

The Chr. Michelsen Lecture

ALEX DE WAAL

Program Director, Social Science Research Council, New York

**“FIXING THE POLITICAL MARKETPLACE:
HOW CAN WE MAKE
PEACE WITHOUT
FUNCTIONING STATE
INSTITUTIONS?”**

15 OCTOBER / 18:00

.....

**AUDITORIUM 2, THE LAW FACULTY,
MAGNUS LAGABØTESPLASS 1**

Fixing the Political Marketplace: How can we make peace without functioning state institutions?

Fifteenth Christen Michelsen Lecture, Bergen, 15 October 2009

Alex de Waal
Social Science Research Council

Introduction

Three interlocking paradoxes form the crux of the problem that I seek to address in this lecture. One is that, despite the significant decline in armed conflict around the world, certain civil conflicts seem remarkably persistent. Secondly, the violence that occurs is neither purely political nor strictly criminal, but a hybrid of the two. Closely related is the third paradox that despite immense international resources devoted to these crises, they are not becoming any easier to resolve—in fact they even be getting harder to fix. As a consequence, in several important and difficult countries, including Afghanistan, the Democratic Republic of Congo and Sudan, there is no endgame in sight to international involvement, including the military interventions of NATO and MONUC and the two peace support operations in Sudan.

At the centre of my attempted explanation of these puzzles is an exploration of the challenge of running a difficult and complex country, like the three mentioned, without the benefit of a strong and autonomous state to manage the political disputes that inevitably arise in any society. Many scholars—especially historians and social anthropologists—have investigated how political power is exercised in countries such as these and their historical antecedents. Many politicians have an astute understanding of the challenges facing the ruler of these countries. But international policy tends to be guided by models that are framed by certain norms of what a state *ought* to look like, and how it *ought* to be run. These frameworks are deaf to the vernacular of politics and tend to regard the insights of ethnographers and historians as providing only contingent and local knowledge, useful solely for the practicalities of implementing policies that are

designed on the basis of grander, simpler models, derived from economics and a grand tradition of political science.

The basic argument developed in this lecture is that we should study countries like Afghanistan, Congo and Sudan *as they actually are*, rather than as deficient examples of what we think they ought to be. We neglect the vernacular of politics to our intellectual loss and at the peril of our policies and objectives—not to mention our troops, and most importantly, the political future of these nations and their citizens. Quite possibly, one reason why we neglect the actual functioning of politics is because it is obvious, ordinary and boring. National politics in these countries function much like village politics or even family politics: on the basis of personal affinity and loyalty, including status and reward. Politics are fractal in the sense that the same principles and practices are found at all levels. The astute village chief has the skills he needs to be a functional head of state, and the journalist for a provincial newspaper can rival the professor of politics in insight.

Countries like Afghanistan, Congo and Sudan are often called ‘fragile states.’ Without doubt, their formal state structures are not strong enough to manage political disputes, and this makes them problematic interlocutors for western governments and international institutions. In some cases, the lack of a capable and legitimate state has been a contributory factor to civil war that has also devastated the social fabric, creating what we might call ‘fragile societies’ as well. But in other cases, fragile states coexist with strong societies, and in all cases, some social ties and formations remain very strong indeed.

Patronage is the basic principle for how these countries actually function, whether they are peaceful, engaged in outright war, or persist in the murky zone of not-quite-peace, the area of focus for this lecture. Patronage can be inefficient and corrupt, and can be a factor that contributes to political and economic crisis, and even war. But patronage systems can also function as a repository of trust and security. In these countries, they are recognized as a fact of social life, and consequently are seen as legitimate. It is expected that political leaders will use them to secure their power and reward their followers. In places in which formal state institutions are not providing stability and services, patronage mechanisms can dispense resources, sometimes in a way that is recognizably fair. People may have more confidence in them than in weak formal institutions, and for sure expect that they will be resilient at times when formal systems fail. No Afghan, Congolese or Sudanese would readily forfeit the actually-existing patronage systems, with all their failings, for the uncertain promise of future formal institutions.

New Patterns of Conflict?

In 2005, the Human Security Report confirmed a suspicion held by many long-time peacemakers and humanitarians, which was that the number of conflicts around the world and their human toll, had been declining over recent decades. Notwithstanding a few sharp counterexamples such as the genocide in Rwanda, the trend was clearly downwards. (The extremely high estimates for deaths in the conflict in DRC are reliant on some rather suspect methodological assumptions.) This decline is continuing, although the subsequent four year timespan is too short a period in which to draw additional conclusions.

Anecdotal evidence for the declining lethality of wars comes from the levels of violence that western publics will and will not tolerate. The current Afghanistan campaign has led to about 200 British soldiers losing their lives. This is fewer than in Northern Ireland and far fewer than the disastrous Afghan campaigns of the mid-nineteenth century when an army of over 30,000 men marched into the country, of whom just one escaped alive. Previous generations would consider the current war in Afghanistan as one of extraordinarily light casualties.

Similarly the controversy over whether Darfur is a 'low intensity conflict' illustrates growing international intolerance of civilian fatalities. The numbers of fatalities reported by UNAMID indicate about 150 deaths from violence monthly during 2008, falling to about 100 during 2009. These reports are unlikely to catch every homicide, but they certainly include all major incidents, and are a clear indication that violence is a small fraction of what it was during the period of intense conflict in 2003-04. Only a minority of these deaths are due to combat between government and rebels. Military officers serving with UNAMID consider that this simply isn't enough for Darfur to qualify as a 'war.' The advocacy groups in the U.S. beg to disagree: for them the fact that anyone is being killed, and that thousands are being displaced, qualifies it as a high-intensity war.

Organized warfare may be in decline, and the numbers of people (especially civilians) killed may be declining too. That is good news and a tribute to peacemakers. But it coincides with the persisting intractability of many conflicts, which seem extraordinarily resistant to attempts to end them.

The Darfur figures also illustrate something else of significance. When analyzing the violent incidents in Darfur, the staff of the UNAMID Joint Mission Analysis Centre face a recurrent difficulty in how they code specific incidents. Do they count as ‘combat’ or ‘crime’? (In this context, ‘crime’ means ‘common crime,’ leaving aside the question of war crimes.) When the rebels attack a convoy of vehicles and steal landcruisers, fuel or commercial goods, is this a ‘political’ act or a ‘criminal’ act? What category should a cattle raid be placed in? When the government forces mount an attack on a rebel base close to a road, where rebel fighters have been stopping commercial trucks and demanding that the drivers pay fees to pass safely, does this operation count as ‘policing’ or ‘offensive military operations’? Are the Janjaweed militia a political or a criminal entity? Is the frequency of sexual violence an indication of a breakdown of law and order, or a systematic political intent?

