

# External Actors, State-Building, and Service Provision in Areas of Limited Statehood: Introduction

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*This article introduces the themes and arguments of the special issue. While virtually all polities enjoy uncontested international legal sovereignty, there are wide variations in statehood, that is, the monopoly over the means of violence and the ability of the state to make and implement policies. Areas of limited statehood are not, however, ungoverned spaces where anarchy and chaos prevail. The provision of collective goods and services is possible even under extremely adverse conditions of fragile or failed statehood. We specify the conditions under which external efforts at state-building and service provision by state and nonstate actors can achieve their goals. We focus on the extent to which external actors enhance the capacity (statehood) of authority structures in weak states, or directly contribute to the provision of collective goods and services, such as public health, clean environment, social security, and infrastructure. We argue that three factors determine success: legitimacy, task complexity, and institutionalization, including the provision of adequate resources.*

This special issue begins with the empirical observation that the ideal-typical conception of a consolidated state is misleading rather than illuminating. A consolidated state enjoys the privileges of international legal sovereignty, including recognition, the right to enter into treaties, and to join international organizations. It is a full “Westphalian/Vattelian” sovereign: Domestic authority structures are autonomously determined. It exercises effective domestic sovereignty, what we term here statehood, that is, the monopoly over the legitimate use of force and the ability to successfully make, implement, and enforce rules and regulations across all policy arenas within its territory (Krasner 1999; Risse 2011).

This ideal typical construct is far removed from the situation that exists in most of the world’s polities. Most relevant for this special issue, there are wide variations in statehood. These variations are here to stay and it makes little sense to orient external efforts at capacity-building and service provision toward an ideal of consolidated statehood that only exists in some parts of the world.

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In areas of limited statehood, some of the functions that have traditionally been associated with the state have been assumed by external actors. For example, in 2000, the German automobile giant Daimler introduced a large-scale HIV/AIDS prevention and treatment program for its workers, their families, and local communities in South Africa (see Hönke and Thauer 2014). In 2003, the government of the Solomon Islands delegated security provision and law enforcement to the Regional Assistance Mission to Solomon Islands (RAMSI) led by Australia and New Zealand (see Matanock 2014). In the early 2000s, the Global Alliance for Vaccines and Immunization—a transnational public–private partnership funded by the Bill and Melinda Gates Foundation—succeeded in immunizing about 50% of Sierra Leone’s children, while the civil war in the country was still in full swing (see Schäferhoff 2014 on the Global Fund and the fight against Malaria, Tuberculosis, and HIV/AIDS in Somalia).

These are just three examples for external actors—state and nonstate—engaging in “state-building” or providing public services in countries where the state does not have the administrative capacity (either material or institutional) to exercise effective control over activities within its own borders. We call these “areas of limited statehood.” External state and nonstate actors have provided tens of billions of dollars for service provision in such states. In 2003–2004, official aid commitments for basic social services defined as “basic education,” “basic health,” “population and reproductive health,” “basic drinking water supply and basic sanitation,” and “multisector aid for basic social services” amounted to \$7.1 billion.<sup>1</sup> In 2008–2009, aid disbursements for public health totaled \$17.3 billion.<sup>2</sup> In 2010, the Bill and Melinda Gates Foundation had more than \$37 billion in assets and spent about \$1.5 billion on global health and 0.5 billion on global development, figures comparable with several smaller Organisation for Economic Co-operation and Development (OECD) countries.

This special issue focuses on the extent to which external actors enhance the capacity (statehood) of authority structures in weak states (what we term “state-building”), or directly contribute to the provision of collective goods and services, such as public health, clean environment, and infrastructure, that state authorities are unable to make available themselves. Despite a large literature on state-building, postconflict peace-building, and development assistance,<sup>3</sup> we know surprisingly little about the effectiveness of external efforts at state-building, or public service provision in areas of limited statehood. As we argue in this special issue, the provision of collective goods and services is possible even under extremely adverse conditions of fragile or failed statehood.

We argue that three factors determine success: legitimacy, task complexity, and institutionalization, including the provision of adequate resources. We also suggest a causal argument showing how these three factors are connected and how they influence each other:

1. *Legitimacy*: There are many different legitimacy dynamics. For this special issue, the most important involve empirical legitimacy derived from the engagement of domestic actors (whether national elites or local audiences) and from the outputs provided by the external actor and the extent to which these capacity-building or service-provision efforts are seen as being normatively appropriate by the target populations. Fritz Scharpf refers to these two dynamics as input and output legitimacy (Scharpf 1999). The activities pursued by external actors might or might not be regarded as legitimate by actors in target states. Politically relevant audiences in the target state must accept the legitimacy of efforts by external organizations. This is a necessary condition for effectiveness: no legitimacy, no success. With legitimacy, simple tasks, which require a limited number of interventions by a single actor, can be accomplished even with modestly institutionalized and funded governance structures.
2. *Task Properties*: Tasks can be distinguished along two dimensions: the number of interventions that must be undertaken to successfully enhance state capacity or deliver a service, and the number of organizations or entities that must be coordinated. The most simple task is one requiring a single intervention by one organization. Smallpox immunization would be an example. The simpler the task, the more likely it is to be provided. More complex tasks, all tasks associated with state-building, and some associated with service provision, are more difficult to provide, especially in failed states, where indigenous state capacity hardly exists, as opposed to polities with areas of limited statehood.
3. *Institutional Design*: The institutional arrangement linking external and national/local actors matters for the effectiveness of either enhancing state capacity or providing collective goods and services. Institutional design features include the degrees of legalization, formal institutionalization, and level of resources. Appropriate resourcing and higher legalization increase the prospects for effective state-building and service provision. Institutional structures can be provided by the external actors or by the host state.

