Peace-building and the predatory political economy of insecurity: evidence from Cambodia, East Timor and Afghanistan

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International peace-building interventions in post-conflict countries are intended to transform the socio-political context that led to violence and thereby build a stable and lasting peace. Yet the UN’s transitional governance approach to peace-building is ill-suited to the challenge of dealing with the predatory political economy of insecurity that often emerges in post-conflict societies. Evidence from peace-building attempts in Cambodia, East Timor and Afghanistan illustrates that the political economy incentives facing domestic elites in an environment of low credibility and weak institutionalisation lead to a cycle of patronage generation and distribution that undermine legitimate and effective governance. As a result, post-conflict countries are left vulnerable to renewed conflict and persistent insecurity. International interventions can only craft lasting peace by understanding the political economy of conflict persistence and the potential policy levers for altering, rather than perpetuating, those dynamics.
Introduction

Since the end of the Cold War, the international community has poured a great deal of investment into the various dimensions of intra-state peacekeeping. The United Nations (UN) has played roles in post-conflict states ranging from brokering and enforcing peace agreements to, most expansively, comprehensive peace-building interventions applied over a transitional governance period. In the latter approach, the UN works with domestic elites to reconstruct state capacity and to build a democratic system, governing in collaboration with domestic elites until a first election is held. The aim is transformative—to lastingly alter the domestic political game by constructing the institutions of effective and legitimate democratic governance that are the foundation of a sustainable peace.

I argue in this paper that the transitional governance approach has unintended consequences that undermine the peace it is trying to build in post-conflict countries. The model has been quite successful in implanting the formal administrative and constitutional institutions associated with effective and legitimate governance, which must be acknowledged as important steps towards state- and democracy-building. But it is essential to consider the longer-term governance outcomes that result in order to truly assess whether stable and lasting peace is built, and here the results are rather less promising. Through comparative process-tracing of transitional governance outcomes in Cambodia, East Timor and Afghanistan, I illustrate that the UN’s peace-building strategy has been ill-suited to the challenge of dealing with the predatory political economy of insecurity that often emerges in post-conflict societies.1

In peace-building attempts in the three countries considered, the domestic elites empowered by the international community during the transitional governance period subsequently consolidated their holds on power in a zero-sum political-economic calculus relying on predation and patronage. In essence, the peace-building process becomes co-opted by domestic elites who use the legitimacy and power resources granted by transitional governance, and the subsequent aid economy, to turn the state into an arena of rent-seeking and distribution that is then employed in the struggle for political power. The political economy calculus facing domestic elites orients them towards a patronage generation and distribution system that undermines legitimate and effective governance and underpins a cycle of persistent insecurity.

I situate my argument within the broader peace-building literature in the first section of the paper, emphasising the need to import a political economy perspective. Second, I
outline the research design employed, defining transitional governance and the outcomes of interest. In the third section, I briefly trace the process of transitional governance in Cambodia, East Timor and Afghanistan to illustrate that this form of peace-building is co-opted into a domestic political economy of patronage. The fourth section elaborates on the logic of this predatory dynamic and how it underpins persistent insecurity. A concluding section sketches some theoretical and policy implications.

The peace-building scholarship: from process to politics

The study of the processes and implications of peace-building has proliferated as the practices of peace-building have evolved over the past 20 years. This growing body of work has yielded valuable contributions in terms of studying the multiple dimensions of conflict management through negotiated settlements and peace processes, defining and conceptualising peacekeeping and peace-building, cataloguing the implementation of international peace operations, identifying some of the contextual factors necessary for success in peace operation implementation and generating lessons learned for policy application.2

Yet, given the proliferation of work on peacekeeping and peace-building, there remain surprising lacunae in this field of study. In particular, scholars have tended to treat peace-building as a process, emphasising the institutional contours of a peace settlement at the time of its implementation to the neglect of truly assessing whether a stable and lasting peace results in the longer term. Building on various sub-disciplinary perspectives, as I sketch below, the peace-building scholarship has evolved from the initial set of largely descriptive and policy-prescriptive assessments of peace-building interventions to develop a deeper emphasis on the interaction of international and local actors and a more nuanced approach to the politics of peace-building. Nevertheless, the literature tends to inadequately capture the agency of domestic elites on long-term governance outcomes because it under-emphasises the manner in which domestic political economy incentives shape consequences.

The peacekeeping literature in international relations—on both inter-state and civil wars—focuses for the most part on the factors that contribute to peace maintenance, or the prevention of a return to conflict, and its duration.3 Although this is certainly an important outcome to study, this lens restricts our understanding of causal mechanisms as well as outcomes, since it focuses on the peace settlement and the choice of formal
institutions but does not examine the subsequent domestic political outcomes that result in the consolidation phase. Turning to comparative politics for insight on the domestic dynamics of peace-building, it becomes clear that scholars have much to say about the effects of elections and constitutional design on post-conflict peace as well as the connection between peace-building and democratisation. While this focus on institutional form is certainly warranted, it is essential to also explicitly consider the interaction of institutions with the political environment in which they exist and the agency of domestic elites who both control and are constrained by them.

Single country case studies of peace operations abound. These are rich in description but they are rarely self-consciously theoretical and again underplay causal mechanisms and the interaction of international peace-building strategies with the domestic political environments in which they unfold. Another line of analytical inquiry focuses on the machinery and processes of transitional governance itself—comparing the various mechanisms through which the international community has attempted to aid weak, failed and post-conflict states. These are often more operationally oriented evaluations of state-building that focus on the case-specific, technocratic details of intervention, and are largely descriptive and pre-theoretical. Many of these scholars acknowledge the importance of political context, but their analyses tend to attribute success or failure of UN-led peace-building exercises to the scope and implementation of the UN mandates themselves.

