their team carried flags belonging to different parties. There Lebanese were fighting each other. And this is Korea, a country from the other side of the world. Even in the media, which supposedly has reach to everyone, we have 7 or 8 channels that pump enough poison for you to have daily worries. You get to the point where you don't even want to listen to the news anymore. Even on the radio, you keep trying to find a channel you like just to avoid listening to the radio. Eventually, you opt for no radio at all. Extremism is on the rise and this is a big problem.

Diana: Bilal, Omar, anything other than unemployment and extremism?

--: I just want to say that all these exist, but they need a trigger. Sometimes, they don't even need a trigger. For example, a certain event would take place that would bring together all of the above. The idea that people are susceptible to carrying arms [is there] but everyone is concerned about how to get paid at the end of the month. When this event takes place, you will see how all we talked about would materialize.

Going back to what affects Lebanon's stability, I think it's the situation in Syria. People could think that if things change in Syria, there will be a shift in the political weight of the parties, or that there will be a sort of score settling in Lebanon. I personally think that there are many people who are living in hope or fear of that happening. This could be enough to have people re-arm.

Diana: To what extent do you think the current regional developments would affect Lebanon internally?

--: Not positively. More of us in this room have tried to take something from the Arab Spring so as to lessen the sectarian division, but it did not work. Like the saying goes: "Wherever it's pregnant, it gives birth here." I feel that people in Lebanon were not so excited about the toppling of Hosni Mubarak as they were concerned by the clashes between Muslims and Christians in Egypt. They received the news differently, even though they were following up on both closely. We are mainly affected by the negative things rather than the positive ones on a regional level.

Omar: I think we are extremely divided. The Lebanese people are divided along political and sectarian lines. Everyone is attached to a certain country. Any change or decision taken in that country will naturally affect Lebanon.

Diana: So we can say that everyone here agrees that Lebanon is highly affected by regional events, or does anyone have a different take on it?

Farah: Yes.

(consensus)

Diana: Ok. So to what extent do you believe the Lebanese exaggerate the magnitude of the effects of regional issues on the country?

Ali and Rabih: A lot.

Samer: I don't think they do.

Diana: Let's see what Samer has to say and we'll come back to Rabih and Ali.

Samer: I don't think they exaggerate. They might say if the regime falls in Syria, then all hell will break loose in Lebanon, but that's only because there is no sense of real stability here. Any country is prone to having devastating events on any level at any given moment. Analyzing and predicting the situation is difficult. There is a breeding ground for many factors that could prove to be catastrophic or marginal.

Lebanon is a country that is highly affected by regional events, and we don't have the building blocks to maintain stability. If the sectarian system was not present in its form, if there was no breeding ground or extremism, and if there was no desire (not just ability) for people to arm, then Lebanon would not be affected by external developments. All countries face similar things and they persevere. But Lebanon does not have the ability to withstand external influences.

Diana: Ali and Rabih, you've said that the Lebanese people exaggerate.

Ali: I believe they exaggerate because political parties in Lebanon are connected directly to [foreign states]. The saying goes: "If it rains in Russia, we open umbrellas here." If you turn on the radio, we listen to what's happening in Syria or Iran or anywhere else before listening to what's happening in Lebanon.

Diana: But this means that the Lebanese do not exaggerate.

Ali: no, they always do. For example, if the regime in Syria fell, people are saying Lebanon will get affected, quickly and hard.

--: Then the [Lebanese] government will change.

Diana: It's possible.

---: No, it won't change if the regime fell.

Farah: So, according to what Ali said, the Lebanese people do not exaggerate. I didn't get what he said.

Ali: No, I said they exaggerate.

Farah: But how? The way you explained it shows that Lebanon is affected by external developments.

Ali: No I was talking about the effects on Lebanon, not the exaggeration part.

Diana: Farah, do you have anything to say?

Farah. No, just like Samer said.

Khalil: If we want to speak geopolitics, Lebanese is highly vulnerable to its regional and global environment. However, I'd say there is some exaggeration. The problem is present, and it goes back to the individual level. This person is being spoon-fed the ideas in the media and from the political parties. We are 4, 5, 4.5 million people. Each one of us considers himself a political analyst. You have 5 million different views on this issue. But there are contributing factors, and as Bilal said, the internal situation is fragile.

Diana: What do you think are the top causes of injustice in Lebanon?

Omar: the laws.

Bilal: and the judiciary. It's unreliable because it is [based] on sectarianism and is corrupt among other things. If I have a problem, the judiciary would not be my first option.

Diana: If you have a problem, where would you go?

Bilal: there are many places to go to.

Diana: No honestly now. If, god forbids, you leave here and get into a problem. To whom would you refer to?

Bilal: To my relatives, because most of them are in the army. A couple of phone calls and usually the situation is resolved. If that doesn't help, I'll refer to my close circle. Two years ago, one could go to Saad Hariri, but nowadays, he's busy. The political situation

does not allow him to interfere, and also because we're fed up with the situation [of needing to use connections.] The person on the other side would not hesitate to [use his connections], and one must maintain balances.

Diana: Other than the judiciary. What are the sources of injustice in Lebanon?

Omar: The Lebanese constitution, the laws and state institutions.

Diana: the constitution, that's a big word. Give me something specific.

Omar: The constitution has allows each sect to have its own schools as well as to have its say in the personnel status law. This is the biggest injustice done to the Lebanese. It automatically ties them to a political and religious leader. As for the schools, every sect has the right to establish its own school in which it can teach its own religious teachings. It is in those schools that extremism is bred.

Diana: Let us specify who is suffering from this injustice.

Omar: Everyone's suffering. All this is directly related to one person, while there is no state that would protect the citizen, who has nowhere to go. Therefore, he is the one who has been treated unjustly.

Farah: All the laws related to women, and the idea that you're living in a country that lacks any mechanism to hold anyone accountable. From the silliest things, like a car accident, to the most important of them, there is no mechanism for accountability. It's impossible. And I don't have any connection. Logically speaking, one should refer to the judiciary should anything happen. One can try his luck, although I know it won't do me any good. Frankly, I haven't had the need to go to the judiciary yet, but if something takes place, I don't have the faintest idea of what to do. [Unfortunately,] this "wasta" or connections we talk about are the only thing that will help you. Theoretically speaking, I'm against it, but practically, I don't know. We're theorizing here.

