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The Global Crisis of Governance

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The world has entered a period of kaleidoscopic, irregular conflicts in which the reassertion of traditional geopolitical rivalries is inextricably linked with the activities of a bewildering assortment of violent nonstate actors (VNSAs). States in the Middle East, for example, increasingly define national interests in terms of sectarianism; however, the civil war in Islam is being played out not only in the direct, competitive dynamic of Saudi Arabia and Iran, but also through the proxies these two states use, including sectarian factions, tribes, warlords, insurgents, and transnational criminal organizations (TCOs). These VNSAs pursue their own agendas, yet interact and ally with states when it is convenient and advantageous to do so. They might, on occasion, act as state proxies; but, they are not pawns. On the contrary, they generate their own conflict dynamics and follow strategic imperatives that sometimes complement the actions of their state allies, but, on other occasions, can equally well confound them.

In South Asia, D-Company, the criminal organization led by Dawood Ibrahim, is closely allied with Pakistan's intelligence agency, Inter-Service Intelligence (ISI). Indeed, D-Company is used by ISI to provide money and logistic support for terrorist actions against India, and for assistance in introducing counterfeit currency into India. The organization also provides plausible deniability for ISI and for Pakistan, in return for which Pakistan provides sanctuary and protection.[1] The relationship is symbiotic and D-Company enjoys a high degree of impunity, while continuing to profit from its extensive portfolio of transnational criminal activities. Moreover, at times, its close relationship with Pakistani intelligence and military services has hindered efforts to improve relations between India and Pakistan.

In other words, traditional geopolitics is alive and well, but is sharing the stage with a variety of new players that are useful to states but are not necessarily or not fully under state control. This is a complex picture in which states, at the very least, remain the major players, and often set the frameworks within which VNSAs operate. At the same time, VNSAs add elements of fluidity and unpredictability, complicating state calculations and rendering desired outcomes uncertain. Both Iraq and Afghanistan have revealed that favorable power asymmetries do not guarantee victory, that military power often matters less than political resilience, and that even political success can prove impossible to sustain. Such complexities and uncertainties are increasingly reflected in current U.S. military planning with its focus on gray zones, irregular operations, and hybrid enemies, as well as its reliance on technological superiority to provide what has been characterized as the "third offset."[2]

Underlying this panorama of actors, and somewhat obscured by the current crises and tensions, is a fundamental global trend in which the nature of governance provided by many states is inadequate and unable to meet the needs, demands, and expectations of their citizens. In other words, the Westphalian order is undergoing a long-term secular decline that is bringing with it a series of convulsions along with what Nathan Freier terms, "prolific insecurity."[3] This does not mean that the state is going away anytime soon; the state remains critical in defining political order, and will continue to play much of that role for the foreseeable future.

Yet there is an important, albeit often unrecognized, distinction between failed states and failed governance. Governance can fail dismally even while the formal state remains intact. In many cases around the world, state governance is failing to meet the needs of citizens even as states continue to meet all the formalities of statehood and are recognized by their peers as part of the international community. Sovereignty as a formal legal status in which the state recognizes no higher authority than itself and mandates nonintervention in its domestic affairs is alive and thriving; sovereignty as exclusive and full territorial control and protection of citizens within the area of the state's jurisdiction, however, is increasingly illusionary. As a result, other actors are stepping in, both to challenge the state directly and to provide governance where the state has limited presence or is simply absent. In many countries, especially in the developing world, the traditional equation between the state and governance has broken down. This has four major consequences: high levels of violence in many societies, the rise of alternative loyalties that supersede loyalty to the state, the emergence of alternative governance mechanisms, and large numbers of refugees and migrant flows from countries where governance—but not the state—has effectively failed. These consequences are discussed more fully below.

Although there is considerable hand-wringing over what is often seen as the failure of global governance, it should be emphasized that this is not what is being discussed here. This chapter is not about global governance; it is concerned with governance at the state level, which is becoming a problem of truly global proportions and one that can only exacerbate the shortcomings of global institutions and thereby underline the paucity of effective global governance. If the constituent units that make up the global community of states cannot effectively govern the territory and populations they nominally control, then developing common solutions to global challenges such as climate change will likely prove impossible.

In other words, the continued absence or, charitably, the weakness of global governance is likely to be a major consequence of the global crisis of governance at the state level. Although we still typically refer to the state as "Westphalian," more often than not contemporary states can best be described by terms such as "weak," "fragile," "anorexic," "truncated," "predatory," "corrupt," "criminal," "mafia," "parasitic," "vampire," "exploitative," or "kleptocratic," to name just a few appropriate terms.[4] These descriptors refer either to the absence of certain positive, desirable and, perhaps necessary, state characteristics or the presence of undesirable or negative characteristics. In effect,

they reflect the realities of many states that differ significantly from the traditional notion of the Westphalian state that emerged primarily in Europe and North America and reached its zenith with the total wars of the 20th century. These realities can be summed up as the qualified state, with the word "qualified" suggesting two things: (1) that the state does not exhibit the attributes traditionally—if sometimes erroneously—associated with the modern nation-state in the 20th century; and (2) that many contemporary states cannot be understood without the use as qualifiers for some of the descriptors identified above.

In other words, the key issue is not the weakness, frailty, or inadequacy of institutions or norms designed to promote collective security and provide governance at the global level. The crisis of governance that is most disturbing and corrosive is occurring at the state level and reflects a world of more and more perennially weak, corrupt, or captured states that are unable or unwilling to meet the needs of their citizens, to provide an inclusive fold of protection and provision, to evoke the continued loyalty of their citizenry, to maintain the rule of law, to impose and maintain order in their major cities, and to control their borders.

Although this crisis manifests itself differently in different parts of the world, it has become a crisis of near global proportions. This is not to suggest that all states are undergoing a crisis of governance. There is a significant minority of states, most of them associated with the U.S. alliance systems of the Cold War, and located largely but not exclusively in the Northern Atlantic, that retain high levels of authority, legitimacy, and effectiveness. To talk about a global crisis of governance, therefore, is to be somewhat guilty of hyperbole. Yet it is worth noting that, in recent years, even the United States has suffered from intermittent bouts of institutional paralysis and has pursued economic and fiscal policies that have accentuated rather than reduced the inequalities in American society. Moreover, even European states have been fraying at the edges, and the economic problems of Greece, Spain, and—to a lesser degree—Italy suggest that many of the characteristics of states in the Global South are creeping northwards.