The newest strand of the literature on peace-building has moved some way towards taking a more theoretical approach towards the practice, the stance also adopted in this paper. A number of scholars have developed critiques of the ‘liberal peace-building’ model as practiced by the UN and the international community. Some have delved with a critical lens into the meta-theoretical concerns that are inherent in the issue, questioning the international community’s motivation in applying the conventional peace-building model and the appropriateness of the model’s content—Weberian bureaucracy, liberal democracy and neoliberal economics—in the post-conflict countries in which it is attempted. Others have focused the critique on the model’s implementation in the form of ‘neo-trusteeship’ and the mechanics of international involvement and donor-driven assistance. What tends to remain lacking is a focus on the domestic political dynamics that interact with the content and mechanisms of the peace-building approach itself. The approach of peace-building through transitional governance is not undertaken in a political vacuum even when formal institutional structures have collapsed. On the contrary, peace-building is a
hyper-political undertaking; and the political-economic incentives facing domestic elites in the course of peace-building should be emphasised much as elite pacts and settlements are highlighted in the democratisation literature.

In sum, in studying peace-building and defining its outcomes, analysts have tended to focus on the processes and institutional forms comprising the practice of peace-building. Some scholars have introduced the more agent-centred focus necessary to examine how international and domestic actors bargain and interact. Yet the literature still tends to suffer from a short-term focus, with an overemphasis on the institutional forms associated with peace-building instead of deeper examination of the consolidated governance outcomes that result. In order to truly understand whether peace-building approaches can and do achieve their objectives of building sustainable and lasting peace, it is necessary to fill this gap. One essential step towards doing so is to examine the political economy of peace-building, the focus of this study.

What does it mean to bring a political economy perspective to the study of peace-building? The study of intra-state conflict processes was revolutionised by an attention to the economic incentives that faced warring parties and, subsequently, by the consensus that economic and socio-political factors serve not as alternative explanations for conflict but, rather, as complementary dynamics—greed and grievance—that interact in triggering and sustaining conflict. The study of how societies end and recover from conflict requires a similar emphasis on the political-economic motivations orienting the parties to peace, in the context of the institutional forms that constrain them. To investigate the political economy of peace-building is to pay careful empirical attention to the economic incentives that shape and constrain elites’ political goals and strategies; and the political incentives affecting their intention and ability to pursue broad-based economic development and thereby deliver the benefits of peace across society.

I adopt such a political economy approach here, especially emphasising the ability of elites to make credible commitments to each other and to the populace, and focusing on the economic goods that elites must deliver to citizens in order to retain their political support. In turn, this commands attention to how political and administrative institutions shape time horizons and elite incentives; and to how the elites who control the state deliver the benefits that underpin their compact with society. The liberal ideal embedded in the UN’s peace-building model is that democratically elected elites will aggregate collective social preferences and will use the state apparatus to deliver programmatic policies and public goods and, thus, the shared prosperity that is a pillar of
sustainable peace. The post-conflict reality, however—as illustrated in the empirical section below—is that the political-economic incentives facing elites are such that it is easier and more profitable for them to distribute public rents and patronage goods to their clients in exchange for political support. Put simply, when time horizons are short and citizens cannot hold elites accountable for their commitments to provide public goods, elite incentives privilege narrow benefit provision to specific clients instead of public goods that benefit all citizens. In doing so, furthermore, elites under these conditions can channel their appeal to citizens through hierarchical patron-client networks, thus obviating their own need to build credibility with the populace—through, for example, institutionalised political parties—and undermining the formal structures of authority.10 This equilibrium, I will demonstrate, not only privileges elites and their networks over society at large, it also has adverse consequences for peace because it underpins a new form of persistent insecurity.

A suboptimal political economy equilibrium of this nature may be relatively common to new democracies suffering from weak credibility. Yet transformational peace-building purports to build legitimate and effective governance—and this paper demonstrates that it fails to do so because of the political economy dynamics put into play. The peace-building approach itself weakens credibility to begin with by picking winners among elites, and the resources it confers upon these elites are co-opted in a domestic political economy of patronage through which predatory conflict and insecurity persist. To illustrate how this occurs, I employ a process-tracing approach to understanding transitional governance and its outcomes in Cambodia, East Timor and Afghanistan.

**Research design**

Transitional governance is an attempt to forge sustainable peace in nations riven by civil war by building state capacity and democracy in order to productively channel inter-group conflict. The UN has never laid out an explicit model of transitional governance; hence, I build an inductive definition, based on the mandates of the peace operations that attempt this manner of transformative peace-building.11 A UN transitional authority or assistance mission is mandated by the UN Security Council to assist with the implementation of a negotiated peace settlement over a specified transitional period, typically two to three years. The hallmark of transitional governance, distinguishing it from all other, less transformational, versions of multidimensional peacekeeping is that the appointed
mission is responsible to some degree for performing the executive functions of the state. During the course of the transitional period the UN relies on a small group of domestic counterparts to assist with governing over the transitional period and to provide some form of domestic political participation in the process. Finally, the transitional period culminates in a UN-organised national election for a constituent assembly, which then agrees on a constitution and other core choices about institutional architecture and is transformed into the national legislature of a newly (re)constituted country. While the UN and international aid organisations remain involved in various forms of assistance, a legitimate domestic government takes hold of the reins of administrative power. The UN has pursued peace-building that conforms to this implicit transitional governance strategy in only five post-conflict countries since the end of the Cold War—Afghanistan, Cambodia, Croatia (Eastern Slavonia), East Timor and Kosovo.\textsuperscript{12}

