FAILED STATES –
How the United Nations should deal with them

Irma Halilovic
Johanna Damböck
Kecskés Tamás
David Gottesman

Vienna, January 2012
Contents

National consequences ........................................................................................................ 8
International consequences .............................................................................................. 10
Basic legal problems ........................................................................................................ 12
Rebuilding failed states as a part of UN peacebuilding ..................................................... 13
The Peacebuilding Commission ......................................................................................... 14
Other peacebuilding organs of the UN ............................................................................. 15
Minerals, Generals and Corporations – a joint-venture of destruction .... Error!

Bookmark not defined.

Misconceptions in dealing with the conflict . Error! Bookmark not defined.
The State of EU-phoria ..................................................... Error! Bookmark not defined.

Relevant attributes of Guinea-Bissau as a Narco-State Error! Bookmark not defined.

Conclusions of the Two Cases ....................... Error! Bookmark not defined.
Bibliography ..................................................................................................................... 25
Introduction
(by Irma Halilovic)

Since the early 1990s, the phenomenon of failed states or state failure has become one of the biggest security problems in the international system. Failed states play an important and challenging role to the international stability, national security as well as for international peace. Time and time again, history has shown that failed states cause devilish harm and heroic efforts to neighbours, regions and the international community itself.

After the attacks on September 11th 2001, it became obvious that failed states are dangerous for the world. Therefore, unsuccessful leadership in states is a serious threat to regional and international stability. Somalia, Congo and the Western Balkans are just some examples of the important role of the Western powers and their deep force to remake these countries in a liberal world’s image1.

With this in mind, this paper tries to outline the concept of failed states and will suggest some possible solutions on how to deal with this problem. First, a definition of “failed states” and the causes for a state to fail will be given. Second, the national and international consequences of state failure will be listed and their relationship with each other will be determined. This theoretical framework will then be used for, third, an analysis of the legal instruments available for the UN to stabilize failed states. Fourth, the “critical multilevel analysis of failing” will complement the paper by showing an alternative approach to state failure.

---
1 Miller D., Paul: The Case of Nation-building: Why and How to fix failed states in PRISM3, 2012
Definition and Measures of failed states

The international community and its challenges in the 21st Century pose an important role and opportunity of its goals and use to foster stability and democracy to states which are confronted with violence, dictatorship, poverty and terrorism. Unsuccessful states are not just sinkholes in the world; they contribute to nothing good and no positive values for a liberal world order. But fixing failed states is hard. The failures have been immense and public but the International Community, European Union and the United Nations also learned to operate with a measure of greater challenges. In the last two decades they also back up countries like Bosnia, Croatia, Kosovo and Timor. The majority of these are rebuilt, modern and stable democracies. In this context, probably the best-known ranking is the Failed States Index (FSI) of the Fund for Peace since 2005. The phenomenon of the research of state failure had an increasingly comparative experience in the recent years.

Therefore, the Fund for Peace ranks the fourteen worst functioning states as: Somalia, Sudan, Chad, Zimbabwe, Afghanistan, Haiti, Yemen, Iraq, Central African Republic, Cote d’Ivoire, Guinea, Pakistan, Nigeria.

The annual Failed States Index ranks 14 countries for the year 2012 from 177 states to the category "high alert". This index lists countries whose stateliness are rated also in "critical", "stable" or "Sustainable" ones.

Somalia remains ranked on top of the Failed States Index in the past four years. But there are still many states that operate on an international level reasonably well but there state control over various regions are lacking entirely such as Sudan. In countries such as Chad and the Democratic Republic of Congo (DRC), corruption and extreme poverty are still present but a state rule in capital cities can be mentioned.

Every year the Fund of Peace are analyzing millions of documents with scores for every country based on twelve key points such as political, social and economic indicators.

The reasons for state failure are different. War, civil war, instability and corruption are just some of them. Because of their weak state structure failing states are unable to stabilise or to provide security for themselves. Unfortunately the western world only pays attention of

---

2 Miller D., Paul: The Case of Nation-building: Why and How to fix failed states in PRISM3, 2012
3 Fund for Peace, pp. 12
4 Fund for Peace, pp. 14
futile states when they threaten the security of industrialised countries, such as Afghanistan.\(^5\) Also the quality of measurements suffers from the same problems and rankings. This is similar to rankings of the top ten Universities in the world which should not be ignored. It is inevitable that there will be disputes when a nation’s governmental institutions do not function properly as well as when there are severe internal conflicts involving arms. Iraq was not considered as a failed state until the United States invasion in 2003.\(^6\)