Rather than trying to make a categorical distinction between criminal and political violence, I argue that it is preferable to see this violence as a manifestation of a hybrid political-criminal form of conflict. This is a distinct pattern, characteristic not just of Darfur but of many other conflicts too, and especially these low-level intractable conflicts.

It is tempting to call this a ‘new’ pattern of conflict. However there are historical precursors to this mix, and most insurgencies have involved a mixture of criminality and political violence. It may be the case that we are not so much dealing with a new phenomenon as newly recognizing an old phenomenon. Most likely, there are both continuities and novel aspects. In any case, the question of whether it is a ‘new’ pattern or not is irrelevant to the question of understanding it, engaging with it and hopefully, resolving it.

What Fragile States Are *Not*

My third paradox is that current international engagement with Afghanistan, Congo and Sudan, and probably a number of other ‘fragile’ states, is not leading to a resolution of their difficulties, and may actually be contributing to their intractability. To explain this, requires a sketch of where the dominant paradigms of international engagement have gone wrong.

The existing approach defines a fragile state as one that is failing along two axes, namely legitimacy and capability. These countries are defined by what they are not: they are not delivering services in an equitable manner; they are not exercising a monopoly in violence within their territories; they are not choosing their leaders through democratic processes, and they are not putting international assistance to its rightful use. In turn this approach leads to approaches for peacemaking, peacebuilding, reconstruction and development that are premised on trying to achieve a particular normative standard. The World Bank finds fragile states troubling because they are not utilizing international assistance enough and not utilizing it well. The UN finds them troubling because they are tying down peace support operations. Central to NATO's worry in Afghanistan is that the failure to 'win' the war is eroding the credibility and will of the coalition itself.

The World Bank defines fragile states as 'characterized by very weak policies, institutions, and governance. Aid does not work well in these environments because governments lack the capacity or inclination to use finance effectively for poverty reduction.' It is notable how quickly the Bank moves from an objective measure to an operational constraint, namely the difficulty that a state has in utilizing international assistance for its stated goals. A fragile or failed state is one that deviates from a norm of good governance and developmentalism.

In his 2001 report to the UN Security Council on exit strategies for peacekeeping operations, Kofi Annan took a similar approach:

domestic peace... becomes sustainable, not when all conflicts are removed from society, but when the natural conflicts of society can be resolved peacefully through the exercise of State sovereignty and, generally, participatory governance. In many cases, an effective strategy for realizing that objective is to help warring parties to move their political and economic struggles from the battlefield and into an institutional framework where a peaceful settlement process can be engaged and future disputes can be addressed in a similar fashion. To facilitate such a transition, a mission's mandate should include peace-building and incorporate such elements as institution-building and the promotion of good governance and the rule of law, by assisting the parties to develop legitimate and broad-based institutions.

Kofi Annan was saying that peacekeeping operations could conclude, declaring success, when countries had built capable and legitimate state institutions. Consequently, the exit strategies of major peace support operations have been designed around constitutional landmarks. MONUC was due to conclude its deployment following the elections in Congo. UNMIS's mandate expires with the completion of Sudan's interim period, six months after the referendum on self-determination in southern Sudan. Few expect UNMIS to be able to withdraw, 'mission accomplished,' on 9 July 2011.

Of course, many of the people in these countries agree strongly with the aims laid out by the World Bank and the UN: they are suffering, dying, and unable to speak their minds, and they are not at all happy with the fact that they can only get their children educated or live in safety if they go somewhere else. Certain standards of human rights are morally preferable, and certain living standards are preferable for all sorts of other reasons. These countries *are* deficient in the ways specified. The problem lies not in the moral judgement, but in the analysis that follows. A country in which human rights are routinely violated is *ethically* inferior to one in which human rights are widely respected. But it does not follow from this that a political science analysis that prioritizes the dimension of human rights, with associated policy recommendations, is *analytically* superior to a framework that focuses on other political issues such as control over resources. The international community may have assumed the moral license to tell other countries how to organize themselves, but it does not follow that it automatically has the means or the method to determine that those countries organize themselves in that way.

The language we use to describe these countries entails moral judgements, not just about policy, but also about what is worthy of study or worthy of theorizing. We speak about corruption, tribalism, clientelism and patronage, in negative terms. There are only few political scientists, who are either sufficiently brave or sufficiently high up in the ivory tower, who can describe what actually happens in these countries in value-neutral terms. Historians are well versed in doing this. Anthropologists do it also, typically in contexts well away from the political spotlight. As a subject for analysis, 'war' is fortunate in that it was prized by historians and social scientists long before it became the subject of disapproval by (some) policymakers. (Interestingly, '(armed) conflict' is often used in contexts in which the writer intends only that it should be stopped, whereas 'war' is also used by those who approve of it. People plan to start wars, but not armed conflicts.)

The combination of grand tradition political science and economics, at a high level of generality, and powerful normative standards, makes the conventional approach to rebuilding conflict-affected states extremely powerful—in international circles. By the same token it devalues the ‘local knowledge’ of historians and anthropologists, relegating this expertise to a tactical level of implementation science. Historians and anthropologists have also been poor at translating their insights into policy, too often implying that the situation is simply too complicated to be amenable to any policy measures, and pessimistically arguing that efforts to improve matters are likely to backfire. These disciplines are notoriously reluctant to marshal their knowledge in a way that can generate hypotheses or guide policy. Yet, they contain a great deal of knowledge.

Later in this lecture, I will return to the question of how international engagement can make a conflict more intractable. The point of these observations is that the root of this occasional perverse outcome lies in the flawed paradigm for what such engagement should do. By failing to incorporate, in a systematic and theoretically-informed way, the role of patronage in political affairs and conflict management, the dominant approach aims to high and sets its timetables too rapidly. This paradigm also makes a sequencing error: it seeks to build institutions before stability has been achieved, rather than understanding the political preconditions which will make state building a viable enterprise rather than an exercise in rewarding a faction in power.