The transitional governance approach assumes that the international community can help to build the institutional foundations for stable, effective and legitimate government.\textsuperscript{13} International norms play a major role in shaping the formal institutional outcomes sought by peace-building through transitional governance—the rationalised bureaucracy that makes up the administrative apparatus of the state; and the liberal democracy that has come, since the end of the Cold War, to represent the sole externally legitimate form of domestic politics. International interventions in state- and democracy-building are focused, in practice, on the construction of these formal institutional structures of the administrative and political arenas. These institutional forms are, nevertheless, laid down in local political contexts that necessarily affect governance outcomes. The degree to which sustainable peace is truly built can be assessed only by looking at the consolidated outcomes in terms of state capacity and democratisation. Relying on the widely-used definition developed by Linz and Stepan, I consider democracy consolidated when it has become—behaviourally, attitudinally and constitutionally ‘the only game in town’.\textsuperscript{14} Similarly, we know a strong state and its hallmarks when we see them in action—from Weber onwards, the definition of the state has been primarily institutional and centred around autonomous, rationalised bureaucracy. The building of state capacity also requires development of the state’s reach in authority vis-à-vis society.\textsuperscript{15}

How should we expect the transitional governance strategy to play out in dynamic domestic political environments? In attempting this type of transformative peace-building, the UN is trying to do something that has never been achieved: simultaneous state- and democracy-building. If transitional governance worked, the rebuilt state would
serve as an arena of authority and legitimacy to protect against the corruption of the political process and nascent democracy. But, in practice, transitional governance experiences have been co-opted, with the state becoming captured by domestic elites intent on winning the political game. State capacity-building ceases since the rulers of the state use it for patronage distribution; and democracy-building is thwarted by the use of patronage resources to cement a hegemonic hold on power. The overall result is persistent insecurity.

In order to demonstrate this pattern, I trace the process of how transitional governance in Cambodia, East Timor and Afghanistan—the three developing countries with weak institutional capacity in which the approach has been implemented—led to a series of unintended political-economic consequences that centre around the generation and distribution of patronage resources. Peace-building disappointments in post-conflict states are characterised by equifinality; the odds are stacked against success and numerous causal pathways can be identified in leading to failure. But process-tracing can be used to identify a plausible causal chain—hence I employ a structured, focused comparison of the three cases with an emphasis on developing within-case analysis using process-tracing to strengthen causal inference. This idiographic approach rests on the rich case study evidence available in published work and, where otherwise unattributed below, upon about one hundred personal interviews conducted in Afghanistan, Cambodia, East Timor, London, New York and Washington DC from 2005 to 2012. On the basis of this empirical material, I inductively develop a theoretical framework to show how peace-building interventions themselves transform the domestic political game as a result of the political-economic incentives put into play.

Tracing the political economy of peace-building

In Cambodia, East Timor and Afghanistan, domestic political elites interacted with the UN over the transitional governance period to establish institutional arrangements aspiring to effective and legitimate governance and tailored, to some extent, to local political reality. Yet, in all three countries, longer-term governance outcomes have failed to truly transform the political context to ensure peace. The contemporary Cambodian political-economic equilibrium is one where the hegemonic ruling party quashes dissent and controls all the levers of administrative and political power in a situation of grand state capture. In East Timor, a nascent peace was upended by continuing elite factional battles.
that turned violent and the subsequent political-economic settlement remains contentious. The situation in Afghanistan continues to deteriorate, as competing elites maintain a pitched battle for control of the state and the country’s resources. Central to my argument is the insight that the transitional governance approach itself was co-opted by domestic elites in the service of these outcomes, providing a new set of power resources and legitimacy for them. In subtly different ways, each country’s trajectory reveals how the political-economic calculus facing elites oriented incentives towards patronage and contributed to persistent insecurity.

Cambodia

From 1970 onwards, Cambodia underwent two decades of political instability, civil war and genocide, with the battle for political control over the country developing out of the Cambodian state’s collapse of legitimacy. The conflict was ended by the Paris Peace Accords of 1991, which included specific power-sharing provisions and provided a roadmap for building democracy and the transition to an elected government. The United Nations Transitional Authority in Cambodia (UNTAC) was the first UN peace operation to be mandated with both a degree of executive authority in governing the country—in collaboration with the four major political factions—as well as the entire organisation and supervision of an electoral process. The royalist party FUNCINPEC (the French acronym for the National United Front for an Independent, Neutral, Peaceful and Co-operative Cambodia) won a plurality in Cambodia’s first post-conflict elections in 1993 but a standoff with the Cambodian People’s Party (CPP) led by Hun Sen resulted in a power-sharing coalition between the two parties.

Subsequent governance outcomes in Cambodia have been dictated by two constraints that UNTAC struggled with and failed to resolve: continued mutual hostility among domestic factions that were far from reconciled; and the resilient power of the CPP, which retained the control over the state apparatus it had originally won in 1979 as a Vietnam-backed client regime during the civil war. As a result of these two factors, the 1993 electoral coalition deadlocked decision-making instead of serving as the basis for legitimate governance. Despite having won a plurality in the elections, FUNCINPEC’s governing power was restricted to the cabinet level; the CPP retained its monopoly on administrative power exercised through the state hierarchy. Having failed to secure electoral legitimacy or an administrative power base, FUNCINPEC leaders instead mimicked the CPP in rent
extraction and distribution networks, entering into ‘a tenuous compact among competing patronage systems.’ The power-sharing system thus failed to foster true reconciliation among the factions. More perversely, it served in replacing outright elite conflict with a dual system of rent-seeking and predation. Operating both within and outside the state, these ‘[h]ierarchical patron-client networks […] have expanded and subsumed the formal state structure.’