Yet, partly because of the dominance of the state system and the attractive fictions associated with territorial sovereignty, the scope and nature of the crisis of the state are largely unrecognized. Neither denial nor avoidance of the issues, however, is an adequate strategy. By clinging to fictitious notions such as the sovereign equality of states, denial and avoidance somehow become not only more palatable, but a powerful inhibitor to the development of coherent responses. Unfortunately, the results of denial are likely to be even more far-reaching and corrosive. After all, states are the building blocks of regional or global governance; consequently, crises of governance at the state level inevitably undermine the already modest and flawed efforts to provide more effective governance at the global level.

This argument not only runs against the orthodoxies of much international relations theory, but also against the valuable and enduring artifacts of the interstate system— embassies, national armies, national intelligence agencies—as well as the explicit rules

of international law and the implicit or tacit codes of conduct that serve to constrain great power behavior. The central proposition here, however, is that this elaborately constructed edifice is built on fragile foundations. Put somewhat differently, the somewhat idealized concept of the modern sovereign state system obscures a reality that is much more complex, partial, incomplete, and uneven. Unfortunately, the deviations from the idealized norm are often treated as anomalies, that are typically (and often somewhat glibly) explained by the fact that states in much of the developing world are at a different (and less advanced) level of modernization than the advanced postindustrial states, or have been hijacked by groups and individuals, intent on exploiting the state for their own purposes. If looked at empirically, however, the relatively few legitimate and effective states are the real anomalies and these less legitimate and less effective, or "qualified" states are much more prevalent. Unfortunately, this perspective is also obscured by a fixation with failed states— that are in reality few and far between. The real problem is not state failure, but a state that, in many cases, has to be qualified with terms that are pejorative.

Instead of explaining the qualified states, therefore, it might be useful to focus briefly on why the relatively successful nation-states developed the way they did. Drawing on the seminal work of Charles Tilly, it is clear that this evolution was a result of war making and state making going hand in hand.[5] Moreover, the most salient feature of this juxtaposition was that it gave the state and the society a degree of congruence that emerged organically out of the challenges of fighting wars in an era, and in regions, characterized by high levels of nationalism and industrialization. The imperatives of fighting total wars ensured that the state became good at resource extraction. Perhaps equally significant, however, is that the state became good at resource provision, reflecting an implicit social contract based on a common experience: in effect, the state protected its citizens, who in turn identified with the state and supported it with their lives if necessary. The concomitant was a strong sense that the collective sacrifice of the citizens needed to be rewarded through social provision. This started in Germany in the 1880s when Chancellor Otto von Bismarck introduced social insurance, which was designed to reduce migration to the United States and to increase support among the populace for the new German state. A few other European states began to emulate this in the first decade of the 20th century, but it was World Wars I and II that provided the impetus for both the deepening and the widening of this system. Indeed, it was no coincidence that the welfare state developed most fully in Europe in the aftermath of World War II. Providing economic opportunities and, where possible, minimizing economic inequalities helped to ensure that the relationship between the state and the society remained copasetic. Moreover, states forged by warfare became very inclusive. The collective effort required for survival encouraged rather than discouraged inclusion in the society. It also provided a basis for social cohesion that was reflected in the family and other components of civil society. As Herbst notes:

> in Europe there was an almost symbiotic relationship between the state's extractive
> capacity and nationalism: war increased both as the population was convinced by external

threat that they should pay more to the state, and as, at the same time, the population united around common symbols and memories that were important components of nationalism. Fighting wars may be the only way whereby it is possible to have people pay more taxes and at the same time feel more closely associated with the state.[6]

The concomitant of this is that where major interstate war was absent, the state failed to develop a comparable capacity either for extraction or for social provision. This is true of many states in Africa, which suffered from what Herbst terms, "the incompleteness of state consolidation."[7] In Latin America, too, the state was much weaker because of the absence of the large—and sometimes—prolonged interstate wars that helped shape, extend, and consolidate the state in Europe and, by extension, North America.

Another way of thinking about the prototypical Westphalian state is in terms of the sophisticated and successful management of a series of complex balancing acts:

- the balance between resource extraction and the provision of services;
- the balance between the state and the society;
- the balance between the exercise of political power on one side, and the social contract between governors and the governed on the other;
- the balance between top-down rule and bottom-up expressions of needs and preferences;
- the balance between security and welfare;
- the balance between responsibility and deference; and
- the balance between multiple roles and identities, as citizens juggle their allegiance to the state with their allegiance to nonstate entities and organizations.

Expressed in this way, it is clear that well-balanced states are relatively rare. Moreover, even when balance has been attained it is often difficult to maintain. In many instances, it proves highly elusive. Consequently, the relationship between state and society is all too often characterized by disequilibrium rather than equilibrium, by jarring and fractious imbalances that are highly corrosive of good governance. As discussed more fully below, since the 1970s, both globalization and the dominance of the neoliberal ethos that relegates the role of the state to the promotion of free markets, have created and perpetuated these imbalances.

Against this background, this chapter sets out to consider the causes of disequilibrium. It then looks at the manifestations of the crisis of governance at the state level. In the final section, it suggests that priority should be given to reestablishing good governance and that this is not synonymous with strengthening the state. In fact, it requires what might be described as shared governance, in which the state is only one of several actors providing governance.

The Crisis of the State

The idea of the Westphalian state has such powerful connotations as both an abstract concept and as an organizing principle for world politics that all too many international relations scholars have been reluctant to look critically at the underlying realities. One of the first

and most important exceptions was Robert H. Jackson who developed the notion of quasi-states, a particularly powerful qualifier, if ever there was one.[8] Jackson recognized that not all states are truly Westphalian in origin, and argued that many of the states that emerged from the decolonization process "are independent largely by international courtesy. They exist by virtue of an external right of self-determination—negative sovereignty—without yet demonstrating much internal capacity for effective and civil government—positive sovereignty."[9] This was, and arguably still is, particularly true of many African states that, in his view, "frequently lack the characteristics of a common or public realm: state offices possess uncertain authority, government organizations are ineffective and plagued by corruption and the political community is highly segmented ethnically into several 'publics' rather than one."[10] Herbst, too, has described African states in a similar manner, noting that the incomplete consolidation process created a fundamental "contradiction of states with only incomplete control over the hinterlands but full claims to sovereignty."[11] In turn, this led to a series of political pathologies, including systems in which "leaders who steal so much from the state that they kill off the productive sources of the economy; a tremendous bias in deference and the delivery of services toward the relatively small urban population; and the absence of government in large parts of some countries."[12]