Introducing the Political Marketplace

I believe that we can be much more analytically cogent about how fragile states actually function. The comparative political ethnography of ‘fragile’ or conflicted states is actually much more advanced than the high-level generalities of policy-oriented political science acknowledge. My modest contribution to this is a framework for understanding these puzzling situations, which I will call the ‘political marketplace.’

In my personal intellectual development, the origins of this idea lie in being a participant in (and observer of) peace negotiations in Darfur. I have long been puzzled how Sudan’s rulers manage to stay in power in this extraordinarily truculent country. I have many misgivings (to say the least) about how they have exercised that power, but several of them, including Jaafar Nimeiri and Omar al Bashir, have managed to stay in office for considerable lengths of time. On one occasion during the talks, a member of the Sudanese government delegation asked me how I thought that Bashir had succeeded, against such

long odds, at becoming Sudan's longest-serving head of state. At first I thought it was a joke question, or a provocation, but I soon realized it was a genuine query: this individual was really puzzled as to how his superiors had managed to do it. He thought they were not sure themselves. In studying the head of the Sudanese delegation at Abuja, Dr Majzoub al Khalifa, I began to see some of the answers. Part of it lay in an extremely thick skin, an ability to withstand any insult that was hurled and remain self-possessed. Part of it lay in a skill that in the vernacular was called 'Jellaba politics', after the class of riverain traders who historically dominated commerce in the Sudanese peripheries and beyond. In translation we might call it 'retail politics,' or more precisely, 'retail patronage politics.' It is the ability to gauge the monetary price that can be offered to any particular individual to secure his loyalty (it is a very gender-specific exercise), and more widely to read the market so as to know the likelihood of that price rising or falling in the future.

The Darfur rebels complained about Dr Majzoub's 'Jellaba politics.' But they too were active participants in the political market. During the last days of the Abuja peace talks in April and May 2006, while the formal negotiations were conducted around the text of the Darfur Peace Agreement, informal but more important bargaining was going on over the price to be paid. The key issues that determined whether the SLM Chairman, Abdel Wahid al Nur, would sign the document or not were not contained in the 87 pages of detailed provisions. It came down to the amount of money contained in the compensation fund, which would be under his personal control (and thus a fund for patronage purposes): he was offered \$30 million but demanded a minimum of \$100 million. He also demanded a personal payoff, reportedly of \$5 million, as a signing fee. The negotiations over the text were conducted in formal sessions, in English; the bargaining over the price was done behind closed doors, in Arabic.

Eighteen months later, a negotiation was conducted between the leader of one of the largest Arab militia in Darfur, and the Sudan government. This had the virtue of being uncomplicated because there was no international mediator and no need to pretend that the talks concerned anything other than the price itself. On agreeing to the offer, Mohamed Hamdan Hamiti commented that he expected Khartoum to deliver on forty percent of the deal but added that that would be enough for 18 months.

The idea of seeing Darfur as a political marketplace, an auction of loyalties, strongly reverberated in the political vernacular. Sudanese have absolutely no difficulty in talking about the 'politics of the souk.' Another term in the political vernacular is 'tajil', delay,

from which is derived the particular skill of ‘tajility’, strategic delay or the skill of procrastinating until one’s counterpart is exhausted or removed. This is the prevailing attitude to formal agreements: there’s great reluctance to sign them because of the ever-changing conditions in the marketplace. Deals on money and resources can be struck quickly because they are temporary, but more permanent arrangements are cause for concern.

In principle, the tools determining the price at which a bargain will be struck, could be civil. They can include electoral votes, the allegiance of parliamentarians, editorial columns in newspapers, public petitions and protests, work stoppages and the like. They could also include supernatural or spiritual sanctions. Another tool in support of bargaining is violence, which has the unfortunate characteristic of tending to supplant the other tools. In many countries with weak states, violence plays little role, or is successfully managed by strong patronage systems so that it remains at a low level. In African countries such as Senegal and Tanzania, weak states have succeeded in minimizing the role of violence. In the DRC, for much of the time when it was called Zaire, President Mobutu Sese Seko and the Zairean citizens reduced the role of violence. But in other countries, this did not occur, and in the case of Zaire-DRC, the success was unraveled—and only subsequently seen as an important bright spot in an otherwise dark period of the country’s history.

More comparative and theoretical work is needed on how and why violence becomes part of political bargaining, and the perhaps more puzzling question of explaining those cases in which it does *not* become part of the marketplace.

Violence plays many roles. It is a means of acquiring assets, of affirming (masculine) identities, and of managing group boundaries and sustaining group cohesion. It also serves as a tool for bargaining, a means for communication with the other party. The insurgent uses targeted violence against the government, to make himself noticed and demand a higher price. He may also want to seize assets in order to be a bigger player. The government uses more widespread violence against the insurgent, or his community, in order to weaken their asset base, and to drive down the price. The elites don’t directly attack one another and in fact are remarkably civil to each other. Violence against their respective human and material asset bases is merely part of their bargaining, though occasionally one side or the other breaks the rules and there is an episode, usually brief,

of all-out war, until the more normal circumstances, of low-level hybrid criminal-political violence, resume.

Modeling the Political Marketplace

Until this point, I have spoken chiefly as a participant-observer in peacemaking and peacebuilding, drawing on history and anthropology. To make this more than just a stimulating discussion, it is necessary to move towards a wider political framework and theory, that can make some testable predictions and some recommendations that move beyond particular cases. Let me begin to construct a framework at a high level of generality.

Imagine a country that consists of a ruler and a set of provincial elites. Each elite member controls a unit: a tribe, a militia, an insurgent group, a commercial operation, or something similar. The provincial elites cannot overthrow the ruler and the ruler cannot remove the provincial elites. This determines a political game. The provincial elites want to gain the highest price from the ruler for their allegiance. They want positions in government and resources, including trading licenses, local taxation powers, and straight cash. In a peaceful system, the provincial elites can use elections, or demonstrations, or boycotts and labour strikes, to make their point. It gets them noticed and forces the ruler to negotiate. The ruler wants to pay the lowest price for their allegiance. He can threaten to let them wither in the political wilderness, withholding resources. In variants of the game, he can sponsor rival elites and even license them to undermine those who are demanding too high a price. Where violence is an option, it can be used by both parties.