--: Maybe not you personally, but you too "belong" to some [group]. The man who helped me is going to reap the benefits during the upcoming elections. I'm not saying that's right, but because the system is dysfunctional and because people are not given their rights and because you are being subjected to this on a daily basis (either over a piece of land or a house...etc.), you are forced to resort to this kind of interaction.

Khalil: Generally, other than the issue of the laws, as Farah said, the issue of women is marginalized in Lebanon. We claim that we have women empowerment here, and we do have a better margin for maneuvering here, but we still have a long way to go.

Diana: Other than the laws, the judiciary, the constitution, and the sectarian system, is there anything else?

--: One gets paid \$500 but ends up spending \$2000, where does he get the money from?
[Inaudible]

Diana: It's good that I don't have to respond.

Ali: Just to elaborate on that point, we pay for power and water, but there is neither. And they force you to run a regular car check-up, but have you seen the state of the roads here? You fix the car just to get it broken.

Diana: Samer, do you have any comment?

Samer: I think education. The chances to get an education do not exist for all people. And those [who have not been educated] are part of the group that is being used to undermine stability.

Ali: Can I please also add something?

Diana: Of course, go ahead.

Ali: there is a large community of Palestinians residing in Lebanon. They are allowed to go to school and get an education, but are denied job opportunities. There are 76 or 78 occupations that Palestinians can't practice, including engineering and medicine.

--: are they allowed to study at the Lebanese University?

Ali: Yes. They are treated as a Lebanese is treated. They are entitled to an education in any Lebanese university, but they can't work. The Lebanese University opened its doors to Palestinians in 1990 or 1991. I have a business degree from there, while my brother has a Masters in English Literature. He works at a private school, but they have to hide him when the inspector comes around.

Diana: Yes. Other manifestations of injustice are the treatment of Palestinians in Lebanon.

Farah: And the treatment of the Syrians, and domestic workers and many others.

Diana: Yes. To what extent do you think that economic factors affect Lebanon's security and stability?

Khalil: When it comes to the economy, the policies implemented by consecutive cabinets as well as marginalizing the social conditions while focusing on growth. All they talk about is balanced development, but it's all empty slogans. There are some areas that are being developed at the expense of others, and these areas belong to certain people. This poli-economic clientelism is draining our options. And even the cash flow is restricted to a small circle of 7 or 8 merchants.

Diana: and how does this affect the security and stability of Lebanon.

Khalil: other than unemployment, let's talk about the middle class. I'm restricting this to Beirut. The middle class has left Beirut. A bread winner and his wife who make \$3000 a month cannot buy a house in Beirut. The cheapest area to buy houses in Beirut, the going rate for the square meter is \$3000. Building contractors are now building big flats so they can get their money back, since land is very expensive. Other than the high costs of living, schools, universities, hospitalization...

What's important about the middle class is that it can save and spend at the same time. Once this class is undermined, you will have the stratification of classes, between the poor and the rich. Capital is monopolized by 7 or 8% of the Lebanese people, who have taken over the national income. The poor are getting poorer, and the rich are getting richer, which is creating an unbalance. The middle class is supposed to be the safety valve, economically, socially and security-wise. Random poor suburbs are being formed, which form the breeding ground for extremism, drug abuse, violence and theft.

If we look at the patterns of theft over the past 5 years, we can clearly see that theft is on the rise. The linear function is pointing upwards, which indicates that people are in need.

Diana: thank you. So the absence of the middle class also affects stability. Anything else?

Bilal: The economic situation, like Khalil said referring to the poverty belts. Those people are waiting for someone to pay them to either create problems or keep things calm. And they feel they have the ability to undermine Lebanon's stability. This is a problem. How can they have all this power? This ability to create a war or sedition is not to be underrated. They are getting paid by any leader who wishes to portray himself as the savior.

Diana: Anything else?

Khalil: I think we're taking it a step too far when we judge or blame these people. In the end, they have nothing to do with it, and we can't claim they have this or that ability or that it is scary. They are wronged to begin with, and there are people taking advantage of the state they're in. We can't target them, but we can target those exploiting this situation.

Bilal: I agree. But the idea that they have reached that state, is simply unacceptable. They are no one, but they have the ability to create a ruckus. When the public school in Bab al-Tabbaneh has 0% success rate, it becomes impossible to hold them accountable. I blame the consecutive governments that did not close down the school and that have created a certain state that makes us need to re-think the way education is applied there, then there is a problem.

Diana: Farah, do you have a comment on this before we move on?

Farah: No.

Omar: I have a comment. Like Bilal said, the current situation is a big factor, but stability in Lebanon is connected to a political decision. Even if the economic situation in Lebanon was grand, and people were making \$100,000, if there is a political decision to bring turmoil into Lebanon, then it will happen.

In any case, the Lebanese citizen is following his leader regardless. In Lebanon, it is difficult to start up security issues. There might be a second May 7 and a war with Israel. But it's impossible to have a second civil war. The same [warlords] made up and no one looked into what happened. They lived the war and understood that no one can cancel the other. But when their children come to power, there will definitely be a second civil war, because they have not learned [from it]. The Lebanese people have always been ready to take up arms since 1860. Since then, whenever a new political class emerges, a civil war breaks out.

Diana: Omar, how reassuring. My next question will be regarding state institutions, the official and non-official if anyone knows anything about it. Which institutions concern you the most or you need it the most in your daily life?

Khalil: If we're going to take within ministries, there is a constant interaction with the people. For example, if I want to get my medicine degree approved here, I have to go to the ministries of health and labor as well as the foreign ministry. And I will have to go by the whims of whoever is present and if he wishes to help me or send me on to another person. He wants 20,000 LL every time I have a form to submit. This is not to generalize, but there are cases that one needs to highlight.

Diana: Khalil, is there a private or state institution that you are particularly concerned with on a personal level?

Khalil: There isn't a specific institute, but it's more of a network of ministries. For example, if I get into a fight with my boss, I will need to go to the Ministry of Labor, if I need to get hospitalized and can't pay for it, I need to go to the Health Ministry. For example, I lost my ID back in 2005 and I still haven't gotten a new one yet. Last time I went to the Interior Ministry, I met a senior officer working there. I told him what happened with me, but he was unable to help me. He said that their system shows that I still have my ID. I went to the registration center, and they told me that my ID was sent to the Ministry. Some institutions do not take the Ikhraj al-Qayd when I need to submit my papers. Luckily, I have another passport.