The special issue is divided in two parts. The articles by Lake and Fariss, Matanock, and Börzel and van Hüllen demonstrate the challenges facing external actors engaged in state-building, the attempt to enhance state capacity or statehood. State-building is always a complex task. Only under stringent conditions is it possible to effectively build state institutions from the outside. These conditions include long-lasting resource commitments, the creation of highly institutionalized and legalized organizational structures, and compatible, if not identical, conceptions of legitimacy between the international community, national elites, and local communities. The

article by Lake and Fariss demonstrates that efforts to enhance governance capacity or provide services through coercion or imposition are particularly challenging because they lack input legitimacy, which can only be provided by the voluntary engagement of politically consequential actors in the target state. The articles in this special issue demonstrate that contractual arrangements resulting in either delegated authority (Matanock 2014) or negotiated modes of external influence (Börzel and van Hüllen 2014) are likely to be more effective than hierarchical or coercive interference.

The articles by Lee et al., Beisheim et al., Schäferhoff, and Hönke and Thauer, examine service delivery rather than state-building. Lee et al., using cross-national data, demonstrate that once fully consolidated states (most of the OECD world) are taken out of the analysis, the relationship between degrees of statehood, on the one hand, and service delivery, on the other hand, is surprisingly weak. Service delivery has been admirable in some areas of limited statehood in which the state has very little capacity. There are other polities with much higher state capacity where service delivery has been wanting. The level of state capacity in areas of limited statehood does not explain the degree of service provision. The other articles in the second section of this special issue show that the ability of external organization to provide services depends on the legitimacy enjoyed by these organizations, the complexity of the tasks they are engaged in, and their institutional design (Beisheim et al. 2014; Hönke and Thauer 2014; Schäferhoff 2014).

In the following, we first explain our understanding of limited statehood followed by a discussion of the dependent variables of this special issue: state-building and the provision of collective goods and services. Finally, we discuss the explanatory variables and scope conditions for effective state-building and for service provision highlighted in this special issue.

### Limited Statehood

Our understanding of “limited statehood” must be distinguished from the way in which notions of “fragile,” “failing,” or “failed” statehood are used in the literature (see Risse 2011 for the following). Most typologies in the literature and data sets on fragile states, “states at risk,” etc. reveal a normative orientation toward the Western model (e.g., Fukuyama 2004; Rotberg 2003, 2004). The benchmark is usually the democratic and capitalist state governed by the rule of law (Leibfried and Zürn 2005). This bias toward consolidated statehood is problematic for two reasons. First, it obscures the fact that most states are neither consolidated nor failed. They are characterized by areas of limited statehood. Second, it confuses key research questions, including the one investigated here: There is no linear relationship between service provision and the level of statehood or state capacity in areas of limited statehood. If we define statehood in terms of

the public goods and services consolidated states are supposed to provide, we can no longer distinguish between state capacity and the provision of services.

In this special issue, we distinguish between statehood or state capacity, on the one hand, and the provision of public goods and services, on the other hand. We follow Max Weber's conceptualization of statehood as an institutionalized structure with the ability to rule authoritatively (*Herrschaftsverband*) and to legitimately control the means of violence (Weber 1921/1980; on statehood in general, see Benz 2001; Schuppert 2009). While no state governs hierarchically all the time, consolidated states possess the ability to authoritatively make, implement, and enforce central decisions for a collectivity. In other words, consolidated states command "domestic sovereignty," that is, "the formal organization of political authority within the state and the ability of public authorities to exercise effective control within the borders of their own polity" (Krasner 1999, 4). This understanding allows us to distinguish between statehood as an institutional structure of authority and the services it provides. The latter is an empirical, not a definitional question. The fact that a state has a monopoly over the legitimate use of force does not necessarily mean that it will provide security for all of its citizens.

We can now define more precisely what "limited statehood" means. Limited statehood concerns those areas of a country in which central authorities (governments) lack the ability to implement and enforce rules and decisions and/or in which the legitimate monopoly over the means of violence is lacking. The ability to enforce rules or to control the means of violence can be differentiated along two dimensions: (1) territorial, that is, parts of a country's territorial space, and (2) sectoral, that is, with regard to specific policy areas. It follows that the opposite of "limited statehood" is not "unlimited" but "consolidated" statehood, that is, those areas of a country in which the state enjoys the monopoly over the means of violence and/or the ability to make and enforce central decisions. Statehood is not a dichotomous variable; there are degrees of limited statehood.

The following map shows the variation in statehood for most countries (Figure 1). The degree of statehood is derived from three indicators (see Lee, Walter-Drop, and Wiesel 2014 for details): "failure of state authority" and "portion of country affected by fighting"<sup>4</sup> (measuring the state monopoly over the means of violence), as well as "fiscal extraction capacity" measuring state capacity.<sup>5</sup>

A small percentage of states in the contemporary international system can be characterized as having consolidated statehood, that is, fully effective domestic sovereignty (dark gray on the map). On the other end of the spectrum are fragile, failing, or failed states (black). Failed or failing states are those that have more or less lost the state monopoly on the use of force and/or do not possess effective capacities to enforce decisions (e.g., Somalia, Democratic Republic of Congo, Afghanistan). The vast

FIGURE 1  
World Map: Degrees of Statehood



Dark gray: consolidated states; white: countries with areas of limited statehood; black: failed states; light gray: missing values.

