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THE PRACTICE AND POLITICS OF NATION-BUILDING

If there is a “third rail” of U.S. foreign policy, nation-building would be high on the list of contenders. Yet if the word itself is universally decried, the policies that characterize it have played a recurring role in America’s, and the international community’s, interventions abroad. WPR examines The Practice and Politics of Nation-Building.

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THE POLITICS OF NATION-BUILDING

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“We must make sure that the deployment of our troops is not merely the appetizer and that the main course becomes . . . an outbreak of nation-building and infrastructure construction and resources which are . . . not within our capacity to provide for everyone around the world.”

After eight years of operations in Afghanistan, and the recent announcement that additional troop deployments will continue to execute a strategy that stretches the military beyond its traditional combat role for at least another 18 months, the above quotation could easily convey the commitment-fatigue prevalent in Washington these days.

But the ominous warning, delivered on the Senate floor, has nothing to do with the fear of becoming further mired in a long-term humanitarian mission in Afghanistan.


Since the end of the Cold War, the United States has repeatedly struggled with the question of how much is too much when it comes to foreign military operations. The debate routinely comes down to how far-reaching a military mandate presidents can chase before crossing into the political no man’s land of “nation-building.”

Nation-building -- or state-building, the term some prefer to employ -- has long been recognized as a tool of foreign policy. Its basic premise -- that of an intervention in a way that affects the governance of a state -- can be and has been applied in a variety of different circumstances: from propping up states that are failing (whether due to corruption or conflict), to establishing entirely new political orders (in the case of decolonization, secession, or other declarations of independence). Nation-building invariably involves the military, but tasks it with projects that are more accurately classified as political and economic development efforts than as combat operations. The most common undertakings include establishing local security and police forces; creating the structures necessary for rule of law, including judicial systems; installing legitimate political leadership (the U.S. prefers the stamp of approval brought by a democratic election for this purpose); and guaranteeing the basic delivery of goods and services.

In application, nation-building has, at best, a checkered past in U.S. politics, ranging from almost universally touted successes, such as the campaign to rebuild Germany following World War II, to infamous failures, such as the short-lived U.S. intervention in Somalia. It was the latter episode that effectively gave pariah status to nation-building. Well-funded and organized, the reconstruction efforts known as the Marshall Plan, which provided billions of dollars worth of humanitarian aid in the form of food, clothing, health care, and agricultural, education, and infrastructural reforms, are widely pointed to as the original U.S. model for successful nation-building. The reconstruction efforts known as the Marshall Plan, which provided billions of dollars worth of humanitarian aid in the form of food, clothing, health care, and agricultural, education, and infrastructural reforms, are widely pointed to as the original U.S. model for successful nation-building. Well-funded and organized, and relatively quickly executed -- the program in its entirety lasted from 1948-1952 -- the plan is credited with resuscitating the decimated na-
tional infrastructure of Germany. It, along with the concomitant financial and political intervention in postwar Japan, are widely touted as proof of the power of nation-building as a tool for promoting international peace and security.

But that conclusion comes with the privilege of hindsight. The program as it unfolded was a clear example of controversial mission creep.

“The economic reconstruction came only later, as it became apparent that you weren’t likely to sustain the democratic reforms unless there was a subsequent improvement in the economic conditions,” said Amb. James Dobbins, director of the International Security and Defense Policy center at the RAND Corporation and a former U.S. Special Envoy in Kosovo, Bosnia, Haiti, Somalia, and Afghanistan.

America’s initial goals for Germany were almost purely political: to demobilize the military, to establish war crimes tribunals, and to establish democratic institutions. In Japan, the political goals were similarly narrow, the main differences being that political institutions were organized based on the model of pre-existing Japanese parliamentary structures, including preserving the seat of the emperor.

Expanding U.S. aid beyond those early parameters was not an easy sell. Nevertheless, Truman administration officials went about advocating for such an expansion with a full-throated endorsement of nation-building as a policy to be embraced on its merits. As Secretary of State George Marshall said at the unveiling of the plan that would bear his name in 1947, “It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health to the world, without which there can be no political stability and no assured peace.”

Such unfiltered praise for nation-building is rarely found in today’s debates. But the tenor of the criticism that was at the time directed against the proposed long-term economic undertaking has a similar ring to attacks leveled today. In the late-1940s, Sen. Robert A. Taft led a contingent of Republicans who criticized the program as a massive government spending program that would aggravate domestic shortages. President Harry Truman was forced to lobby Congress and travel the country to drum up support for the Economic Cooperation Act, which came in at a price tag of about $12.7 billion over four years -- a significant sum considering the country’s annual GDP at the time hovered around $258 billion (compared to $14.2 trillion today).

The size and breadth of postwar reconstruction projects has, of course, never been replicated in more recent nation-building experiments. But the factional split between Republicans and Democrats over whether and when the costs of nation-building were justifiable characterized the debate over most nation-building operations in the ’90s, when the U.S. resumed the practice under President Bill Clinton through interventions in Somalia, Haiti, Bosnia and Kosovo.

Rolling out their reconstruction plans on the heels of the most massive global war in history, Truman and his Democratic allies in Congress were able to accuse their Republican critics of being isolationists. But the comparative frequency and far-flung nature of the interventions that started during the Clinton years forced politicians in favor of nation-building to answer cost concerns, which often meant handicapping the potential for long-term success with an overly rosy forecast of short-term results.

