

# Promoting inclusion in political settlements: a priority for international actors?

By Clare Castillejo

## ■ Executive summary

There is growing evidence of the importance of inclusive political settlements in enabling a sustainable exit from conflict, particularly in contexts where exclusion has been a major conflict driver. Similarly, at the policy level many international actors working in fragile contexts are seeking to strengthen their work on political settlements, including by promoting greater inclusion in political settlement bargaining processes and outcomes. This report seeks to draw out some key lessons for international engagement on political settlements in fragile contexts.

The report summarises the current evidence about the importance of inclusive political settlements in different types of fragile context. It also discusses what forms, levels, and processes of inclusion are both desirable and possible. It goes on to explore lessons from three countries – Rwanda, Guatemala and Nepal – where exclusion was a key driver of conflict and inclusive political settlements have been a central element of peacebuilding, albeit in very different ways. Finally, the report examines the role international actors can and do play in shaping political settlements in fragile states and discusses some of the main entry points, dilemmas and challenges they may face in promoting greater inclusion in political settlements.

There is increasing awareness that the inclusion of excluded groups in post-conflict political settlements is important to ensure a sustainable exit from conflict. However, there has so far been limited analysis of how international actors can promote such inclusion in their engagement in fragile and conflict-affected states (FCAS). This report examines the current state of knowledge and debate around inclusion in political settlements and draws out relevant lessons from peacebuilding processes in a number of countries where exclusion has been a factor driving conflict. It also discusses the dilemmas, opportunities and challenges confronting international actors seeking to support an inclusive post-conflict settlement.

## Why and how inclusion matters

A political settlement is commonly defined as a dynamic bargain (primarily between elites) on the distribution of power and resources that is subject to changes and readjustments over time. This bargain is manifested in the structure of property rights and entitlements. There are

a number of different theoretical conceptions of how political settlements develop. However, a common approach adopted by those working on conflict is to understand political settlements as shaped both by long-running historical dynamics among various actors and by discrete events involving a radical renegotiation of the political settlement, e.g. resulting from conflict, crisis or political transition. Di John and Putzel (2009) point out that a political settlement can take many forms, ranging from a forced bargain imposed by an authoritarian regime to a compromise between warring parties, or can be the result of pluralistic bargaining through democratic institutions.

There is increasing evidence that inclusiveness in political settlements is a critical requirement for a sustainable exit from conflict. For example, the authors of the 2011 *World Development Report* (World Bank, 2011) argue that ending conflict requires an “inclusive enough” political settlement. They analysed all post-cold war cases of civil war and found that (with the exception of Angola) countries that avoided relapse had adopted an inclusive political settlement, while

countries where major opponents were excluded from political governance arrangements typically fell back into conflict. Other analysts have come to similar conclusions. For example, Call (2012) finds that exclusion was the most important factor causing relapse into conflict, while Laws (2012: 17) argues that “when excluded groups have sufficient numbers and resources, they are likely to challenge the terms of the political settlement from which they are excluded, and its distributional implications”.

Inclusive political settlements appear to be particularly critical in contexts where levels of social fragmentation or patterns of horizontal inequality between groups are high and pose a risk to stability. In relation to sub-Saharan Africa, Lindemann (2008: 1) argues that

trajectories of civil war versus political stability in different states across Sub-Saharan Africa are largely determined by the varying ability of ruling political parties to overcome the specific historical legacy of high social fragmentation, by forging and maintaining “inclusive elite bargains” that provide a disincentive for violent rebellion.

Research by the Centre for Research on Inequality, Human Security and Ethnicity (CRISE) (Stewart, 2010) found that the presence of large economic, social, political or cultural inequalities among identity groups significantly increases the risk of conflict, with political exclusion being the most likely factor to motivate group leaders to rebel.