Therefore, in 2003, failed states have been described as an ‘alarming phenomenon’ by the European Unions Security. While the UN indicated in the Secretary General in 2005 that the states are fragile and the people of the world will not benefit from the security, development and justice that are their right.\(^7\)

It has been suggested that a ‘failed state’ is a result of many factors such as economic, political, social and military. Economic issues such as poverty could lead to a dispute within a country make the government weak. Lack of economic support from international organizations could lead to a failed state.\(^8\) Political instability is also a contributing factor to a weak state. When people disagree with their governmental leaders it could result in violent conflict domestic and external. This could cause difficulties with neighboring countries.

**Causes and consequences of failed states**

In practice the International Community is often confronted with the question of why states fail and how this failure can be solved. Occasionally researchers have attempted to find an answer for the best solutions since the efforts of the International Community have not been successful in the long term. The Western powers regard their countries as the right model and this model is also transmitted to failed states without any critically thinking for itself. With this type of intervention the difficulties that other countries may have could be resolved which could lead to peace. However, the past and present show us different results. In “failed states” citizens do not have trust in their government, who is not able to rule the country. A high level of violence, lawlessness and corruption mark failed states.\(^9\)

---

5 Miller D., Paul: The Case of Nation-building: Why and How to fix failed states in PRISM3, 2012

6 Yoo, John: Fixing Fail States in Berkeley Law Scholarship Repository, 2011, p. 104

7 Ibid, p. 104

8 Annette Büttner: Wenn Chaos regiert; Staatszerfall in Entwicklungsländern: Ursachen, Folgen und Regulierungsmöglichkeiten , Sankt Augustin, März 2004, p. 10

states” the state authority breaks down completely. The tense situation in failed states can turn into armed conflict that put their neighbors in danger.

Countries fall in one of the following four categories: strong, weak, failing and collapsed (stating only Somalia is in the latter). However, none of these are static and that states move within these clusters. To be able to put a country into a certain category, you have to determine the ability to deliver political goods (most importantly the provision of national and international security and the preservation of order) and services (e.g. existence of institutions of political freedom, implementation of the rule of law, but also things as electrical power and running water) of it.

Therefore it is possible to say that Somalia is a collapsed state as there are no political goods provided, hardly even a government. It is important to differentiate between collapsed and failing states: Mostly, they are in an inner conflict and dangerous. Therefore, it can be said that Civil war is a symptom of state failure, but not - as often claimed - the reason. Indonesia, Colombia and Sri Lanka are stated as examples: Although violence exists in these countries, political goods are being delivered. That means violence is rather a good indicator to failure but does not necessarily correspond to it. Another good indicator is a high inflation rate as in Zimbabwe, which has all indicators of failure except for violence.\textsuperscript{10}

It is important to keep an eye on the weak states, such as Paraguay, Bolivia and Kyrgyzstan. Kofi Anan stated that it “is much easier help a state to reconstitute itself before it has failed than once it has already failed”.\textsuperscript{11}

The weak economic states are already in early stages of a failed state and mostly remain a permanent problem because the militant groups exploit its available of resources ruthlessly and have no interest in a sustainable economy. Thus, the population is poor because of the bad health care and the general hygienic conditions.\textsuperscript{12}

The main reasons of state failure in almost all cases are associated with civil violence and the rise of warring non-state groups which flush the revenue from minerals or narcotics. International community can often help resuscitate failed states by sponsoring elections and committing to long-term civil safety. But several contributors warn that in the worst instances,

\textsuperscript{11} ibid
\textsuperscript{12} Annette Büttner: Wenn Chaos regiert; Staatszerfall in Entwicklungsländern: Ursachen, Folgen und Regulierungsmöglichkeiten, Sankt Augustin, März 2004, p. 18
major powers and the United Nations must be willing to "decertify" the failed states while parties disarm and the country is put back together.\textsuperscript{13}

Causes of failed states also can be government fail to promote the interests of their people through political choices. Also some regimes may want to restore order in the state but don't have the resources such as in Uganda failed to take down lords resistance army sudans inability to defeat the Sudans people's liberation movement/army.\textsuperscript{14}

\textsuperscript{13} Rotberg, Robert: When States Fail: Causes and Consequences in John F. Kennedy School of Government, 2003

\textsuperscript{14} Williams D., Paul: State Failure in Africa: Causes, Consequences and Responses
Consequences of state failure
(by Johanna Damböck)

State failure has to be taken seriously as the consequences are not only found on the national level of the state itself. State failure is linked to a range of problems and has an economic, social, political and military impact which then result in “a wide range of negative consequences for their own populations, their neighbours, their regions, and the global community” 15. It is, however, not state failure itself, which can pose a danger for the region or even the international community, but rather the consequences of such a failure. This chapter will therefore outline the various consequences of state failure on different levels so as to give a better understanding of this complex political issue.