It should be noted that Republicans were not always opposed to committing U.S. troops to nation-building activities. Presidents Ronald Reagan and George H.W. Bush had ordered two relatively contained and successful democracy-promotion ventures during the 1980s -- one in Grenada, the other in Panama. And in the immediate aftermath of the Cold War, the potential use of the global governance system in the way it had first been intended -- to stave off conflict through peacekeeping operations -- was an option that generated enthusiasm on both sides of the aisle.

It was a bipartisan group of lawmakers -- led by Paul Simon and Nancy Kestenbaum in the House, and Joe Biden and Bob Dole in the Senate -- who pressed the first President Bush to deploy U.S. troops and other resources in response to reports of widespread starvation in Somalia. And it was Bush who committed U.S. troops -- 25,000 of them -- to the international humanitarian force (UNITAF) deployed to Somalia in 1992, promising that the engagement would be a short one. Only 1,200 were involved in the force (UNOSOM II) that, under President Clinton, remained in Somalia with a nation-building mandate to develop infrastructure, restore law and order, and establish a representative government.

But as Somalia began its descent into anarchy in 1993 and the U.S. suffered its first casualties, Republican lawmakers began to voice objections to what they now saw as an open-ended commitment in both time and scope. They demanded that the U.S. “leave [Somalia] and leave soon,” as Sen. John McCain put it, in contrast to President Clinton’s desire to stay and “do the job right.” While all U.S. troops were eventually pulled out by March 1994, the Republican opposition to nation-building coalesced during the Somalia mission, and solidified further during Clinton’s first self-generated mission in Haiti.

To intervention-minded liberals, Haiti was the perfect exercise: a nearby failing state with a growing refugee problem, in desperate need of humanitarian assistance and political stabilization in the wake of a coup. The initial efforts were successful: The U.S. avoided an all-out “invasion,” sending in troops to oversee the restoration of Jean-Bertrand Aristide to the presidency. But Republicans warned against a lasting quagmire as several hundred U.S. troops buckled down to the business of economic and social engineering projects, which by the end of the decade had still not fixed the fundamental problem in Haiti -- continued instability.

Despite Republican objections that the U.S. could not afford to “right every wrong in the world,” as Sen. Phil Gramm declared in criticizing U.S. plans in Haiti, the Clinton administration continued to inaugurate new nation-building or peacekeeping ventures, committing U.S. troops -- often under the auspices of NATO, as in both Balkan interventions -- at a pace of once per year during the early years of his presidency. With the exception of Kosovo, the robustness of the missions slowed during Clinton’s second term, as the U.S. engaged in international missions in a more behind-the-scenes role. But the pace didn’t slacken much.

The results, however, were often not as immediately apparent as predicted.

“Nation-building really is a very long-term process which requires a lot of resources . . . and
there is something wrong in the assumption that if we are willing to invest enough money and time that we can do it effectively,” said Marina Ottaway, a specialist on democracy and post-conflict resolution at the Carnegie Endowment for International Peace.

This is especially true when those resources are divided between several missions at the same time. While U.S. troops had entirely withdrawn from Somalia by the time ground operations began in Haiti, the United States still maintained a contingent in Haiti when NATO forces began air-strikes on Bosnia in 1995. Likewise, the military mission in Bosnia did not end until late-2004, well after the U.S. had committed more soldiers to assist in the liberation of Kosovo (where the U.S. still maintains a military presence).

“That is the dilemma,” Ottaway continued. “Kosovo is a very small country . . . but we cannot do the same in a very large country, and we cannot do the same in a lot of small countries at the same time. I think it’s quite clear that the resources, no matter the political will, are simply not there.”

In a sense, the Clinton administration avoided Congressional roadblocks to its nation-building efforts by engaging in missions that were concentrated geographically -- and through the use of executive authority. In each of the campaigns of the ‘90s, Clinton committed military forces without the advice and consent of Congress, exercising his authority under the War Powers Resolution to do so. That left his critics with the difficult choice of either pulling the plug on U.S. troops already deployed, or footing yet another bill for the president’s latest mission. When it came time to vote, most Republican leaders -- including Sens. Dole, McCain, and House Speaker Newt Gingrich -- would begrudgingly choose the latter.

The pressure to support ongoing military commitments of course took on new significance during the Bush administration -- but with the party roles reversed.

In the 2000 presidential election, when George Bush and Al Gore debated the appropriateness of nation-building, Bush famously declared, “I don’t think our troops ought to be used for what’s called nation-building. I think our troops ought to be used to fight and win war.”

But that hard-and-fast rule did not hold in practice in the Bush administration’s engagements in Iraq and Afghanistan. While both interventions were conceived of and pitched as wars, not nation-building ventures, officials soon learned that the “light footprint” model of military engagement was not a realistic possibility. In Iraq, it took only a few months to achieve the military’s principal war objectives - namely, to depose Saddam Hussein and defeat his army. But the challenge of re-establishing stability and governing capacity -- through elections, the reconfiguration of security forces, and the resurrection of infrastructure in the country -- has kept an even larger force of U.S. troops than was initially deployed engaged in nation-building activities for the last six years.

In Afghanistan, the central role of nation-building in the military mission has been even more pronounced. Compared to Iraq, Afghanistan had little in the way of pre-existing democratic governance infrastructure. The effort to stabilize the country has been a longer and harder challenge, carried out by fewer troops in the midst of a more dispersed population. But the counterinsurgency strategy employed there has demanded the same sort of multifaceted approach that characterizes nation-building.

Counterinsurgency strategy is as much about non-military efforts to win the population’s allegiance as it is about military operations to provide security. And while generals and policy architects are quick to insist that there remains a distinction, the non-military means being employed -- such as road-building, construction of schools, holding national elections, and encouraging the development of agricultural alternatives to opium -- are located at the same security-stability-humanitarian nexus that has been identified as nation-building in other circumstances.

