

## Governing When Chaos Rules: Enhancing Governance and Participation

In many cases after a conflict, a country has neither a legitimate government in place nor agreement on how to arrive at a process to determine what constitutes a legitimate government. Even if a government is in place and many of the country's citizens deem it legitimate, war and the attendant chaos often render its ability to deliver services to the population virtually nonexistent. At the same time, many citizens are hesitant to become overly involved in the political rebuilding process, having been conditioned by wartime realities to defer to individuals who exercised authority through the barrel of a gun. In addition, potential spoilers—those with an interest in undermining both a peace accord and the development of a new order—abound.

Arguably, the single most important factor that determines the success or failure of a postconflict reconstruction effort is the extent to which a coherent, legitimate government exists—or can be created. Having such a government is key to providing essential security, justice, economic, and social functions and to channeling the will, energies, and resources of both the indigenous population and the international community. Because little in the way of legitimate, capable government often exists in the wake of conflict, however, the international community must find ways to support this indigenous self-governing capability. The effort involves at least three sets of activities: (1) helping to support a process for constituting a legitimate government; (2) enhancing the government's capacities; and (3) helping to ensure broad participation in the government and the reconstruction process. All these steps are crucial to the political process of maintaining peace

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by identifying and progressively isolating potential spoilers and their independent bases of power.

While seeking to build up local governance and participation capacity, the international community must observe the cardinal rule of governance: indigenous ownership of the process is key. Even when local actors are disorganized and disempowered in the wake of conflict, they must be given a leadership role in the rebuilding process. Likewise, even when international actors must assume certain functions temporarily, they should always train and empower indigenous counterparts.

Unfortunately, the international community's existing instruments for undertaking activities to enhance governance and citizens' participation are poorly adapted to the special requirements of postconflict environments.

## **Governance and Participation**

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Good government requires an interactive two-way process between the government and the governed. The first challenge is to ensure that the government has the ability to deliver the security, economic, social, political, and justice goods that the population demands—the top-down process that will be called “governance” in this paper. As the term is used here, the definition of governance is consistent with definitions used by the U.S. Agency for International Development (USAID) and the United Nations Development Program (UNDP). According to USAID, “Governance issues pertain to the ability of government to develop an efficient and effective public management process ... [that is able] to deliver basic services.”<sup>1</sup> According to the UNDP, “Governance is the exercise of economic, political, and administrative authority to manage a country's affairs at all levels and the means by which states promote social cohesion, integration, and ensure the well-being of their populations. It embraces all methods used to distribute power and manage public resources, and the organizations that shape government and the execution of policy.”<sup>2</sup> The UNDP definition contains an additional quality, one that can be considered the essence of participation: “It encompasses the mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and resolve their differences.”<sup>3</sup> The World Bank's definition of governance—“the manner in which power is exercised in the management of a country's economic and social resources”—is significantly narrower than the one used in this article.<sup>4</sup>

In postconflict situations, building the capacity for governance involves a broad range of tasks.<sup>5</sup> Frequently, fundamental agreement on how the political system should be structured, or even who should have a say in

helping to design it, is lacking. In these cases, “national constituting processes” are often key—whether they are called a national dialogue, a constitutional convention, or a *loya jirga*. In some cases, governance may require creating a transitional administration to exercise power before a new legitimate regime can take office. Another set of governance tasks consists of strengthening institutions, either in the executive branch or the legislative branch, that deliver goods to the population at the national or local level. A final major challenge involves ensuring transparency in the delivery of goods and services. Indeed, unaddressed corruption can severely undermine all other efforts.

The second essential component of good government is the ability to enable citizens to make their views heard and to act on those views—a bottom-up process referred to as “participation” in this article. Participation encompasses the processes that give the population a voice through formal governmental mechanisms such as elections and political parties and through the development of a vibrant civil society, including the generation and exchange of ideas through advocacy groups, civic associations, and the media.

Even though the top-down process of governance and the bottom-up process of participation can be separated analytically, in practice they are intimately related. Transparent, effective governance is difficult to achieve if participation is insufficient to ensure that government programs respond to the will and needs of the people and remain channeled toward public, not private, ends. Likewise, participation produces little if a government is incapable of delivering basic security, economic, social, justice, and political goods to the population. Only through encouraging sufficient participation and ensuring effective governance can a government establish a degree of legitimacy and stability over time.