There are numerous country examples that illustrate how exclusion from the political settlement can drive conflict. For example, in Côte d'Ivoire, the political exclusion of northerners following the death of President Houphouët-Boigny in 1993 (including the barring of a northern presidential candidate and many northerners being stripped of citizenship and voting rights) combined with long-standing grievances about regional socioeconomic inequalities to trigger civil war. In Sri Lanka a political settlement that excluded the large Tamil minority was at the heart of the 25-year civil war in that country, while the current failure of the Sinhalese leadership to meaningfully include Tamils and other minority groups in the post-conflict political settlement makes a future relapse into conflict highly possible. More recently, events in South Sudan show how an attempt to exclude some Nuer elite leaders from power has resulted in a violent challenge to the fragile post-conflict political settlement. Similarly, Tadros (2012) argues that in Egypt it was a broad coalition of socially, economically and politically excluded youth, citizen groups and civil society that came together in 2011 to challenge the political settlement under President Mubarak.

It appears that the main reasons why inclusive political settlements play such a central role in exiting conflict are because they reduce incentives for excluded elites to violently challenge the existing order; they also create

dependable rules and help build trust. Jones et al. (2012) argue that inclusive political settlements can act as “proto-institutions” in contexts where the strong institutions needed to facilitate group bargaining do not exist. They state that

if a group is excluded from political settlement – all of the security, political or economic logics that drove them to war in the first place will recur. Inclusive political settlements are a substitute for efficient formal institutions – because they are inclusive, every group and sub-group can have some degree of confidence about their ability to achieve security, economic and political claims within the settlement, thus diminishing the logic of violence (Jones et al., 2012: 10).

However, they stress that political settlements can only play this role if all actors have confidence in them.

## What types of inclusion matter?

While there is increasing agreement that inclusive political settlements matter for ending conflict, there is disagreement over the types of inclusion that are important.

A central debate is around the relative importance of the horizontal inclusion of various elite groups in the political settlement, as opposed to vertical inclusion in which the political settlement represents the interests of both elites and the broader population. The inclusion of key elites with the potential to threaten the political settlement is considered particularly important for stability and is frequently prioritised by international security actors, e.g. in contexts such as Afghanistan. Meanwhile, promoting vertical inclusion by strengthening the “state-society contract” and empowering marginalised groups reflects the normative agenda of development actors and is frequently prioritised by donors, as seen in contexts such as Sierra Leone. However, some argue that these different types of inclusion are in fact connected through a “critical and complex interplay between inter-elite negotiation and elite-constituency relations that occurs in the routine operations of an existing settlement and are heightened during political crises and violent conflict” (Barnes, 2009: 10). Indeed, the legitimacy of elite groups often depends on the extent to which they are able to redistribute resources and opportunities to their own broader constituencies, and where exclusion from the political settlement prevents some elites from doing so they are more likely to mount a violent challenge.

The relative importance given to horizontal or vertical inclusion in a political settlement has practical implications for priorities and sequencing in post-conflict contexts, e.g. regarding whether and when an initial bargain between warring elites should be expanded to include the voice and interests of the broader population. Some analysts suggest that the priority should be a bargain that includes major elites groups and that in low-development or fragile states

“there are very few real prospects for non-elite groups to be directly involved in the processes of conflict, negotiation and compromise that shape the political settlement” (Parks & Cole, 2010: 23). They argue that in such contexts the only realistic way that non-elite interests can be represented in political settlement bargaining is through patron-client relations, which require elites to (at least partly) represent the interests of their broader constituencies in order to maintain legitimacy.

However, CRISE research suggests that the exclusion of non-elite populations can have significant implications for stability. Its findings suggest that while it is political exclusion that pushes elites to rebel, it is economic exclusion that mobilises the masses to participate in conflict (Stewart, 2010). Indeed, Barnes (2009) argues that post-conflict pacts that only include elites have a high failure rate because they do not provide voice to or address the interests of the many other constituencies that did not take up arms. Similarly, Laws (2012) gives the example of Nigeria, where although the political settlement involves formal power sharing among the elites of all major linguistic, religious, ethnic and regional groups, the high levels of civil unrest suggest that vertical relations between elites and their followers may be breaking down.