Yet the problem goes beyond this. As Jackson also notes, the state in Africa is regarded primarily as "an exploitable treasure trove devoid of moral value…. Corruption is integral rather than incidental to African politics. Self-enrichment and personal or factional aggrandizement constitute politics."[13] Other observers have been even more explicit, characterizing the state in much of Africa as a predatory state, where "anyone with an official designation can pillage at will…. Their over-arching [sic] obsession is to amass personal wealth…."[14] Some progress has obviously been made since the 1990s, and at least some of the most egregious and blatant forms of corruption and exploitation have been replaced by more subtle and less overt examples. Moreover, under pressure from donors and groups like Transparency International, mechanisms of participation, accountability, and transparency have been put in place. The difficulty, however, is that these mechanisms are circumvented and undermined by what one scholar has summarized as patrimonial structures and practices, personal rule and "clientelism," and a significant disconnect between the state and society.[15]

In other words, all too often the state in Africa is for the rulers rather than the ruled. As William Reno pointed out almost 20 years ago, private or selfish interests often take precedence over collective interest or the public good.[16] Straightforward in its conception, Reno's observation is profound and far-reaching in its implications. It suggests that the state in Africa is a vehicle for predation and corruption rather than for serving the citizens and is widely seen as such. The state in Africa provides opportunities for private resource acquisition and that, rather than a genuine conception of public service, is the main attraction of political life. Indeed, controlling the state has become the strategic equivalent for political entrepreneurship of military control of the high ground in traditional forms of warfare.

Underlying such a system is the subordination of the public good to selfish interests—whether personal, familial, tribal, or ethnic—that are motivated by greed and expediency. This is not peculiar to Africa. Indeed, if the state in Africa is far from the Westphalian model, the same can also be said about the state in parts of Latin America. The Central American state, for example, has been variously described as "improvisational," "truncated," and as a paper Leviathan.[17] Specific country studies have sometimes yielded similar characterizations, with the state in Guatemala, for example, being described as "anorexic."[18]

Michael Mann, an eminent sociologist who has written extensively about the state has summarized the reasons why "Latin American states developed and will develop according to their own rhythms." He puts it thus:[19]

> Two distinctive features delayed the emergence of true nation-states. (1) The military/fiscal pressures were much weaker.… Wars were fewer and smaller, and so states and their militaries also remained small. Taxation rates were much lower than in Europe.… Since provincial elites were not bothered much by the state, they retained their local controls. States continued to rule their provinces indirectly, through the caciques, the local bosses. The rich paid virtually no taxes, and even the poor paid less than they did in Europe. States remained weak and ruled through rural landed oligarchies, which stifled pressures for land reform and for greater equality. (2) Greater ethnic differences remained for much longer. Most colonies in Latin America did not almost completely exterminate their indigenous peoples.… Racial differences between whites, mestizos, blacks, mulattos and indios generally reinforced class differences. In many areas the upper classes/castes considered themselves to possess an altogether superior "civilization" to the indios. Some still believe this. This means that the continent has long possessed unusually steep and deeply entrenched class/caste hierarchies. These profound differences were also expressed regionally. Regions settled by whites dominated regions populated by indios.[20]

Mann goes on to argue that this combination of factors ensured that infrastructure penetration of their territories by Latin American states remained feeble, while "levels of class, ethnic and regional inequality among the citizen body" remained high.[21] At the same time, the dominance of the elites was self-perpetuating and inhibited the emergence of powerful state institutions. Indeed, it should be emphasized that state structures, processes, and activities—such as low levels of direct taxation on income or wealth—that are sometimes interpreted as evidence of state weakness are in large part a consequence of choices made by elites whose primary concern is with extending and perpetuating their own wealth and privilege. As Sarah Chayes argues, "acute corruption should be understood not as a failure or distortion of government but as a functioning system in which ruling networks use selected levers of power to capture specific revenue streams. This effort often overshadows ordinary activities routinely connected with running a state."[22] From this perspective, the state in Latin America has, until recently, often been very effective in providing protection, cover, and access to resources for the few while ignoring the needs of the many. In the past,

the growing concern over corruption and inequality, has generated left-wing insurgencies based on the desire for greater social justice and equality. Moreover, in 2015, popular protest at egregious corruption led to the ouster of the Guatemalan president, and the early months of 2016 saw global outrage over the revelations of the "Panama Papers."[23] Although such developments have created dents in the existing systems, they have done little to remedy the fundamental shortcomings associated with pervasive and systemic corruption. Indeed, in all too many cases, "governments have been repurposed to serve an objective that has little to do with public administration: the personal enrichment of ruling networks. And they achieve this aim quite effectively. Capacity deficits and other weaknesses may be part of the way the system functions, rather than reflecting a breakdown."[24]

In other words, even states that are weak in terms of provision of services might actually be both strong and adept at the extraction of rents and corrupt payments. In some instances, this system can be described as one of structured corruption where control is consolidated at high levels.[25] In others, the corruption system is pervasive but lacks "the same degree of consolidation at the top of the pyramid. Monopolies on the instruments of force may be less complete, so elite networks may engage in open, violent competition to capture revenue streams."[26] It is arguable that the first kind of relationship exists in Central Asia, where participants in the state apparatus acquire and control the rents associated with the trafficking of opium and heroin from Afghanistan to Russia. According to David Lewis, drug trafficking in Central Asia:

> is conducted with the active connivance and support of state institutions, controlled by senior security officers, government officials, and parliamentarians who have effectively nationalized drug transit through the region. They have brokered lucrative deals with Turkish and Russian criminal groups and with Afghan suppliers, many of whom also benefit from close relations with state structures in their countries.[27]

This is in stark contrast to West Africa; consider, for example, Guinea-Bissau, where civilian and military elites have fought over control of the rents from cocaine shipments being transshipped to Europe by Colombian and Venezuelan drug trafficking organizations. Whatever the precise arrangements, it is clear that political elites are exploiting state power and position to enrich themselves, while ignoring their responsibilities to citizens.