*Sources and Indicators:* See Lee, Walter-Drop, and Wiesel (2014).

majority of states in the contemporary international system have “areas of limited statehood” (white); that is, in parts of the territory or in some policy areas the central government lacks the capacity to implement decisions and/or its monopoly over the means of violence is challenged. Territorial examples include the Amazon region in Brazil, Northeast Kenya, and parts of Southern Italy. Policy examples include legislation for issues such as the environment, schooling, and social security in many developing countries that is never implemented, or the inability to collect taxes in some more developed countries such as Greece.

Almost all states, including failed and failing states, as well as states with areas of limited statehood, have international legal sovereignty. Many also have “Westphalian/Vattelian” sovereignty; that is, their domestic authority structures, feeble though they may be, are autochthonously determined and not interfered with by external actors. What is lacking in all countries except those with consolidated statehood is full domestic sovereignty (see Krasner 1999 on these distinctions).

In areas of limited statehood, collective goods and services may be provided by a variety of actors. Some of these actors will be domestic; others will not. This special issue concentrates on the external actors. International or transnational actors that could provide collective goods include official national development agencies, international financial

institutions, transnational nongovernmental organizations (NGOs), religious organizations, and multinational corporations. Our focus in this special issue is on these actors and their role in both service provision and the enhancement of state capacity.

### **The Dependent Variables: State Capacity and the Provision of Collective Goods and Services**

#### **Enhancement of State Capacity**

This special issue investigates two distinct but related issues: efforts by external actors to enhance state capacity, on the one hand, and efforts to provide collective goods and services, on the other hand. As to the former, many external actors—mostly state actors such as foreign governments, development agencies, and international organizations—actively engage in state-building; that is, they try to tackle limited statehood directly through various measures aimed at capacity- and institution-building. The articles by Lake and Fariss, Matanock, and Börzel and van Hüllen suggest that the former is difficult, although possible in some circumstances.

Lake and Fariss examine international trusteeships, that is, efforts by the international community to directly exercise authoritative rule. They point to a set of core challenges associated with trusteeships: External actors will inevitably upset the domestic balance of power; there may not be political support for large amounts of funding over an extended period of time; a mandate provided by the United Nations will not necessarily conform with legitimacy conceptions of local elites and populations; the success of the trustee in delivering services may weaken the output legitimacy of any successor government. Lake and Fariss find few examples in which trusteeships improve the governance capacity of failed states or in areas of limited statehood. Moreover, their statistical analysis shows no relationship between international trusteeships, on the one hand, and the effective provision of public services, on the other hand, our second dependent variable in this special issue.

Matanock's article assesses delegation agreements. These are voluntary arrangements in which the national government agrees to delegate state functions to external actors. In cases of deep delegation, external actors are given direct authority; expatriates hold official positions and are not subject to national law. The RAMSI is one example. Ceding authority is costly for national elites and they will only agree to deep delegation if they have no other option. Usually delegation is shallower: Some state activities are contracted out, but the scope of activities and the legal authorities of external actor are constrained. The International Commission against Impunity in Guatemala (CICIG), for instance, can investigate major crimes, but prosecutions must be brought to a Guatemalan official. Matanock suggests that delegation agreements can be successful in carry-



ing out specific tasks. Her statistical analysis of United Nations Chapter VI Peacekeeping Missions that are based on the consent of the host country and, thus, represent delegation agreements, demonstrates the ability of these missions to significantly reduce the levels of violence. Her statistical findings, based on Chapter VI interventions alone, are more positive than those of Lake and Fariss, whose database includes Chapter VII, which do not require country consent, as well as Chapter VI interventions (compare Lake and Farris and Matanock 2014). Unlike trusteeships, delegations agreements, although complex, have a good chance of securing input legitimacy because they are the result of contracting.

Börzel and van Hüllen examine arrangements involving European Union (EU) assistance for anticorruption programs in the Southern Caucasus. All of these programs were complex in that they involved multiple interventions across different agencies in the target countries and coordination among different offices of the EU. Successful strengthening of state institutions, however, depended critically on the resonance of the EU's anticorruption policy with social norms prevalent in the countries. Only in Georgia did mass mobilization against corruption provide an incentive for political elites to effectively implement institutional changes in line with the EU's demands. In Armenia, where national elites did not come under pressure "from below," national elites had no incentive to effectively fight corruption.

This part of the special issue yields two conclusions: First, success in full-fledged state-building by external actors through imposition and authoritative rule is extremely difficult, as the examples of Afghanistan and Iraq demonstrate. Input legitimacy is only possible in such cases if domestic actors support a trusteeship even if they played no direct role in its creation. This is possible where the external actors have expelled an alien overlord, for instance, the Indonesians from East Timor, but not where they have displaced a regime that had significant domestic support, for example, the Taliban in Afghanistan. In the latter case, only minorities will give the external actors input legitimacy. Success for trusteeships is also rare because the tasks associated with such efforts are extremely complex, involving many different and interrelated domestic and external actors.

Second, state-building efforts that proceed from contracting (by delegation, see Matanock 2014, or by interstate agreements, see Börzel and van Hüllen 2014) are more likely to be successful. At a minimum, contracting makes input legitimacy much more likely because the political elites governing the country must positively agree to terms. Projects that are focused on specific aspects of state-capacity rather than full-fledged trusteeships are less complex: Although the task may involve many interventions, it can be accomplished through the actions of a limited number of agents. Funding requirements for such interventions are more modest and, because of explicit contracting with the state, will be institutionalized and legalized.