Diana: In your opinion, what is the cause of all this [mess?]

Khalil: Former Interior Minister Ziad Baroud launched the administrative decentralization initiative, which is very important and resolves so many issues. The registration centers in, for example, Baalbek or the North or South, one will need to go to the governorate before coming to Beirut to go to the relevant ministry and get the response he needs. This is wasted time and inefficacy [at its best]. Administrative decentralization could be the answer to all those problems.

--: the Lebanese University, the judiciary, the Social Security Fund must be included for a [respectable] health and economic prospects. These three institutions are important to me.

Diana: Ok, the Lebanese University, the judiciary, the National Social Security Fund.

*Someone walks in.

Diana: Please introduce yourself.

My name is Abbas Sibaii.

Diana: What do you do?

Abbas: I work in the LU (?) and I'm part of the Aie Serve, which is a local NGO.

Diana: We have already started and we're talking about the institutions that concern us on a daily basis. Farah?

Farah: On a personal level, there isn't any. But I work mostly with the Ministry of Labor and with domestic migrant workers. You might think things are going smoothly, until [the minister] resigns or is replaced. There is no continuity regarding anything.

Diana: Is there something specific? A specific law?

Farah: For example, there was the law regarding the system of sponsorship for foreign workers in Lebanon. We were working on the law with Charbel Nahhas. For the first time, someone had taken this issue into consideration. Then he was replaced. This will remain the case, where someone would be working on something and then it's [halted]. It's very demoralizing.

Khalil: even the ministry of education. There is a need to relook into the curricula. The newest curricula were put in 2000 or 1999, and it hasn't changed since. There must be a process to develop the curricula, which could be responsible for the economic and social crises. Fresh graduates do not fit the economic bill the country needs, and universities are graduating people who will eventually become unemployed. Why don't we have a Ministry of Planning? We're the country that needs it the most. We need a national strategy to follow so as to make things clear.

Diana: Samer?

Samer: Every time I need to get a form from any ministry, like the finance or social security or telecommunications, I am faced with a deep, old and rooted problem. State employees (not grade 1 or 2), but the junior ones have an incredible job security, which makes the employee not care how he addresses people. This is something that will be difficult to overcome because it is rooted in our culture. How can anyone perform his duty properly if he believes he's untouchable? Who can fire this person? He is not held accountable or monitored. There are reports and verdicts, but no one implements them. On all levels and in all administrations, if you call requesting information, the person on the line has the audacity to talk to you in any way he sees fit. There is nothing to regulate this. You can curse at him and tell him to put his manager through, but he knows there is

nothing anyone can do to fire him. The administration cannot go on like this. And this is only a case that reflects our stance on economics and society.

Diana: Samer, can we say it's corruption in some state institutions?

Samer: It's not about corruption. It's a matter of culture, that I as a state employee, if I become permanent staff, then no one can do anything to fire me.

Diana: So we can say weak accountability and monitoring by state institutions. Do you think this will cause instability? We are talking about the state and its institutions.

Samer: Maybe indirectly.

Diana: I'm not necessarily talking about security.

Samer: I'm talking about socio-economic stability. I don't think it would be a direct cause for instability, but things accumulate. And the psychological state of the people created by such behavior forces them to call up their connections to attain their simplest rights. I'm trying to simplify things, and usually things do not start with something major. Maybe I need a form, but I will need to talk to a certain person to make the process flow.

Sometimes, and to be fair, I am surprised by how smooth the process can be without any connections. For example, I went once to get licenses for a film festival. It was a mess: you have to get them to watch the films, approved them. Sometimes they ask you to cut scenes out, and start asking questions about the organization. There were things that we simply were not prepared for because it was our first time doing this. It went very smoothly. Even Metropolis Cinema, which works in this field, said that we should apply early in anticipation of trouble. But we didn't get any trouble.

Diana: and how did you feel?

Samer: I felt that I might just have faith in the state again. But then I had to hold myself back and tell myself I shouldn't let this change my stance on the [functionality] of the state.

Diana: Abbas, is there an institution that you care about and if it was reformed, it could affect you positively?

Abbas: Yes. Lately I've been working with the Ministry of Youth and Sports. Every department sends you to the next one, claiming that the other department knows of your request, but no one knows anything.

The thing is: there is a sizable amount of money given by the EU for youth projects. But since the project is on hold, they will not release the money until the project commences. The idea was that the ministry should have taken the lead on this, but now the project is in the Ministry of Finance, as they should release the money because it's in the form of a grant.

In each department in the Ministry of Youth and Sports, there is an EU project, a scouts project and a youth NGOs project. The project in question is misplaced, although the ministry of youth and sport had signed off on it. They supposedly had a person designated to take care of the project. This has been going on for a year and a half now, but nothing has been done yet. If by February 2013 we don't manage to do anything about it, we will lose \$1.5 million for youth projects.

Diana: So if there is a problem within a ministry, it could hold back projects.

Abbas: yes, that's right, especially if had not designated a person to take care of the project. I care a lot about youth and youth capacity building. The Ministry is supposed to be taking care of this, but there is no support or strategy.

Diana: So we can say guidance and performance problems. Is there anything else you want to say?

Bilal: We have all tackled the results, but the mother institution is the school, and this is a culture/way of thinking that should be taught in schools. Therefore, all problems relating to the judiciary and holding it accountable starts at school. There was a program called “Teach for Lebanon”, I don’t know what happened to it, but it stated that people active in civil society will be responsible for what is taught in schools, especially public schools. Maybe the program was halted, or it failed to reach a wider audience, but that’s mainly due to corruption that is against improving the quality of our education. And so is injustice, what do you say when you have 50 or 60 students in one class? This is injustice and corruption. What are these kids learning?

Khalil: For example, the state school teacher and state university professor function in similar ways to the state employee. They go and give a class, regardless of the outcomes. And no one is there to hold them accountable. As Bilal was saying, this is a problem with values. People who are graduating lack the core values. Kids are learning to be dishonest, and are taught to be slick and sly. If someone says they hate lying, you wouldn’t believe them.

Diana: Thank you. Ali, are there any institutions that concern you directly and that could bring stability to Lebanon?