National consequences

The major social consequences of state failure include, amongst others, the movement of refugees and internally displaced people, legacy of vengeance-seeking group grievance and chronic and sustained human flights. These social factors are all interwoven with economic and political consequences and have to be analysed together with them. First, the massive movement of refugees and internally displaced people is a direct consequence of violence and a not-working social security system. Such a massive flow of refugees also has to be realized as a major security and humanitarian problem. “Legacy of vengeance-seeking group grievance” refers to the phenomenon that in most failed states there was some kind of injustice, very often between different ethnicities which has caused ethnic tensions. Political tensions can be a result of such atrocities committed maybe even many centuries ago, because very often groups received status and political power by some kind of social exclusion of other groups. This is then, clearly, the best breading ground for a failed state to exist, a state, unable to control its own territory. “Chronic and sustained human flight”, as in contrast to refugee flows means the voluntary movement of people. Important to consider here is the “brain drain” of professionals, intellectuals and political dissidents and the flow of a big part of the “middle class”, as this include the people who have the necessary means to flee from the country and who have not enough incentives to stay.

Political consequences range from minor political unrest to interstate war. This is normally related to a progressive deterioration of public and legal services in the country, which causes again more political unrest and a widespread violation of human rights. Considering this spiral movement, following consequences are the most remarkable: criminalization and/or delegitimization of the state, progressive deterioration of public services, widespread violation of human rights, security apparatus as "state within a state" and rise of factionalized elites. First, the main consequence of a “criminalization and/or delegitimization of the state” is a state’s loss of “popular confidence in state institutions and processes, e.g., widely boycotted or flawed elections, mass public demonstrations, sustained civil disobedience, inability of the state to collect taxes, resistance to military conscription, rise of armed insurgencies”. This leads to, second, to a disappearance of basic state functions, including the social and health system of a nation. In this transition, ruling state elites do very often take over these functions and restructure them in a profit-oriented way. Such an emergence of authoritarian, dictatorial or military rule can lead to a widespread violation of human rights as no functioning legal system could prevent the ones in power to respect human rights. “Security apparatus as "state within a state" refers to the emergence of elite or praetorian guards, state-sponsored or state-supported “private militias" and/or an “army within an army,” secret intelligence units, or other irregular security forces which serve the interest of political leader. Fifth, a remarkable political consequence is the rise of factionalized elites, which means mainly the “absence of legitimate leadership widely accepted as representing the entire citizenry“.

Among the major consequences related to national, transnational and global security, are the negative effects in relation to terrorism, proliferation of weapons of mass destruction (WMD), crime, disease, energy insecurity, and regional instability. Important to note is that all of these variables are normally highly influenced by the neighbouring countries and have to be analyzed together with the situation of these influencing countries.

18 ibid., p. 14
19 ibid., p. 19
Scholars, furthermore, have found out that state failure is always in relationship with uneven economic development and with sharp and/or economic decline. Uneven economic development is determined by group-based inequality, or perceived inequality, in education, jobs, and economic status. Sharp and/or severe economic decline, in contrast, is measured by a progressive economic decline of the society as a whole. Other variables very often found in failed states are: a sudden drop in commodity prices, trade revenue, foreign investment or debt payments; collapse or devaluation of the national currency and a growth of hidden economies, including the drug trade, smuggling, and capital flight; failure of the state to pay salaries of government employees and armed forces or to meet other financial obligations to its citizens, such as pension payments. The main problem of the economic consequences is that they are subject to a multiplier effect, which means that less income means less taxes, this means even less state, even less security and less salary, and again less income.

**International consequences**

“Failed states raise challenges both for the great powers concerned about what threats might come out of them and for the locals who have to endure life inside them” 21. The interrelationship between failed states and the international community is a complex one and many scholars have tried to grasp the nature of state failure on the international level. Fukuyama has even gone thus far as to see failed states since the end of the Cold War as the single-most important problem for international order22.