In Russia, there is a consolidated corruption pyramid centered on Vladimir Putin. As Karen Dawisha notes, Putin "has built a system based on massive predation on a level not seen in Russia since the tsars."[28] He has done this in ways that ensure he and his cronies benefit both politically and financially, and on a scale that would be the envy of infamous looters like General Abacha of Nigeria and President Mobutu of Zaire. Putin has achieved enormous political power and massive wealth through a system of "state capitalism," in which "the state nationalizes the risk but continues to privatize the rewards to those closest to the president in return for their loyalty."[29] Moreover, successful entrepreneurs who are not closely linked to Putin or supportive of his regime become targets of corporate raiding through the justice system.[30] The other result is that, as with neoliberalism (which

is discussed more fully below) the citizen becomes the victim of greed, rather than the beneficiary of state protection and support. As Dawisha notes:

> the biggest threat to the success of ordinary Russians occurs…when Russia's all-powerful overlord, or one of his cronies, demolishes a village to build a palace, steals the money intended for health reforms, stymies innovation by maintaining state ownership of patents, or sends waves of tax, fire, and health inspectors as part of a shakedown. The only way for ordinary Russians to avoid state predation is to keep their heads down and believe in fate, or turn into cheerleaders of the system in order to gain insurance and a few crumbs from the table.[31]

Outside the former Soviet Bloc, this kind of predation and exploitation, although less blatant, is often justified by what elites claim is necessary to meet the requirements of competition in a globalized world. Certainly, globalization has created a new set of challenges for states. Yet at its core, globalization can be understood simply as increased connectivity among societies that has resulted from speed, ease, and low cost of global communications. David Held, one of the major theorists of globalization, has emphasized that one of the most salient features of globalization is the vast flow of people, money, commodities, information, messages, digital signals, and services—around the world.[32] Not only are these flows much denser and more rapid than ever before, but the transaction costs have shrunk enormously. The dominant assessment of globalization emphasizes the benefits of all this: the globalization of trade, finance, information, and communications systems is regarded as a benevolent development, and even though the accrued benefits are not distributed evenly, benefits do accrue to all—a high tide lifts all boats.[33] Relative gains are less important than the absolute gains that are made by all countries. Moreover, it is not simply that technological advancement has reduced the costs of global trade and finance; globalization also involves the triumph of liberal democracy and the free market economy and is the natural concomitant of the collapse of the Soviet Bloc and U.S. victory in the Cold War.

Similarly, it is argued, the benefits of globalization for developing economies are very real. In the long term, connectivity to the global system is essential for development and prosperity; being disconnected is a recipe for continued poverty, despair, and instability.[34] Yet globalization has another—rather darker—side that has been well captured by Thomas Friedman. An avowed champion of globalization, Friedman is also sensitive to its adverse effects. As he notes:

> The globalization system…is not static, but a dynamic ongoing process: globalization involves the inexorable integration of markets, nation-states and technologies to a degree never witnessed before—in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before, and in a way that is also producing a powerful backlash from those brutalized or left behind by the new system.[35]

In other words, Friedman acknowledges that globalization has winners and losers—and that the pain for the losers can be enormous. For Friedman though, the pain is essential to

progress. For critics of globalization, in contrast, the costs exceed the gains. Benefits from globalization are outweighed by its disruptive impact on employment, traditional cultures, and state capacity to govern. To take liberties with the high tide analogy, the globalization critique suggests that some of the boats will be driven onto rocks as the economic gap between the most developed and the least developed countries and regions increases rather than decreases. One astute observer has even termed this "the globalization gap."[36] In his view, "globalization encourages the well-positioned to use tools of economics and politics to exploit market opportunities, boost technological productivity, and maximize short-term material interests in the extreme. The result is a rapid increase in inequality between the affluent and the poor."[37] In short, globalization creates not only losers, but also real victims. Some segments of the population are both excluded from the benefits of globalization and seriously hurt by market dynamics. In Saskia Sassen's judgment, many of these people are brutally and involuntarily expelled from the global economy.[38] They exist in what Manual Castells terms, "zones of social exclusion."[39] Such zones, which are economic as well as social, can be found in parts of Central Asia, in large parts of Africa, in Latin America and the Caribbean, and in South and Southeast Asia.

The downside of globalization is all too often glossed over by champions of the new globalized free market economy. This is not surprising: globalization has its own philosophical underpinnings, ideological justification, and policy rationale in the shape of neoliberalism. As one analysis notes:

> Neoliberalism is a rather broad and general concept referring to an economic model or 'paradigm' that rose to prominence in the 1980s. Built upon the classical liberal ideal of the self-regulating market, neoliberalism comes in several strands and variations. Perhaps the best way to conceptualize neoliberalism is to think of it as three intertwined manifestations: (1) an ideology; (2) a mode of governance; and (3) a policy package.[40]

The ideology emphasizes the power of unfettered markets and the virtues of economic interdependence. For its part, the "neoliberal mode of governance adopts the self-regulating free market as the model for proper government" and supersedes and relegates the more traditional approach "of pursuing the public good (rather than profits) by enhancing civil society and social justice."[41] The policy component focuses on economic deregulation, liberalization of trade and industry, and privatization of state-owned enterprises. Governments emphasize the reduction of social welfare provision and the rise of "new commercial urban spaces shaped by market imperatives."[42]

If globalization directly and indirectly challenges the power and authority of the state, neoliberalism provides an intellectual rationale for the state to relinquish not only power and authority, but also the responsibility for the welfare and security of its citizens. As one study observes, "while the state is far from dissolved, its functioning has been restricted in scope as it is becoming increasingly difficult to legitimately incorporate other values, interests and goals in the policy-making [sic] process than those fitting within neoliberal parameters."[43] Despite the mantra of good governance, which has been widely enunciated

in the first decade and a half of the 21ˢᵗ century, globalization and neoliberalism have undermined the foundations of the state, and have led to what can only be understood as a widespread crisis of governance. As Clunan and Trinkunas note, one of the ironies is that "Western liberalism created the criteria for 'good governance' that states are expected to adhere to today, while at the same time undermining the ideological legitimacy and institutional capacity of state authority."[44] Hayek and Milton Friedman have trumped Hobbes. Perhaps nowhere was this more pernicious than in Central America, as notions of public interest or the collective good that seemed to come to the fore briefly in the aftermath of civil wars and the beginning of democratic transitions were subverted by neoliberalism.

Neoliberalism justifies the retreating state with its argument that "human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills."[45] Neoliberal economic and political reforms implemented in Central America from the 1980s onward included "market liberalization, privatization of industry and state services, reductions in public expenditure, and opening to foreign trade."[46] While it is plausible that the contraction of the state and a fundamental loosening of state control over all facets of social and economic life were essential in totalitarian states, such as the former Soviet Union, the same kinds of processes were not necessarily desirable elsewhere. Indeed, in countries where the state was controlled by privileged elites who were rarely responsive to the needs and demands of their citizens, neoliberalism not only neutralized any faint stirrings of responsibility brought on by democratic transitions but also justified the abdication of state responsibilities in the name of the free market. The results in terms of the security and well-being of many ordinary citizens in Honduras, Guatemala, and El Salvador have been catastrophic. In effect, neoliberalism provided a tacit justification for the perpetuation of elite domination on one side, and a deepening of social and economic exclusion on the other.