Another debate with important implications for international actors in FCAS relates to the relative importance of inclusion in processes for bargaining over the political settlement versus inclusion in the distributional outcomes from the political settlement. Some experts, such as Barnes (2009), stress the importance of popular participation in bargaining processes, e.g. through public consultation mechanisms. Others, such as Di John and Putzel (2009: 5), argue that

determining how inclusive or exclusionary a political settlement is cannot be understood simply by looking at the extent of participation in the bargaining process ... the ultimate test of inclusiveness needs to be anchored in the distribution of rights and entitlements, which are the *outcome* of the settlement.

International actors tend to focus on promoting inclusion in bargaining processes, either by supporting representatives of excluded groups to participate in peace negotiations, constitution drafting and other forms of political decision-making or by supporting broader public consultation mechanisms. This approach is based on an assumption that an inclusive process will lead to an inclusive outcome, as well as the practical reality that promoting formal mechanisms for participation – particularly in internationally supported peace processes – is an area where international actors have some leverage.

However, in many cases excluded groups’ participation in the peace process has not translated into significantly improved outcomes, and Di John and Putzel (2009: 5) argue that in fact an “imposed political settlement can be more

inclusive than one reached through pluralist bargaining”. The disconnect between inclusion in process and inclusion in outcomes can be seen in a number of post-conflict states that have adopted parliamentary quotas for women – from Burundi to Kosovo – but where increased participation by women in political institutions has had a limited impact on women’s rights and entitlements. This could be because formal democratic institutions and bargaining processes are disconnected from the actual locus and practice of power; because elite control over these processes through clientelism means that they are coopted to serve elite interests, despite the nominal participation of non-elites; or because the individuals chosen to represent excluded groups in these processes are unable or unwilling to advocate for the broader interests of their constituencies. While there is no doubt that inclusion in peace processes is important for a number of reasons – including the right to participate and the message it sends about excluded groups’ public role – international actors need to question linear assumptions that participation inevitably shapes outcomes and instead ask when, where and how inclusion in the peace process relates to inclusion in the outcome.

## **Inclusion in post-conflict political settlements: country experiences**

Rwanda, Guatemala and Nepal are all contexts where exclusion has been a significant driver of conflict, but where the post-conflict political settlement has addressed inclusion in very different ways. Rwanda has seen limited elite inclusion in a highly restricted political space, which has so far brought stability to the country. In Guatemala, peace agreements established formal rules and structures to promote inclusion, but the underlying rules of the game remain profoundly exclusionary. In Nepal, there has been a transformative shift to bring excluded groups into the political settlement, but this settlement remains highly unstable and has yet to be institutionalised.

### **Rwanda**

Ethnic-based exclusive political settlements have been a central driver of conflict in Rwanda, with each of the two major ethnic groups excluding the other when in power and using violence to enforce this settlement. The Tutsi monarchy and Belgian colonial rule resulted in a narrow political settlement that empowered the Tutsi elite and excluded the Hutus. However, when Hutu leaders took power in the 1950s they in turn excluded the Tutsi and initiated pogroms against them. This Hutu-dominated political settlement ultimately led to the Rwanda Patriotic Front (RPF) insurgency and civil war, the controversial Arusha power-sharing agreement and, finally, the 1994 genocide in which Hutu militias killed 800,000 Tutsis and moderate Hutus.

Thanks to its decisive military victory that ended the genocide, Travagianti (2012: 107) argues, “the RPF was

able to set the terms and pace of the transition and therefore dictate the political settlement". However, in doing so the RPF departed from the previous winner-takes-all logic of Rwandan politics and chose to implement a modified version of the Arusha-power sharing agreement. This included a government of national unity and key political positions for some members of the Hutu elite. This was the first attempt at even nominal power sharing across ethnic lines in Rwanda, and Golooba-Mutebi (2013: 12) argues that "conscious of the consequences of political exclusion of which they and their supporters had been victims for over three decades ... the RPF's leaders sought to bring their potential rivals and adversaries into the government rather than shut them out". This very limited inclusion of Hutu elites in the post-genocide political settlement represents progress from Rwanda's earlier highly exclusive political settlements and has provided unprecedented stability and the chance for economic growth. However, there are doubts over how long this RPF-dominated political settlement can hold if it does not move towards broader inclusion and the opening up of the political space.