These patronage conditions have underpinned an ever-expanding dynamic of elite predation, which continues to undermine democracy and state capacity. Both parties, anxious to protect their patronage resources, have sought to ensure that their interests are not threatened through reforms. In an outright power grab, Prime Minister Hun Sen and his faction within the CPP finally staged a coup d’état in 1997, marking the breakdown of the elite power-sharing system and the emergence of a de facto one-party system. With the CPP now hegemonic, a ‘shadow state’ system has developed, where elites focus on developing exclusive control over high-rent economic activity, thereby assuring their hold on power. The army and police are complicit in the patronage system; having been granted valuable resource concessions by the political elite, they ‘engage in an expanding array of illegal and predatory activities.’ In addition to highlighting the lucrative rent streams from the country’s natural resource endowment, Cambodia scholars have also argued that privatisation and marketisation reforms introduced in Cambodia in 1989 made the expansion of patron-client networks both more possible and more profitable.

Political elites have expanded their patronage networks vertically to accumulate uncontested power at the subnational level and horizontally to include wealthy business interests and military leaders, who control, together with politicians in mutually beneficial arrangements, access to most of the country’s lucrative natural resources, including timber and now oil. Preferred access to government procurement contracts is another channel for rent distribution. As these predatory patterns have increasingly permeated the country’s political economy, the role of violence and intimidation in influencing election results has given way to an increasing reliance on patronage distribution aimed towards uncontested political dominance. In this way, elite predation has replaced outright conflict as the main avenue through which Cambodians experience insecurity and vulnerability in everyday life.

The process of peace-building through transitional governance was co-opted into this predatory political economy of insecurity. Building a sustainable and inclusive post-conflict peace in Cambodia required the severing of the CPP’s administrative stranglehold.
But the transitional governance strategy and the rush to elections led to precisely the opposite result by first empowering the CPP as the UN’s de facto preferred working counterpart since the UN saw the CPP as the only practical domestic interlocutor. UNTAC then subsequently gave the CPP the stamp of legitimacy it fell short of achieving when it failed to win the first election by standing by as it subverted those election results. As a result, Cambodia continues to be governed by elites ‘whose monopoly on power has remained mostly untouched since 1979’. UNTAC was simply unable to alter the domestic political-economic landscape, as CPP elites successfully used the legitimacy bestowed upon them by the international community to strengthen their grip on the institutions and human resources of the state apparatus, and thereby to cement their holds on power and enrich themselves over time. The lack of accountability has both undermined democracy and ‘entrenched the threat of violence as an ever-present prop to the system’. The international community lost the opportunity to build a countervailing locus of authority in Cambodia that could potentially prevail against a predatory political elite, extend time horizons and reorient elite incentives towards public goods provision rather than patronage, and thereby form the basis for lasting peace and security.

**East Timor**

The East Timorese people voted for their nation’s independence in 1999, following an almost 25-year guerrilla resistance movement against Indonesian occupation. Responding to the scorched earth violence and forcible deportations carried out by retreating pro-Indonesia militia groups, the United Nations mounted its most ambitious ever peace-building exercise, the United Nations Transitional Authority in East Timor (UNTAET). Five years later, East Timor appeared on its way to a successful post-conflict transition, as the Revolutionary Front for an Independent East Timor (FRETILIN, by its Portuguese acronym) seized the mantle of the national resistance and channelled its grass-roots strength into a democratically elected government. Yet during the transitional phase, elite activities in the domestic political arena tended to be geared towards a winner-takes-all approach, with FRETILIN in particular focused on asserting its control over the country with minimal participation from other parties or civil society groups.

FRETILIN elites dominated the political process during and after the transitional period, enabled to do so as a result of UNTAET’s indecision over political participation and the sequencing of the ‘Timorisation’ of government. UNTAET remains the only
peacekeeping mission ever mandated with full executive and sovereign powers over a territory. Although it convened a series of national councils with which to consult, UNTAET relied in practice on a small handful of Timorese to aid in decision-making—many of whom were members of the FRETILIN elite who subsequently formed the country’s first national government. FRETILIN was by far the most highly capacitated national political party and, wanting to quickly assume power, advocated early elections.

Assuming the revolutionary mantle and legitimised by the UN, FRETILIN won a majority of seats in the 2001 constituent assembly elections. Subsequently, it consolidated its grip on power by manoeuvring through the political space circumscribed by the transitional governance process. FRETILIN elites secured approval for their draft constitution, which paid little heed to the popular consultations on the topic and subordinated the president to the government, essentially neutralising the popular and non-affiliated revolutionary leader Xanana Gusmão’s overwhelming victory in the first presidential election. Next, FRETILIN successfully transformed the constituent assembly into the country’s new national parliament upon independence, deftly avoiding the prescribed second election that would have increased other parties’ weight in the legislature. It then ‘placed the new National Parliament in clear subordination to a government intent on using its majority to push through its ambitious legislative program’. It also quickly began to consolidate its patronage networks throughout the country, in particular by ensuring that civil service positions in district administration across the country were filled with FRETILIN cadres.

Even with its grassroots support, FRETILIN’s specific goals were not necessarily shared by the population at large. The party compounded a pattern of Timorese elitist political behaviour that threatened true democratic consolidation; for example, it chose Portuguese as the official national language, marginalising the educated, urban youth who were in the process of forming an increasingly important political constituency of their own. Timorese civil society representatives have criticised the country’s hierarchical and closed political culture, pointing out that although it may have contributed to the success of a national resistance movement it has since been detrimental to democracy. Eventually, FRETILIN’s behaviour and institutional legacies compromised its legitimacy in the eyes of the people. Politically motivated violence erupted in April 2006, reflecting deep and long-standing political animosities among the elite, emerging state capture and competing patterns of patronage behaviour, and a lack of elite efforts to engage with community and customary forms of governance. This conflict turned violent as FRETILIN proved unable to assert
legitimate control over armed groups and the leadership was forced out of office after several months of severe political instability. Elections in mid-2007 made former president Xanana Gusmão prime minister at the head of a volatile new coalition.