“The GOP really has changed its view about how to do these sorts of missions and the viability of trying to do them. .. They are very much endorsing notions of state-building, and they are fully behind it in both wars,” said Michael O’Hanlon, a senior national security fellow with the Brookings Institution. “In the 1990s, a big part of their underlying motivation was that they didn’t think countries like Bosnia were worth the trouble. Now they feel the missions are of central significance. .. But it’s not a practice they want to generalize to other cases.”

While generals and policy architects are quick to insist that there remains a distinction, the non-military means being employed are located at the same security-stability-humanitarian nexus that has been identified as nation-building in other circumstances.
One reason for the distinction is the motivating factors that led to the various engagements in the first place. Under Clinton, most of the nation-building activities -- whether all-out wars such as Kosovo, or the commitment of funds to support peace-building operations in places like Sierra Leone -- were diplomatically motivated. Though orchestrated by and involving the deployment of the U.S. military, they were driven primarily by the State Department’s desire to participate in humanitarian interventions whenever feasible.

By contrast, the nation-building ventures that began under the Bush administration -- from the all-out wars in Iraq and Afghanistan to the non-combat military training being conducted by the newly formed Africa Command (AFRICOM) -- were motivated by the war on terror and driven by defense strategists. In contrast to Clinton-era interventionists, who sought to use nation-building to preserve international peace and security, protect our allies, and benefit our global standing, the Bush administration viewed nation-building actions as vital to U.S. domestic security -- the “defeat them abroad before they attack us at home” approach.

The gulf between the two motivations is so broad that there was little pass-off of strategic know-how between administrations, even if there were potential lessons to be learned that could aid in similar on-the-ground operations.

“We know how to do this work, we just haven’t figured out how to readjust our bureaucracy in ways that we need to,” said Karin von Hippel, director of the Post-Conflict Resolution project at the Center for Strategic and International Studies. “Even on something as central as a police force . . . we’ve been doing this in Haiti, Bosnia. But the international community gets ADD with politics -- everyone really wants to focus on the conflicts of today.”

Today, combat and casualty fatigue is driving much of the political discourse. While Republicans continue to warn against becoming mired in “nation-building,” it’s Democrats that are now quicker to point the finger at what they see as the current war’s overly ambitious political and economic objectives, even if outlined by a Democratic president.

“Democratic support for nation-building may prove to be a little weaker after this war,” said O’Hanlon, who suggested that the approach to foreign engagements in the aftermath of Afghanistan may revert to something more closely resembling the politics of the Clinton era. “If you think back to the ‘90s, you didn’t have that many enthusiasts. . . . It’s not as if you had George Mitchell and Tom Foley campaigning for re-election on the idea that we should be doing more nation-building.”

But how the U.S. will respond in the future to potential nation-building endeavors may depend less on the specifics of what happens in Afghanistan and more on what transpires at home. President Obama emphasized this point in announcing his expanded political strategy for Afghanistan, including a 30,000-troop surge, in early December.

“We can’t afford to ignore the price of these wars. . . . Our prosperity provides a foundation for our power: It pays for our military, it underwrites our diplomacy,” Obama said. “That’s why our troop commitment in Afghanistan cannot be open-ended, because the nation I’m more interested in building is our own.”

But demand for assistance shows no real signs of abating, whether in areas that are considered potential safe havens for terrorism or in states whose internal problems have resonated with the international community’s conscience. This is especially true in Africa, a continent where the U.S. has paid almost no military attention, outside of training capacity, over the last several decades.

“The U.N. has been mounting a new peacekeeping operation every six months, and the U.S. has voted for every one of them, so clearly there’s a willingness, within limits, to fund these and support them politically,” said Dobbins. In order to spare the government some of the pressure that inevitably surrounds the decision to send troops, Dobbins proposed a build-up of non-military components -- including the capacity to deploy aid workers through the U.S. Agency for International Development -- to engage in post-conflict reconstruction in a way that supports civilian NGO efforts.

There is also the option of pooling resources with the international community under the auspices of multilateral missions. But chain-of-command concerns have always made such arrangements anathema to the U.S. military. And in recent experience, the international community has proven to be no better organized in its objectives than is the U.S. when acting alone.

“Historically, we never go in saying ‘we never intend to leave,’” said Justin Logan, associate director of foreign policy studies at the Cato Institute. “The question becomes, when you take the lid off, have you in fact created a functioning nation-state, or has the presence of troops at least served to tamp down violence. We’re not very good at it -- but neither is anyone else.”

With the U.S. almost certain to respond to any future engagements according to its own domestic political calculus, some experts suggest that another way to preserve interest is by refreshing the debate -- and abandoning the poisonous term.

“[Nation-building] makes things sound like a bottomless pit of spending,” von Hippel said. “If you could make it [an optimistic] term -- you want to democratize more states, you want states to deliver more to their people -- we should be able to do the same things with less opposition.”

But short of a wildly successful turnaround in Afghanistan, the U.S. is going to have to reverse the negative perceptions of such engagements that have spread through both parties, in both rhetorical and policy terms, to reclaim that sort of optimism.