The central question is to determine the price of loyalty, and whether this price is paid indefinitely or for a particular period only. There are many other questions too, such as the nature of bargaining within the ruling elite, and whether there is just one ruler buying loyalty or multiple factions within the ruling group; whether rival provincial elites can be played off against each other; and the nature of the provincial elite's control of its constituency. These can be modeled too. But let us assume the central phenomenon is bargaining between ruler and provincial elites, and that each of these categories is relatively well-defined and stable.

Having generalized, let us make the phenomenon more geographically specific. The countries I have in mind share two characteristics. First, they possess states which are not

capable or autonomous enough to manage political conflict within their territories. In Africa, this means that it doesn't apply domestically to the North African countries or to Ethiopia, though in these cases governments may rule their peripheries using these methods. In Asia, it rules out Iran but not Afghanistan or Pakistan.

Second, these countries are large. There is a possibility for political entities smaller than the state to enjoy a quasi-autonomous existence. This may be possible in small states but proximity typically makes for different forms of political bargaining. The framework cannot be applied to Burundi without great modifications and cannot be applied for Rwanda. The term 'provincial elite' was chosen carefully: the bargaining has a spatial dimension. Different strategies of bargaining occur within cities, including within the emergent megacities such as greater Khartoum, Kinshasa and Lagos. The model is primarily applicable to countries such as Sudan, DRC, Afghanistan, Chad, Somalia, Nigeria, etc. Where there is a cluster of small countries with weak states, such as in coastal west Africa, the model must be revised in different ways.

The marketplace is not a metaphor: it is a set of actual practices. It should be possible to determine actual prices and model the supply and demand, and how the prices respond to different influences. We can examine the causes of price inflation in the cost of allegiance, what influences deflation if it occurs, the impacts of different attempts at market regulation, etc.

Managing the Marketplace

If the day-to-day, tactical challenge for a ruler is how to keep down the price of loyalty for specific petitioner provincial elites, the strategic challenge is how to sustain a patronage system that is affordable and stable.

Affordability

Let us examine affordability first. The price paid to the clients must not exceed the budget of the ruler.

In his book, 'When Things Fell Apart,' Bob Bates argued that the recession of the 1980s and the slump in tax revenues caused rulers to shorten their time horizons and switch to predation. The starting point of his model is rulers who are set on strategies of resourcing

through domestic taxation and investment in development. Economic crunch makes the rewards to short term predation relatively higher, incentivizing the switch to strategies of plunder. In Bates' account, three factors determine the likelihood that a ruler will defect from a strategy based on protecting wealth creation to one of predation: (1) the level of public revenues, (2) the resources available for immediate seizure, and (3) the ruler's discount rate—how much he is motivated by the short-term demand for survival as against the long-term prospect of development.

This model can be elaborated to take account of the political elites in the country, using the 'political marketplace' framework. This analysis adds the observation that during years of both boom and recession, the ruler needs to maintain a patronage network. In good years the ruler may be able to meet the demands of the political elites. An economic crunch will not reduce those demands, merely the ruler's ability to pay. How does the ruler respond? One response is to try to seize resources so as to pay off the elites at the going rate. This could include plundering natural resources (or licensing elite members to do so), diverting aid, running up debts, or selling off state assets at firesale prices to members of the elite. The medium- and long-term implications of these responses do not need to be explained. Another response is to contract the ambit of patronage, by shedding some of those who have been within the system. This will generate grievance and conflict too. The intersection of the two strategies consists in licensing one provincial elite to plunder the resources of its neighbour.

A patronage system can also face a crisis, not because of reduced supply, but increased demand. If there is price inflation for allegiance, the ruler can face the same dilemma.

There are some reasons to suppose that contemporary patronage systems are inherently volatile and prone to inflationary pressures (a point that I shall elaborate on later). According to definitions of corruption based on the model of the autonomous, capable and legitimate state, a patronage system is by definition an exercise in corruption. According to the political vernacular of these countries, a certain degree of patronage is normal and normative, but there is an excess amount that is considered unethical. One of the drawbacks of the western, institutionalized normative standards is that they do not draw a clear line between patronage systems that maintain stability, and those that generate instability. If patronage systems rely solely on weakly-formulated customary norms of the amount of patronage that is tolerable, as opposed to the amount which is

not, the checks and balances which prevent the slide towards extreme corruption become insufficient.

Any patronage system is a rent-seeking system, which is inefficient at generating economic growth and poor at increasing state revenue. On the other hand, the instability that comes from failing to manage a political marketplace also causes economic crisis. If it is correct that stability can be 'bought' through a well-managed patronage system, it should be possible to calculate the optimal 'stability payoff'—the level of resources that should ideally be spent on stabilization through patronage.

Any political marketplace-based solution to a conflict—an inclusive patronage system—can only be sustainable if it is made compatible with an economic policy that generates enough revenue growth to provide enough resources not only for elites but for their followers too.

As we shall see, affordability is determined by a number of factors including international policies and interventions, which are unrelated to the domestic revenue base.

Sustainability

Managing the political marketplace also demands a sustainable strategy. The bargains must be for a reasonable length of time and organized in such a way that they are not inherently unstable or self-defeating.

The most important element of sustainability is inclusivity: those who are left out will object and may rebel. The simplest form of inclusivity is simultaneous inclusion of all elites, who in turn follow this strategy for their principal constituents. If there is no simultaneous inclusion there must be a predictable rotation, so that those out of favour focus on how to return to favour under the existing system. Rulers such as Mobutu Sese Seko, who were experts at the patronage system, operated through rotating rival elites in and out of favour. It was a cheaper way of maintaining the system and had the advantage that it could prevent those who were in favour from being able to build a durable patronage system of their own, and to that degree it was sustainable.

It is interesting that the in the African political vernacular, democracy usually means 'fair shares' or 'everyone at the table', meaning 'dining table.' Constituency-based

parliamentary systems are the preferred model because the rationale for choosing a representative is to ensure that he or she can secure state resources for the district.

One of the skills of managing a sustainable patronage system is trying to manage the use of violence for bargaining purposes. One element of this is ensuring that the security institutions of the state do not get too powerful, because that would risk a coup d'état. So the strategy is to multiply and divide: establish multiple security services, each as specialized patronage networks, thereby dividing the threat to the ruler from his own security officers. Another element is to try to keep the rules civic. One of the under-acknowledged achievements of Mobutu and his political opponents was, for almost thirty years, to minimize the role of violence in Zairean political bargaining.