Zatyab and Starr indicate in their study the relationship between failed states and violent conflict, that there are indeed spatial effects associated with collapsed states: “Such states, which are generated by political instability and armed conflict, in turn generate subsequent unrest, instability, interstate, and civil war in their neighbours and near regions“ 23. In addition, there is a correlation between the increasing level of violence and the extent of the spreading effect. This means, that „minor“ violent acts such as political unrest, manifestations and instability spread less to the neighbouring countries than intense forms of violence, such as civil and interstate war.

Herbst explains this process, saying that very often, “powerful political elites can establish transnational political and economic networks that lessen the need to strengthen the national political apparatus”\(^{24}\). At the same time, profit-oriented elites from other (mostly neighbouring) countries see an opportunity in coming to this “failing” state as they can make good profit out of this society.

When the “failed state drama” becomes international, it is at the latest at this moment when the international community decides that measures have to be taken. This intervention of other states or other external political actors affect the balance of power not only of the international community, but also of the “failed state” itself. An intervention brings very often political and economic change with it and does therefore also affect the political and economic situation of the region. This political contagion is then the strongest when external powers try to change the regime of a “failed state” on purpose. The reason for this is, that political systems have to be seen as interrelated and interconnected and the radical change of one political system in the region will also not leave the other surrounding political systems unaffected.

Legal instruments available for the UN to stabilize failed states
(By Tamás Kecskés)

Basic legal problems

State failure is not only a national problem. It affects the neighbouring countries and the whole international community as well. Therefore it is important to examine which legal instruments are available for the international community to avoid state failure or to restore statehood.

The main problem is that the UN and the international law treat “failed states” as states however these entities are lack of an effective government which is one of the basic elements of statehood. The term “failed state” or similar ones like “dysfunctional states” or “states without government” are never used in UN documents or in speeches made in the UN. 25 These states are also members of the UN and their membership never has been abolished or suspended. The problem is that if these entities are treated as states the prohibition of intervention should be applied.

As the Article 1 of the Charter of the United Nations says the main purpose of the UN is “to maintain international peace and security” 26 and if this becomes endangered the UN is entitled to intervene despite of the rule mentioned above. The question is if state failure is a threat for international peace and security or not.

First, it should be emphasized that state failure is usually a result of an armed conflict. It could be an international or an inter-state conflict as well but nowadays the latter is a much more frequent cause of state failure. An internal conflict is also a threat for international peace and security despite of its internal nature. For example refugees and the foreign support of parties often make these conflicts relevant for the whole international community. It was also verified by the Security Council when it stated regarding to the Somalian situation that the “» the magnitude of the human tragedy caused by the conflict« was sufficient in itself to constitute a threat to peace within the meaning of Article 39 of the Charter.” 27

Secondly it is very important to note that state failure in itself could be a danger for international peace and security. For example pirate activity near the coasts of Somalia is a

26 Charter of the UN, Article 1. paragraph 1.
result of state failure. An effective police would be able to stop the pirates but the greater problem is that for many people piracy is the only source of living and this is also an effect of state collapse.

**Rebuilding failed states as a part of UN peacebuilding**

Regarding to the fact mentioned above that state failure is usually a result of an armed conflict rebuilding of a failed state is often regarded as a part of the so-called peacebuilding. This term was first used by Johan Galtung in the 1970s. The first UN document which used this word is named An Agenda for Peace which was submitted by the UN Secretary General Boutros-Boutros Ghali in 1992. This document wanted to expand the peace-maintaining task of the UN. The traditional method of peace-keeping was only a symptomatic treatment which leads to temporary results but conflicts were frequently recrudesced for example in Cyprus or in the Middle East. The concept of peace-building is about dealing with the roots of these conflicts and to find a durable solution. If the root of the conflict is the collapse of the state building peace means to rebuild the state. Creating a new functioning state on the ruins of the old one is definitely the best solution to restore peace and security in such cases. “The United Nations’ peacebuilding activities include drafting or amending constitutions; implementing disarmament, demobilization and reintegration programmes; channelling urgent humanitarian assistance to communities; facilitating transitional justice systems; strengthening state institutions and the delivery of public services; fostering independent civil society and media organizations; placing the security sector under democratic, civilian control; and organizing elections.”

In 2004 the so-called High-level Panel of Threats, Challenges and Change found that there is no UN institution which has the task to prevent state collapses and civil wars. The reason of this is that when the UN was formed its primary aim was to avoid inter-state wars because then these were the typical forms of armed conflicts and those states which were unable to functionate independently were under trusteeship. Many former colonies which gained their independence during the second half of the last century were not ready for

---

29 Náthon, p. 71.
30 Richard Ponzio: i.m.
31 Náthon, p. 72.
freedom because their traditional social structures had been destroyed by the colonists and the institutions introduced by the colonists were also abolished with the independence.