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Recent reports note the stalled nature of progress towards international reform in Bosnia-Herzegovina, with many even making exaggerated claims of the threat of renewed conflict [http://bit.ly/4cBNq] in the tiny state. Nevertheless, the European Union state-building project in post-conflict Bosnia-Herzegovina has largely been seen as a success, particularly when compared to U.S.-led state-building efforts in Iraq and Afghanistan. Clearly the problems faced in Bosnia have been on a different scale, with a relatively calm security situation. However, on its own terms, international regulation since the end of the conflict has achieved much less than was expected when the international state-building project was implemented following the Dayton Peace Agreement at the end of 1995.

One of the reasons for the relative lack of criticism has been that the EU has managed to present the failures and problems that have emerged, especially in relation to the pace of integration and the sustainability of peace, in ways that have reinforced its claim to have a vital role in the export of an external “good governance” agenda. On the one hand, the limitations of reform have reinforced the EU’s projection of its power as a “civilizing mission” into what is perceived to be a dangerous vacuum in the region. On the other hand, through the emphasis on good governance, the EU has sought to avoid the direct political responsibilities associated with this power.

Rather than legitimize its policymaking on the basis of representative legitimacy, the EU’s framework of good governance undermines Bosnian autonomy and self-government, by prioritizing administrative and regulative frameworks above democratic choices. The limits to this process are apparent in the tendency to distance policymaking from representative accountability, thereby weakening the legitimacy of governing institutions. As a result, though Bosnia may have international legal sovereignty, it still lacks genuine mechanisms for politically integrating its society.

The policy framework of good governance is very different from the modern liberal discourse of government. While government presupposes a liberal rights-based framing of political legitimacy in terms of autonomy and self-determining state authority, the discourse of good governance focuses on technical and administrative capacity -- the way of rule, rather than the representative legitimacy of policymaking or its derivational authority.

This shift is vital to understanding the methods through which the EU can both export its policy priorities and claim a legitimate authority to judge the capacities of new member and candidate states. The export of good governance presents the EU’s external engagement as a prerequisite for policy progress, rather than as an exception to the norm of sovereignty that requires special justification. It is an intervention whose legitimacy, and that of the policy prescriptions attached to it, is judged in technical or administrative terms, rather than liberal democratic ones.

The framework of good governance does not critique sovereignty on the basis of an overt discussion of the right to intervene or a responsibility to protect, which would undermine formal political and legal equality. Rather it does so on the basis of the need for external expertise to develop and capacity-build the institutions of rule. In the terminology of influential policy analysts Claire Lockhart and Ashraf Ghani, this external governance assistance does not undermine sovereignty, but rather supports it through overcoming the “sovereignty gap” represented by the technical and administrative weaknesses of states in the region (“Fixing Failed States,” Oxford University Press, 2008). Through its enlargement process, in which candidate states have been essentially built by member states, the European Union has become the exporter of good governance par excellence.

Good governance focuses on technical and administrative capacity -- the way of rule, rather than the representative legitimacy of policymaking or its derivational authority.

The EU has been keen to promote itself as a policy leader in the field of good governance. In this, it has been supported by academic commentators who emphasize that the EU is unique as a policy actor, exercising “soft power” or “normative power,” while building a “voluntary empire.” Particularly among European commentators, the EU’s exercise of power and influence is contrasted positively to the “neocolonial” or “hard power” approaches of the U.S. or of the individual member states. But an examination of the EU’s good governance approach to state-building in Bosnia suggests that the technocratic and administrative legitimization of external intervention is not beyond criticism, in both normative and practical policy terms.
GOVERNANCE NOT GOVERNMENT

In many ways, the relationship of inequality between elected representatives in the Balkan region and the external regulatory bodies, such as the EU, is highlighted in the international regulation of Bosnia and Kosovo. In both countries, the restrictions on local sovereignty and self-government, which institutionalize a relationship of inequality and external domination, do not stand out as exceptions. Rather, they indicate with greater clarity the problems raised by the export of good governance at the levels of institutional reform and civil society intervention, in the context of an unequal “partnership.”

In both Bosnia and Kosovo, there are elected governments at the local, regional and state levels. Meanwhile, the international administration — in Bosnia, under the Office of the High Representative, and in Kosovo, under the International Civilian Representative — is “double-hatted” with the position of EU Special Representative (EUSR). In both cases, the international administration is held to be part of a contractual process moving towards “ownership,” self-government and integration into European structures.

In Bosnia, the EU is in the process of winding down the Bonn executive powers of the High Representative, and the key question is how conditionality can now be used to provide the leverage previously provided by the threats of dismissals and direct imposition by the Office of the High Representative. The EU accession process is seen to be contractual, committing politicians to work toward advancing along the EU road. But conditionality is not about final membership conditions. The latter are open-ended, due to uncertain enlargement criteria that depend not on an abstract set of technical or administrative factors, but rather on political considerations. Instead, conditionality is a process of relationship management, which aims at incremental progress to ensure that reforms happen without stand-offs between politicians and EU administrators.

Conditionality operates through the careful day-to-day management of the accession and reform process, with EU officials wary of conflict that could result from asking for “too much too soon.” This delicate process of reform management transfers the central political arena from the domestic sphere to the international one. The EU is not just deciding upon its own standards for new members. The EU policy engagement in the states of the region and the EU Special Representatives are important political players in the societies which they seek to manage, attempting to make delicate political decisions on how to move the reform process forwards.

Here, the distinction between “hard” and “soft” powers in the context of the EU’s relationship with Balkan states is not of fundamental importance. Once tied into the accession process, the alleged “pull of Brussels” (EU conditionality) is no different from, for example, the “push from Bonn” (the executive powers of the OHR). The EUSR does not need to use executive powers once the policy process is institutionalized and incremental conditionality is used to oversee the policy process, setting the timetable for reforms and the policy content.