Perhaps the most important skill in making a patronage system sustainable is minimizing inflation in the price of loyalty. The cheaper the price, the more sustainable is the system. An enlightened ruler, or an institutionalized ruler, can utilize the savings to invest in value production. A less enlightened one can rule for longer, more peaceably.

Several mechanisms help to keep the price of loyalty down. One is paying in symbolic currency. Rather than providing real resources, the ruler can provide spiritual rewards (in the case of a theocrat or ideologue), or status rewards (in the case of a traditional ruler who dispenses medals, robes and titles). In a feudal system, the ruler can dispense land grants or authority over serfs. These are all cheaper than cash, and insofar as the ruler pays cash, he will try to do so in a sovereign currency, whose mint he controls, and that is not convertible, with no value outside his own realm. These measures—especially spiritual rewards and heritable titles—have the advantage that they are extremely durable, so that loyalty can be purchased for a long period.

A second mechanism is isolating the country from foreign influences, such as meddlesome neighbours and foreign aid donors who don't go directly through the ruler but who deal directly with political elites. One of the reasons why many rulers are obsessed with borders, especially when the state is weak and those borders have little or no historical or ethnic validity, is precisely so as to try to delimit the political marketplace. The introduction of foreign sources of patronage introduces an element of competition into the system, as well as potentially disturbing the rules of customary currency (or impeding attempts to develop non-monetary systems of rewarding allegiance).

The Monetization of Patronage

Material resources including cash have always been an element in patronage systems, as long as there have been rulers and currencies. However, in the last twenty years (especially) there has been a trend towards the monetization of patronage systems, and that this has contributed to the growth of deregulated, regionally-integrated and violent political marketplaces.

During the independence generation in Africa, there was sufficient symbolic and cultural capital for some states to achieve considerable stability, and democracy in the vernacular sense, under skilled leaders. Examples include Tanzania, Senegal and Cote d'Ivoire. During that generation, there were plenty of civil wars and violent coups, but they tended to be confined within a single country, and were amenable to resolution either by force or negotiation. The patterns of violent conflict were distinct from today. Quite probably, there was more violence and destruction in Biafra, Angola, Burundi, Chad, the Ethiopian revolution, Eritrea and Tigray, the Somali civil wars of the 1988-91 period, southern Sudan in the late 1980s and early 1990s, than today. But the characteristic pattern of intractable lawlessness, of hybrid political-criminal violence that is resistant to resolution, was absent. We did not see the emergence of regional, overlapping conflict systems, such as the Liberia-Sierra Leone-Guinea system, or the Great Lakes, or the Sudan-Chad-CAR system, until much more recently.

I believe that we can trace the root of this shift in the nature of conflict to the monetization of patronage. What I mean by monetization is simply the way in which cash payments, and especially payments in convertible currencies, have become an increasingly large component of patronage. It is a general trend rather than a universal one (there are some interesting exceptions), and the reasons why it has occurred are not difficult to understand. With economic liberalization and the growth of informal and international criminal economies, and above all with economic globalization, convertible currency drives out all other currencies, monetary and non-monetary, in which patronage can be transacted. We may in fact talk about the dollarization of patronage.

Why do those transacting cash payment win out over those engaged symbolic payment? Economic, cultural and informational globalization all make it more attractive for sellers to demand cash. Rulers who have a legitimacy deficit, either because they have newly

seized power and need to broaden their support base, or because their political capital has run down, will find it attractive to use cash. The ruler of a neighbouring country who has interests in the country in question and wants to rent allegiances there will use cash, as will international sponsors of the ruler. And it is much harder to move in the opposite direction, away from monetization.

In turn, this has important implications for the affordability and sustainability of patronage systems. It makes patronage systems intrinsically less affordable, because the best ways of reducing the price of loyalty is to switch from currency to symbolic systems of reward, and monetization is the reverse of that. Moreover, rulers' cash budgets are more volatile than their stores of customary capital.

It is also less affordable because monetized patronage knows no boundaries. It is convertible, both across borders and between different patrons or suppliers within borders. Because, we are talking about countries in which the state has insufficient power to manage political conflicts, by the same token it has no power to regulate the political marketplace. It cannot police its frontiers or regulate the payments provided by international actors, and cannot control the currency in which loyalty is bought and sold. Once loyalty can be transacted on an international market, it is open for neighbouring countries, foreign corporations, aid donors, UN peacekeeping missions, criminal syndicates, and any other interested stakeholders, to enter the market.

When several contiguous countries are faced with the same phenomenon, i.e. most of sub-Saharan Africa, it follows that a regionally integrated, deregulated market will follow. This makes the weaker states into supplicants vis-à-vis their cash-rich neighbours. For example, the position of CAR on the peripheries of the Nile Valley political marketplace (centred on Khartoum), the trans-Saharan marketplace (patron: Libya, with N'djamena in an intermediate position) and the Congo Basin/Great Lakes marketplace (with rival buyers in Kinshasa, Kigali and to a lesser extent Kampala), makes it a subordinate actor. The former president of CAR, Ange-Felix Patassé, was in fact the junior partner in a coalition with the Congolese rebel leader Jean-Pierre Bemba, because Bemba had more money.

In turn, this regionalization makes the marketplace vulnerable to the use of violence as a bargaining tool. In the same way as dollarization drives out symbolic currencies for transacting loyalties, violence has the effect of driving out civil forms of bargaining.

The regionalization of the deregulated political marketplace is a disturbance to an international system based on territories that are, in theory, sovereign. It generates new problems without obvious solutions. But it also generates different levels at which conflicts may be managed.

For example, the regionalized political marketplace implies that the sovereign independence of southern Sudan is not in itself any guarantee that southern Sudan will be free from Khartoum's patronage and bargaining. Independence may allow Juba to claim a larger share of revenues from oil but it is not clear whether that would be sufficient for it to consolidate as a rival centre of state power, or an effective purchaser of loyalty. This is a blow to the aspirations of many southern Sudanese to become free from what they consider the baleful influence of Khartoum's 'Jellaba politicians.' On the other hand, the ongoing common interests of the northern and southern Sudanese elites in a functioning patronage system mean that opportunities for bargaining during and after a process of secession, are increased. An obvious example of this will be the continuing bargaining over sharing revenues from oil, which is extracted in southern Sudan but pumped to market along a pipeline that goes through northern Sudan.