Ali: For me, it’s the Interior Ministry. I go to get a passport, and you can’t tell who’s in charge and who’s interrogating you. Every time I go, at least 4 or 5 officers interrogate me. They tell me to come after 15 days, only to discover that [the processing of] your passport has been stopped. Take the green slip and go to Mathaf. Again, they interrogate you. In the end, you give a random person \$100 to go get you the passport. Sadly, every time you want to apply for a passport, it’s like you’ve committed a crime.

Diana: In your opinion, what is the thing that strengthens/weakens the state?

Khalil: I just want to add something. A while ago, the EU with the Interior Ministry issued the report of “Code of Conduct” for the ISF. The function had senior officers presenting and discussing. So I asked one of them if he can guarantee that the traffic officer not to catcall at my sister when she walks by. He answered, no. Then I told him that all this is useless.

If they want to start from the top and work their way to the bottom, then fine. But there is a lack of morals in the [police ranks] and one senior officer told me this. He said, 90% of my troops are vile. Once his wife was parked and a police officer told her he has to give her parking ticket, so she said ok, apply the full extent of the law. So he said, “Give me your phone number and we’ll be even”. She told her husband about it, but what is he to do? To discipline the officer would be to go through a humiliating process. So there is a very big problem.

Diana: In your opinion, what is the thing that strengthens/weakens the state? Let’s start with what weakens and then what strengthens.

Abbas: What makes us weak is nagging like this and not doing anything about it. For me, the thing that could strength the state is teaching kids in school in (at least) high school their rights and what are the mechanisms they need to know about and how to act in certain situations. Let there be a website dedicated to this. At least every ministry must have a website.

Diana: Clear mechanisms so that the person knows where to go and who to talk to in case he needs to submit a form.

Abbas: exactly. In my opinion there should be awareness raising.

Diana: So awareness and the organization of state administrations. Farah, what do you think?

Farah: you should first trust the state institutions to be able to use them. What has been discussed about the psychological pressure of the process to get a form makes you want to avoid using them altogether. What makes them stronger? Nothing does. We've been discussing the same issues and using the same terms to describe possible solutions. For me, I'm very pessimistic about this.

Diana: We should try to think a little bit more positively.

Farah: I can't give you an answer. There isn't anything tangible to talk of. All [this system] must fall so that new, functional institutions can be built. You need people to create a change, but there isn't enough people. They have become part and parcel of the system. They see and accept all the wrong things around them. I don't want to talk about revolutions or what not, that discourse has been used. But I need enough people to go mad and not accept what's happening around them. What about the minister, whose wage I'm paying, who goes on TV and makes fun of me or takes my rights lightly? If there aren't enough people who get it, nothing will change. And this anger will remain personal anger. The collective anger we need is still not there yet.

Diana: Omar, what do you think strengthens/weaken the state institutions?

Omar: Corruption and taking things lightly. As Samer was saying, the state employee is there to stay. The only way to strengthen the system is by changing it altogether. For example, this happened to me two years ago. I was unemployed and had car loans to pay. I promised to pay off the rest of the loan, get the car and do the paperwork. I went to Adlieh only to find out that they lost my file. I spent two months and a half running between the judge, the police station and the person responsible for getting the paperwork done so I could get a new file, which they had me pay for.

In the end, I went to the judge and asked him where I can complain about the fuss they caused me. He said I write the complaint against him, so I said ok. I went back home, and the phone rings. It was my uncle, who works at the Adlieh. He asked me why I didn't phone him for the file, and I said I didn't want to resort to connections. I was abiding by the law. He asked me why I wanted to write a complaint against the judge, saying he's our family friend! And I told him be it my dad, brother, or uncle, I will complain! And this is one simple example.

Diana: it's good you didn't fight with your mum too; otherwise, you'd be living alone!

Omar: And they have you pay for the file they lost!

Diana: Ok. What else that could strengthen state institutions?

Bilal: In principal, it's like Farah said. This is a system that should be uprooted. But realistically, there should be a two-phase process: one concerning awareness and one focused on finding a solution. With the campaigns against the sectarian system, people started to get hope. The good thing is that there was the campaign "El-Haq Alayi" and others that are being discussed to spread awareness and show that we've had enough. Today, it's good to see sharing information and knowing that nothing can be kept under rug swept, from the smallest thing such as catcalling by a police officer. If all people do this, then you will create a group of angry people who can put a stop to this police officer. Then, no officer will dare catcall in that street again.

Diana: So you think the people should be responsible for this?

Bilal: It can only come from the people. Anyway, the people have no faith in the system. The people must feel that they can make a change, no matter how small. Every little change or success will show. We're talking big slogans and campaigns here, just a small step toward changing a simple thing.

Maybe, when we attacked the sectarian system, it was too ambitious. But we realized this and started the "al-Haq Alayi" campaign which if focused on ministry level. Maybe we should even go lower, focusing on every administration, every street. Why not? I care about the streets I live and work on. Let me see how I can change all the wrong things in these two places, either through social media, websites, or any other means to raise awareness through information sharing.

Diana: thank you, Bilal. Is there anyone who has any comments? Let's be brief because there are some more questions.

Khalil: The state can't get any weaker. The state is dead and we're awaiting its funeral. As for things that might strengthen it: the people are the source of power. We should have a fair electoral law, and we start from there to create a new political class that would rule. We would have to create its platform. If it's successful, then great. If not, that class will have to pay for it during the next elections. The most important thing is for the electoral law to be fair.

Diana: So there should be an electoral law. Ali, anything that might strengthen the state institutions?

Ali: I see this is the job of the youth. In Lebanon, the youth have great potential, but the state is not taking advantage of it. If the youth is brought into institutions [the situation might get better].

Diana: which institutions represent you in public life, be it public or private? Most likely public though.

Farah: None.

Diana: this isn't a strange question.

Bilal: Most of my family is in the army, so I feel like I'm represented there. Although sometimes I don't agree with that they do.

Diana: Can you give me one reason why?

Bilal: My brother and my uncles are officers.

Farah: That's only because you have strong connections within the army.

Diana: The army as an institution, how does it represent you?

Bilal: I feel like it's closer to what we are [than other institutions]. It's not entirely impartial, but it includes all people and so it doesn't take sides.

Diana: It has sectarian balance.

Bilal: Yes there is balance, but in my opinion, it has managed to keep diplomatic relations with all parties and is able to state that it is the final safety valve when things get really messy.

Diana: It is able to keep itself impartial

Bilal: Exactly, I feel it represents me more than any of the ministries that are known to belong to this camp or that.

