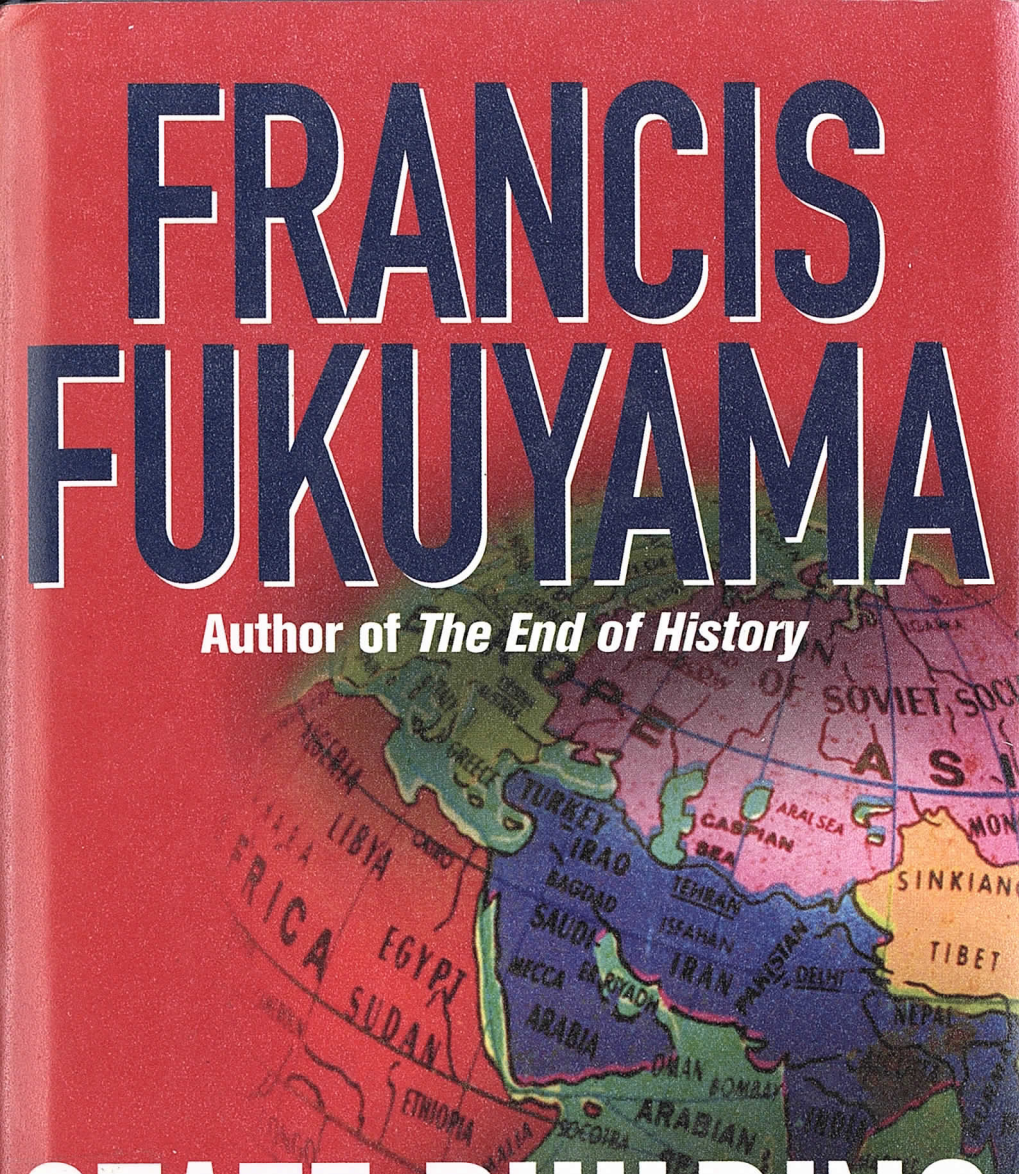
FRANCIS FUKUYAMA

Author of *The End of History*



STATE BUILDING

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Francis Fukuyama, a leading political observer, has an uncanny knack of identifying the next critical issue and shaping the debate around it. In this hugely important book he examines the concept of state-building and discusses the problems caused by state weakness and its national and international effects.

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GOVERNANCE AND WORLD ORDER IN THE TWENTY-FIRST CENTURY

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To Marty Lipset


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PREFACE

State-building is the creation of new government institutions and the strengthening of existing ones. In this book I argue that state-building is one of the most important issues for the world community because weak or failed states are the source of many of the world's most serious problems, from poverty to AIDS to drugs to terrorism. I also argue that while we know a lot about state-building, there is a great deal we don't know, particularly about how to transfer strong institutions to developing countries. We know how to transfer resources across international borders, but well-functioning public institutions require certain habits of mind and operate in complex ways that resist being moved. We need to focus a great deal more thought, attention, and research on this area.

The idea that state-building, as opposed to limiting or cutting back the state, should be at the top of our agenda may strike some people as perverse. The dominant trend in

world politics for the past generation has been, after all, the critique of "big government" and the attempt to move activities from the state sector to private markets or to civil society. But particularly in the developing world, weak, incompetent, or nonexistent government is the source of severe problems.