Under this coalition government, the elite-driven, hierarchical and patron-client nature of politics in East Timor has continued to assert itself. Overlaid on the political culture is the fact that East Timor is one of the most petroleum-dependent countries in the world, with oil and natural gas revenues providing more than 98 per cent of government revenues. Political elites have benefitted from the recent commodity price boom, reaping the benefits of the patronage distribution made possible by the petroleum revenue stream. In this respect, East Timor appears to be following a pattern familiar to rentier states, with public sector hiring and pay increasing along with growing concerns over elite capture of petroleum concessions and lucrative procurement contracts. Furthermore, in terms of political patronage, preliminary analysis of the geographic allocation of public spending in East Timor indicates that the government is spending more—in terms of both cash transfers to the population and public investment allocation to clients—in the districts most strongly supportive of the coalition partners in the 2007 election. Viewing these various public spending measures in the best possible light, the government is acting to ‘buy the peace’, distributing rents to key constituencies in order to pacify dissent, dampen conflict and maintain stability. A more ominous telling is that Timorese elites are consolidating a predatory grip on power through the capture and strategic distribution of major patronage streams. Growing public resentment and intra-elite competition combine with still weakly institutionalised administrative and political arenas to produce an atmosphere of persistent insecurity.

Afghanistan

When the Northern Alliance and the US military liberated Kabul from the Taliban in November 2001, Afghanistan had suffered over two decades of conflict, with its anti-imperialist war against the Soviet Union morphing into a civil war of fluid mujahedeen alliances. Afghanistan in 2001 was considered the classic failed state, characterised by severely fragmented social structures and a barely existent central state infrastructure. The international community’s commitment to reconstructing post-conflict Afghanistan raised the profile of peace-building in the global public consciousness; and a great deal of international assistance of various forms has been poured into the country. The Bonn
Agreement of December 2001 provided the roadmap for Afghan political and institutional transformation, with the United Nations Assistance Mission in Afghanistan (UNAMA) established to support its implementation. The partnership between UNAMA and the Afghan Interim and Transitional Administrations, both led by Hamid Karzai, was at the centre of the transitional governance experience.

Ten years later, the deep elite power struggles at the heart of Afghanistan’s political instability persist. Early successes in constitution-making and elections gave way to a deteriorating security environment and setbacks in terms of effective and legitimate governance. Afghanistan’s foremost challenge to democratic consolidation comes from subnational strongmen at the head of complex patronage networks endowed with alternative sources of power, legitimacy and economic rents from those of the central government. The Karzai regime has increasingly built its own clientelist base in the provinces by distributing government positions to allies; in return, this network delivers electoral returns, with tribal leaders warned that if they fail to support the regime they will be excluded from local government and its attendant patronage spoils in the form of jobs, aid and other privileges. The international community’s strategy of prioritising the stabilisation of the country through a combination of democratisation and political deal-making has acted against the peace-building imperative precisely by reinforcing traditional fragmentary loci of power, many of which have now come to operate in zero-sum opposition to the central state rather than in co-operation with it.

The need to deal with powerful political elites—by either neutralising or incorporating them—continues to be the major obstacle besetting both state-building and democratic consolidation in Afghanistan. Appointed by the centre, many provincial governors and district officers received their posts because of their independent and traditional power bases. Among the 249 legislators elected to the first national assembly, for example, were 40 commanders still linked to militias; and nearly half of all MPs were mujahedeen veterans of the war against the Soviets in the 1980s. The patronage culture associated with the militias has yet to be replaced by government and civil society institutions that offer public services in an accountable manner. A frequent complaint of Afghans living in Kandahar, for example, is that life has reverted to the chaos under warring mujahedeen factions. Initially appointed in recognition of their power and granted renewed legitimacy through the transitional governance process, most subnational leaders have further entrenched their predatory activities and bolstered their patronage networks. These warlords—both a cause and a consequence of insecurity—have developed sophisticated political-economic
strategies, carefully husbanding their resources and tapping into international support in order to sustain their power bases.\textsuperscript{39}

The political consolidation problem in Afghanistan has been twofold. On the one hand, the Karzai government has not been able to extricate its reliance on the successful warlords (among the ‘winners’ at the end of the conflict) associated with the Northern Alliance, who pose problems for the legitimacy and authority of the central government. On the other hand, the political process in Afghanistan has been unable—since the transitional and current Afghan governments and its foreign backers were simply unwilling—to incorporate the ‘losers’, i.e., the Taliban. Steadily increasing clashes with a resurgent Taliban have further emphasised the central government’s challenges in broadcasting legitimate authority throughout the country—especially after 2006, when the Taliban stepped up its campaign of instability and attacks against the government, central and provincial.\textsuperscript{40}

Those dynamics—which have resulted both from the narrowness of the Bonn peace deal and the transitional governance strategy itself—have contributed to a lack of consolidation in democratic governance. The transitional governance process privileged and legitimised Karzai at the centre and subnational elites in the provinces, many of whom are now enmeshed in a predatory political economy equilibrium where state structures are captured. The drug economy and other avenues of patronage and corruption have both created pockets of stability in some parts of the country and fuelled socio-political breakdown and violent conflict in others.\textsuperscript{41} Drug-related corruption has undermined both state capacity and the government’s legitimacy; political groups out of power, including the Taliban, use the widespread patronage and corruption to perpetuate a sense of injustice and legitimise continued fighting against the government. The transitional governance process through which the international community instinctively pursued political stabilisation was co-opted by domestic elites into this conflictual patronage environment. The Afghan state remains splintered, both politically and administratively—in turn making the quest for sustainable peace in the country elusive.