Strategic use of conditionality means that the EU openly seeks to turn political issues into technical ones in order to massage and facilitate the reform process.

While the fact that Bosnian politicians themselves vote for the requirements of EU accession is vital for the EU’s own credibility, the fact that policy is presented to the legislature as a fait accompli means there is little difference in the two approaches when viewed from the domestic perspective. Whether the policy is brought with the “hard” threat of dismissals or with the “soft” threat of funding withdrawals and the stalling of the accession process, there is still little opportunity for domestic political parties to debate upon policy alternatives. The external framework of policymaking also means that political parties negotiate with the international administrator behind closed doors, rather than with each other in public.

This process of political management under the auspices of accession, or the “soft power” pull of Brussels, results in not just an externally driven political process, but also in one that is openly manipulative. Rather than clarifying what EU membership will involve, the pressure is for Balkan elites to evade open or public discussion and instead to attempt to buy social acquiescence. The strategic use of conditionality also means that the EU openly seeks to turn political issues into technical ones in order to massage and facilitate the reform process.

This was clear in Bosnia when police reform was billed as a technical necessity and conditional for accession, when there was no agreed-upon EU framework for centralized policing. This was an attempt to reshape the Dayton framework and weaken the powers of the Bosnian-Serb entity, but it was framed as a technical necessity. This instrumental and manipulative use of conditionality can also be seen in ongoing discussions to use human rights requirements to reform the tripartite voting for the Bosnian presidency.

Rather than openly stating policy goals, which would be controversial, the current dynamic pushes controversial reforms under the guise of technical or administrative necessity. The political shaping of Balkan society by external managers tends to degrade the entire political process, hollowing out the opportunities for domestic debate and engagement, and encouraging the collaboration of political elites and external administrators against the wishes and aspirations of the citizens of these states.

It is in this context that the “good governance” conception of the role of civil society becomes important. The EU argues that it is more democratic than elected representatives and has shared interests with the citizens of Balkan states. For example, opinion polls in Bosnia show that 85 percent of the population support joining the EU, including over 80 percent of each of the three main ethnic constituencies. For the EU, its interests are clearly the same as the Balkan peoples -- namely, a better future of peace, stability and prosperity. The EU is therefore not forcing anything on anyone.

However, the passive opinion poll support for the EU is not reflected in major political party positions. The national question still plays a defining role for many Balkan states, for fairly obvious reasons. Rather than take into account the realities of the region, EU officials argue that the EU needs to “help bridge the gap” between political
elites and the people. This “gap-bridging” is held to be the task of civil society, with civil society groups funded and encouraged to talk about single issues that the EU is keen to promote -- from the importance of small- and medium-sized enterprises to issues of jobs, crime, corruption and healthcare. The EU argues that its missions and Special Representatives listen to the people and civil society, while the elected politicians do not.

This “democratic” discourse, which portrays the EU as the genuine representative of the people against the illegitimate or immature politicians, fits well with allegations that politicians do not have the citizens’ public interests at heart and therefore must be motivated by private concerns of greed and self-interest. It also tends to discount the votes expressed in elections as being the product of manipulation by elites or electoral immaturity. The process of conditionality around an external agenda is then seen to be stymied or blocked by the processes of domestic representation (much as the Irish electorate was seen to be irrationally blocking the Lisbon treaty, implying that the votes of the public should count for less than the consensus of international experts).

This elitist discourse results in a manipulative view of conditionality, where political decision-making seeks to evade public accountability. In Bosnia, EU experts and political elites talk about a “window of opportunity” for reforms, alleged to have begun after the last municipal elections in October 2008 and running through the next state-level elections in 2010. A process of manipulation has developed whereby politics is actively excluded from the public sphere, and decision-making is a matter of elite negotiation with Brussels. In short, the EU is reproducing itself through the state-building process in states such as Bosnia.

EU member state-building in the region is a clear example of the limitations of this good governance discourse. In states that have a tenuous relationship to their societies, the EU’s relationship-management sucks the political life from those societies, institutionalizing existing political divisions between ethnic or national groups by undermining the need for public negotiation and compromise between domestic elites.

The externally driven nature of the policy process means that political elites seek to lobby external EU actors, rather than engage in domestic constituency-building. Even more problematically, the fact that it is in the interests of political elites and EU officials to keep the process of relationship-management going means that local political elites are increasingly drawn away from engaging with their citizens (in ways similar to political elites in member states). Rather than exporting democracy and legitimizing new state structures, the process of EU member state-building is leading to a political process in which the voters and the processes of electoral representation are seen to be barriers to reform, rather than crucial to it.

THE GOVERNANCE STATE

States that are not designed to be independent political subjects in anything but name are a façade without content. States without political autonomy may have technically sound governance and administrative structures on paper. But the atrophied political sphere hinders attempts to cohere post-conflict societies and overcome social and political divisions. The states so created, which have international legal sovereignty but have ceded policymaking control to external officials in Brussels, lack organic mechanisms of political legitimation as embodiments of a collective expression of the will of their societies. Their relationship of external dependency upon the EU means that the domestic political sphere cannot serve to legitimate the political authorities or cohere their societies.