Diana: Other than Bilal and the military institution. Anything else?

--: There is an institution (...) the army, I understand what Bilal said. The parliament could be one, and it should play that part. The sad thing is that the parliament's structure is built to play that role of representing everyone. While the army also has that structure, it is not its duty to play that role. Perhaps this is one thing that brings us closer to other Arab states, i.e. the army is institution that is the umbrella for everyone.

Anyway, there is no institution that represents me. What? The social security fund would represent me?

Diana: the question is geared more toward your ambitions.

--: If there is a state - not an institution - that should be turned into reality, then maybe. But this remains difficult. I would say the general security; it looks nice enough and organized. The most important thing is to go and get the passport in two weeks, which is processed a bit faster, but still. It's similar to other institutions, but it's more efficient...

Diana: Efficient regarding what exactly? The speed of processing paperwork?

--: administratively, and at least the mechanism is outline and it is clear what one should do.

---: There should have been the economic-social council that should have been set up in parallel with the parliament. It has been abolished. This council is very important to represent people and be a place for dialogue. This institution has been buried.

Diana: Are there any other institutions?

---: They say that the Ministry of Finance is [good] but I personally have never bee. They say they're pretty advanced when it comes to taxation and the TVA. But if we're talking about tax collectors and corruption, there is nothing that represents me. Some people said they have been able to log complaints, but that's probably because the [ministry] gets money from them.

Khalil: can I divide the question?

Diana: What do you mean?

Khalil: Can I talk about the institution that I think is organized and the one that represents me?

Diana: Go ahead

Khalil: I will answer first about the institution that represents me. Syndicates are not institutions that belong to the state, but those must abide by the state's rule and regulations. If there is ever a syndicate for NGO workers, then that will represent me.

Diana: What are the problems or daily issues that need to be tackled? We will talk specifically about the government's work. What are the small things that the government can do to regain your trust as citizens?

Khalil: For example, I want to go to Beirut every day and I always get stuck in traffic. No one likes getting stuck in traffic. But if there is an envoy arriving in Beirut and going somewhere, there is no way you will get stuck in traffic.

Diana: So you want a convoy now?

Khalil: No, but this means that they can resolve the issue of traffic when they put their minds to it. If they have shortage in ISF personnel, so let them recruit some more. Raise their wages. Do you know how there is no work in the country? When people start applying for the ISF, the Army, and general security.

Diana: How do I know there is no work?

Khalil: You'll see, they would open a specialization training session. They would want one person from each sect, and then your connections are what get you in. At the end of the training session, they recruited 50 persons. Minister Marwan Charbel annulled the report of the committee and recruited the members based solely on their written exam results. They chose 50 females and 15 males. This might show that we have developed specialized officers. They also added the number of traffic officers, which means they can recruit new people and resolve the traffic problems. Why don't they do this?

Diana: So, traffic problems and recruiting more ISF members. Anything else?

Omar: I feel this is something that's very difficult to achieve. For example, the Ministry of Works and Transportation and the Tayouneh round about. The project started before the 2006 July War and it's been ongoing since then. Every two weeks, they start new works on different part of the road.

Diana: We've been talking about the shortcomings of the state. Give me some ideas of how to [fix things].

Omar: Since the civil war ended until today, the ministry of water and power keeps saying it wants to change the power plants. They've been installed by the French during the mandate... Now, all they keep telling us is that things will take a turn for the worse.

Diana: What can this minister do to give you a ray of hope?

Ali: I will give an example. Supposedly, when the state decides to build a new road, the ministers of water, power and public works must sit together to discuss and agree on all details. Nowadays, they build the road before they agree on anything. The relevant ministries must work together.

--: This is the Planning Ministry Khalil was talking about.

Diana: Other than the Planning Ministry?

Bilal: resolving the issue regarding the oil. Cyprus and Israel have already agreed on the shares and it's old news to them, while we are still waiting for them to decide who will take the lion's share.

Diana: Making the oil committee more active. Farah?

Farah: I really don't know. Laws must be entirely changed and implemented. There will be hope if the domestic violence bill passes. But if we're still arguing about whether or not when a man hits his wife is engaging in acts of domestic violence and whether or not it's a crime, how can you expect me to give you an example? This is the simplest request. We've worked for 5 years on a bill only to fail. [If it passes], maybe then I will have hope.

Diana: Ok. Samer, anything the state can do to regain your trust?

Samer: this isn't about regaining my trust. Similar to what Ali said, I want the participation of not only the youth, but everyone. This is very complicated. We won't sit here and daydream. I'm sure you're not expecting us to give you solutions.

Diana: Actually, we are.

Samer: Then your expectations aren't realistic. These things are more complicated. When Omar mentioned that he wanted to file a complaint against a judge, there is a whole system that mobilized against this, because if the judge is undermined, the system can no longer benefit from him. The system mobilized to pressure Omar to not file a complaint, and the system is there and it's deeply rooted.

What we are trying to do needs patience. Once we are able to secure a breach somewhere in the system, then the situation won't be like the state of public works. What Bilal said was right, and we can better organize work between ministries. But one must not forget that digging isn't all done because it's needed. The digging continues because there is one person benefiting from it. We might find it unlikely that a person would send people to dig up roads for no reason, but these things happen.

We must force them to be transparent about everything they do. Have them share information with us, even lie to us, at least to feel that they're held accountable. We see that the things they are proud of, they display with great detail. A board stating who's working, how long would take, for what purpose, financed by who... etc. But other road works have no [qualifying boards].

The Tayounch road works are [never ending]. They dig and fill up holes non-stop. I stopped once and asked what this was all about, they said they were installing power lines.

Diana: So we can say it's about transparency?

Samer: Absolute transparency. If the government wants to do something, it must announce it.

--: I want to say something about the process of mechanization. There are a lot of ministries that don't even have computer systems. And if there are, the person operating it is a 70 year old who has no clue how to work the computer. Therefore, updating the state's administrations start with their mechanization and bringing in people who know how to operate them, i.e. the youth.

Khalil: and keeping the staff up to date. They still use paper and pen, and no one knows how to use a laptop. He tells you to piss off and this is exactly what's happening.

Diana: So updating staff and what Samer said about the monitoring staff and holding them accountable. Abbas, is there anything you'd like to add?

Abbas: What I said that there should be transparency, mechanization and give out brochures to familiarize the people with the mechanisms.