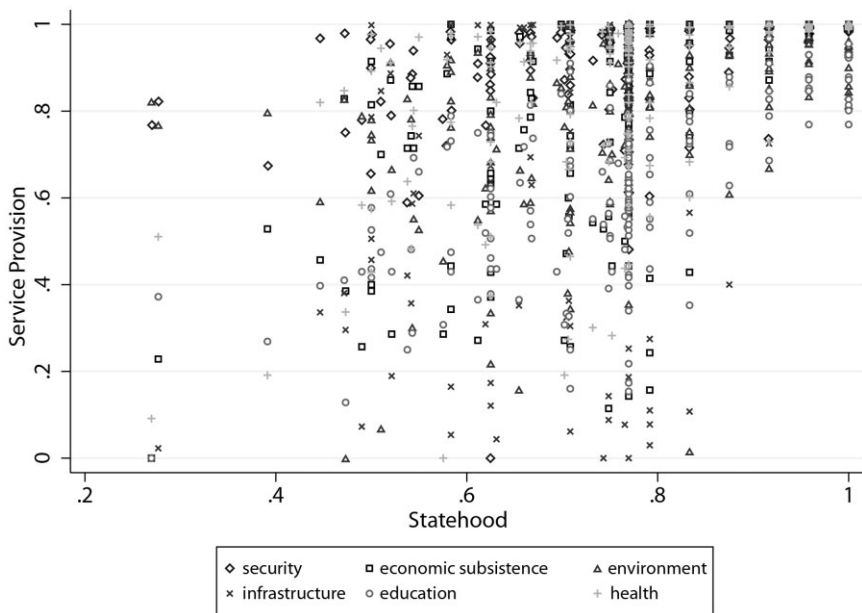
## Provision of Collective Goods and Services

The second part of the special issue concentrates on efforts by external actors to directly contribute to the provision of collective goods and services, such as access to clean water, sanitation, and nutritious food (Beisheim et al. 2014), public security (Hönke and Thauer 2014), and public health (Schäferhoff as well as Hönke and Thauer 2014).

Our basic finding is that some services are provided even in areas where statehood is woefully lacking. The following scatter plot depicts the (non-) provision of collective goods across countries (Lee, Walter-Drop, and Wiesel 2014, for details; Figure 2).

Three findings stand out: First, not surprisingly, consolidated states, those with a statehood score of 0.9 or above, provide collective goods in most areas. Second, collective goods provision in failed or failing states, those at or below a score of 0.4 on the statehood index is limited, but not

FIGURE 2  
Service Provision and Degrees of Statehood 2010



Note: The  $x$ -axis measures statehood in the same way as the global map. The  $y$ -axis measures various composite indicators for service provision based on a variety of data sources: World Bank, UN Statistics Development Indicators, United Nations Office on Drugs and Crime, WHO, CIA, SIPRI, UNESCO, UCDP etc. See article by Lee et al. for details. Each dot represents a particular type of service provision by country. For example, the + dot at 0.3/0.1 represents (extremely poor) health provision in a failed state.

completely impossible. Failed states score particularly poorly for infrastructure, economic subsistence, and health. Third and most important, in countries with areas of limited statehood, those with statehood scores between 0.4 and 0.9, the variation in the degree to which collective goods are provided is very high.<sup>6</sup> The variation does not disappear in areas of limited statehood if we control for two macro variables often used in development studies and comparative politics: regime type (democracy vs. autocracy), and economic development (gross domestic product per capita; see Lee, Walter-Drop, and Wiesel 2014 for details).

Our focus is on international or transnational rather than domestic actors and their ability to provide public goods and services effectively. External state and nonstate actors can act alone or provide collective goods and services in failed states through public–private partnership (PPP; see Schäferhoff, Campe, and Kaan 2009; also Beisheim et al. 2014; Schäferhoff 2014). State actors include foreign governments and their (development) agencies as well as international organizations. Nonstate actors include international NGOs including churches and charities, as well as profit-seeking multinational corporations (on the latter, see Börzel and Thauer 2013; Hönke and Thauer 2014; Prakash and Potoski 2006).

Four articles in this special issue deal with the provision of collective goods and services in areas of limited statehood as well as failed and failing states. Lee et al. provide a general overview and large-*n* analysis demonstrating that service provision and degrees of statehood rarely correlate—except for consolidated statehood (see above). Lee et al. also show that simple services can be provided even in failed states.

Beisheim et al. compare 10 projects by two service-providing PPPs pertaining to the UN Millennium Goals in areas of limited statehood in South Asia and East Africa. They argue that services associated with complex tasks, such as setting up sustainable water and sanitation services or providing fortified school meals, can be accomplished only when the transnational PPP has institutionalized the terms of obligation and monitoring and when it enjoys or builds legitimacy at the local level. In addition, the PPP's institutional design must be able to provide resources for capacity building and to maintain a certain flexibility for tailoring projects to local needs.

Schäferhoff looks at a particular PPP, namely, the Global Fund to Fight AIDS, Tuberculosis, and Malaria and its effectiveness in Somalia. State capacity varies across Somalia's different territories. Schäferhoff demonstrates that simple tasks, such as the distribution of antimalaria bednets or tuberculosis (TB) treatment, can be accomplished even in central Somalia, where the state has been virtually absent for the past 20 years. In contrast, a complex task such as AIDS treatment could only be accomplished in Somaliland, a quasi-state with a more or less functioning infrastructure.