As an academic and policy community, we have done rather little study of how patronage systems and political marketplaces operate within countries. We have almost no studies on how they operate across borders. There is good reason to suspect that the combination of monetization, regionalization and violence increases the volatility of these marketplaces. Loyalty may be negotiated with less trust and for shorter time periods.

There are two extremes of the regionalized and monetized political marketplace. One is extreme deregulation. This is evident in Somalia, parts of the west African littoral, and the eastern Chad basin (Chad, CAR and Darfur). Each has its particular characteristics. In Somalia, finance has gradually taken over from clan identity in determining political and military loyalty. Islam serves as an extremely helpful code for financiers and has the added advantage that it provides social capital that can help regulate the market. The west African littoral is increasingly characterized by drug finance, as international narcotics traffickers take advantage of the relatively cheap and deregulated political marketplace to rent the allegiance of local powerbrokers, factions within governments, and now entire states.

The eastern Chad basin is an interesting case of the intersection of different, formerly differentiated marketplaces. It shows how competition among different regional power centres can result in the near-total deregulation of a political market. In this case there are also clear historical lineages, especially from the late 19th century years of pillage and plunder.

Outside Africa, Afghanistan is an interesting case in which the ideological claims of the parties have been supplanted, in large part, by their financial capabilities. The Taliban's control of the narcotics trade is at least as central to its power strategy as its Islamism. In fact, the relationship of the 1990s, whereby al Qaida provided finance to the Taliban and therefore purchased its allegiance, appears to have been reversed.

At the other extreme are instances in which rulers have chosen, or been forced, to reverse the monetization of patronage. Revolutionary efforts to demonetize patronage systems—such as the Islamists in Sudan in the years after 1989—have rarely lasted long, and have had other undesirable side-effects such as ideological extremism and violence. One could interpret ethnic exclusivist projects in Cote d'Ivoire and Rwanda in similar terms.

Another interesting example is Gaza, where the Israeli and Euro-American response to the Hamas electoral victory was to abandon the erstwhile policy of buying off the Palestinian Authority as an intermediate client actor, and to starve the Gaza administration of any funds with which to manage its patronage system. This had the impact of compelling Hamas to resort to ideological purity as its currency of loyalty, making it politically more solid than Fatah, for as long as its imposed political autarky remains.

Intervening in the Marketplace

International engagements in weak and fragile states are generally conceived with aims such as development, humanitarian assistance, peacemaking, peacekeeping, and institution-building in mind. The implications for patronage systems are less often considered. In this context, 'intervention' is used to refer to the entire range of international activities, from development assistance and humanitarian relief, through peace negotiations and consensual peacekeeping, to coercive operations and forcible interventions.

These interventions are rarely designed or implemented with regard to the political marketplace. Often, international policymakers and diplomats ignore the ubiquity and significance of patronage systems: they pretend that patronage doesn't exist, or they recognize it but think of it as an aberration that can be safely ignored, or an abuse that should not be recognized. Some policies are clearly intended to dismantle patronage systems or to overrule or supplant them.

On other occasions, when the interests of major states are at stake, international players deliberately utilize the patronage system or the marketplace. During the Cold War, the western powers paid for the loyalty of rulers such as Siad Barre, Daniel Arap Moi, Jaafar Nimeiri and Mobutu Sese Seko, not to mention governments in Pakistan, Thailand, and South Korea, and insurgents in Afghanistan and Laos. In 2001, the campaign to overthrow the Taliban consisted in large part of cash payments to Afghan power brokers to rent their allegiance for as long as it took to overthrow the Taliban. These examples are all an integral part of the history of the monetization of patronage.

All forms of international intervention influence the functioning of the marketplace. They influence the price of loyalty, by providing a buyer or seller with more resources or more options, or by directly renting the allegiances of certain actors. They influence the development of the marketplace itself, typically by accelerating the dollarization and the regionalization of the market. Interventions such as sanctions can help demonetize the system, or can drive it in the direction of criminalization. In all cases, we have little systematic evidence and still less in the way of monitoring data and analytical frameworks to come to a robust assessment of the impacts of intervention, and so what follows is an exploratory analysis only.

Interventions intended to build up state capacities typically assist the ruler. While the intention may be to build an institution, the outcomes are typically to provide more resources to the ruler, both financial and military, and to create new opportunities for patronage through institutions that provide employment, contracts and projects. If the resources are exclusively, or disproportionately, channeled through the ruler, these impacts can drive down the price of loyalty, allowing the ruler to purchase the loyalty of aspirant elites more cheaply. In principle this kind of elite buy-in could free up more resources for value creation (economic development) but in practice this does not always happen, for example when the ruler is anxious about the longevity of his international support.

A fine and revealing example of how an avowedly institution-building intervention can be co-opted in support of a factional or patronage strategy is anti-corruption initiatives. In a country such as Nigeria, the government regularly launches anti-corruption drives. Given that all Nigerian politicians are part of patronage mechanisms and therefore 'corrupt' to a greater or lesser degree, the question arises, who will be targeted in a war on corruption? The answer is, those out of favour with the ruler—who have demanded too high a price. The anti-corruption campaign becomes an instrument for regulating the political marketplace and, by extension, an exercise in corruption itself. Within a political marketplace, the only way a member of a political elite can respond cogently to an anti-corruption effort is to offer a payoff to the political master of the anti-corruption czar. Abdicating from the patronage system is a route to political oblivion.

A political agreement in the marketplace should be seen less as a legal text, and more as a rental transaction.

One implication of this is that any political agreements made under these circumstances of external support to the ruler, remain good for only as long as the external support continues at the existing level. If the support is withdrawn or scaled back, the rival elites will want to renegotiate. In DRC, therefore, we would expect the departure of MONUC to lead to provincial elite leaders staging new rebellions to demand a better deal. In Afghanistan, if the NATO forces are expanded and the Karzai government negotiates a deal at the moment of its greatest strength, that agreement will last only as long as those particular market conditions persist. If NATO draws down its forces, the agreement will be incorrectly valued, and the bargaining will resume, most likely with violence as a tool on either side. In both cases, the presence of international forces and international assistance, of unknown duration, introduces an element of uncertainty into the political marketplace which makes finding a solution more difficult, not less.