\textbf{The predatory political economy of insecurity}

In Cambodia, East Timor and Afghanistan, the UN attempted to alter the domestic political game by facilitating a process of administrative and political institutional engineering by domestic elites. Few would deny that some success in democracy-building has been achieved in each case, setbacks notwithstanding. On the state-building front,
moreover, even though government effectiveness and institutional quality remain low, each country has developed some degree of state infrastructure and a public service delivery footprint. In these respects, the conclusions of this paper are in no way intended to imply that any of the three countries considered here are worse off than they otherwise would have been as a result of peace-building through transitional governance. Indeed, they are all fundamentally more stable than before the interventions and maintain a basic degree of the government effectiveness and accountability that are the hallmarks of the modern state.

Nevertheless, the evidence from Cambodia, East Timor and Afghanistan indicates that the implicit theory behind the strategy of peace-building through transitional governance is fundamentally flawed in both concept and practice and leads to predictable disappointments in long-term governance outcomes. The evidence from the cases demonstrates that no matter how well administrative and political institutions are tailored in design, during the course of transitional governance, in practice, powerful domestic groups co-opt and dominate the institutional choice process and subsequently consolidate their holds on power, damaging the prospects for democratic governance. The liberal peace-building model brings with it significant resources and, in turn, the allocation and control of those resources become a new site of power for elites. Through the transitional governance process—and its unique need for a counterpart to help govern—the UN enables certain domestic elites to entrench themselves in power and, in turn, bestows legitimacy upon them through democratic elections along with the other power and patronage resources that come with control of the state.

As transitional governance becomes co-opted by domestic elites intent on remaining in power, a predatory political economy dynamic sets in. The patterns of predation are familiar to observers of developing countries—especially those where there are large and exclusive benefits to holding power. In an environment where institutions are weak and the shadow of the future is of uncertain length, time horizons are short and politics becomes a zero-sum game. Elites benefitting from predation while in power, and fearing the consequences of losing office, use the resources of the state as political patronage and hijack the process of consolidation of autonomous state structures. The state comes to mirror the political balance, instead of becoming the necessary countervailing arena of authority and legitimacy. In a perverse way, the pursuit of electoral democracy makes this problem worse, because it increases the size of the ‘selectorate’, or the fraction of society that is allowed to choose the political leadership, without meaningfully affecting the size of
the ‘winning coalition’, or the fraction of the selectorate that enables the leadership to stay in power.\textsuperscript{44} The resulting elite incentives mean that predatory rent-seeking and narrow patronage distribution to key supporters will be relatively high and broad-based public goods provision correspondingly low.

The cases illustrate in subtly different ways how this core dynamic of predatory state capture is perversely enabled through the transitional governance model’s simultaneous pursuit of state- and democracy-building. In Cambodia, the UN emphasised a quick route to elections to excise the hostile Khmer Rouge from the legitimate body politic; but this strengthened the hand of Hun Sen and his Cambodian People’s Party (CPP). UNTAC’s reliance on the CPP as its de facto counterpart in administering the country during the transitional period served to further entrench the CPP in the state apparatus; and defeat in the country’s first election was not enough to sever that grip. Over time, Hun Sen and the CPP have manoeuvred their way into a hegemonic regime for which elections and the power-sharing formula stipulated by the constitution are merely window dressing. The Cambodian state is captured by this elite and its extensive and pervasive patronage networks.

East Timor’s major peace-building hurdle after the independence referendum was the hollowed-out state infrastructure left behind when the Indonesian government pulled out of the tiny nation. UNTAET allowed only a limited degree of Timorese participation in executive and administrative management of the country during the transitional period, with the rationale that it wanted to maintain its neutrality in Timorese politics. Yet it mishandled the growing demands for increased Timorisation by again anointing as its preferred counterparts a small, yet powerful clique of leaders—the core of FRETILIN. These elites failed to translate their electoral mandate into inclusive policies for the Timorese population and the country’s reconstruction. Intra-elite schisms, in the absence of countervailing state authority, spiralled into renewed violent conflict. The country’s current leadership perpetuates a hierarchical governance structure as well as the reliance on patronage distribution for political support; and a predatory dynamic that continues to undermine governance appears to be intensifying as a result of East Timor’s natural resource rent streams.

In Afghanistan, the tension between state- and democracy-building formed the core of the international community’s dilemma in developing a peace-building strategy. It was framed as the struggle between the imperative to stabilise the country and the goal of giving the long-war-torn country a new lease on democratic nationhood. The UN and the United States assumed that for the state to function at all, the loci of power held by the
mujahedeen leaders would have to be incorporated into the new government, and Karzai invited these warlords to serve in his cabinet and as his provincial governors. Once bestowed with this legitimacy, these well-resourced veterans of Afghan political society were adept in consolidating their own patron-client networks; and elites around Karzai have done the same. The result is a weak and fragmentary state that struggles to resource its minimal activity and defend the country against the predatory rent-seeking and violence perpetuated by entrenched political elites at both the central and subnational levels.

Patterns of predation differ across the three countries, to be sure—with two major elements of variation being the degree to which elites co-operate in predation and, relatedly, the level of politically motivated conflict that persists as a result. Cambodian elites across the political spectrum appear to be enmeshed in a system of co-operative predation where patronage has replaced outright violence in seeking electoral support. In East Timor, with the group in power controlling the levers of patronage distribution, intra-elite schisms persist and underlay a volatile insecurity. In Afghanistan, patterns of predation manifest themselves in a more conflictual manner, with multiple patron-client networks engaged in persistent conflict. One way of understanding this variation in future research might lie in the degree to which patron-client bonds align with political parties. Where subnational patrons are traditionally strong, such as in Afghanistan, national elites will find it easier to rely upon local leaders even when this strategy creates personal fiefdoms. In contrast, if competition among patrons is high and instrumental ties more common, for example in Cambodia, parties can create their own new linkages, but at the expense of higher patronage distribution.45