Diana: Omar?

Omar: I would like to say that the municipalities must [ensure their authority] as well. Where I live, there is a bunch of people who have put chains on the street to ensure they get a parking spot. When I asked to whom they belong, I was told it belongs to the municipality. I asked the municipality, they said they would not interfere because the space belonged to a person in a certain party. He said that they parking spots are not legitimate, and if I wanted a parking spot, I should go buy one from the party!

Bilal: we must create pressure as the civil society has more confidence in itself to start making things on the ground. For example, the domestic violence bill, smoking in public spaces... etc. All those started from somewhere within civil society, but these initiatives lack the pressure they need to turn them into reality.

Should things materialize due to pressure, civil society would have more confidence and would increase the ceiling of its demands. This means that today, we're placing the foundations, and I know that the state will not implement [the initiatives on its own]. The state will not give us free gifts. Everything we're working for and dreaming of must be planned and demanded, from Horsh Beirut to the domestic violence bill to the non-smoking bill, to the smallest and simplest things. If this happens, then we can focus on bigger issue, such as oil, power and traffic... etc. So we should adopt small causes to

reinstate trust in the civil society before we work with the state. Before we trust our state, we must see it able to deliver so we can feel we have some value and can bring about change.

Diana: Question before last: Do you think there should be foreign aid given to Lebanon to make reforms?

Bilal: Everything runs in parallels. I'm talking about the poverty of the state and it needs help in many realms. This includes the mechanization of the state, bringing in computer systems... etc. But this aid must be specific and has proper monitoring methods because if the money is given to the state, it might not be spent for what it is intended. Same thing happened with the "Dirasati" program, which was given for improving public education as it was unfocused.

Diana: Bilal, let's be specific. Do you think Lebanon should take foreign aid?

Bilal: Yes, but it must be within the framework of absolute transparency, which can't be selective. All people must know how the money is spent, and there should be a partnership between civil society and the public sector.

Diana: So monitoring the grants that should pass through civil society. Samer, you disagree.

Samer: Foreign aid is given to the state for certain projects, but we forget that the state is but a sum of different parties. The aid is enabling people to use the money to achieve some personal gains. If we want to establish a real monitoring [body] by the civil society, the state should know that any aid it takes must be within specific standards targeting a specific group. However, this is very difficult to achieve.

In civil society, we have the problem of lack of confidence as well as communication with people, although we keep talking about the importance of grassroots communications. Farah knows this well. When people take to the streets to demand women's right and the rights of abused women, not all abused women take part. This means that we are unable to achieve the popular support we need. The challenge is to say we need to apply pressure on the state so we can boost our confidence, while will get to that point where we are fighting the system not the state.

For example, when it comes to electricity, we can keep pressuring them and those who own power generators, but right now, there is no clash as of yet. But when that happens, we will not be fighting the state, rather we will be fighting this mafia, and I'm not sure if we are ready to fight off a mafia. I believe civil society is not ready at all, and we will lose if we wage this war. This is because we don't have the popular support we need, while the generators owners have a huge base. If you're going to pick a fight with them, then you should have solid support, which we don't have.

Khalil: It's not wrong to start growing, building partnerships, exchanging monetary and technological aid... As long as the aid we're getting is unconditional, and is not tied to a political agenda. These have to come within international standards and must have an end goal.

Diana: So the aid must be monitored and unconditional.

Khalil: There are some studies that claim that we, in Lebanon, do not need foreign aid. The central bank currently gives on loan between 10% and 15% of its reserves. Should it raise that to 25%, then we will not need foreign aid. Also, the state must activate the product-based sectors, 80% of which are small and medium size enterprises via micro

finance. Then the farmer, craftsman, builder will have no need to come to Beirut as you make available job opportunities and you give him resources.

Diana: We're talking about aid aimed to reform state institutions. Does anyone have anything else to add?

--: I'm against such aid. Entirely.

Bilal: Adopting reforms does not need money. People must be taught how to deal with people.

Diana: Aid does not necessarily mean money, it could be technical support.

Bilal: I repeat that the aid geared toward mechanization could be helpful. They could also build a building and place all the different departments of one ministry in it. The state can provide such help if it does not want to give monetary aid to the ministry for internal reform.

Khalil: if the state is not ready for such aid, then all of this is useless.

Omar: At the end of the day, we have a huge debt. If USAID provides a program such as "Dirasati", what's wrong in that? The wrong thing is to steal the money. Money must be handled transparently. It's like when the minister of agriculture stole \$60 million, spent two months in jail, and then walked free with the money.

Diana: They could provide technical support. Ali, if you have 5 minutes with a senior state official, what would tell him? And this goes for all of you.

Ali: I'll talk to the speaker about the civil rights of Palestinians in Lebanon, because he is the one responsible for legislation

Abbas: I can't answer this question, it's not even realistic. And even if that happened, the framework for us to converse is not available.

Khalil: I would ask the prime minister about his economic and social choices while setting policy. Not everything revolves around tourism and services. There are marginalized sector that have social weight, such as agriculture and industry.

I would ask the speaker about his balanced development plan that he has been talking about since 1992. All the fancy schools built in the South, but it lacks students. Who are they for?

Samer: I would tell the Prime Minister that I have many questions, but I will not ask him anything because he will not have the satisfactory answers. And to the speaker, I will say, I have a picture of you sitting in a chair [at ours], and I will never sell that chair.

Bilal: Why did we exclude the president? I would tell [the officials] that they should resign and think about how they will be portrayed in our history book, once we agree on one in 30 years' time.

To the Prime Minister, I want to ask him about a school he built on the fringes of Bab al-Tabbaneh. We originally thought it was going to be a vocational center for kids in Tabbaneh, so they can learn a craft and find a job. It turned out to be the most expensive school in the North for rich kids that are in the direct circle of the PM. I want to ask him, how can he do such a thing?! And for the speaker, well, whatever you ask him he will find a way to dodge the question.