In other cases, the international engagement is either intended to weaken the government, or has the effect of bidding up the price of the opposition. This is the case for Darfur, where international ostracism of Khartoum and the readiness of the international community to give a platform to rebel groups which are poorly organized and have little political or military capability, has over-inflated the price which the rebel leaders believe they can charge. In the Darfur peace talks, the rebels considered that the Save Darfur campaign would continue to give them the opportunity to demand a higher price than that

on offer from Khartoum, while the Sudanese government negotiators anticipated that the U.S. government commitment to the draft agreement would render the activists irrelevant, so that they could pay a lower price for the rebels. The government had an additional reason for wanting to pay a modest price, which was that they feared a general nationwide inflation of the price of loyalty, with copycat demands from other provincial elites for a similar deal—just as the Darfurians’ demands had been increased by the precedent of the southern Sudanese deal.

Hence we can see how the uncertainties of the international engagement made it harder to strike a durable deal. The rebels continue to hold out, expecting that continuing intense international interest will translate into a high price, while the government continues to regard this as a speculative bubble which will burst sooner or later. Should the international community withdraw from Darfur, the government will be proven right. It will be tempted to renegotiate the deal to its advantage, probably by using force. The faithful implementation of any agreement reached under current circumstances depends upon international engagement continuing at much the same level.

The patronage-marketplace model has another implication for peacemaking. A party to a peace negotiation should be seen not as a formal hierarchy but as a patronage system, with authority negotiable at every level. In a conflict in an institutionalized state, which typically will have an institutionalized adversary, the classic style of peace negotiations is possible. For example it would have been possible in principle to negotiate a workable peace agreement between the president of Sri Lanka and the leader of the Tamil Tigers: had the two reached an agreement in good faith, it could have held on the basis of the political decisions they made. It was possible for the force commander of the UN Mission in Eritrea and Ethiopia to deal solely with the chiefs of staff of the two armies, knowing that the orders handed down by the two would be respected.

However, in Sudan, Congo or Afghanistan, the ruler is only as strong as today’s patronage bargains with members of the political elite, who retain a great deal of autonomy. The terms of the bargain between ruler and elite member will not have specified what happens when circumstances change, for example when the ruler wants to bring in a formerly-excluded group, or surrender the authority to appoint certain ministers of governors. That ruler will need to renegotiate his patronage bargains. To the frustration of international peacemakers and peacekeepers, a commitment at the top does not translate into action throughout the system.

This can even occur with something as elementary as a ceasefire. The president may announce a ceasefire, but the generals in the office of the chief of staff will need to meet to agree what this means in practice, and negotiate with the provincial commanders, warlords, police chiefs and militia commanders as to how they should interpret the instruction.

The temptation is either to blame the leader for perfidy or to recognize that there is a structural weakness in the system, requiring a bottom-up approach. The peacemaker may draw the implication is that the conflict is a composite of different local conflicts, each of them in turn a composite of micro-conflicts, and peace is made by dealing with every one at its particular level. There is an element of truth in this analysis, and consequently international mediators, including a growing number of conflict-resolution NGOs which operate at a local level, become involved in local peacemaking. Where there is international concern, more senior diplomats become engaged too. Hence we see SRSGs or even UN Security Council ambassadors becoming engaged in district-level disputes or even village conflicts, and trying to micromanage conflict resolution efforts.

The difficulty with this approach is that every intervention is a distortion in the market. The more local the engagement, the greater the relative weight of the international actor involved, and hence the greater the distortion. An international mediator will never be as knowledgeable, skilled or patient, in the local market, as a local actor, and will invariably be co-opted into leaning towards one side or the other. Given that every agreement reached is good for only that particular set of conditions, and once conditions change, the agreement is dead, the interventions are inherently unsustainable.

The outcome of all these factors is that peace operations in these countries become entrapped. They cannot resolve the conflicts, and the more they try to do so, the more they become part of the dynamics of the marketplace itself. So neither can they withdraw. And ironically, the bigger the intervention, the greater the distortion, and the more intractable the problem. Among the peacemakers, unsurprisingly, the result is disillusion with the enterprise. The most ambitious peacemaking and peacekeeping exercises, in DRC and Sudan, are missions without end. Something similar is true for the NATO forces in Afghanistan. Already we can see an element of cynicism moving from the fringes to the centre of these operations, with more and more people asking the question, 'what are we doing here?' In turn, smaller partners in the operation, who may have sent their troops out

of a sense of solidarity or principle, are likely to stay less because of their original political motives, and more because of the rewards of remaining loyal to the superpower. The monetization of loyalty operates in the international sphere as well.

As the operations become more complex, more and more effort is devoted to the internal management and the internal politics of the operations themselves, to the extent that the guiding principle becomes, no longer, resolving the problem of the country in question, but salvaging the standing of the intervening force.

If we shift our attention to the longer-term historical development of the political marketplace, we can ask, is international engagement facilitating monetization, deregulation and international integration? There are many reasons to suspect that it is. The internationalization of governance—the international standards and expectations and all the mechanisms that go along with that, including support for elections and NGOs, conferences, training workshops and educational opportunities—has contributed to a worldwide increase in democratization and civil society. The growth in conflict resolution activities has contributed to a reduction in numbers of conflicts and numbers of people killed. But these activities also subtract from the particularities of national political cultures and systems, and thereby contribute to the monetization of the political marketplace.

It takes a state with considerable self-confidence and financial autonomy vis-à-vis the rest of the world to resist the pressures to play this international game. Those that hold out are often unsavoury. Examples include North Korea and Burma, and there are good reasons for not encouraging these countries to be regarded as models. But just as economic globalization has two sides: it has brought unimagined prosperity but also has ravaged many local livelihoods, so too does this particular element of globalized governance.

Fixing the Marketplace

By the same token that the main factors that determine the functioning of a political marketplace are the operation of local, national and regional patronage systems, the mechanisms for fixing dysfunctional markets must primarily be local, national and regional. There should be a middle way between the total deregulation of the marketplace and the regression to autarky and dictatorship. An important element in this is recognizing a distinction between ‘legitimate’ patronage and ‘illegitimate’ corruption, a

line that has to be drawn in accordance with local political-cultural norms. If ‘normal’ modes of neo-patrimonial governance are rendered illegitimate, we should not be surprised when countries fail to control corruption.

There are constitutionally-based routes towards accommodating the reality of patronage. At present, most constitutional models have constituency-based representation in the legislature and executive systems based on the majority of the legislators. Systems that share executive power are rarer, and are typically the outcome of negotiations to end conflicts rather than elections. It is interesting to note that interim, power-sharing governments are quite often more representative, credible and stable than their elected successors. It is, perhaps, because of this feature. There is no great difficulty in designing executives based on power sharing, with collective presidencies and division of cabinet positions, but these are commonly seen as transitional arrangements rather than enduring features of a constitution. This should be revisited.