The Rwandan state today is highly authoritarian, political activity is restricted, and the media and civil society are tightly controlled. Elgin-Cossart et al. (2012: 15) argue that Rwanda's core circle of elites remain fundamentally "resistant to attempts to broaden inclusion, lest it interfere with their control of state resources". Moreover, critics of the RPF regime argue that despite the nominal inclusion of some Hutus in political office, power is increasingly concentrated in the hands of the small group of Tutsi RPF leaders who were exiled in Uganda. Although the RPF has undoubtedly won some popular legitimacy for its ending of the genocide, strong economic performance and improved service delivery, Travagianti (2012: 107) argues that "the rules of the political game are not widely accepted as legitimate, but rather enforced through coercion".

While a central strategy of the RPF regime has been the – albeit very limited – horizontal inclusion of Hutu elites in what is otherwise a political settlement dominated by diaspora Tutsi elite, the implications of Rwanda's political settlement for vertical inclusion are less clear. Given current levels of political repression, the ability of civil society or social groups to make demands or participate in political bargaining is highly curtailed. However, the RPF regime's focus on economic growth, reducing corruption and improving service delivery does mean that there have been some positive outcomes from the political settlement for the broader population in terms of access to services and poverty reduction (although accompanied by very high levels of inequality that suggest that most benefits from growth remain with the core elite).

Western actors have played a very limited political role in Rwanda, despite providing high levels of development aid and military assistance. This is in part because of disunity among international actors on how to balance Rwanda's strong economic performance with its worsening human rights record. Despite the RPF's authoritarian rule, donors have not imposed conditionalities on Rwanda, but have hoped that internal dynamics resulting from growth and development would bring political change. However, critics argue that this unconditional support to Rwanda's government has actually entrenched an increasingly exclusionary political settlement.

Rwanda provides an interesting case of very limited horizontal inclusion in the political settlement that made a break from the completely exclusive political settlements of the past and created significant stability. However, the token nature of Hutu elite inclusion combined with the broader political exclusion of political opponents, social groups and civil society suggests that this may not be an "inclusive enough" settlement. This raises the question of whether stability can be sustained in the long term in the face of continuing political exclusion and authoritarianism, as well as how the current settlement could potentially be expanded both horizontally and vertically.

## Guatemala

Extreme political and economic exclusion – particularly of indigenous populations – has been a central cause of violence and conflict in Guatemala. Historically a narrow landlord-military elite coalition resisted any broadening of the political settlement or democratisation, kept other elites marginalised, and adopted highly exploitative and repressive practices in relation to the indigenous rural poor, who were "without power in a rigidly oligarchic society" (Thorp et al., 2010: 2). Grievances related to this exclusion and repression fuelled a civil war that lasted from 1960 to 1996.

Guatemala's lengthy peace process involved a significant renegotiation of the formal rules of the game. The 1996 peace accords were broad in scope and were the result of a relatively inclusive process in which civil society and marginalised populations were able to participate through the Civil Society Assembly. The accords recognised the identity and rights of historically excluded indigenous communities (who had been victims of extreme state violence during the conflict) and promised greater inclusion. Multiparty democracy was established alongside the peace process and institutional structures for citizen rights, state accountability and the promotion of the interests of marginalised groups were set up. However, constitutional reforms aimed at embedding the peace accords in the constitution were rejected in a referendum.<sup>1</sup> Despite the new formal agreements and structures for

<sup>1</sup> There were multiple reasons for this "no" vote in the referendum: voter turnout was extremely low (18%); the presentation of the referendum content was confusing; there was very limited public awareness about the reforms; and opponents of the reforms mounted a strong "no" campaign, while the "yes" campaign was weak.