**Indigenous ownership of the process of governance is key.**

## **Current U.S. Approach and Capabilities**

During the last decade, attention to governance and participation has expanded dramatically. Bipartisan recognition that democracy is consistent with U.S. values and interests has led to explicit programming to promote democracy, with a budget approaching \$1 billion annually. (The Bush administration has requested \$963.3 million for democracy and governance activities in fiscal year 2003: \$200 million for USAID democracy and governance programs, \$251 million in Economic Support Funds used for similar

activities, \$277 million in democracy and governance-oriented assistance for Eastern Europe and the Balkans, and \$236 million for similar assistance in the independent states of the former Soviet Union.) Even though the United States initially led the charge, programs to promote governance and democracy have also emerged among a number of European donors, at the UN, and at some regional organizations such as the Organization of American States. On the developmental side, the World Bank and other multilateral development banks are increasingly integrating governance concerns into their development programming.

This activity has vastly improved the capacities of the United States and the international community to engage in these issues. That said, the international community is rather poorly prepared to address the special challenge of governance and participation in postconflict settings. As indicated by where most U.S. “democracy” money is spent, the democracy promotion paradigm was developed over the years principally in Eastern Europe and Latin America. Not only do most of today’s postconflict challenges take place in environments quite different from those formerly Communist and authoritarian regimes, but they also lack the greater institutional capacity and resources upon which those regions could draw. In addition, current challenges inhibit resolution of a whole range of additional problems arising from the legacy of protracted armed conflict.

All too often, governance efforts in postconflict settings have boiled down to supporting formal election processes (allowing the international community to leave after a legitimate government has been elected), complemented by inchoate attempts to build civil society by funding a wide range of nongovernmental organizations (NGOs). From Cambodia to Angola to Haiti, this minimalist approach to governance as an exit strategy has led to crucial reversals of peace processes, costing thousands of additional lives and wasting millions of international dollars, time, energy, and credibility. Establishing a comprehensive approach to governance and participation, one that addresses the full range of institutions and tasks and presupposes support that will last beyond the first election, is necessary.

### **Addressing Key Capability Gaps and Shortfalls**

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If peace is to be sustainable in more cases, outside assistance for governance and participation activities must be improved in five areas:

- supporting national “constituting processes”;
- mobilizing broad peace constituencies and civil society actors to progressively marginalize spoilers;

- building state capacity, particularly civil administration;
- addressing corruption; and
- crafting a coherent system of conditionalities to support good governance and peace.

### **SUPPORTING “CONSTITUTING PROCESSES”**

As violent conflict comes to a close, establishing the forthcoming order usually requires resolving a number of fundamental questions: What should the new political structure be? How is power to be shared or administered during the transitional period? Who are the citizens of the country? What are the rights and responsibilities of citizens and of former combatants? Sometimes, a peace accord at least partially answers these questions; in other cases, peace accords create or call for processes to answer these questions; in still others, existing political structures are expected to work out the uncertainties. Regardless of the form of the peace process in question, some sort of “constituting process” is always needed to answer these fundamental questions.

**Unaddressed corruption can severely undermine all other efforts.**

The role of outside actors in these processes can be decisive. Choosing which actors to recognize, which ones to work with, and what processes and projects to support can tilt the balance of power either toward or away from a stable peace. Although choosing sides in internal power struggles does not generally produce the desired consequences, establishing clear ground rules and acting accordingly can often have a strong positive effect. Ultimately, for a new government to survive and thrive, its own citizenry and the international community will need to perceive it as legitimate. This outcome involves a careful balancing act of attempting to conform to two different sets of standards—international standards of respect for the peace agreements, the rule of law, and a range of other international norms and practices; and local standards based on recent history, traditional political practices, the local balance of power, and acceptability of working with outside players.<sup>6</sup>

Despite the fundamental importance of outside actors in many constituting processes, external assistance for these types of activities is paltry, and what exists is currently handled in an uncoordinated, ad hoc manner. Special envoys are often dispatched without clearly articulated mandates, training, or any significant means of supporting the political processes. Coordination among envoys is left to happenstance. Little direct linkage exists between the individuals who negotiate the hard political questions and those who

support the long-term political and economic developmental process that will implement the solutions. Expertise in this highly specialized area of nation design is widely dispersed, with few mechanisms for retaining it on call. Additionally, following negotiations to end a conflict—a process that tends to be highly centralized—finding the same level of coherence among the international actors to implement agreements among the parties or between the parties and the donors is rare.