The Peacebuilding Commission

The Panel recommended the “that the Security Council, acting under Article 29 of the Charter of the United Nations and after consultation with the Economic and Social Council, establish a Peacebuilding Commission” to handle these new challenges.32

The core function of this new institution should be to identify

1. countries which are under stress and risk sliding towards State collapse
2. to organize, in partnership with the national Government, proactive assistance in preventing that process from developing further;
3. to assist in the planning for transitions between conflict and post-conflict peacebuilding
4. and in particular to marshal and sustain the efforts of the international community in post-conflict peacebuilding over whatever period may be necessary.33

The General Assembly has adopted the proposal of the High-level Panel about the Peacebuilding Commission on its 60th session.

According to the resolution of the General Assembly the Peacebuilding Commission is an “intergovernmental advisory body” and its main purpose is "to bring together all relevant actors to marshal resources and to advise on and propose integrated strategies for post-conflict peacebuilding and recovery. The Commission should focus attention on the reconstruction and institution-building efforts necessary for recovery from conflict and support the development of integrated strategies in order to lay the foundation for sustainable development. In addition, it should provide recommendations and information to improve the coordination of all relevant actors within and outside the United Nations, develop best practices, help to ensure predictable financing for early recovery activities and extend the period of attention by the international community to post-conflict recovery. The Commission should act in all matters on the basis of consensus of its members.34

32 A/59/565, Paragraph 263.
33 Ibid, 264.
34 A/RES/60/1, paragraph 98.
The Commission should make the outcome of its discussions publicly available to the relevant bodies and actors, including the international financing institutions and an annual report should be submitted to the General Assembly.\textsuperscript{35} Those documents which are already publicly available don’t tell us the exact elements of peace-building and we can hardly find out that who decides about programs and actions but it is obvious that every failed state is a \textit{sui generis} case.\textsuperscript{36}

The General Assembly mainly dealt with procedural and compositional questions and due to this the programs of the Commission became overshadowed by the former topics.\textsuperscript{37} Dr. István Náthon has pointed out several problems of the current system.\textsuperscript{38}

- The first problem is that the border between peace-keeping and peace-building is not clear. It may cause problems because the Security Council is responsible for the first one while the second one is the mutual competence of the General Assembly, the Peacebuilding Commission and the Security Council.
- The Peacebuilding Commission is only an advisory organ and it cannot decide about measures. It would be in contradiction to the Article 39 of the UN Charter as well because only the Security Council is entitled to decide about measures.
- The Peacebuilding Commission hasn’t got a so-called early warning function so it cannot determine which countries should get aim. The Commission is entitled to do so only if it get a request but it is not clear who has the right to make such requests.
- The rule of consensus seems to be unnecessary regarding to that the Peacbuilding Commission is only an advisory organ. Even one non-content country is enough to preclude the decision.
- It is still not clear who should finance the peace-building operations.

\textbf{Other peacebuilding organs of the UN}

The Peacebuilding Commission is not the only UN organ which is established to deal with peacebuilding problems. The Peacebuilding Support Office was established in 2006. It is “staffed by qualified experts to assist and support the Commission, and recognizes in that regard that such support could include gathering and analysing information relating to the availability of financial resources, relevant United Nations in-country planning activities,}\textsuperscript{35} A/RES/60/1, paragraph 99.\textsuperscript{36} Náthon, p. 98.\textsuperscript{37} Ibid\textsuperscript{38} Ibid, pp. 75-77.
progress towards meeting short and medium-term recovery goals and best practices with respect to cross-cutting peacebuilding issues.”

The Peacebuilding Fund for post-conflict peacebuilding, funded by voluntary contributions and taking due account of existing instruments, with the objective of ensuring the immediate release of resources needed to launch peacebuilding activities and the availability of appropriate financing for recovery.  

---

40 Ibid
Multiple Levels of Failing - Asymmetrical Interference of Actors and the International Community

(by David Gottesman)

Introduction

In the previous parts different aspects of failed states were discussed. Potential threats and other variables have been handled, as well as consequences in different terms. Some of the instruments have been mentioned, with which the international community is trying to thaw these situations. Now these notions are going to be fused and tested, to some extent.

By looking at rather specific issues, and with an inductive attitude, the aforementioned descriptions of reasons and pressurizing factors are going to be observable through very thin segments. Therefore, clarifying that sometimes even the smallest of details can become significantly hazardous when placed in a suitable setting.