Hönke and Thauer concentrate on unlikely service providers, multinational corporations, and their efforts to combat HIV/AIDS and to contrib-

ute to public security in South Africa and the Democratic Republic of Congo, which are both complex tasks. They concur with the other contributions to this special issue that legitimacy is a necessary condition for success. In their cases, legitimacy arises from the compatibility between international norms and normative beliefs held by state actors (see also Börzel and van Hüllen 2014). In addition, Hönke and Thauer demonstrate that institutional design matters, too, explaining the variation in effectiveness of service provision once legitimacy is given.

### **Explanations: Legitimacy, Task Properties, and Institutional Design**

This special issue cannot pretend to offer a complete and empirically tested theory of the factors that influence the success of external efforts to improve state capacity and service delivery in areas of limited statehood. However, the contributions to this special issue suggest that three factors largely explain the empirical variation in outcomes with regard to both enhancing the institutional capacity of states (part 1 of the special issue) and the provision of public goods and services (part 2 of the special issue):

The ability of external actors to enhance state capacity or to provide services in areas of limited statehood depends on:

- the legitimacy of external actors in the eyes of local communities and “stake-holders”;
- the complexity of the task or service being provided; and
- the institutional design of the governance structures delivering the goods or services.

It goes without saying that these three sets of factors represent continuous, not dichotomous variables. We begin by describing each of these factors and then discuss possible interactions among them.

### **Legitimacy**

There is a huge literature on the legitimacy of transnational governance (see, e.g., Benz and Papadopoulos 2006; Clark 2005; Dingwerth 2007; Hurd 1999; March and Olsen 1998; Risse 2006; Schmelzle 2011; Zürn 2000). However, this literature often does not distinguish adequately between *empirical* legitimacy (the degree to which those being ruled or governed accept the social and political order as fair and appropriate leading to voluntary compliance), on the one hand, and *normative* legitimacy, on the other hand (the degree to which legitimacy can be justified according to external or universal moral and normative standards). We concentrate on empirical legitimacy and argue that it constitutes a necessary condition for the effectiveness of state-building or service delivery. Empirical legitimacy can be conferred for both moral and pragmatic reasons: the degree to

which external organizations and the norms promoted by them are viewed as conforming with local or national normative standards, and the effectiveness of these organizations with regard to their provision of desired goods and services.

There are several different sources of legitimacy. For this project, three are of particular importance: input legitimacy, output legitimacy, and the conformity of international norms with moral beliefs held by local or national communities. To begin with, the degree to which the institutional design enables those being governed to have a say in the rule- or decision-making process—its participatory quality—will affect the legitimacy accorded to external actors engaged in capacity building or service provision. Fritz W. Scharpf calls this “input legitimacy” (Scharpf 1999). The development community discusses this as “ownership” or “stakeholder” principles. The relative importance of different actors in the target state, national and local, will depend on the activity involved and domestic political structures. Even in states with no accountability, service provision to a target population will be impossible unless local actors regard the activities of external “governors” (Avant, Finnemore, and Sell 2010) as legitimate. For activities that target national-level governance structures, legitimation by local actors will be less important than validation from national political elites. The articles by Lake and Fariss, Matanock, Börzel and van Hüllen, as well as by Beisheim et al. highlight the different national and local actors that might be consequential for legitimating external organizations engaged in governance support and service provision.

Input legitimacy results from a strategic and political process. The actors involved at the national and local levels will depend on elite calculations and political structures. In the Solomon Islands, the success of RAMSI enhanced support among the population, putting pressure on national elites to keep to their original bargain (Matanock 2014). In Georgia, Saakashvili embraced EU programs because anticorruption was a key element of his appeal to the electorate (Börzel and van Hüllen 2014).

External actors are more likely to enjoy input legitimacy and, hence, to be effective if they are operating through institutional arrangements that were created through contracting rather than imposition. Contracts are voluntary. They will only be signed if all parties perceive themselves to be better off. The benefits of contracting, however, may be highly asymmetrical. The extent of input legitimacy derived from contracting will depend on the complementarity between the normative frames of national and external actors, and the extent to which national actors, especially in the case of capacity building at the national level, regard the contract as providing significant benefits. In the Solomon Islands, as Matanock (2014) argues, political leaders accepted deep delegation to external actors by endorsing the creation of RAMSI. Absent RAMSI, which took control of financing, the judicial system, and the police, the state would have collapsed and local leaders would have been adrift or dead.

The delegation of authority to external actors is rare; negotiated institutional agreements that do not involve ceding authority to external actors are more common. External actors operate under agreement with state authorities, although the discretion they enjoy and the ability of the state to monitor them will vary. The Börzel and van Hüllen (2014) discussion of EU efforts to reduce corruption in the Southern Caucasus is a case of enhancing state capacity where the external actors transfer resources and knowledge but do not have legal authority. The leverage of the EU was limited. Success depended on the extent to which the preferences of external and internal actors were complementary.

In contrast, institutional arrangements created through imposition are less likely to be successful (Lake and Farris 2014). They are inevitably hierarchical insofar as external actors exercise authoritative rule directly. As a result, there may be no support from national elites, or only from elites that opposed the government that is being displaced. Hence, with imposition there can be little presumption of input legitimacy. Trusteeships have to rely mostly on output legitimacy, the second source of legitimacy.

Output legitimacy derives from the level of performance of actors and is, thus, directly related to effectiveness (Scharpf 1999). To avoid circular reasoning with regard to our dependent variable, we consider output legitimacy with regard to two processes:

1. Local domestic actors and communities might consider international actors as legitimate in anticipation of their performance or because they trust their knowledge and moral authority.
2. Over time, a virtuous cycle might evolve in which the initial performance of external actors meets the expectations of local communities which then increases the formers' legitimacy and, hence, their effectiveness (see articles by Beisheim et al. 2014; Matanock 2014; Schäferhoff 2014).