These differences notwithstanding, the stakes of control over the state are extremely high in each case. Patron-client relationships are not coercive, but rather instrumental and centred on reciprocal exchange—the patron uses his influence and resources to provide benefits or protection to the client, who reciprocates with political support and personal services.46 Electoral systems spur competition among elites for the necessary voter followings and increase the size of the patronage distribution necessary for client support. The absence of strong institutions, in turn, only exacerbates the reliance on patron-client networks as the source of political power. Finally, the survival or demise of political elites, in a newly institutionalising system, depends on the success of their network at tapping patronage resources for distribution. Thus, once entrenched, and fearing the consequences of losing power, elites face very short time horizons that lead to a vicious circle—elites with high discount rates increase predation in the present time period; they also have less
incentive to invest in institutional capacity, thus failing to lengthen time horizons and intensifying the current stakes. A predatory political economy is a self-reinforcing equilibrium: when the stakes include survival, political elites are willing to retain power by any means, including predation, even as they erode social cohesion.47 Elites that try to maintain stability through coercion and patronage risk future episodes of conflict—and a cycle of insecurity persists.

Conclusions and implications

International attempts at peace-building in post-conflict countries have been predicated on the belief that the assistance of third parties can address the root causes of conflict by transforming the socio-political dynamics and context that led to violence in the first place. I have argued in this paper that the United Nations, in its strategy of peace-building through transitional governance, acts on an implicit theory about how best to change the domestic political game in order to create the foundations for sustainable peace. Yet this approach to peace-building falls short of achieving effective and legitimate governance because the domestic elites empowered by the international community consolidate their own holds on power in a zero-sum political-economic calculus that enables and relies on predation and patronage.

Most perversely, the democracy-building and state-strengthening dimensions of the strategy of peace-building through transitional governance act at cross-purposes to each other in the attempt to reorient the domestic political game away from conflict. At the very core of the tension is a simple conundrum: the international community needs counterparts for state-building but it must attempt to be neutral in democracy-building. The transitional governance model essentially takes a short cut on the state-building side by relying on specific elites as local counterparts and agents of change, instead of putting in the time and investment for meaningful processes of political participation and institutionalisation such as party-building. Choosing a counterpart in this manner means that the UN essentially bestows legitimacy upon an entrenched elite and endows it with some measure of control over the state apparatus—as observed in the cases above. The failures of these transitional governance experiments to consolidate some measure of autonomous capacity in the state makes it ripe for patronage pickings—and powerful elites use their control over state resources to manoeuvre within the new political-economic landscape and ensure their on-going hegemony.
It is possible to argue that the political economy of patronage is simply to be expected in post-conflict states, that collusive rent-seeking among elites and the distribution of benefits through patron-client networks is simply the price of peace and is preferable to outright conflict. In this line of thinking, moreover, the political economy of predation may actually represent a secular improvement in the post-conflict country’s journey from war to sustainable peace, with patronage systems representing a form of routinisation of political economy in a thinly institutionalised environment. Yet the goal of the international community in peace-building is to institute effective and legitimate government as the basis for sustainable peace, not stand by as patronage and predation contribute to persistent insecurity.

International interventions can only help in crafting lasting peace by understanding the political economy of conflict persistence and the potential levers for altering, rather than enabling and perpetuating, those dynamics. Four interrelated policy implications emerge. First is the need to avoid picking winners during the transitional period and thereby locking in a particular domestic power configuration. The goal here would be to enforce uncertainty rather than inevitability about who will take the reins of power at transition. If elites are uncertain about their prospects, they will be more willing to agree on institutional arrangements that make elite alternation more likely. The one-shot game of constitution-writing introduced by the transitional governance process is problematic because elites with short-time horizons will write rules that entrench themselves in power. The possibility of revising the rules of the game at several defined future intervals could, by contrast, encourage moderation in institutional design.

Second, to similarly prevent state capture by anointed elites, a gradual and more expansive course of peace-building that defers elections and focuses on institutionalisation seems inescapable. Yet postponing elections does not mean that participation has to be attenuated. Non-electoral forms of national- and local-level input can be brought into policy-making and accountability mechanisms—through, for example, traditional consensus institutions such as the Afghan Loya Jirga, or grand council meeting, or the Timorese Nahe Biti Bo’ot system of conflict resolution handled by village elders.

Third, on the political institutionalisation front, party-building is essential because, in terms of the political economy perspective advocated here, it cuts into the vicious circle of weak credibility. Parties serve, in other words, as institutionalised mechanisms to enhance the credibility of the political elite and thus reorient their incentives towards providing broad-based programmatic policies and public goods rather than distributing narrow patronage spoils.
Lastly, the international community would do well to emphasise alternative mechanisms for building the state-society compact, particularly from the ground up. Potential models include decentralised development programmes like Cambodia’s Seila community programme, aimed at increasing local-level participation, and Afghanistan’s National Solidarity Programme, a similar community-level block grant initiative. The risk with such programmes may be that they fail to build state institutions; but at least they enhance participation and ensure some element of programmatic, non-instrumental service delivery. A complementary tactic could be the contracting out of service delivery to the agents that can best perform the function—be they enclaves within government, donors, non-governmental organisations or private companies. The goal is for international donors to focus their partnerships with post-conflict governments on providing public services—thereby undercutting the value to elites of providing particularistic benefits.

The transitional governance model of peace-building, with its static emphasis on institutional form as outcome, has been co-opted in implementation by post-conflict elites. A more subtle approach attuned to institutional function would instead focus on building credibility and accountability, such that elites and their supporters have the incentives to compromise on a programmatic basis over time. The predatory political economy of insecurity is a state between persistent conflict and sustainable peace, a mutual enterprise that benefits competing elites in an equilibrium suboptimal for the rest of society. Only if all domestic stakeholders can benefit from the alternative will a negotiated resolution be possible. Crucially, along the lines offered above, actors must be given the incentives to build institutions and state capacity to lengthen the shadow of the future and alleviate the commitment problems that lead to predation. Just as recent scholarship has emphasised that the factors shaping the onset of war must be separated from the dynamics of conflict, so must the dynamics of post-conflict political economy be understood as yet another logic. Only if we understand the political economy of persistent conflict and insecurity will the international community be able to shape interventions that can alter those dynamics and thereby craft lasting peace.