Rotberg indicates that failed states are “tense, deeply conflicted, dangerous and contested by bitterly warring factions”, furthermore central governments face “two or more insurgencies, varieties of civil unrest” and “a plethora of dissent directed at the state”. 41 Hence, these become a magnet of enduring violence motivated by ethnic, religious or linguistic differences. 42 Actors of various levels interact, many times inadvertently, now to an extent beyond belief, due to the globalized nature of the international community.

---

42 Ibid. p 5.
Approaching the Cases

In the following, two instances shall be examined that have special characteristics of inadequacy. Both are African countries, yet they differ from each other, as they do from anyone else. Guinea Bissau, after having various intra-state conflicts, now faces a new threat, and is on the brink of becoming the world’s first Narco-State. While the Congo (Democratic Republic of), on the other hand faces the problem of the “resource curse”, having mineral reserves of high value, with a growing rate of demand for them.

Thus, two unconventional factors are going to be examined to show the elaborate structure of networks and hierarchies that are ad hoc created, when they cannot be designed by a central power. Moreover, through these variables, the regional aspect of failing states becomes distinctive. Minerals and drugs are not to be deemed the cause of a failing state, but can be confidently used as indicators, which coherently prolong the vicious cycles.

When Schenkener differentiates between failed/collapsed states and consolidated/consolidating ones, he emphasizes three factors of failure: structural factors/root causes, aggravating/accelerating factors and triggers. Cocaine in Guinea Bissau and coltan in the Congo may be any of the aforementioned types of factors. Hence, the two cases are going to be observed through these substances, in order to show how various actors create informal institutions to ensure the distribution of such expensive goods. These structures are immaculate reflections of how unrestrained or unintentional involvement creates the “tragedy of the commons” and how the greed of a few causes the desperation of many.

Kenneth Waltz approached international relations in multi-dimensional manner, defining man, state and war as the individual level, the group and system in which the group interacts. Thus, creating a micro-, meso- and macro- level of analysis. Since then, this idea has been refined, yet the multi-level approach still holds valid ideas. The paper is going to focus on the regional level, as a mid-range aspect, since “a regional security complex is

---

44 Richard Auty first coined the term “Resource Curse” in his 1993 book Sustaining Development in Mineral Economies: The Resource Curse Theory. In it he explains why a seemingly desirable asset, such as natural resources, can actually pervert an economy to the extent that it becomes a curse.
46 Archetypical social phenomenon where an attempt to exploit others (or 'the system') in one way or the other eventually turns out to be self-defeating. Read more: http://www.businessdictionary.com/definition/tragedy-of-the-commons.html#ixzz2GTpszDBd
defined by durable patterns of amity and enmity taking the form of sub-global, geographically coherent patterns of security interdependence” and “domestic factors within states that belong to a state failure region are obvious factors determining these regional structures and dynamics”.48

By localizing the two factors in the regional context, many intra-level correlations are going to become observable (thus all levels are going to be included in the analysis). These links demand new approaches of categorizing and a different usage of instruments by the global community.

On the other hand the two failing or failed states are going to be presented as “permissive environments” and “ungoverned spaces”49 therefore defining the nature of the regional context. This way these phenomena can be perceived differently, meaning that failed states are not only actors, but serve as a setting for the interaction of others, which leads us to what we now call anarchy.

Minerals, Generals and Corporations – a joint-venture of destruction

Many studies indicate that there are links between natural resources and the ongoing conflict in the DRC (Democratic Republic of the Congo),50 from which coltan emerges as a highly priced necessity of the high-tech industry.51 Furthermore the UN has conducted its own research and found numerous cases of exploitation.52 In this report, a clear link was defined between illegal exploitation of resources and armed groups, who finance and sustain their war effort from such profits.

49 “permissive environment” - allows criminals to operate uninhibited by any legal, financial, or other constraints.
50 “ungoverned space” - which is often used to describe countries in Africa where government is ineffective or governance is essentially absent.
Source: Bybee, Ashley-Louise (2009), The Narco-Curse in West Africa, Appears in Collections: Volume 3, Number 2, p 12. Downloaded from: http://hdl.handle.net/1920/6539
Additionally the report suggested that natural resources became the primary motive for invasions, from the Ugandan and Rwandan side. Foreseeing the evolution of “military commercialism”, “a business partnership between military and private companies, in which private companies assist in exploiting, transporting and marketing the natural resources from the DRC, where the maintenance of insecurity becomes the primary source of enrichment and strategy”.\(^{53}\) Preservation of chaos thus becomes a goal for many actors, including different rebel factions, neighbouring states, superpowers, criminal organizations, and of course the multi-national corporations who are keen on supplying an endless demand for these rare resources.