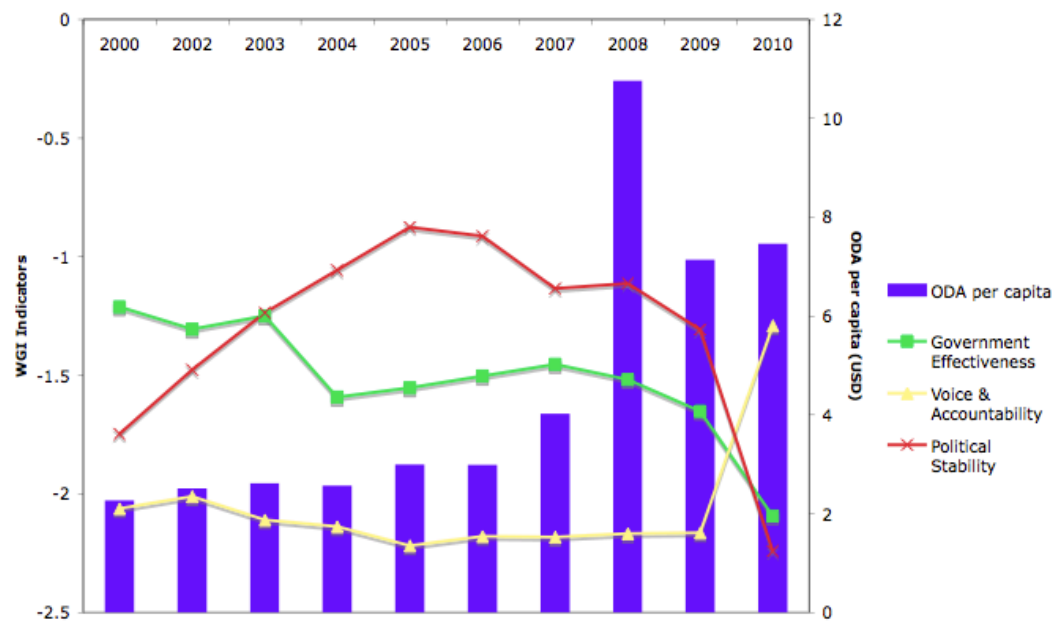
Omar: I don't want to see any of them. It's all pointless.

Farah: I don't know what I'd do. Kill them. Kidnap them. Talking with them is futile, and we'd be kidding ourselves if we thought we'd get our message across.

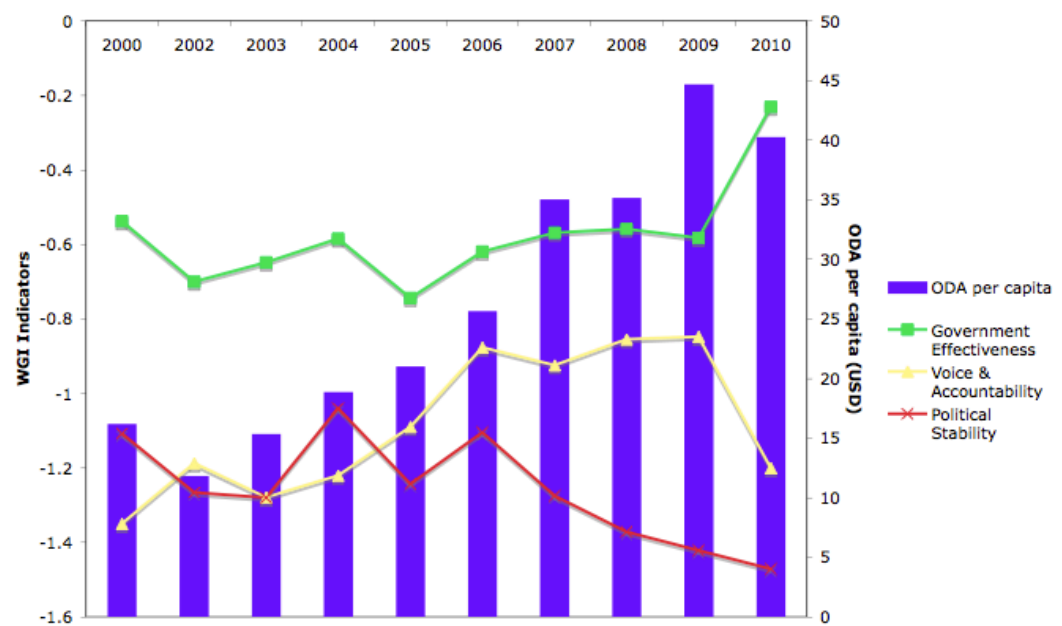
Diana: Thank you so much for being here, and for the wonderful session. Every time I sit with my colleagues from civil society, I get depressed and feel like I need a drink afterwards. Thank you!

Annex 2: ODA& WGI Indicators

Burma: ODA & World Governance Indicators



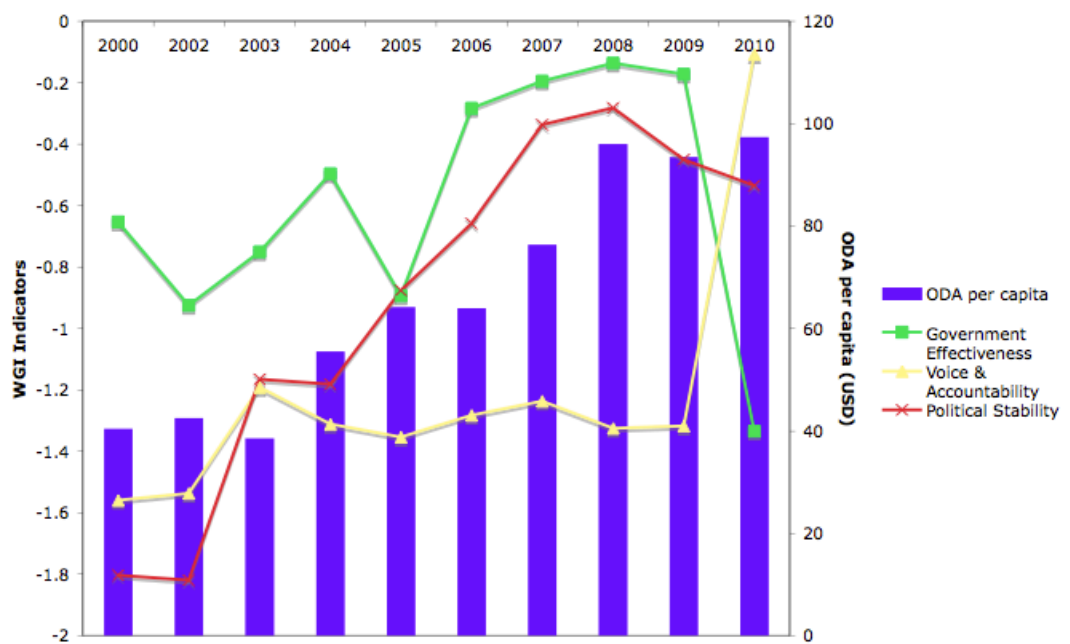
Kenya: ODA & World Governance Indicators