For example, the AIDS epidemic in Africa has infected more than 25 million people and will take a staggering toll of lives. AIDS can be treated, as it has been in the developed world, with antiretroviral drugs. There has been a strong push to provide public funding for AIDS medicine or to force pharmaceutical companies to permit the marketing of cheaper forms of their products in Africa and other parts of the Third World. While part of the AIDS problem is a matter of resources, another important aspect is government capacity to administer health programs. Antiretroviral drugs are not only expensive, they also are complex to administer. Unlike a one-shot vaccine, they must be taken in complex doses over a long period of time; failure to follow the regimen may actually make the epidemic worse by allowing the human immunodeficiency virus to mutate and develop drug resistance. Effective treatment requires a strong public health infrastructure, public education, and knowledge about the epidemiology of the disease in specific regions. Even if the resources were there, the institutional capacity to treat the disease is

lacking in many countries in sub-Saharan Africa (though some, like Uganda, have done a much better job than others). Dealing with this epidemic thus requires helping afflicted countries develop the institutional capacity to use what resources they may acquire.

Lack of state capacity in poor countries has come to haunt the developed world much more directly. The end of the Cold War left a band of failed and weak states stretching from the Balkans through the Caucasus, the Middle East, Central Asia, and South Asia. State collapse or weakness had already created major humanitarian and human rights disasters during the 1990s in Somalia, Haiti, Cambodia, Bosnia, Kosovo, and East Timor. For a while, the United States and other countries could pretend these problems were just local, but September 11 proved that state weakness constituted a huge strategic challenge as well. Radical Islamist terrorism combined with the availability of weapons of mass destruction added a major security dimension to the burden of problems created by weak governance. The United States has taken on major new responsibilities for nation-building in Afghanistan and Iraq in the wake of military actions there. Suddenly the ability to shore up or create from whole cloth missing state capabilities and institutions has risen to the top of the global agenda and seems likely to be a major condition for security in important parts of the world. Thus state

weakness is both a national and an international issue of the first order.

This book has three main parts. The first lays out an analytical framework for understanding the multiple dimensions of "stateness" – that is, the functions, capabilities, and grounds for legitimacy of governments. This framework will explain why, in most developing countries, states are not too strong but rather too weak. The second part looks at the causes of state weakness, particularly why there can be no science of public administration despite recent efforts by economists to establish one. This lack sharply limits the ability of outsiders to help countries strengthen their state capacity. The final part discusses the international dimensions of state weakness: how instability is driven by state weakness, how weakness has eroded the principle of sovereignty in the international system, and how questions of democratic legitimacy on an international level have come to dominate disputes between the United States, Europe, and other developed countries in the international system.

This book is based on the Messenger Lectures I delivered at Cornell University in Ithaca, New York, February 18–21, 2003. I am very grateful to Cornell, my undergraduate alma mater, and its former president, Hunter Rawlings, for inviting me to return and deliver this prestigious series. I particularly appreciate the efforts of Victor

Nee of the Sociology Department at Cornell to facilitate the lecture series and host me at the newly formed Center for the Study of Economy and Society and those of the Center's associate director, Richard Swedberg.

Parts of Chapter 3 were given as the John Bonython lecture in Melbourne, Australia, and the Sir Ronald Trotter Lecture delivered in Wellington, New Zealand, both in August 2002. I am grateful to the Centre for Independent Studies and its director, Greg Lindsey, and to Roger Kerr and Catherine Judd of the New Zealand Business Roundtable for helping bring my family and me to their part of the world. Owen Harries, former editor of *The National Interest*, also provided valuable comments on the lecture.

Many of the ideas in this book came from a graduate course on comparative politics that I taught with Seymour Martin Lipset over a period of several years at the School of Public Policy at George Mason University. I have learned an enormous amount from Marty Lipset over the years, and it is to him that this book is dedicated.

I received helpful comments and advice from a number of friends and colleagues, including Roger Leeds, Jessica Einhorn, Fred Starr, Enzo Grilli, Michael Mandelbaum, Robert Klitgaard, John Ikenberry, Michael Ignatieff, Peter Boettke, Rob Chase, Martin Shefter, Jeremy Rabkin, Brian Levy, Gary Hamel, Liisa Välikangas, Richard Pascale, Chet Crocker, Grace Goodell, Marc Plattner, and Karen Macours.

Parts of the lectures on which the book is based were also given at the Inter-American Development Bank and the U.S. Agency for International Development; I would like to thank Enrique Iglesias, president of the IDB, and Ann Phillips of USAID's Bureau for Policy and Program Coordination for facilitating these events. Presentations of parts of Chapter 3 were also made at the Miller Center at the University of Virginia, the Carr Center at Harvard's Kennedy School of Government, the Transatlantic Center at SAIS, the Maxwell School at Syracuse University, and the German Marshall Fund.

My research assistants Matthias Matthijs, Krisztina Csiki, Matt Miller, and particularly Björn Dressel provided great assistance in putting together materials for the book. My assistant, Cynthia Doroghazi, was helpful in many different phases of the project.

As always, I thank my family for their support through the writing of this book.

I

THE MISSING DIMENSIONS OF STATENESS

The state is an ancient human institution dating back some 10,000 years to the first agricultural societies that sprang up in Mesopotamia. In China a state with a highly trained bureaucracy has existed for thousands of years. In Europe the modern state, deploying large armies, taxation powers, and a centralized bureaucracy that could exercise sovereign authority over a large territory, is much more recent, dating back four or five hundred years to the consolidation of the French, Spanish, and Swedish monarchies. The rise of these states, with their ability to provide order, security, law, and property rights, was what made possible the rise of the modern economic world.

States have a wide variety of functions, for good and ill. The same coercive power that allows them to protect property rights and provide public safety also allows them to confiscate private property and abuse the rights of their citizens. The monopoly of legitimate power that states

FRANCIS FUKUYAMA

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Michael Gove, *The Times*

'Fukuyama is an all-round intellectual heavy-hitter ... one of the few people who has the breadth to look intelligently at the widest issues' *Focus*

The End of History

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'A fascinating historical and philosophical setting for the twenty first century' Tom Wolfe

Trust

'Dazzling in its intelligence and complexity'
New York Times

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