Given these realities, the United States should:

- Create new “director of reconstruction” (DR) posts responsible for directing U.S. efforts in specific countries in which the United States has intervened (i.e., a “U.S. director of reconstruction for Afghanistan”). Unlike

**The minimalist approach to governance has led to crucial reverses of peace processes.**

traditional special envoys who negotiate or shepherd political agreements, these DRs would be responsible for implementing large, multidisciplinary U.S. government programs after an agreement has been reached and, as such, should be people with significant operational experience. The posts would be lodged in the Department of State but the logistical and operational authorities and capabilities of USAID and the Department of Defense would support them. Interdepartmental

memorandums of understanding and standard operating procedures should be drafted and approved so that they are all in place prior to the appointment of a specific DR.

- Create an integrated mechanism within the State Department and USAID to support special envoys and DRs. This action would require a line item in the State Department budget (initially set at \$5 million) to fund the operations of various special envoys and DRs and the establishment of a small support unit under the secretary of state’s auspices to provide functional expertise to these posts, as well as to serve as a repository of lessons learned and a link to standing capacity within the system (i.e., the State Department’s regional bureaus and Legal Affairs Office; USAID’s regional bureaus and Bureau of Democracy, Conflict, and Humanitarian Assistance; and the Defense Department’s logistical operations).
- Develop and maintain on-call lists of people with experience in negotiating settlements, designing new political orders, and writing new constitutions. Within the U.S. government, this responsibility should be vested in the support unit for special envoys and directors of postconflict reconstruction identified above.

- Streamline State Department and USAID disbursement processes for monies required to support the initial establishment of governments constituted by legitimate processes.
- Increase support for ongoing initiatives to strengthen the roles and capabilities of the UN special representatives of the secretary general (SRSGs) and build broad support for them among UN member states. This step would involve authorizing a more direct, more central, and better-funded role for SRSGs in postconflict countries. They can no longer be expected simply to pick up UN agency scraps as they try to establish a coordinated international position on sensitive political questions.

### **MOBILIZING DISENFRANCHISED SECTORS OF THE POPULATION**

Peace and democratic development depend on incorporating marginalized constituencies into a new political order. Armed conflict tends to heighten political exclusion of all but certain political elites and armed combatants. Enabling disenfranchised groups to begin to play a role in determining the country's direction and mobilizing them to defend a new peaceful order not only facilitates democratic development but also provides the means to progressively squeeze armed combatants, warlords, and other spoilers out of the picture.

Previously marginalized noncombatants stand to gain the most from peace. Mobilizing "peace constituencies" (often including women and politically disenfranchised groups), however, is difficult. Armed combatants, warlords, and political elites frequently strive to protect their privileged positions by keeping political decisionmaking processes highly circumscribed. The disenfranchised groups often hang precariously on the edge of being able to sustain themselves; they therefore focus on immediate survival needs rather than on political participation. In addition, wartime conditions have often so beaten down these constituencies that they are bereft of hope.

Mobilizing the disenfranchised requires, first and foremost, providing them a concrete basis for hope as well as incentives for participation. Their material needs far outstrip the ability of the local government or international community to meet them in their entirety; as a result, initial programs need to target top priorities for these constituencies and provide for processes whereby these individuals themselves determine how international monies are spent in their communities.

In recent years, both USAID's Office of Transition Initiatives (OTI) and the World Bank have developed programs and methodologies for getting small amounts of money to villages quickly. By making the money available for any type of development priorities, as long as the village pursues an inclusive participatory process in determining those priorities, OTI and the

World Bank (at least in some cases) have been able to show results quickly, broaden participation, and build support for peace. The challenges now are to extend these programs to reach more local communities, to find ways to translate participation at the local level into comparable participation at the national level, and to mesh them more effectively with longer-term development programs.