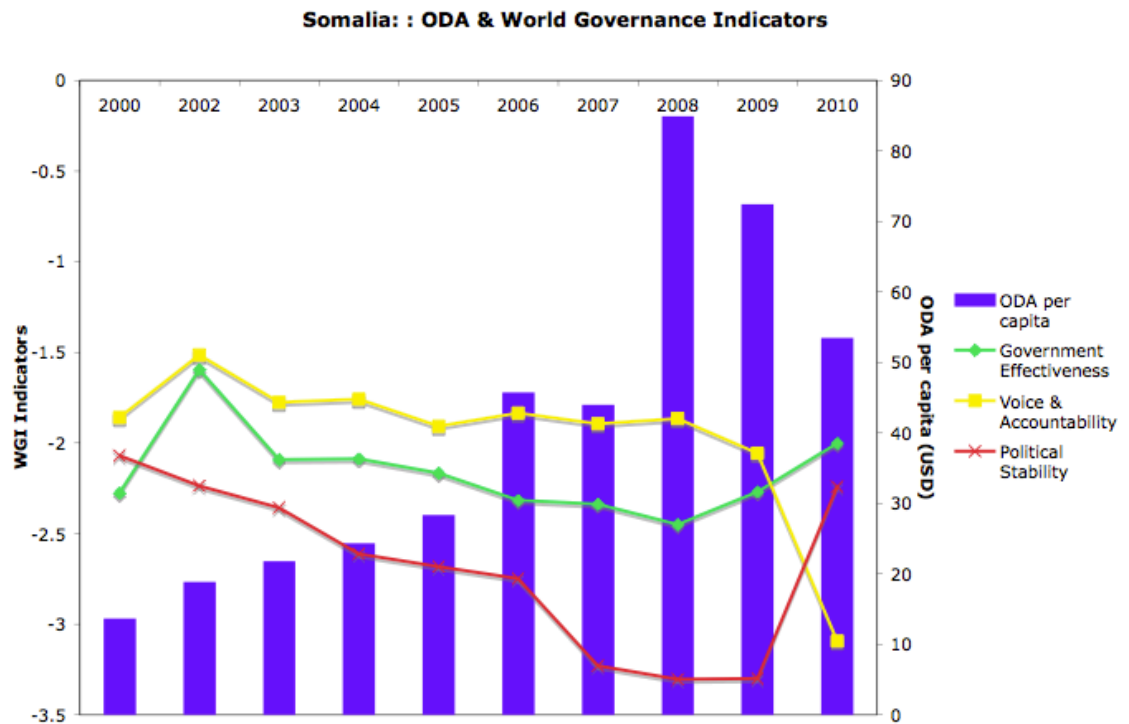


Lebanon: ODA & World Governance Indicators



Rwanda: ODA & World Governance Indicators





¹¹ The 1943 National Pact, which was agreed between the political elite of the Maronites (representing Christians) and the political elite of the Sunnis (representing Muslims), provided for the representation of Christians and Muslims in a six to five ratio throughout government. The offices of President, Prime Minister and Speaker of the House were assigned to the Maronite, Sunni and Shia sects respectively. Several aspects of the 1926 constitution relating to sectarianism were retained, including legal identification of citizens as members of particular sects, and retention of control by religious authorities over Lebanese citizens' personal legal status. At the conclusion of the civil war, these ratios were adjusted by Lebanese signatories of the Taif Agreement, and in September 1990 the Taif adjustments were enshrined in law via a series of constitutional amendments. Taif signatories also pledged to abolish "political confessionalism," and this pledge was included in preamble to the amended 1990 Constitution. No progress has, however, been made toward achievement of what the 1990 Constitution describes as this "basic national goal."

² For a detailed description of the sectarian basis for allocation of resources in Lebanon, see Jad Chaaban and Nisreen Salti, 'The Role Of Sectarianism In The Allocation Of Public Expenditure In Postwar Lebanon,' *International Journal of Middle Eastern Studies*, no 42 (2010), 637–655. The detrimental effects of Lebanese resource allocation on the efficiency of public service provision is described in *Towards a citizen's state: Lebanon 2008-09 The National Human Development Report*, UNDP, 2009.

³ Lebanese Muslims perceive regional Sunni-Shia tensions more acutely than do Muslims in other states in the region. In response to a Pew survey in 2009, "95% of Lebanese Muslims [say that] Sunni-Shia tensions are a broad problem in the Muslim world, including 99% of Sunnis and 91% of Shia." This contrasts with the proportion in Egypt (59 percent) and Jordan (55 percent). See Little Enthusiasm for Many Muslim Leaders: Mixed Views of Hamas and Hezbollah in Largely Muslim Nations, Pew Research Center, Global Attitudes Survey, February 2010.

⁴ For details of the views of the populations of Greater Lebanon, as recorded by the King-Crane Commission and the *Memorandum de protestation des populations des territoires annexes (1921)* see Fawwaz Traboulsi, *A History of Modern Lebanon*, London, Pluto Press, 2007, Chapter 5.

⁵ See, in particular, 'Public Perceptions of Corruption and Prospects for Anti-Corruption Initiatives in Lebanon,' Lebanese Centre for Policy Studies, February 2009. Pew Global Attitudes polls and the Lebanon country report of the Arab Barometer Project (conducted by the Center for Strategic Studies at the University of Jordan) also provide information about Lebanese attitudes to public institutions.

⁶ The UN Security Council has expressed repeated concern about the Lebanese state's inability to perform the most fundamental functions of modern statehood. UN Security Council Resolution 1701 (2006) "Emphasizes the importance of the extension of the control of the Government of Lebanon over all Lebanese territory in accordance with the provisions of resolution 1559 (2004) and resolution 1680 (2006), and of the relevant provisions of the Taif Accords, for it to exercise its full sovereignty, so that there will be no weapons without the consent of the Government of Lebanon and no authority other than that of the Government of Lebanon" (para. 3).

⁷ A. Lijphart, *Democracy in Plural Societies*, New Haven: Yale University Press, 1977.