Robert Mandel has highlighted how neoliberalism has also undermined one of the critical functions of the state as Leviathan: the provision of its security and safety for its citizens. As he has noted, in many cases, the state has privatized security, effectively transferring the security function of the state to nonstate actors.[47] Mandel, however, does not see this as a problem. On the contrary, in an incisive and provocative analysis of the provision of security, he contends that "not all people expect or want a central state government to fulfill this task, and the privatized free-market mentality embedded in globalization suggests that security might well be treated as a service to be bought or sold on the open market…."[48] The difficulty with this approach, however, is that what has been understood as a public good is transformed into a preferential private good that is not equally available to the collective. Moreover, in many countries, the state is still widely regarded as the primary purveyor or provider of security, and when insecurity is endemic then the state becomes the culprit and typically suffers a serious decline in its legitimacy. While private security can be an invaluable supplement for efforts to provide public security, when it becomes a substitute for those efforts, or a luxury enjoyed only by the elite, the concomitant is usually an erosion of the state's political legitimacy.

Pervasive and Wicked Problems

The other problem with the dominance of neoliberalism is that it coincides with a period in which the challenges facing communities from the local to the global level are unprecedented. Continued global population growth, which will likely reach 9 billion people by 2050 (an increase of over 1.6 billion people from the current number), will place enormous demands on food and water supplies, sanitation systems, and employment opportunities. Rapid, unplanned, and often chaotic urbanization will result in larger cities that are potentially fragile and unmanageable. Global climate change will bring both unpredictable transformations and a very predictable but potentially massive increase in environmental refugees, to add to those fleeing violence, repression, and hunger. Moreover, the recurrence of periodic economic and financial crises will require careful and continued management by states and will be ill-served by a blind faith that markets will self-correct in ways that provide optimum outcomes. In other words, the challenges are enormous. They are also best understood as wicked problems, with the following, very distinct characteristics:

- They are multifaceted and typically cross several distinct—but ultimately interdependent—issue areas and policy domains. Moreover, every wicked problem challenging governance is a symptom of other problems, and responding to it has an impact (sometimes positive and sometimes negative) on other problems and the ability to manage them.[49]
- There are multiple stakeholders, both at the national and international levels, who often find it difficult to achieve a consensus on either the nature of the problem or the most appropriate solutions. Wicked problems encourage bureaucratic conflicts and typically require a "whole of government" approach simply to get to the point of agreement on the holistic nature of the problem. And even then effective implementation can prove enormously difficult.
- Measures of effectiveness, let alone success, are very elusive partly because of the dynamism of the problem and partly because "success" can often have inadvertent and unexpected consequences that make the problem even more intractable.
- Wicked problems are dynamic rather than static and constantly evolve and morph, often in ways that make them more resilient in the face of efforts to respond effectively to them. Often there is no obvious end game. Wicked problems can rarely be solved; consequently, they have to be managed and even this is usually highly problematic.

As the world increases in complexity and velocity, and wicked problems continue to fester and confound policymakers, state responsibility both for citizens and for policy innovation and creativity will become indispensable. Yet neoliberalism encourages the state to abdicate responsibilities beyond ensuring the optimum functioning of the market.

Neoliberalism has already been highly pernicious; continued adherence to its precepts and policies in a period of unprecedented change and massive turmoil is likely to be quietly apocalyptic in its consequences. What is already a huge gap between the Westphalian concept and the realities at ground level will turn into a chasm. Indeed, it is arguable that the point of no return has already been passed. Ironically, the financial crisis, which seemed to critics to demand a reappraisal of neoliberalism, has resulted in rigid reaffirmation of economic orthodoxies and the widespread imposition of austerity policies that further relegate the state.[50]

Manifestations of Crisis

The crisis of the state is not an abstract and future problem; it is already here and its consequences are immediate, severe, and far-reaching. The preceding analysis has already touched on social and economic exclusion and the expulsion of people from the licit economy. Yet there are four other immediate consequences of the crisis of the state that need to be discussed: high levels of violence and impunity; a loss of faith in the state as protector and provider and the consequent emergence of alternative loyalties; the emergence of alternative governance entities and mechanisms to compensate for the absence or shortcomings of the state; and massive refugee and migratory flows.

Violence and Impunity

While homicide rates are more complex than they sometimes appear, they provide a basic and telling metric of violence. All other things being equal, the higher the homicide rate in a country, the less well the country is doing in providing safety and security of its citizens. There are, of course, many variables in this, including history, culture, availability of firearms, the role of the family, the quality of community life, as well as governance. Nevertheless, it cannot be ignored that particularly high levels of homicides are most prevalent in Africa and Latin America. Indeed, in recent years, they have vied for the dubious honor of having the highest rates of homicides per 100,000 people globally. Most analyses conclude that Latin America has edged out Africa to top these charts. As one astute observer notes, "Latin America and the Caribbean are home to 8 of the top 10 most violent countries and 40 of the world's 50 most dangerous cities. Just four countries—Brazil, Colombia, Mexico and Venezuela—account for 1 in 4 violent killings around the world each year."[51]

What is also remarkable about these killings is that perpetrators are rarely identified and brought to justice. In other words, high levels of violence have been both facilitated and perpetuated by a culture of impunity. Such a culture develops when the state lacks either the capacity or the will to implement laws effectively. Indeed, it is closely linked to the ineffectiveness of the criminal justice system, whether this stems from a limited capacity to investigate crimes or a general reluctance to do so because of laziness, ineptness, corruption, or fear within the judicial system. The word "impunity" typically refers to exemption from punishment for certain kinds of crimes; a culture of impunity refers to

a situation in which exemption or the lack of punishment has become the norm. In many countries, getting away with murder is not so much an idiom or figure of speech as it is a description of a widespread reality.

The concept of impunity has been most fully articulated in relation to perpetrators of human rights violations. One document submitted to the United Nations Commission on Human Rights (UNCHR) in February 2005, for example, defined "impunity" as "the impossibility, de jure or de facto, of bringing the perpetrators of violations to account— whether in criminal, civil, administrative, or disciplinary proceedings—since they are not subject to any inquiry that might lead to their being accused, arrested, tried and, if found guilty, sentenced to appropriate penalties, and to making reparations to their victims."[52] The same document also notes that:

> Impunity arises from a failure by States to meet their obligations to investigate violations; to take appropriate measures in respect of the perpetrators, particularly in the area of justice, by ensuring that those suspected of criminal responsibility are prosecuted, tried and duly punished; to provide victims with effective remedies and to ensure that they receive reparation for the injuries suffered; to ensure the inalienable right to know the truth about violations; and to take other necessary steps to prevent a recurrence of violations.[53]

If this statement were broadened from the focus on human rights violations to crimes more generally, particularly crimes of violence, it would encapsulate perfectly the notion of a culture of impunity that can develop in particular states. The situation in such states is often so dire that even in rare cases when punishment is imposed, it often fails to have the desired impact. This is especially the case if the criminal justice system in general and the penal system in particular are marred by corruption, weakness, or inefficiency.