The UN tried to break the mentioned links down with sanctions, and named 85 companies\(^{54}\) that are involved in breaching the OECD Guidelines for Multinational Enterprises.\(^{55}\) The question of responsibility therefore now engulfs not only the region, and the failing country, but any corporation from the Developed World, and subsequently their customers as well.

**Misconceptions in dealing with the conflict**

1) **Sanctions and boycott are viable options**- as artisan mining proves to be the only form livelihood for many in the region (a coltan miner can make up to five times more money in one week, than an average Congolese worker in a whole month)\(^{56}\); furthermore, it is almost impossible to implement any mechanisms without an entity capable of maintaining stability.\(^{57}\)

The current networks, which distribute coltan, are already illegal and the neighbouring countries of the Great Lakes region profit from it the most. The chains are hard to trace, as “…five or six intermediaries can be involved before it reaches the larger regional traders. At this point, the black-market coltan enters the global market...”.\(^{58}\) Therefore Rwanda and Uganda, who are directly or covertly involved in the various conflicts, are at the same time the main beneficiaries of trade with coltan ore.\(^{59}\) When dealing with such a lucrative business

\(^{53}\) Raeymaekers, op. cit. p. 9.
\(^{56}\) Molango, Maheta Matteo. (2008) "From “Blood Diamond” to “Blood Coltan”: Should International Corporations Pay the Price for the Rape of the DR Congo?" ExpressO Available at: http://works.bepress.com/maheta_molango/1, p 64
\(^{58}\) Molango, op. cit. p 45.
\(^{59}\) Garrett, op. cit. p 36.
it is reasonable to assume, that prices would soar after prohibition, thus making the coltan trade more appealing for those involved in “military commercialism” and rogue transactions.

2) **Key international players can avoid responsibility by approaching the problem passively or in a biased manner** – It has been documented (also by the UN) that there was US involvement in the cover-up of the assassination of the former President, and even if this is proven false, Paul Kagame’s impunity remains as a tangible proof of support. Following a UN report in 2008, Sweden and the Netherlands decided to cut off all foreign aid to Rwanda. Despite this, Kagame remains free, and can actively participate in deteriorating the situation, and profit from selling “blood coltan”. Staying passive in this sense is identical to supporting instability, but being biased is equal to fuelling the conflict.

3) **The UN and its organs have sufficient authorization and instruments to solve the issue** – as mentioned previously, the UNSC reports clearly state that exploitation and territorial abuse is taking place. Moreover, those who are personally involved or through legal entities, have also been named. Hence, the root of the problem has been located, and the ICJ spared no effort to underscore these in a legal sense. However, jurisdiction was questioned and under the cloak of sovereignty, crimes went unpunished.

On the other hand, when dealing with private corporations, the UN is only capable of emphasizing morale and ethics. Until now, this has proven to be inadequate and more operative and punctual tools need to be implemented, which can effectively target rogue companies.

**The State of EU-phoria**

In a globalized world, the meaning of “being at the wrong place at the wrong time” increases ever more. Sometimes mere existence is enough to attract trouble yet non-existence is almost bound to do so. The situation in Guinea-Bissau shows that failing states can cause vast waves of events, affecting not only the region but the rest of humanity as well.

Guinea-Buissau, after gaining independence from Portugal, became “an intimate merger of its military and political elite”. The country was devastated by the disproportionate

---

61 Ibid. p 4-5.
allocation of wealth, but more importantly a civil war in 1998-1999 and numerous coup d’états since then. 63

On the other side of the Atlantic, due to the War on Drugs, the US market became harder to access for cocaine traffickers; with better prices overseas their focus shifted towards Europe. Inevitably this led to them discovering opportunities in the failing states of West-Africa. 64 Guinea-Bissau shares a language with Brazil, Cape Verde and Portugal, which are all important transit countries. Thus, connecting a “natural path” for drug smuggling, that uses already established corridors of arms trade. 65

In an interdependent world, the two simultaneous phenomena collided, which led to a new type of relation between organized crime and the state. The total national budget of Guinea-Bissau is the equivalent of the wholesale value of 2.5 tons of cocaine in Europe, an imbalanced ratio, a country trapped by powder.