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Endnotes

1. Throughout this paper, I refer to and discuss the country case studies in the sequence in which the peace-building interventions occurred. Following scholarly convention, I refer to East Timor by its Anglicised name, rather than by its official name, Timor-Leste.

2. On conflict management, see Crocker et al., Turbulent Peace; Stedman et al., Ending Civil Wars. On conceptualising peace-building, see Paris and Sisk, Dilemmas of Statebuilding; leon, Peacebuilding in Postconflict Societies. For a detailed annotated bibliography of the surge in literature specifically on peace operations since 2001, see Johnstone, ‘Peace Operations Literature Review’. On contextual factors, see Stedman, ‘Spoiler Problems’; Doyle and Sambanis, Making War and Building Peace. For policy lessons, see Call, Building States; Chesterman et al., Making States Work; Fukuyama, State-Building.

3. Stedman et al., Ending Civil Wars; Fortna, Does Peacekeeping Work?; Doyle and Sambanis, Making War and Building Peace.


9. Reilly, ‘Political Parties’, similarly identifies the need to import into the peace-building literature key concepts from political economy including, especially, a focus on credible commitment and whether and how parties deliver public goods.


11. This definition is condensed from that elaborated in Barma, ‘Brokered Democracy-building’ and Barma, ‘Crafting the State’ and concurs with the definitive assessment provided in Caplan, International Governance.

12. In emphasising the recent nature of innovations in transitional governance, it is equally important to note that some of its elements find their historical precedent in the League of Nations’ mandates system and the UN’s trusteeship system. See Chesterman. You, The People, 11–47; Caplan, International Governance, 28–33; and Fearon and Laitin ‘Neo-trusteeship’.

13. Boutros-Ghali, ‘Agenda for Peace’. The former UN Secretary-General described the essential goal of peace-building as ‘the creation of structures for the institutionalisation of peace’ (para 49).

14. Linz and Stepan, Problems of Democratic Transition. The phrase is Di Palma’s, To Craft Democracies.

15. Mann, Sources of Social Power; Migdal, Strong Societies and Weak States.

16. George and Bennett, Case Studies and Theory Development. One complementary nomothetic research design would examine state formation in cases of indigenous peace-building in which the international community did not implement a transitional governance process. Weinstein, ‘Autonomous Recovery’, embarks on one dimension of this research programme.

17. These interviews were conducted in Kabul, Afghanistan, in July 2002; Phnom Penh, Cambodia, in May and October 2005; in Dili and provincial capitals in East Timor in April 2005, June 2008 and November 2009; and in London, New York and Washington DC over numerous occasions from 2006 to 2012. Interviewees include legislators, government officials, national and provincial level civil servants, journalists, civil society representatives, scholars, natural resource sector experts and officials representing international organisations and bilateral development agencies.

18. Hughes, Dependent Communities, also emphasises the significance of the resources provided by international interventions to domestic elites in Cambodia and East Timor in terms of their economic incentives and sources of political support.

19. The following brief case descriptions are adapted and updated from Barma, Crafting the State.

20. Gottesman, Cambodia After the Khmer Rouge, 353.
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27. Hughes, Political Economy of Cambodia’s Transition; Un, ‘Patronage Politics and Hybrid Democracy’.
28. Gottesman, Cambodia After the Khmer Rouge, 356. See also Peou, Intervention and Change.
29. Hughes, Dependent Communities, 156. Springer, ‘Neo-liberalization of Security’, develops from a critical theory perspective a deeper condemnation of the liberal peace-building model in Cambodia, arguing that its pursuit of neoliberal market reforms and associated modes of ‘governmentality’ rendered the international community complicit in the face of state-perpetrated violence in Cambodia.
34. Barma, ‘Petroleum, Governance, and Fragility’.
35. Zyck, ‘Paying for a Protracted Insurgency’, argues that modes of assistance have encouraged the insurgency in Afghanistan and perpetuated the perverse incentives that drive persistent conflict.
38. Chayes, Punishment of Virtue, for example.
40. Rangelov and Theros, ‘Abuse of Power’, describe the (re)escalation of the conflict and collapse of security. In a complementary perspective to this paper, they argue that conflict persistence in Afghanistan can be explained by the emergence of a hybrid governance regime where the exercise of power—by various international and domestic political actors at all levels of the state—is defined by its abuse.
41. Goodhand, ‘Corrupting or Consolidating the Peace?’. Goodhand notes that the Afghan Independent Human Rights Commission reported that an estimated 80 per cent of parliamentary candidates in the provinces had some form of contact with drug traffickers and armed groups, fn 34.
42. Richmond, ‘Problem of Peace’.
43. Robinson, ‘When is a State Predatory?’.
44. Bueno de Mesquita et al., Logic of Political Survival.
46. Scott, ‘Patron-Client Politics’, 92, provides this seminal definition.
47. Le Billon, ‘Buying Peace or Fuelling War’, 422.
48. Cheng and Zaum, ‘Selling the Peace’, outline this logic and illustrate how international assistance can become complicit in the dynamic as a result of the rapid disbursement of aid, a reliance on local elites, an emphasis on stability and the push for quick elections.
49. Weinstein, ‘Mozambique’.
50. Paris, At War’s End, 179–211, thus calls for a strategy of institutionalisation before liberalisation.
52. Chopra, Peace-Maintenance.

References


Robinson, James A., 2001. 'When is a State Predatory?'. Unpublished manuscript.