International legitimation matters, but only to a limited degree. This points to the third source of legitimacy, the congruence or compatibility of international norms with domestically held norms or moral beliefs (Börzel and van Hüllen 2014; Hönke and Thauer 2014). National and/or local actors and communities are the critical players with regard to the acceptance of the activities of external actors as legitimate and appropriate. Even when, for instance, a *de facto* trusteeship is legitimated by a UN Security Council resolution, this does not guarantee acceptance by key local actors (Lake and Farris 2014). The validation of service provision by multinational corporations through transnational NGOs or international organizations may be consequential for legitimacy, but only if such validation alters the understandings of actors in the target state. If national norms do not conform with international norms, then local actors can de-legitimize

efforts by external actors to provide even the simplest services. The South African government under Thabo Mbeki, for example, successfully de-legitimized programs by multinational corporations to fight HIV/AIDS as incompatible with domestically held beliefs about the sources of the pandemic and appropriate remedies (Hönke and Thauer 2014). In sum, it is *domestic legitimacy* that ultimately counts.

### Task Complexity

Task complexity is another important determinant of whether an external provider can be successful. Although obvious, the literature on state-building and on international development rarely mentions this factor. Task complexity depends on the number of specific interventions required for success and on the number of actors or entities that must be coordinated to administer these interventions. The simplest tasks are those requiring one intervention by one entity. Some health services, for instance, involve simple tasks such as one-shot immunizations. Such services have been provided across the world, even in countries that have only minimal state capacity. They have saved millions of lives. Other health services are more complex because they require more than one intervention but can still be carried out by a single entity. TB offers one example: Patients must take their medication over an extended period of time but treatment can be provided by a single provider. Schäferhoff (2014) shows that TB treatments can be carried out even in areas with no statehood, such as central Somalia, but this required local legitimacy, adequate funding, and appropriate institutionalization.

In general, the articles in this special issue show that relatively simple services such as TB treatment, or the distribution of antimalaria bednets (Schäferhoff 2014), can be effectively provided by external actors even under conditions of failed statehood. In contrast, the more complex the task, the more it requires at least some minimum institutional capacity of the host state or—as a functional equivalent—highly institutionalized contractual arrangements among the external actors.

The most complex tasks are those requiring many interventions involving a number of different entities. Efforts to enhance governance capacity across a number of different sectors offer the clearest examples. In Afghanistan and Iraq, multiple agencies from different countries, international and regional organizations were involved in many different areas, including training bureaucrats, building capacity in the judicial system, combating narcotics trafficking, funding a national army and police forces, and supporting minority and women's rights. External interventions aimed at whole-sale state-building almost never succeed, as they require an extraordinary amount of resources and staying power from the external interveners (Lake and Farris 2014). Interventions targeted at one specific activity that can be conducted by one single external entity may succeed in building state capacity, but probably only in that one arena. Examples



include EU efforts to fight corruption in Georgia (Börzel and van Hüllen 2014), UN Chapter VI Peacekeeping Missions, or the prosecution of major crimes in Guatemala (Matanock 2014). RAMSI is one of the rare examples of a successful effort at wholesale state-building based on a full delegation agreement (Matanock 2014).

### **Institutional Design**

The design of the institutional arrangements linking external to domestic actors (whether state or nonstate), including the material resources available to them, constitutes the third set of factors influencing the effective provision of collective goods and services or the enhancement of state capacity in areas of limited statehood.

Entities are more likely to be successful if they are:

- adequately funded; and
- more rather than less institutionalized and legalized.

First, efforts by external actors to enhance state capacity in areas of limited statehood or directly contribute to the provision of goods and services require sufficient financial resources. This sounds trivial, but—as the article by Lake and Farris (2014) demonstrates—most efforts at external state-building through imposition and trusteeships have not been provided with adequate resources over a long period of time (see also Beisheim et al. 2014).

Second, institutional structures may be more or less legalized and institutionalized. The literature on institutionalization and legalization (see, e.g., Abbott et al. 2000; Goldstein et al. 2000; Koremenos, Lipson, and Snidal 2001; Liese and Beisheim 2011) suggests that governance structures are more likely to be effective:

- if the decision-making rules are precisely defined and if the terms of obligation are well specified;
- if there are sufficient monitoring capacities (preferably by independent authorities); and
- if the institutional design allows for flexible adaptation to local conditions on the ground.

Highly institutionalized structures can be provided by the external actors themselves, by the host state, or by contractual arrangements between the external actors and the host state. The articles in part 2 of the special issue demonstrate that various forms of institutional design explain whether or not external efforts at providing collective goods and services in areas of limited statehood are successful when task complexity is high (see Beisheim et al. 2014; Hönke and Thauer 2014). This includes

the ability of the governance structures to adapt flexibly to changing local conditions (Beisheim et al. 2014). “One size fits all” institutional arrangements are unlikely to be effective.