Bosnia is the clearest case of a new type of “good governance state” being built through the EU enlargement process of distanc ing power and political responsibility. For all intents and purposes, Bosnia is a member of the European Union; in fact, more than this, Bosnia is the first genuine “EU state,” where sovereignty has, in effect, been transferred to Brussels. The EU provides its government; the international High Representative is an EU employee and the EU’s Special Representative in Bosnia. This EU administrator has the power to directly impose legislation and to dismiss elected government officials and civil servants. EU policy and “European Partnership” priorities are imposed directly through the European Directorate for Integration. The EU also runs the police force (having taken over from the United Nations at the end of 2002) and the military (taken over from NATO at the end of 2004), and manages Bosnia’s negotiations with the World Bank. One look at the Bosnian flag -- with the stars of the EU on a yellow-and-blue background that reproduces the colors of the EU flag -- demonstrates that Bosnia is more EU-orientated than any current member state.

However, the EU has distanced itself from any responsibility for the power it exercises over Bosnia. Formally Bosnia is an independent state and member of the United Nations, and a long way off from meeting the requirements of EU membership.

After 14 years of state-building in Bosnia, there is now a complete separation between power and accountability. This clearly suits the EU, which is in a position of exercising control over the tiny state without either admitting it into the EU or presenting its policy regime in strict terms of external conditionality. Bosnia is neither an EU member, nor does it appear to be a colonial protectorate. Bosnia’s formal international legal sovereignty gives the appearance that it is an independent entity, voluntarily engaged in hosting its state capacity-building guests. The process of aligning domestic law with the large raft of EU regulations appears to be a matter of domestic politics. There is no international forum in which the contradictions between Bosnian social and economic demands and the external pressures of Brussels’ policy prescriptions can be raised.

However, these questions are not ones of domestic politics. The Bosnian state has no independent or autonomous existence outside of the EU “partnership.” There are no independent structures capable of articulating alternative policies. Politicians are subordinate to international institutions through the established mechanisms of governance, which give EU bureaucrats and administrators the final say over policymaking. The Bosnian state is an artificial one, but it is not a fictional creation, playing a central role in the transmission of EU policy priorities in their most intricate detail. The state here is an inversion of the sovereign state central to liberal modernity. Rather than representing a collective political expression of Bosnian interests, self-government and autonomy -- “Westphalian sovereignty,” in the terminology of state-builders -- the Bosnian state is an expression of an externally driven agenda. The more Bosnia has been the subject of external
state-building, the less it has taken on the features of the traditional liberal state form. Here, the state is a mediating link between the “inside” of domestic politics and the “outside” of international relations, but rather than clarifying the distinction it removes the distinction completely. The imposition of an international agenda of good governance appears internationally as a domestic question and appears domestically as an external, international matter. Where the liberal paradigm of sovereign autonomy clearly demarcated lines of policy accountability, the good governance agenda blurs them. In this context, domestic politics has no real content, and there is very little at stake in the political process. In fact, political responsibility for policymaking disappears with the removal of the liberal rights-based framework of political legitimacy.

CONCLUSION

For external state-builders, the subordination of politics to bureaucratic and administrative procedures of good governance is a positive development. In functional terms, they argue that sovereignty, and the political competition it brings with it for control of state power, is a luxury that Balkan states often cannot afford. Leading commentators have argued that many states now negotiating EU ties are “troubled societies,” plagued by economic, social and ethnic divisions that could turn elections into highly problematic “winner take all” situations. In these states, according to this argument, unconditional sovereign independence is a curse rather than a blessing, and conflict can be prevented by enabling “external constraints” on autonomy in exchange for institutional capacity-building.

Post-transition and post-conflict states, such as those in the Balkans, stand in desperate need of a state-building project which can engage with and cohere society around a shared future-orientated perspective. Instead, what they receive from European Union state-builders is external regulation, which has, in effect, prevented the building of genuine state institutions that can engage with and represent social interests. These weakened states are an inevitable product of the technical, bureaucratic and administrative approach exported under the paradigm of “good governance.”

Many of the U.N. officials were poorly trained, incompetent or just did not care.

Independence was formally declared in 2002, with Fretilin, led by a group who had spent their exile overseas, taking two-thirds of the parliamentary seats. Gusmao became Timor-Leste’s first president, and Alkatiri was appointed prime minister.

Timor-Leste was at this time one of the poorest, most disadvantaged countries in the world. The new government was faced with running a country still only partially built, reliant on foreign aid and with a population both poorly trained and increasingly desperate. In the face of such circumstances, and with old rivalries resurfacing as the unity of the independence struggle faded into memory, East Timorese divided along political and ethnic faultlines that led to challenges...
to government authority. Serious rioting in 2003 and 2004 led to heavy-handed police responses, making clear that the decision to only partially retrain the police, many of whom had served under the Indonesian occupation, was an error.

As “liberators of the people,” former guerrilla armies often continue to see themselves as the guardians of the state, rather than as its servants. This has led to the active involvement of newly independent militaries in the politics of many developing countries. Similarly, the politics of post-colonial states can continue to be informed by the methods and networks of the resistance period, including top-down decision making, black market sources of income, a lack of procedural consistency or transparency, and, sometimes, recourse to intimidation and violence. All of these qualities pervaded Timor-Leste’s initial years of independence.

The question was also raised whether the creation of the Falintil-Timor-Leste Defense Force (F-FDTL) was just a sop to ex-combatants from the independence struggle. At around 1,500 troops, the army was too small to be an effective defensive force, a role that was in any case guaranteed by the international community, yet it consumed 8 percent of the budget. Its potential for becoming politically involved, too, worried many.

More positively, income from Timor Gap oil and gas resources began to accumulate in a U.S. Treasury bonds-based “oil fund.” Yet Timor-Leste’s economic problems involved not just having enough funds, but also in developing the capacity to adequately spend them. At one level, a high degree of bureaucratic centralization meant that funds were slow to be distributed, especially beyond Dili. This level of centralized control was intended to limit corruption, which was already problematic. But it also meant that financial liquidity in the districts was in desperately short supply.