**Relevant attributes of Guinea-Bissau as a Narco-State**

*The economy as a whole is highly sensitive to the illicit trade of cocaine* - In fact, due to a larger influx of commodities into the country an unlikely event transpired. Since there is no plausible explanation for these events, it can be assumed that it is the effect of cocaine trafficking in the country. 66 Ultimately this led to the so-called “Dutch disease” 67 of a devastated economy, when there were no indicators of such an occurrence. Clearly showing how unwanted effects shatter a vulnerable economy.

*FDI and foreign aid are being abused simultaneously* – In 2006, after years of low FDI, Guinea-Bissau attracted nearly one-sixth of its GDP in FDI. 68 The first sightings of

65 Ibid. p 12.
67 *Dutch disease* is the negative impact on an economy of anything that gives rise to a sharp inflow of foreign currency, such as the discovery of large oil reserves. The currency inflows lead to currency appreciation, making the country’s other products less price competitive on the export market.
greater amount of cocaine in the country happened just a year earlier. The wired money and large investments serve as a great way of laundering money.

Meanwhile foreign aid is being handled by Guinea-Bissau’s own factionalized elite, further adding to the already high inequality. In addition to this, the emerging *nouveau riches* imitate the lifestyle of their counterparts in Ghana and Nigeria, who are often involved in “cocaine money”. Equal development becomes impossible, and options are being limited, even for the rich. Hence, cocaine (and the crime-wave it creates) increases social gaps to maintain the “permissive environment”.

**Conclusions of the Two Cases**

The three misconception of the Congo crisis represent the elaborate relation of ample levels. The inefficiency of sanctions shows how the international community is lagging behind in dealing with the problem in a local sense. In addition to this, key global and local players are either deeply involved in the abuse or remain in inertia, both of which lead to maintaining the calamity.

Furthermore, new forms of informal links among actors are evolving, thus fulfilling the “ungoverned space”. Meanwhile, this creates a “permissive environment” for the artisan mining and unethical trade of ore; therefore coltan represents a new form of problems, which is capable of generating new structures that ultimately construct “military commercialism”.

Whilst denying responsibility, the international community seeks resolution from the UN. However, instruments are not given to perform this. Therefore, key players cannot solve the problem, and at the same time are reluctant to authorize the only organ that would be capable of achieving results, in an unbiased manner. The decision-making process and legal instruments need to be enhanced. More importantly, the new players, like private corporations, are needed to be taken into account, and an effective mechanism is to be adopted when regulating them.

---

69 Source: Bybee, Ashley-Louise (2009), The Narco-Curse in West Africa, Appears in Collections:Volume 3, Number 2 , p 6. Downloaded from: http://hdl.handle.net/1920/6539
The phenomena in Guinea-Bissau are uncommon, and until now such occurrences would have been impossible. Yet, the small economy is extensively overwhelmed by international organized crime, which is mainly due to an increase in European cocaine consumption. Moreover the country itself is becoming a proxy for drug-traffickers, via FDI and other instruments. Concurrently, the international community is inept in combating these effects. Hence the supply chain of cocaine turned the “ungoverned space” of the country into an illegal haven.

Sanctions, the abuse of FDI and foreign aid show, how these mechanisms fail to convey their objectives. Global apathy and the greed of regional players form a new vicious cycle, where informal actors are driven by profit. The borderlines between military, politics and economy fade away, which requires a new perception of failing states. Different categories and definitions need to be implemented, as narco-states and military commercialism rise in the intricate multi-level context.

Permissive environments create a void that is now dangerous not only in the sense of military conflicts in Africa, but threatens the youth of the EU, where cocaine intake is soaring. This needs to be dealt with from different angles, while designing new, more effective tools. While smartphones and luxurious drugs gain popularity in the West, the killing fields of Congo, and the instability in Guinea-Bissau remain unknown for the majority. Both are cases of ignorance and denial, not leaving a choice for some.
Bibliography


Bybee, Ashley-Louise (2009), The Narco-Curse in West Africa, Appears in Collections: Volume 3, Number 2, p 6. Downloaded from: http://hdl.handle.net/1920/6539


Ferret, Grant. How a tiny West African country became the world's first narco state


István, Náthon (2006): Az ENSZ és a „bukott államok“ (The U.N. and ‘Failed States’). In Államok és államkudarcok a globalizáltódó világban.


Sutherland, Ewan, (2011), Coltan, the Congo and Your Cell Phone, Available at SSRN: http://ssrn.com/abstract=1752822 or http://dx.doi.org/10.2139/ssrn.1752822