How can a political system be designed so as to ensure an elite buy-in without institutionalizing corruption so deeply that the resulting governance is both inept and unstable? How to make patronage work as a force for stability without it being the engine of decay and crisis? We have hardly begun to examine how this might be achieved. Can the barons of patronage become the captains of industry? Can government institutions that begin life as mechanisms for giving sinecures to clients become efficient service providers? Can a patrimonial system become one that allows the absorption of newly emergent elite groups? Step one to achieving these goals is recognizing the tasks.

Closely related is the challenge of changing the dynamics between elites and constituents. It may be possible, as in Nigeria, to establish an inclusive elite compact that stops armed conflict among the top segment of the elites. However, the experience of Nigeria suggests that this may be at the price of making the elite into an exclusive club, and displacing violence to a lower level. Nigeria is a violent place, but the violence is focused on aspiring elites who want to join the lucrative club. The Nigerian patronage system is not designed to bring sufficient benefits to ordinary people and especially young people.

Regional and subregional responses could be based upon recognizing that the cross-border integration of political markets is here to stay. Regional integration, as with the East African Community, is a sensible response. The African Union and other regional

organizations also have an important role in norm development, identifying the distinctively African mechanisms for regulating the market.

Up to now, the objective of international engagement in these countries remains to bring them out of patronage-based marketplace politics, into becoming capable and legitimate institutionalized states. If that remains the criteria of success, peace support operations and other forms of intervention will be there a very long time indeed. It is unlikely that western governments have the capacity or patience to do this: their preference is for large short-term interventions intended to fundamentally alter the political landscape. Helping afflicted countries make a rapid transition to a Weberian state remains a laudable objective. But insofar as it is unachievable, pursuing it may be in violation of the 'do no harm' principle. State-building may be borne in mind as a long-term goal, but work needs to be done to identify an intermediate objective, that is much more likely to be achieved, namely finding interim solutions within the political marketplace itself.

To conclude this lecture, let me outline some of the elements that might make for a workable international project of stabilizing political marketplaces.

The first element is understanding what how these political markets work, and how international involvement impacts upon them. Engagements in these countries tend to correlate ignorance and optimism in the early phase, with greater knowledge and cynicism later on. There is always likely to be an element of this: energy and enthusiasm go with early engagement, and adversity is a great teacher. Nonetheless, there are many opportunities for having better knowledge at the start of a peace process or a peace support operation. Anthropologists and historians have long bemoaned that their expertise is neglected. They are quite justified. But these disciplines are terribly averse to giving systematic policy guidance. What's needed is a methodology that will allow policymakers to examine more systematically the nature of the political systems in which they are intervening, and the likely impacts of those interventions. I am hopeful that the idea of analyzing and modeling patronage systems, especially monetizing ones, is a step in that direction.

Next is the objective of making political deals stable, and not constantly renegotiable. As explained, a precondition for this is an international presence that is predictable over the medium term. The international community has such a bad reputation for fickleness that it is not surprising that most national politicians in these countries prefer to wait it out. In

the Sudanese vernacular there is even a term for it: ‘tajility,’ which dates back to the colonial era. A smaller, more sustainable, long-term presence would be far preferable to the large and unpredictable exercises that are currently fashionable. In the cases in which there is a military intervention or a coercive peacekeeping operation, we perhaps should talk about R2R: the responsibility to remain. Only when the political leader of an intervening nation is ready to commit to remaining in a country for fifteen or twenty-five years, should he dispatch the troops in the first place. As mentioned above, the political marketplace analysis suggests that a smaller presence is less distorting than a bigger one, and more likely to succeed, so the trade off between size and staying-power could be a win-win option.

Another component of this is supporting inclusive political mechanisms. In line with local definitions, democratization should be seen principally as a mechanism for ensuring that all constituencies are included in executive power arrangements, as outlined above. A re-evaluation of democratic norms is in order.

Number three is to try to change the incentives around the use of violence. There has been an impressive shift in the last twenty years towards extending legitimacy on the basis of competitive elections and human rights performance. There is no doubt that this has had a huge impact in many countries. In parallel there has been an enormous investment of effort in conflict resolution technologies and efforts. These have paid off too, as the data for declining armed conflict show. But we need to be alert to some of the perverse incentives that may become built into this system. For example, military entrepreneurs in Sudan are almost automatically given an international profile and a seat at the negotiating table, while civil political parties are not. In the case of Darfur we see a distinct phenomenon of ‘negotiation rents’ whereby small rebel groups sustain themselves through being part of a carousel of internationally-sponsored workshops and peace talks.

So far this is the exception rather than the rule. But there are a few warning signs that this may become a wider phenomenon, spreading to central and west Africa. If so, I would argue, the underlying drivers are the monetization of patronage and the regionalization of the political marketplace. But it could be sustained inadvertently by international peacemaking and peace support. We could see a ceaseless carousel of fighting and talking, with armed groups sustaining themselves by both, endlessly postponing a transition to civil political bargaining, because the armed groups well know that that

would entail an end to their common supremacy over the political arena and the associated resource flows.

The final challenge on my list is how to accommodate a system that is intrinsically conservative, patriarchal and corrupt, without abandoning dearly-held principles such as human rights, gender equality, and development. There should at minimum be a 'do no harm' principle.

For reasons I have outlined earlier, it will be remarkably difficult to reverse the monetization of patronage, at least not without the perils of political extremism. The transformation of dollarized political marketplaces into capable and legitimate institutionalized states is a long way off and may in fact be receding. The dynamics of the political marketplace, which are more powerful than any counter-dynamics of international policy, are towards further deregulation, monetization and regionalization, and the concomitant weakening of the recent trend towards civil representative politics. Today's trend towards intractable low-level conflicts, part criminal and part political, is a powerful one. We are compelled to work within this reality rather than reverse it. Nonetheless, I submit that there is plenty that can be done to 'fix' the political marketplace and allow these countries and regions to gain a modicum of stability. There must be a middle way, that recognizes the power of patronage to generate stability and its potential for inclusivity, that avoids the dangers of unchecked corruption and criminalization.

Our first challenge in managing this awkward reality is the intellectual one: we must seek to understand it.