In response to growing public disenchantment, the government became increasingly uncommunicative, brittle and tending towards authoritarian. Divisions opened up with the Catholic Church over education policy, the poorly trained police became notorious for corruption and brutality, and the F-FDTL became divided -- between older members and newer recruits, ex-guerrillas and the formerly Indonesian police, as well as along geographic and ethnic lines. Citing discrimination, newer army recruits constituting about a third of the army staged a protest in Dili on April 28, 2006. The protest was joined by other anti-government groups and quickly grew out of control, resulting in widespread rioting. The prime minister called in the rest of the army, and five people were shot dead, with many more wounded.

Thereafter, the state began its descent into chaos. Soldiers attacked the police, killing 11 officers even after they had surrendered. A small group of dissident soldiers went into the hills, attacking “loyal” forces that chased after them. Gangs that were organized around the martial arts, as well as others with links to political elites, attacked both each other and East Timorese from what were perceived to be competing language groups. This linguistic cleavage was quickly defined as a conflict of “East” versus “West,” and although such an oversimplification was inaccurate, its currency quickly defined reality.

As the police force disintegrated and civil violence became widespread, the Fretilin government called in international support in the form of the International Stabilization Force (ISF) -- comprised of Australian and New Zealand soldiers and Portuguese and Malaysian paramilitary police -- and the renewed intervention of the U.N. and its police contingent. The worst of the violence was contained within weeks, although sporadic outbursts continued until the end of the following year.

As a result of the violence, more than three-dozen people were killed, and around 160,000 people -- who were either displaced from or lost their homes -- quickly settled into internally displaced persons camps in and near Dili. A gang of soldiers led by Alfredo Reinado retreated into the hills, while other dissident soldiers set up camp near Ermera, to the southwest of Dili. At an elite political level, under intense pressure, Alkatiri resigned as prime minister. Gusmao installed José Ramos-Horta as interim prime minister until the scheduled 2007 elections.

The violence and destruction of 2006 had many impacts, not least of which was to shock and further dismay a still-traumatized people. Violence in Timor-Leste, however, had become accentuated, and in some respects domesticated. But the belief that a traumatized and still poorly trained people and government could stand alone was shown to be wanting: It became clear that it was not possible to establish, much less embed, the institutions of state in a few short years, and that limited resources, patronage and corruption were an explosive mix. Timor-Leste reflected problems common to many developing coun-

It became clear that it was not possible to establish, much less embed, the institutions of state in a few short years, and that limited resources, patronage and corruption were an explosive mix.
tries -- including desperation, brittle control, institutional breakdown and government failure -- and almost became a failed state.

Head of the 2007 elections, Gusmao established a new party, the Congress for Timorese National Reconstruction, whose initials, CNRT, played on the Council for Timorese National Resistance, which had been the coalition of all parties under which Timor-Leste won independence. The CNRT drew from other parties, but especially from disaffected members of Fretilin, many of whom resented the dominance within the party by those who had spent the occupation in exile. The initial voting for the presidency in 2007 demonstrated the erosion of Fretilin's popular support. The party achieved the largest plurality among a crowded field in first-round voting, but at roughly 30 percent, its tally amounted to half that of the previous election held in 2001. In the second-round run-off, the non-Fretilin vote went entirely to Ramos-Horta, who won with around 70 percent.

The election period was tense, with some sporadic violence. However, a relatively high international and military presence allowed the subsequent parliamentary elections to proceed more or less unhindered. Fretilin again won just under 30 percent of the vote, achieving the largest plurality and quickly demanding to be allowed to form a government on that basis. However, Gusmao put together a majority coalition of minor parties, which the new president, Ramos-Horta, appointed to govern, with Gusmao as prime minister.

Fretilin refused to accept this outcome, saying that the constitution gave the largest vote-getter the opportunity to form the government. Its militants immediately went on a rampage, burning houses and killing a small number of people. However, the constitution includes a clause allowing for a majority coalition government. Given that such a majority coalition was available, this outcome was consistent with democratic principle. Reflecting its coalition status, the government became known as the Parliamentary Majority Alliance (AMP).

In the face of continuing pro-Fretilin protests, the AMP government began initiating reforms. Key among them was to make foreign investment easier, to reduce and simplify the tax code and, as its tenure progressed, to increase government spending. It was, Gusmao said, important to save for the future, but not at the expense of being unable to live in the present.

The political situation, however, remained volatile. Reinado and his gang continued to play “cat and mouse” with the ISF. Dissident soldiers moved into a cantonment, from where they were to negotiate their grievances, at a halting pace. And the IDP camps became the site of political unrest. Then, at dawn on the Monday of Feb. 11, 2008, Reinado snapped. Sensing, correctly, that the government’s initial negotiations with the dissident soldiers might ultimately leave him isolated, Reinado and his gang split into two groups, one targeting President Ramos-Horta for assassination, and the other targeting Prime Minister Gusmao.

In the ensuing attacks, Reinado himself and one of his followers were shot dead. Ramos-Horta was shot and critically wounded. Gusmao escaped uninjured.

Ramos-Horta was evacuated first to an Australian military hospital and then to Darwin, Australia, for life-saving surgery. The event sent a shockwave through Timor-Leste and the international community. Yet rather than heralding further state failure, the violence shocked many East Timorese into revising their divided perspectives. Reinado’s death also left the more belligerent anti-Fretilin groups without the galvanizing figure of a romanticized outlaw hero.

