

# Escaping the fragility trap

Recommendations  
of the LSE-Oxford  
Commission on State  
Fragility, Growth  
and Development



# Commissioners

- **David Cameron (Chair)**, Former UK Prime Minister
- **Donald Kaberuka (Co-chair)**, Special Envoy, African Union Peace Fund; Former President, African Development Bank
- **Adnan Khan (Co-chair)**, Research and Policy Director, IGC, LSE
- **Paul Collier (Academic Director)**, Professor, Blavatnik School of Government, University of Oxford
- **Tim Besley (Academic Director)**, Professor, LSE
- **Robin Burgess**, Professor, LSE
- **James Fearon**, Professor, Stanford University
- **Stephen Krasner**, Professor, Stanford University
- **Nourah Mehyar**, CEO, Nafith Logistics
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- **Babatunde Soyoye**, Co-founder and Managing Partner, Helios Investment Partners
- **Jennifer Widner**, Professor, Princeton University
- **Ngairé Woods**, Dean, Blavatnik School of Government, University of Oxford

# The Issues

- Increasing focus on generating development in the most difficult places
- The label of “state fragility” is used to stand for a multiple of issues
  - But trying to categorise states as “fragile” is not clear help
  - Also talking about fragility *sui generis* not obviously the right way forward
  - And must not believe that the root causes of fragility dictate the solutions
    - Often involves factors beyond policy influence
- Approach needs to join up
  - Statecraft
  - Knowledge of development/the economy/politics
  - Security
    - Expertise that is often compartmentalized

# Symptoms of Fragility

- A security threat from organised non-state violence
- The government lacks legitimacy in the eyes of many citizens
- The state has weak capacity for essential functions
- The environment for private investment is unattractive
- The economy is exposed to shocks with little resilience
- Deep divisions in the society

# Our Recommendations

- Core recommendations on politics and security
  - Speaking to international community and governments of relevant countries
- Core recommendations on the economy
  - Speaking to international organizations in particular
- Will offer a brief “high-level” tour
  - Mainly focusing on priorities for international actors

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## Transforming politics and security

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### 1

#### Help build government that is subject to checks and balances and works for common purpose

- Accept that an escape from fragility is a gradual process of the state developing effective checks and balances on power-holders and developing a sense of common public purpose.
  - Therefore recognise that the building blocks of effective democracy – including checks and balances, rule of law and protection of minorities – are more important than the actual event of holding a multi-party election.
  - Stop assuming that fragility can be ended by processes that simply replicate the OECD model of political governance through new constitutions and multi-party elections.
  - Promote the resolution of situations of open conflict by power-sharing rather than by a leap to winner-take-all elections.
  - Encourage constitutions and multi-party elections to consolidate these processes rather than to initiate them.
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## Transforming politics and security

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### 2

#### Help build domestic security, including through a phase of international and regional security

- Give greater priority to helping build domestic security.
  - Recognise that international peacekeepers only buy the time needed to build the capacity of domestic and regional security services to keep peace.
  - Ensure that new domestic security services are decisively subject to checks and balances that curtail abuse.
  - Work with all relevant local and regional parties to help them agree red lines, and reinforce commitments by linking them to the pressure points.
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## Transforming politics and security

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### 3

#### Capitalise on pivotal moments

- Accept that in fragile situations there will be long periods when outsiders have limited scope to support transformative change.
  - Identify and use pivotal moments when transformative change is possible, such as a change of leadership or major international, regional, or national events, to support local leadership.
  - Recognise that all transformational change depends on chosen actions by national leaders. Pivotal moments work by creating opportunities for leaders to take actions that signal new intentions, resetting citizen expectations and building trust.
  - Don't use debt relief as an opportunity to impose donor priorities.
  - Support leaders to take actions that signal new intentions, reset citizen expectations and build trust in an inclusive way across the country.
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## Transforming politics and security

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### 4

#### Establish limited and purposive long-term goals

- Focus on citizens, not donors.
  - Use narratives, institutions and actions coherently to achieve three difficult goals:
    - Shared identity needs to supplant identities that are fragmented or oppositional.
    - Distrust of government needs to be turned into conditional trust.
    - Opportunistic short-termism needs to be supplanted by a future orientation and a willingness to make sacrifices for a better future.
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## Transforming politics and security

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### 5

#### In the short-term, look for quick wins

- Build legitimacy and confidence through small, easy steps that yield quick, visible wins on popular things. Focus on process as well as outcomes.
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## Transforming the economy

Job creation is essential for the emergence from fragility. This requires both international and domestic actors to focus far more on private sector development.

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### 6

#### Focus on economic governance, not policies

- Do not make international support conditional upon any specific policies.
  - Support governments financially and technically to implement their own programmes.
  - Governments in fragile states should have genuine choice of options, subject only to minimum standard of economic governance – honesty, realism, and inclusion.
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### 7

#### Use aid to support private investment for job creation

- Channel aid through development finance institutions (DFIs) to support pioneering firms.
  - DFIs and aid agencies should coordinate their financial and technical support for sectors prioritised as strategic.
  - DFIs should cooperate with each other to create standardised support so that investments that succeed can readily be offloaded.
  - DFIs should drop conventional economic, social, and governance (ESG) requirements in fragile states, replacing them with simple and pertinent yardsticks such as job creation – particularly for key demographics such as young people.
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## Transforming the economy

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### 8

#### Adopt distinctive international financial institution (IFI) policies for fragile states

- In fragile states, the IMF should encourage donors to provide aid for the public investment necessary to emerge from political and economic fragility. An objective of 'reducing aid dependence' should explicitly be recognised as premature.
  - The IMF needs to commit to radical improvements in how programmes in fragile states are staffed.
  - The World Bank needs both a strategy for fragile states and an organisational structure for delivery of a strategy.
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### 9

#### Use international means of building resilience

- **Build better surveillance capacity to anticipate economic shocks.**
  - **Ensure humanitarian interventions conducted in emergency situations contribute to long-term development plans, in line with national government priorities.**
  - **Support domestically-generated government initiatives that increase macro and micro resilience.**
  - **Develop forms of IFI lending that link debt service to observable risks to reduce both fragility and the exposure of IFIs to default.**
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### 10

#### Build institutions to support the private economy

- Build legal capacity for regulation and contract enforcement.
  - Build tax capacity to finance public investment.
  - Build the capacity to manage public investment.
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## Transforming the economy

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### 11

#### Invest in urban infrastructure for energy and connectivity

- Ensure firms have reliable power.
  - Invest in serviced urban electricity, water, sanitation, and road grids.
  - Ignite the private construction of affordable urban housing.
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# 12

## Use domestic means of building resilience

- Build quick responses to household shocks.
  - Provide insurance against macroeconomic and environmental shocks.
  - Build resilience against avoidable policy shocks.
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