Alternative Identities

The crisis of governance in many countries is also evident in a lack of faith in the state and its institutions. The triumphalist mantra of the free market has been accompanied by disappointment and disenchantment with the state, at least among significant sectors of the citizenry. This is hardly surprising; many states have abdicated social and economic responsibilities to accord with neoliberal economic dogma and meet the requirements of global financial institutions, most notably the World Bank and the International Monetary Fund. Ironically, these same institutions emphasize the importance of good governance while simultaneously demanding the pursuit of an economic orthodoxy that requires government stringency, austerity, and the reduction, weakening, or dismantling of social welfare mechanisms. The contradiction either escapes them or is rendered nonexistent by a profound if often implicit tendency to equate good governance with facilitating market primacy.

One result of all this has been that, in some instances, people have not only turned away from the state, but have turned to other entities to meet their needs. It is hardly

surprising that alongside disillusionment and disaffection with the state, there has been an upsurge of support for, and loyalty to, these other entities, whether it is ISIL and the Caliphate, the Calabrian 'Ndrangheta (which is based predominantly on familial ties and loyalties), tribes and clans in Afghanistan, Syria, and Iraq, or the gangs in Honduras, El Salvador, and Guatemala—the primary affiliation of these people is not with the state, but with the smaller and, in many respects, more organic and highly functional organizations to which they belong. Whatever the hierarchy of needs, the state no longer seems to be meeting them. The massive significance of alternative loyalties is evident, for example, in the Maras of Central America, where gang membership and allegiance have filled the gaps left by the breakdown of family structures and by states that do little to earn the respect, let alone the loyalty, of young men and women who are marginalized at best and more often are brutally expelled from the formal economy and society. In societies where the chasm between the elites and the poor is unbridgeable, those who are disenfranchised often join gangs, which become a source of identity, support, and status. State authorities then move from indifference to hostility and punishment as gang members are no longer simply disenfranchised but also criminalized, thereby further alienating them and consolidating their identity.

Alternative Governance

Those who are dissatisfied with existing state governance sometimes turn to alternative governance, when it is available. Sometimes, they create their own governance. The gangs in Central America have done this; although they have been predatory, there are also cases where they have provided rudimentary order and justice, and even facilitated conflict resolution among members of the community in urban areas they control. Central America also provides examples of drug trafficking organizations providing governance and engaging in paternalistic behavior. Perhaps the best example of this was in the Guatemalan Department of Zacapa, where the Lorenzana family combined illegal and legal businesses, acted as a major employer, provided services and patronage to the community, and imposed a degree of order. Although the family was heavily involved in drug trafficking, it also owned and operated "15 construction companies (some of which are contracted by the state), transportation fleets, fruit companies and gas stations, which provide employment and therefore popular support as well as opportunities to launder drug trafficking proceeds."[54] The family was very clearly part of the political elite, with very good connections that enabled it to obtain numerous public works contracts.[55] "The family also has large tracts of land where they employ hundreds of people. At Christmas, they give out gifts to kids and bags of food to their parents."[56] Reportedly, in Zacapa, members of the Lorenzana family also "donated land and built 60 houses for families left homeless after the Rio Motagua flooded in 2010."[57] Not surprisingly, this paternalism provided strong social and political capital that enhanced the family's legitimacy and status.[58] It also made the Lorenzanas "hard to capture. On at least two occasions, Guatemalan and U.S. authorities were unable to get past the throngs of protesters who had been called to the streets because of Lorenzana

family members' imminent arrests."[59] While such demonstrations were almost certainly orchestrated, at least in part, they also reflected the sentiment that the Lorenzanas were "civic benefactors."[60] In spite of this popular support, in 2011, the patriarch of the family, Waldemar Lorenzana, was arrested and in March 2014, he was extradited to the United States. The family was further weakened with the arrest of two of Waldemar's sons, and a U.S. Treasury designation of another son and a daughter as drug traffickers. While clearly a law enforcement success and a blow to the culture of impunity that had long prevailed in Guatemala, the takedown of the organization eroded, rather than augmented, governance. The state failed to fill the governance vacuum. Indeed, according to the International Crisis Group, the weakening of the Lorenzanas "has brought chaos in its wake. Waldemar and his family maintained a certain order among traffickers in the region that restricted the violence to internal account settling."[61] Moreover, "Zacapa residents say the Lorenzanas have sold off the fruit-export [sic] business that generated local jobs and abandoned much of their charitable work, such as support for a health clinic that reportedly gave the poor free care."[62] One restaurant owner noted that the Lorenzanas had "provided jobs and not just for field workers. They employed engineers and other professionals."[63] Waldemar, in particular, had been regarded with both respect and affection.

Something similar is also evident with ISIL. Although sometimes described as a proto-state, the Caliphate, operating from a territorial base, also has a transnational appeal and seeks to expand its influence and reach far beyond its immediate territory. As one analyst noted, when ISIL declared itself "the Islamic State," and no longer simply "the Islamic State of Iraq and Sham," the implication was that "its sovereignty was to extend across the entire world, not just Iraq and Syria."[64] In addition to this, however, it is worth noting that ISIL emerged as an alternative form of governance in two countries where governance was extremely poor, to say the least. In Syria, the Assad regime had lost legitimacy and was surviving only through repression and military force; in Baghdad, the regime retained a Shi'ite sectarian bent that made many Sunnis receptive to ISIL. In both Iraq and Syria, the state appeared to be self-serving, corrupt, inefficient, and exclusive. As an Egyptian former official notes, "bad governance has led to part of what we see today in the region."[65] For those who were marginalized and excluded, ISIL offered a preferable alternative. It is not that ISIL necessarily has to be good at governance; it simply has to be better, in at least some respects, than the existing states. According to one observer, "the Islamic State's strength in matters of governance consists in doing marginally better than others" and ensuring that the population under its control is "better off than in the hands of criminalized, shifting armed groups, alien militias or a vengeful government determined to punish them."[66]