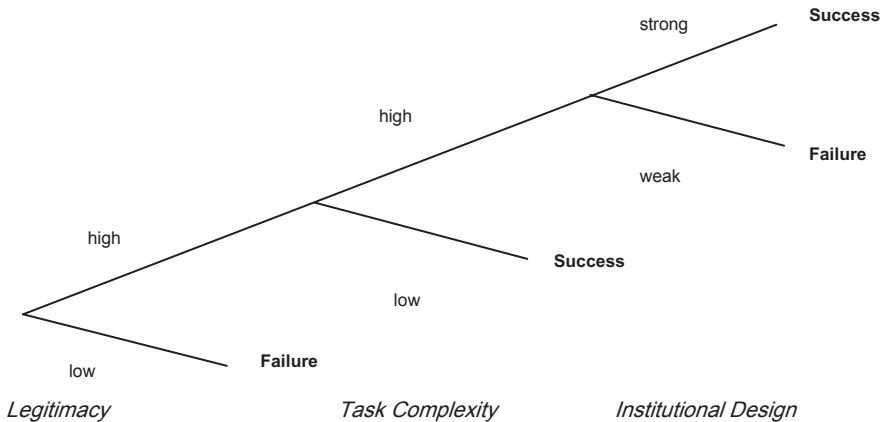
Highly institutionalized arrangements between external and domestic actors or—in some cases—provided solely by the external actors, can compensate for extremely limited state capacity and, thus, substitute for weak state capacity. At the same time, if there is at least some state capacity in areas of limited statehood, this can also help to foster successful service provision (see Schäferhoff 2014 on the quasi-state Somaliland).

**Causal Inferences**

Figure 3 captures the conclusions that we draw from the contributions to this special issue (see Figure 3). Legitimacy is essential for success. If tasks are simple, success can be achieved with limited institutionalization. If tasks are complex, success requires higher levels of institutionalization. Each of the possible outcomes described in Figure 3 can be illustrated by cases from the articles in this special issue.

The first decision point in Figure 3 concerns legitimacy, that is, the acceptance by domestic actors—national and/or local, state and/or non-state. It is essential for the success of any effort by external actors to enhance state capacity or provide services. If a project is the result of contracting, then input legitimacy derives from participation (Matanock 2014). If the efforts of external actors are successful over time, if state capacity increases, or if services are delivered, output legitimacy is likely to increase, too. Initially, output legitimacy may be entirely utilitarian, conveyed because recipients get some specific material benefit. Over time,

**FIGURE 3**  
**Legitimacy, Task Complexity, and Institutional Design**



a virtuous circle may result in legitimacy being accorded for moral as well as materially self-interested reasons. If legitimacy is low, then regardless of task complexity or degree of institutionalization of the external actors, state-building and service delivery projects will fail. Legitimacy conveyed by national or local actors and communities is a necessary, albeit not sufficient, condition for successful interventions by external actors.

Lack of legitimacy is a core reason why Western efforts at state-building in Iraq and Afghanistan have failed (Lake and Farris 2014). In contrast, the Australian-led effort in Timor-Leste, which has been regarded as legitimate by most local actors, has been more successful. The same holds true for RAMSI in the Solomon Islands and for CICIG in Guatemala (Matanock 2014). In Papua New Guinea and initially in Guatemala, however, more ambitious state-building efforts based on deep delegation failed, because they could not secure minimal levels of local support. Variation in legitimacy and the congruence between international anti-corruption norms and locally held beliefs also explain the success of EU efforts to combat corruption in Georgia as compared to its failures in Armenia and Azerbaijan (Börzel and van Hüllen 2014). Only when efforts by automobile and mining companies to combat HIV/AIDS in South Africa were legitimated by the government did they become successful (Hönke and Thauer 2014). Input legitimacy through local participation was necessary for the effectiveness of transnational PPP to provide access to clean water, sanitation, and nutritious food (Beisheim et al. 2014). HIV/AIDS treatment in Puntland and Southeast Somalia had no chance of success because engaging with the disease at all was regarded as illegitimate by key political actors and the population (Schäferhoff 2014).

If a project does enjoy legitimacy, then success is easy if the task is simple rather than complex (the second decision point in Figure 3). Simple service delivery, especially in the area of health, has transformed the lives of individuals around the world. Immunization has eliminated smallpox, and reduced the incidence of other communicable diseases. Child survival rates have increased because of the use of oral rehydration therapy and the encouragement of breast-feeding. The greatest success in service provision by external actors in failed states and areas of limited statehood has been in activities that are accepted as legitimate by the target population and that require only a limited number of interventions and modest coordination among actors. As Schäferhoff demonstrates in his contribution, distributing antimalaria bednets and even fighting TB—a somewhat more complex task—could be effectively accomplished even in war-torn Central Somalia, a quintessential failed state for the past 20 years.

With legitimacy, complex state-building and service delivery can be successful but only if the efforts of external actors are highly institutionalized including being well funded (see the third decision point in Figure 3). As Matanock points out, the Solomon Islands in 2003 was a failed state. RAMSI, which took over key state functions, has been well funded, receiving about one billion Australian dollars over its first six

years of operation. The country is better off than it was before RAMSI was established, although it is not clear whether RAMSI's success will be preserved once the mission is ended. In Guatemala, more ambitious efforts to establish an independent prosecutorial office failed because they could not secure support from local elites. But CICIG, a special investigative office established through an agreement with the UN Secretary General, has contributed to the prosecution of a number of powerful individuals, something that the judicial system had previously failed to do. Both RAMSI and CICIG are highly institutionalized and well funded. The same holds true for the EU's anticorruption efforts in the Southern Caucasus (Börzel and van Hüllen 2014). The observed variation in outcomes in the Caucasus is explained by different degrees of legitimacy.

With regard to complex service delivery, Beisheim et al. also confirm the importance of the third decision point in Figure 3. Well-resourced PPPs with a high degree of institutionalization managed to effectively deliver services with regard to the UN Millennium Development Goals, while less institutionalized and less well-funded PPPs failed. At the local level, Beisheim et al. also find that the institutional design of a PPP project has to be sound in terms of obligation and monitoring, but also flexible and adaptive to adjust to local conditions and problems that are pertinent to areas of limited statehood.