The rest of Reinado’s gang was quickly captured or surrendered, and the dissident soldiers, now isolated, agreed to a deal with the government in which they would receive $8,000 in exchange for resigning from the army. With the security environment increasingly settled, the government was then able to clear the IDP camps, assisted by payments of around $5,000 per family to help them rebuild their lost homes. Further, the AMP government purchased large stocks of rice, both for subsequent warehousing and distribution at subsidized prices, in order to alleviate a shortage caused by price increases. The effort was enhanced by the end of a long-running drought, allowing local crops to again return to surplus. The injection of liquidity boosted the economy, and in an environment in which such largesse could have seriously depleted the government’s coffers, an unexpected financial windfall from rising oil revenues assisted the extra spending.

However, the decision to tap into the oil reserve fund was controversial. Fretilin attacked the government for abandoning the previous policy of only using the interest from the fund for government spending. There were also concerns about the potential impact of the so-called “resource curse,” where an economy, buoyed by resource income, inflates the value of its currency, thereby damaging non-resource export capacity, often with implications for employment. The windfall profits also often fuel corruption.

While Timor-Leste’s only export industries were hydrocarbons and coffee, its currency was the U.S. dollar. Meanwhile, unemployment was more determined by subsistence farmers moving to towns in search of paid work, limiting the potential for that component of the “curse.” However, there were numerous allegations about corruption and nepotism, most of which were not well-substantiated at the higher levels of government, but which appeared to have considerable validity elsewhere. To counter this, the government launched an anti-corruption drive, with limited success.

To further increase liquidity among the wider community, and in part to buy off potential disaffection, the government also made payments to resistance veterans. This was later supplemented by a small pension for people over the age of 60, as the average life expectancy had improved to just over 60 years of age, up from the mid-50s just a few years before.

But more importantly, the government moved to decentralize the state, reconstituting each of its 13 districts as a municipality with an elected council and an executive mayor. Each of the districts would have control over spending for a range of areas outside those retained by the central government, with funding to be distributed on a per capita basis. The purpose of this decentralization was to give local people greater control over their lives, and to ensure that capital was adequately distributed outside Dili.

For the 2008-9 financial year, Timor-Leste recorded 13 percent economic growth, off of a very low base and almost entirely dependent on government spending. Inflation had fallen to around 6 percent, down from highs in the low teens only a few years previously. More ominously, though, the country’s fertility rate had
exploded, with eight live births per female, making it the most fertile country in the world. This not only seriously unbalanced the population, so that about half of Timor-Leste was under the age of 16, but led to population growth that could not be sustained by the productive capacity of the increasingly distressed natural environment. Despite progressive government policies, deforestation continued and potable water supplies remained inadequate. Furthermore, in order to provide electricity for the whole country, the government opted for two heavy oil generators that were not only environmentally unfriendly, but would be increasingly expensive to run.

Timor-Leste’s foreign relations were also tested, especially by Australia and Indonesia. As the main source of imports, Indonesia had considerable capacity to influence Timor-Leste’s internal affairs. As an example, in August 2009, when Indonesia’s foreign minister refused to leave the airport to attend the 10th anniversary of the ballot on independence unless an arrested militia leader was released, Prime Minister Gusmao complied, in breach of his country’s own laws. The release called further attention to how, in order to appease its large neighbor, Timor-Leste had not pursued various charges resulting from Indonesia’s brutal occupation and bloody departure in 1999.

As is often the case, many of Timor-Leste’s problems following independence were common to post-colonial states, while some remained specific to Timor-Leste. Among the former is the challenge, sometimes contentious, of combining separate language groups within a single administrative entity. Although Portuguese and Tetum are Timor-Leste’s official national languages, English and Indonesian are widely used “working” languages, with more than two dozen other languages and dialects also in use. About 70 percent of the population speaks one of the four dialects of Tetum, and 80 percent speak Indonesian. Portuguese is spoken by less than 15 percent of the population, and English is the popularly preferred third language. Since state documents and court hearings are written and conducted in Portuguese, they are inaccessible to most East Timorese. It is common for new states to develop a state language, and it seems that Tetum might become that. Tetum is the spoken language in the parliament, and there is an increasing tendency to publish in Tetum. However, while this process is underway, Timor-Leste faces, at best, linguistic confusion.

On the other hand, Timor-Leste was lucky compared with many newly independent countries, in having a relatively large oil and natural gas supply within its territorial boundaries. If managed carefully, this could underpin development for decades. However, if mismanaged, Timor Leste, like others before it, could experience the “resource curse” of increased corruption, rent-seeking behavior, an artificially inflated economy and an inevitable economic slump.

In the short term, however, much of this wealth is being used to ease some of the burden of poverty that characterized Timor-Leste, and hence to ease pressures that many developing states face before they manage to consolidate state institutions. In this, Timor-Leste has bought itself some time.

As 2009 progresses into 2010, there are increasing signs of East Timorese wanting to again take control of their own affairs. At one level, a push for greater local control is to be expected for an independent state managing to put its brush with civil conflict and potential state failure behind it. At another level, however, is the possibility that moving too quickly towards such decentralized control could result in a repetition of the failures that led to the crisis of 2006, in turn implying a cycle of failure all too common to developing countries.

However, economic growth and redistribution augured well, as did the general policy settings of both the government and the opposition. And importantly, the commitment to electoral politics by the people of Timor-Leste showed that democracy did not require a long history for it to embed itself among the country’s citizens. That, in turn, provided a managed way in which to order and resolve competing interests.

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