For all this, there are highly divergent assessments of the capacity of ISIL to provide governance. On one side are those who see ISIL as highly predatory and repressive. Their arguments have considerable credence. One analysis, for example, based on a month's worth of documents obtained from Deir ez-Zor province in eastern Syria, where ISIL has been in control since July 2014, suggests that the bulk of ISIL funding (around 68 percent)

comes from taxes and confiscation of property or, in essence, from extortion and predation, while 54 percent of its expenditures are directed to bases and to paying its fighters.[67] According to one report, ISIL has established a "predatory and violent bureaucracy that wrings every last American dollar, Iraqi dinar, and Syrian pound it can from those who live under its control, or pass through its territory."[68] It does this through "exacting tolls and traffic tickets; rent for government buildings; utility bills for water and electricity; taxes on income, crops and cattle; fines for smoking or wearing the wrong clothes," and so on.[69] It is clear from such reports that ISIL has become adept at resource extraction, one of the hallmarks of strong states. Yet, even though it has earned grudging praise for its social provision, its record in this area is far less impressive. Indeed, the report from Deir ez-Zor province noted that only 17.7 percent of ISIL expenditures were made by the Services Department.[70] The implication is that although ISIL has had some short-term success with governance, there is a major imbalance between resource extraction and service provision that could significantly undermine its governance efforts. Some observers have gone even further, and have argued that since ISIL funding—and, therefore, its governance efforts—are based largely on predation, they are not sustainable.[71] There have also been areas where ISIL rigidity has hurt, rather than assisted social provision. According to one journalist, this has been particularly evident in the health sector, where ISIL rules regarding gender and dress have hindered efficiencies, and preferential treatment given to fighters has created significant public resentment.[72]

On the other side are those who contend that "in the midst of the chaos, ISIL is deliberately and methodically establishing clear areas of definable civil governance, breathing new life into the memory of a series of caliphates that united a succession of Muslim empires until 1924."[73] According to this assessment, the group "built a holistic system of governance that includes religious, educational, judicial, security, humanitarian, and infrastructure projects, among others."[74] Although this level of governance has been particularly evident in Raqqa, similar programs have been introduced in towns in Aleppo province and elsewhere. ISIL reportedly offers humanitarian aid and has sought to maintain and repair sewer and electrical infrastructure. According to one report, ISIL has also "treated complaints seriously," arbitrated "old property or financial disputes," and, on occasion, even "punished its own members accused of abuse."[75] Such behavior has clearly enhanced its legitimacy.

Yet even these positive assessments have caveats. As one commentary notes, ISIL has "yet to demonstrate the capacity for the long-term planning of state institutions and processes."[76] Moreover, it has proved difficult to extend the level of governance in Raqqa to Mosul; even in Raqqa, U.S. air attacks have eroded some of the governance initiatives.[77] The decision by the Iraqi government to stop paying civil servants in ISIL-controlled areas has also had an impact on the ISIL economy.[78] Moreover, it bears reiteration that none of the positive assessments of ISIL governance suggests that ISIL provides an ideal form of governance. Much of its behavior is barbaric and reprehensible, and even some of its foreign fighters have become disillusioned, defected, and returned home.[79] ISIL has also

driven out non-Muslim sectors of the population in the areas it controls, and its atrocities have contributed significantly to the refugee crisis in Europe in 2014 through the present.

Leaving the State: Refugees and Migrant Flows

Although there is a critically important legal distinction between political refugees and economic migrants, in both cases they are fleeing poor governance. Refugees sometimes seek political asylum, because they live in states that rely excessively on coercion and fail to respect the rights of the individual. In other cases, the state has failed to provide adequate protection from violent groups and individuals within the society. The arrival of tens of thousands of unaccompanied minors at the U.S. border in 2014, for example, was in large part a result of the high levels of violence in the Northern Triangle of Central America.

In 2010, "about fourteen people emigrated from Guatemala every hour" or around 330 people per day.[80] These migrants were seeking "better development opportunities, making an expensive, risky and, above all, difficult journey," in order to improve both their own quality of life as well as that of their relatives', "who remain in the country."[81] For an estimated 97.4 percent, the destination is the United States.[82] In other words, at that time, the pull factors were very important and were strengthened by the well-established communities of Guatemalans in the United States that provided a welcoming network for newcomers. What has changed significantly in recent years, however, is that the push factors have become increasingly salient. It is no accident, for example, that in Guatemala, "49.4 percent of all homicides in 2010 occurred in the five departments with the highest rates of emigration (Guatemala, San Marcos, Huehuetenango, Quetzaltenango and Jutiapa)."[83] Indeed, economic migration has increasingly been accompanied by levels of "forced displacement" that are likely unprecedented outside combat zones.

A United Nations High Commissioner for Refugees (UNHCR) study published in 2012 identified both risk zones and expelling zones in Guatemala, El Salvador, and Honduras.[84] Significantly, Petén in northern Guatemala, which is an important area for drug trafficking into Mexico, contained five expelling zones or hotspots, while the province of Guatemala had three, including the municipality of Guatemala.[85] In El Salvador, expulsion zones were identified in various municipalities in the departments of San Salvador, La Libertad, San Miguel, La Unión, and Usulután.[86] The Maras were the driving force behind forced displacements in most of these municipalities.[87] In Honduras, the pattern of forced displacements was more mixed, with Maras "mainly present in the capital cities (Tegucigalpa, Comayagua) and the country's commercial capital (San Pedro Sula and nearby areas)," while drug trafficking organizations operated "in the east of the countries (Gracias a Dios) and in some areas of the west and northwest (Atlántida, Cortés, Copán, and Ocotepeque)."[88] The zones of expulsion correlate remarkably well with the corridors of narcotic flows and the presence of gangs engaged in forced recruitment of boys and sexual violence against girls.

None of this is meant to suggest that these three states in the Northern Triangle had become failed states. Yet it is clear that the failure of governance, the inadequacies of local

control measures, and the inability of the state to develop and maintain a clear monopoly on the use of violence, all contributed to the "pervasive insecurity" for children and young people.