With regard to complex tasks in public health, HIV/AIDS treatment was, as Schäferhoff points out, successfully introduced into Somaliland where there is some state capacity that could be joined with that of external actors. One critical step was the willingness of the Somaliland government to legitimate efforts to address the threat posed by HIV/AIDS. Well-funded international programs made it possible to introduce treatment for infected individuals. Variation in the degree of institutionalization also explains successful attempts by multinational corporations to combat HIV/AIDS in South Africa (Hönke and Thauer 2014).

## Conclusions

There is a huge gap between what states are supposed to do and what governments can actually accomplish. On the one hand, there are internationally generated templates and scripts calling for the provision of a wide range of services.<sup>7</sup> There is a near-universal acceptance that consolidated statehood—understood as internationally recognized, autonomous, territorial units capable of governing effectively within their own borders—is an ideal type toward which all polities ought to be oriented. On the other hand, most states in the contemporary international system are not characterized by consolidated statehood. In many polities there are areas of limited statehood in which central authorities are unable to effectively enforce decisions. Yet areas of limited statehood are not ungoverned spaces where nothing gets accomplished and Hobbesian anarchy reigns. Rather, over the course of the last decades, a variety of other actors—state

and nonstate—have stepped or stumbled into these spaces. External actors are part and parcel of these efforts to govern areas of limited statehood building state capacity and providing collective goods and services. The results of these international initiatives are uneven. They depend on, first, the legitimacy accorded to these external actors by national elites and local communities; second, the task characteristics of the collective goods and services being provided; and third, the institutional design of the governance arrangements aiming to enhance state capacity or to provide services.

Legitimacy is a necessary, but not sufficient, condition for the effectiveness of external efforts at state-building or service provision. The absence of legitimacy inevitably leads to failure. But legitimacy does not guarantee success, especially for complex tasks. Complex activities, including enhancing state capacity and delivering services that require multiple interventions and coordination across different agencies, require highly institutionalized arrangements among the external “governors”<sup>8</sup> as well as between the external actors, the host states, and national elites and local communities in order to be effective. They also require adequate resources and long-term commitments.

In sum, this special issue challenges the often implicit assumption in much of the literature in development studies, including the recent scholarship on failed states. This literature is oriented toward consolidated statehood including full domestic sovereignty as the ideal way to provide collective goods and services. Efforts are assumed to be focused on moving badly governed states along some continuum that ends with Denmark or Norway. This model, often implicit, fails to capture the multifarious ways in which external actors have contributed to enhancing governance capacity and service delivery in failed states and areas of limited statehood.

The policy conclusions from the special issue are obvious:

1. Wholesale efforts at state-building from the outside which include military interventions and hierarchical imposition are likely to fail, because they cannot secure local legitimacy and/or sufficient resources (Lake and Farris 2014).
2. In contrast, state-building through contracts between host state and external actors is more legitimate in the eyes of target communities (Matanock 2014; Börzel; van Hüllen 2014). Such efforts are more likely to be effective if they are geared toward more circumscribed tasks such as promoting some specific parts of the rule of law system rather than wholesale state-building.
3. With regard to service provision, external actors can successfully accomplish simple tasks such as child immunization even in failed states or in war zones (Schäferhoff 2014). Complex service provision such as HIV/AIDS prevention, or access to water and

sanitation require not only local legitimacy but also highly institutionalized arrangements among the external actors and/or between the latter and their local hosts (see Matanock 2014; Beisheim et al. 2014; Hönke and Thauer 2014; Schäferhoff 2014).

In sum, international organizations and the foreign aid community should critically evaluate their organizational templates for state-building and service provision, and should cease orienting themselves toward consolidated statehood (“Denmark”) as the ultimate goal of development efforts. Rather, they should consider those governance arrangements that are likely to be legitimate, effective, and sustainable in areas of limited statehood. This special issue provides initial answers as to the scope conditions for effective governance under these circumstances.

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### Notes

1. OECD, Development Assistance Committee, [http://www.oecd.org/document/9/0,3746,en\\_2649\\_34447\\_36923273\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/9/0,3746,en_2649_34447_36923273_1_1_1_1,00.html); OECD, Analysis of Basic Social Services 1995–2004 (Paris: 2006), p. 3 at <http://www.oecd.org/dataoecd/21/1/40162681.pdf>
2. <http://www.oecd.org/dataoecd/26/39/49907438.pdf>
3. On state-building and postconflict peace-building, see, for example, Caplan (2005), Chestermann (2005), Cousens and Kumar (2001), Fearon and Laitin (2004), Fukuyama (2004), Marten Zisk (2004), Paris (2004), Stedman, Rothchild, and Cousens (2002). On foreign aid and democracy promotion, see, for example, Knack (2004), Lumsdaine (1993), Schraeder, Hook, and Taylor (1998), Arts and Dickson (2004), Magen, Risse, and McFaul (2009), and Youngs (2001).
4. Source: Political Instability Task Force (PITF), Center for Global Policy, George Mason University, Washington DC.



5. Source: Institutional Profiles Database.
6. Note that our measurement of statehood is orthogonal to regime type and that the indicators for governance performance used in Figure 2 do not include human rights or the rule of law.
7. For this argument about universally accepted standards of what states are supposed to deliver, see Meyer (1987) and Meyer et al. (1997).
8. Those who are providing the services, on this term see Avant, Finnemore, and Sell (2010).

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