To mobilize the disenfranchised sector of the population, the United States should:

- Enhance support dramatically for quick-disbursing community-based approaches that can immediately reach grassroots constituencies and provide them with the means to enhance the participation of marginalized actors at the local level. The easiest way to accomplish this goal is to increase OTI's budget for this purpose.
- Charge OTI with ensuring linkage of these local processes to a national peace implementation strategy (created by the government, in conjunction with donors) through funding the participation of local actors in national constituting and peace implementation processes, including paying for their transportation, lodging, and other types of logistical and administrative support.
- Instruct the U.S. executive director to the World Bank to request a study of community-based approaches used by the World Bank. Based on the study's conclusions, the U.S. government should be prepared to increase support for participatory models for World Bank and other multilateral development bank programs by working out cooperative agreements at the country level. Given the lack of field presence by the World Bank and multilateral development banks, these programs should be implemented through NGOs. Doing so is not only likely to improve immediate success rates and free the World Bank to focus on its comparative advantages, it may also help to build crucial institutional links between these programs and long-term development programming.
- Develop a strategy and capacity within USAID civil-society promotion programs for designing and funding projects that enhance the standing of disadvantaged groups at the earliest possible stage of the reconstruction process. This effort should involve, but not be limited to, bolstering political parties through NGOs such as the National Endowment for Democracy, the International Republican Institute, and the National Democratic Institute; ensuring free information flow; and targeting the marketing of at least some programs and opportunities to these groups.



**BUILDING SUSTAINABLE CIVIL ADMINISTRATION CAPACITY**

In the wake of conflict, states, if they exist at all, tend to have very little ability to deliver goods of any kind to the bulk of their population. Any new government must earn the support of its people—enabling it to marginalize spoilers and supplant parallel power structures—by building sufficient state capacity to begin delivering basic security, justice, economic, social, and political goods to the citizenry. Although security and justice are essential for establishing fundamental order, they are not sufficient. The state’s legitimacy and effectiveness also depend on its ability to provide a simple set of rules and structures that help to organize basic political, economic, and social life. No institution is more central to providing this structure than plain civil administration at the district, provincial, and national levels.

**Marginalized constituencies must be incorporated into a new political order.**

U.S. democracy and governance programs have four principal objectives: (1) to strengthen the rule of law and respect for human rights; (2) to develop more genuine and competitive political processes; (3) to foster the development of a politically active civil society; and (4) to promote more transparent and accountable government institutions.<sup>7</sup> Even though these goals are laudable, consideration of the more fundamental question facing postconflict societies—building basic state capacity to deliver essential public goods—is largely absent. Programs intending to strengthen local government exist, but are quite limited and not complemented by any similar focus on enhancing the capabilities of the executive branch of central government.

The other major players in this arena—the multilateral development banks—do have programs dealing with civil administration; these tend to concentrate on reforming public administration, however, with a focus on cutting bloated bureaucracies to save on government costs. For example, the focus of the World Bank’s 169 operations to reform civil service in 80 countries between 1987 and 1998 “has been and remains on addressing fiscal concerns ... [by] reducing wage bills, compressing salaries [and] reducing employment.”<sup>8</sup> This approach does little for postconflict settings, where the primary concern is building enough government capacity to deliver basic services. One critical area where the World Bank has made a significant contribution is that of reforming tax systems—one of the key elements of revenue-generating capacity necessary to sustain the ability of a state’s public administration to function effectively. In fact, during the 1990s approximately 120 of the World Bank’s loan operations in 67 countries had

components involving the reform of some aspect of the tax system, at an outlay of about \$13.9 billion.<sup>9</sup> Despite extensive experience, however, a comprehensive study of these programs concluded, “Background work is essential to improve Bank assistance for revenue administration [and] a strategy needs to be articulated for the Bank.”<sup>10</sup>

To help build a sustainable civil administration capacity in postconflict states, the United States should:

- Create a mechanism for fielding U.S. civil administration experts, including seconding federal government employees, and recruiting and paying state and local officials. The United States should also build a mechanism for assembling interagency, interdisciplinary teams that specialize in building civil administration capacity. Because this activity is primarily developmental with a focus on building indigenous capacity, USAID should establish and Congress should support a line item for these activities, and USAID should develop a core of specialists to lead the U.S. government’s civil administration efforts. The USAID civil administration unit should also work with other donor governments whose civil administration systems and capacities may be different than our own. In some cases, working with another government whose system is more like the one of the postconflict country may be more productive.
- Instruct the U.S. executive director to the World Bank to urge the Bank to enhance the capacity-building elements of its civil-service reform programs and to develop a strategy for reforming tax systems and building them from scratch in postconflict countries.

### **ADDRESSING CORRUPTION**

Corruption is endemic in virtually all postconflict societies. Weak institutional structures, patterns of behavior exacerbated by war, a semilawless environment, and a shortage of well-paying jobs combine to create a hothouse environment ripe for corruption. The prospect of infusions of new money from the outside world during peacetime only heightens the challenge and the stakes. In addition to threatening economic reconstruction, corruption jeopardizes the country’s political stability and its prospects for peace. Corruption not only siphons money from needed government services, it scares off investment, inhibits economic development, empowers spoilers, and leads to a dangerous lack of confidence in the new order.

Since 1994, the international community has begun to talk about corruption much more openly. The UN, the World Bank, the U.S. government, and many other donors have developed programs to combat corruption. New international NGOs aimed at eliminating corruption—Transparency

International, for example, with local chapters in more than 90 countries—have come into their own.

No single solution exists to combat corruption; a comprehensive approach is required. Different institutions have approached this dilemma in various ways, but at a minimum, the anticorruption package should include (1) serious self-policing among donors; (2) building anticorruption institutions (inspector generals, ombudspersons, civil service training); (3) passing legislation; (4) developing rule of law programs; (5) establishing strong enforcement mechanisms; (6) monitoring; (7) developing free media and civil-society mobilization; and (8) improving the transparency of the government budgeting processes.

To address the problem of corruption in postconflict states, the United States should:

- Develop a set of procedures with international financial institutions and the UN to share information and collectively sanction entities found guilty of corruption. This effort would involve everything from terminating contracts and sources of financial support to freezing assets and enforcing targeted smart sanctions, as well as pursuing legal cases against individuals and entities guilty of corrupt practices.
- Develop a comprehensive set of resources within USAID’s anticorruption programming specifically designed for postconflict countries that have little or no infrastructure. This step will require a significant institution-building component (i.e., establishing ombudspersons and inspector general offices as well as strong civil-service programs). Through USAID, the U.S. government should also provide more support for a range of local and international watchdog NGOs that keep an eye on corruption by local and international actors and should sponsor information-sharing networks that build the anticorruption movement into a permanent fixture of international society.
- Support the free flow of quality information by building institutional centers like the Center for Public Integrity in the United States, which sponsors the work of investigative journalists; by providing technical assistance for designing and implementing information programs via all means of communication; and by ensuring a capacity to tap into U.S. agency expertise on such important decisions as allocating radio spectrum and television licenses; and, in extreme cases, by blocking “hate” media that has the potential to drive a country back into conflict.

**Security and justice are essential, but not sufficient, to establish fundamental order.**

## CRAFTING AN APPROPRIATE SYSTEM OF CONDITIONALITIES

Although the international community has long used conditionality on developmental assistance to promote macroeconomic goals and transparent economic-related governance, conditionality related to politics or democracy has been much more controversial. Some analysts have pointed out that good political governance is a worthy objective and is also essential to ensuring the effective use of foreign assistance monies; they have therefore argued that political governance is a legitimate target for conditionality. Others have argued that politics is the sole province of the citizens of the

country in question and thus should not be subject to conditionalities of any sort.