In 2015, the European Union faced a refugee and migrant crisis that dwarfed the flows from Central America to the United States a year earlier. The arrival of hundreds of thousands of refugees and migrants willing to make the hazardous journey across the Mediterranean in small boats, and the many who drowned along the way, gave the issue an unprecedented visibility. The 2015 global report provided by UNHCR identified the top 10 sources of refugees in 2014. The countries of origin and the numbers of people are captured in Table 1.1.[89]

Table 1.1. Top 10 Sources of Refugees in 2014

Country of Origin	Number of Migrants and Refugees
Syria	3,880,000
Afghanistan	2,590,000
Somalia	1,110,000
Sudan	666,000
South Sudan	616,200
Democratic Republic of Congo	516,800
Myanmar/Burma	479,000
Central African Republic	412,000
Iraq	369,900
Eritrea	363,100

The trends continued in 2015, with the number of refugees from Syria increasing to 4.9 million, some changes in placement of countries in the top 10 source countries, and Iraq dropping out and Colombia coming in.[90] It is significant that there is a major crisis of governance and/or a level of conflict and violence that compel people to leave in all of the listed countries. Almost all the countries have suffered from extensive and, to different degrees, protracted conflict. For its part, "Eritrea is among the most closed countries in the world; human rights conditions remain dismal. Indefinite military service, torture, arbitrary detention, and severe restrictions on freedoms of expression, association, and religion provoke thousands of Eritreans to flee the country each month."[91] Indeed, according to Human Rights Watch, "Eritrea has no constitution, functioning legislature, independent judiciary, elections, independent press, or nongovernmental organizations; it does not hold elections," and all power is controlled by the president.[92] Not surprisingly, the rule of law is set aside for arbitrary and inhumane rule.

In other words, the arrival of tens of thousands of refugees and migrants looking for sanctuary as well as economic opportunities in Europe is being driven by political violence, pervasive fear, and fundamental insecurities, buttressed by a sense of deprivation

and aspirations for something better. It is not simply that these refugees are leaving states unable or unwilling to guarantee their security and well-being; in many cases, the state is the source of the insecurity. Consequently, what is happening is that significant segments of national populations are literally voting with their feet. It is not coincidental that the 10 countries on the list would also be at, or near, the top of the list of countries in which there is an intense crisis of governance. Nor is it an accident that people are moving from qualified states of one kind or another and seeking refuge among that minority of states that still manages to approximate the Westphalian ideal.

The danger is that the refugee problem has now reached a point at which integrating the refugees itself is a wicked problem. Those who in the past might have been easily assimilated are now more likely to become victims of social, political, and economic exclusion in their destination countries. Consequently, they are more likely to end up alienated and hostile to their adopted state. Moreover, the existing population of states receiving large numbers of refugees is unlikely to be invariably welcoming. In some cases, there will even be a backlash against the state. In other words, the problems of maintaining state legitimacy that have been largely a problem of the developing world or the Global South could all too easily have contagion effects in the Global North, with these states also becoming victims of disappointed expectations. The question arises, however, as to what can be done about this crisis of governance. The final section of this chapter offers at least some preliminary answers.

Conclusion

The erosion of state power and authority seems to be an increasingly global phenomenon, although it is clearly most pervasive and overt in the developing world. Yet states everywhere still claim traditional prerogatives and powers, and more often than not, treat nonstate actors that, for whatever reason, assist in the provision of good governance as upstarts or potential usurpers at best, and existential threats at worst. State claims to exclusive authority, however, run into a whole series of difficulties that makes the claims quixotic and the states themselves appear increasingly hollow. As discussed above, many states in the contemporary international system face increasing capacity, legitimacy, and authority deficits.

One frequent response to such arguments and to the crisis of governance—on those occasions when it is at least recognized or acknowledged—is that the answer lies in strengthening and revitalizing the state. The inclusion in the discussion, however, of countries like Russia and Eritrea, both of which have forms of authoritarianism combined with extensive elite corruption and self-aggrandizement, suggest that this is not invariably a better solution. In all too many cases, the state is not above politics; it is simply a resource to be exploited and looted. It is a prize that easily translates into wealth—and this seems to happen not only in cases of state capitalism such as Russia, but also in states that formally subscribe to the tenets of neoliberalism. It is not coincidental that in spite of the predominance of neoliberalism, there is what appears to be a global pandemic of

corruption. This should not really be surprising. If it is all about the market, free enterprise and corporate and personal profit, then it is only a small step to the manipulation and exploitation of the market—or what elsewhere in this book Nils Gilman terms the "plutocratic revolution from above." The state is not out of the equation, but in many cases, it has become primarily a generator of personal wealth for those in control.

The answer, therefore, might lie in the preceding discussion about the need for balance in several critical dimensions of the state. Framing the issues in these terms has several advantages. First, it makes clear that the central problem, except in very few extreme cases, is a long-term imbalance between state and society that creates a systemic crisis of governance. Second, in policy terms, such an approach invariably puts less emphasis on state-building and more on other options that are more appropriate to the conditions that prevail in these states and do not seek replication of an ideal type that in reality is relatively rare. From this perspective, empowering nonstate actors, both good and bad, might be a more realistic and beneficial approach than seeking to empower states, especially where this latter approach might be at the expense of the society and encourage repression of the population. The emphasis should be on good governance, rather than on the state as such, on restoring balance through whatever means are most feasible rather than simply reiterating variations on state-building based on a Westphalian ideal that is increasingly passé.

The implication is that rather than treating governance in zero-sum terms and seeking to maintain a monopoly on governance, states would be well served to accept and encourage alternative forms of governance as part of a shared, mixed, or hybrid approach. Desmond Arias, in a series of brilliant analyses looking at favelas in Brazil and municipalities in Medellin, Colombia, and Kingston, Jamaica, has identified how this can sometimes happen at the local level.[93] There are, of course, dangers in a hybrid approach to governance; one potential problem is the state providing impunity in return for violent armed groups providing governance. This is not acceptable if the armed group is overly repressive or violent. The critical consideration, therefore, should be the quality of governance and the requirement that it be predominantly protective and oriented toward social provision rather than predatory and rent-seeking. The most important task of the state—in at least some parts of the neoliberal world—might be to nudge market actors (even if they operate in the illicit market) and rival governance providers into accepting more of the roles and responsibilities of governance. Rather than a threat to the state, such an approach could prove to be the salvation of the state. In the 21st century, the only forms of governance that are likely to be sustainable in large swaths of the world are those that are, in effect, post-Westphalian. Paradoxically, the adoption of such an approach might be the one thing that enables the state to survive the current crisis of governance. Stephen Krasner once argued that states have adapted successfully because they have been willing to shed functions which they were unable to manage, including relinquishing authority over the way in which their citizens interacted "with the sacred," which was "no small thing."[94] The issue for the future is very similar but is not about the shedding of functions, so much as a willingness of the state to accept its neoliberal shortcomings, acquiesce in the loss of

monopoly control over governance, and embrace the sharing of functions and the mutual pursuit of collective goods. It is partly that state predominance is not immutable. Even more important, however, is that the state does not necessarily represent the optimum set of political arrangements for meeting people's needs or for ensuring peace and stability. More organic, bottom-up forms of governance for all their shortcomings, might be the best available in the decades ahead. Difficult as all this might be for the state, the conditions for the citizenry are likely to be improved. And in the final analysis, this is what really matters.

Notes

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