As debate in the United States intensifies about targeting foreign assistance to “deserving countries” that meet performance indicators—particularly those related to the substantial new funds that the proposed Millennium Challenge Account will make available—bipartisan concurrence by the executive and legislative branches on the role

**International actors need to be ready to engage soon after the conflict ends.**

for governance conditionality is important. Governance conditionality is an important tool both to ensure U.S. taxpayers that their money is well spent and to leverage difficult policy decisions. Because sovereign rights related to governance are so jealously guarded, however, the United States and other outside parties should work firmly but humbly in this area. Where possible, the United States should work to see governance conditionality included in agreements among the parties to conflict themselves so that outsiders are seen to be helping the peace process rather than imposing a “foreign” system of governance.

“Peace conditionality,” more broadly, a system of conditionality to ensure that peace agreements are respected, is crucial.<sup>11</sup> Another area where conditionality is likely to be most useful relates to the issue of corruption. Tailoring “microconditionality” to individuals and organizations to ensure transparency and to punish those who violate anticorruption norms not only improves the odds of getting an honest government but also enhances locals’ views of the international community. Where conditionality is less effective is on the priorities of specific donors. Even on such high priorities as ensuring full participation of women and other marginalized groups in the political process, conditionality can be counterproductive. In these areas, carrots are more likely to produce results than sticks.

Finally, for conditionalities to be effective, donors must tightly coordinate them. If all the donors do not agree on them and if a single entity (an

SRSB-type figure or a country team) metes them out, leverage is dispersed and donors run the risk of destroying government coherence by pulling in different directions.

To achieve U.S. objectives in postconflict situations, the United States should:

- Propose a clear set of distinct guidelines on the use of conditionality for postconflict and institutionally weak countries as part of the process establishing the Millennium Challenge Account. The White House, in conjunction with the Treasury Department, USAID, and the State Department, should carefully coordinate this undertaking with the relevant actors on Capitol Hill, such that any enabling legislation for the Millennium Challenge Account (or a new parallel account designed for postconflict countries) includes an agreement on how the government should use conditionalities in postconflict situations (acknowledging that performance indicators in these situations will almost always be very different from those used for top economic performers that are not burdened by conflicts).
- Instruct U.S. foreign assistance administrators and U.S. representatives to the multilateral development banks and the UN to coordinate conditionality tightly through country teams composed of major donors, multilateral development banks, and UN representatives. Leverage is best exercised when those closest to the peace process coordinate their efforts.

## **The Earlier, the Better**

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Patterns for governance and participation are not open for discussion during a conflict and are most malleable in the period soon after the conflict ends. For the United States and other international actors to have any hope of affecting these fundamental issues, they must be ready to engage before lines harden. This serious undertaking will require adapting existing democracy and governance mechanisms to postconflict environments and enhancing those mechanisms' flexibility and ability to deploy quickly.

## **Notes**

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1. U.S. Agency for International Development (USAID), "Democracy and Governance: A Conceptual Framework," PN-ACC-395, November 1998, <http://www.usaid.gov/democracy/pdfs/pnacd395.pdf> (accessed July 29, 2002).
2. See <http://www.undp.org>.

3. Ibid.
4. World Bank, *Governance and Development* (Washington, D.C.: World Bank, 1992).
5. For a comprehensive, systematic listing of potential governance and participation tasks in a postconflict environment, see Commission on Post-Conflict Reconstruction, *Post-Conflict Reconstruction Task Framework* (CSIS and Association of the U.S. Army, May 2002), <http://www.pcrproject.org> (accessed July 10, 2002).
6. The author would like to thank Ambassador James Dobbins, who has served as a special envoy in various postconflict settings, for calling to our attention this political balancing act based on different sets of standards.
7. USAID, "Program, Performance and Prospects," *Budget Justification FY 2002*, [http://www.usaid.gov/pubs/cbj2002/prog\\_pref2002.html](http://www.usaid.gov/pubs/cbj2002/prog_pref2002.html) (accessed July 10, 2002) (Democracy and Governance section).
8. *World Bank Poverty Reduction and Economic Management Notes*, no. 31 (October 1999).
9. Luca Barbone et al., *Reforming Tax Systems: The World Bank Record in the 1990s* (Washington, D.C.: World Bank, 1999), p. 3.
10. Ibid, p. 31.
11. See, for example, James K. Boyce, *Investing in Peace: Aid and Conditionality After Civil Wars* (Oxford: Oxford University Press, 2002).