inclusion that emerged from the peace process, in reality the informal rules of the game in Guatemala remain largely unchanged and there has been little shift in exclusionary patterns of power and access to resources. Alvarez and Palencia Prado (2002: 43) argue that “the new dispensation has not been consolidated in part because the old ... structures that generated conflict are largely untouched”, while Briscoe and Rodriguez Pellecer (2010: iii) suggest that “to a significant extent, the country is still locked into the terms of the informal political and economic settlement that lay beneath the formal peace process ending the country’s civil war in 1996”.<sup>2</sup> Briscoe and Rodriguez Pellecer (2010) describe how, since the end of the conflict, Guatemala’s economic elites (which are based around an oligarchic group of families that control industry, agricultural exports, finance and trade) have increased their hold on the country’s political parties and state machinery, while criminal groups linked to state officials and institutions have also extended their influence. While there has been a formal consolidation of democracy, political parties are highly fragmented and are largely vehicles for promoting vested interests rather than for political inclusion and the representation of non-elites. There has been very little economic redistribution and both horizontal and vertical inequality remain high, while state institutions are kept weak and corrupted in order to serve elite interests. In short, an increased vertical inclusion of the broader population in the political settlement – envisaged in the peace process – has not materialised and exclusion continues to drive instability and violence.

However, according to Briscoe and Rodriguez Pellecer (2010), there are some indications that Guatemala’s exclusionary political settlement is facing new pressures. These come in particular from an increasing fragmentation among the economic elites, as well as the emergence of powerful illicit actors that threaten the interests of the traditional economic elites and compete with them to buy the influence of public officials and institutions. Briscoe and Rodriguez Pellecer (2010) argue that competition from these new illicit actors may ultimately encourage Guatemala’s economic elites to strengthen the state institutions that they had deliberately kept weak and open to capture.

While international actors played an important role in supporting Guatemala’s transition out of conflict, they have limited leverage in Guatemala today (aid constitutes only around 1.4% of Guatemala’s gross domestic product). The international community has been widely disappointed at the lack of meaningful implementation of Guatemala’s peace accords and the broader failure of an inclusive and internationally backed peace process to shift the country’s exclusionary political settlement. While Guatemala’s donors continue to support processes and institutions to promote inclusion, without political will among the elites these activities have little impact.

The case of Guatemala provides an example of a relatively inclusive bargaining process that did not lead to an inclusive outcome, despite the expectations of its international supporters. It also illustrates the potential gap between the formal and informal rules of the game. In particular it demonstrates the importance of understanding how formal and informal rules relate to each other, and of identifying incentives that can promote a shift in informal rules, rather than assuming that formal institutional change alone will broaden the political settlement.

## Nepal

Historically, Nepal’s narrow political settlement included only the monarchy and a small feudal elite, although through democratisation in the 1990s this was broadened to include a small political elite. Meanwhile the vast majority of the population faced multiple forms of exclusion based on caste, region, ethnicity, religion or gender. This exclusion was a major grievance that drove the Maoist insurgency and civil war from 1996 to 2006, which ended when the Maoists and traditional political elite aligned to broker peace, remove the king, and initiate processes to restructure the Nepali state.

The end of the monarchy, the entry of the Maoists into mainstream politics (and their dominance in the 2008-12 Constituent Assembly) and the establishment of a comprehensive constitutional reform process have transformed Nepal’s political settlement. In particular the broad-based Constituent Assembly has brought many previously excluded groups into politics and gave them an important role in shaping the new order. Indeed, some – such as the Madhesi community – have become critical power brokers in Nepal’s new political constellation. The peace and constitution processes have also placed issues of exclusion – which are central to the Maoist agenda – at the heart of political debate, with the 2006 Comprehensive Peace Agreement promising both land reform and “a progressive restructuring of the state to resolve existing class-based, ethnic, regional and gender problems”.

However, Nepal’s new political settlement remains highly unstable and has yet to be institutionalised. Over the last six years the Constituent Assembly has been unable to agree on a constitution and has been locked in a battle over the nature of federalism and decentralisation that represents a broader power struggle between traditional elites and newly emerged political actors. However, the fact that no party has yet abandoned or violently challenged the political settlement suggests it is reasonably resilient.

While Nepal’s post-conflict political settlement has significantly increased horizontal inclusion by bringing in new elites from marginalised communities, it has not yet involved much vertical, mass-level inclusion or a shift in

<sup>2</sup> This informal political settlement is far from the formal agreement for rural development and a strong public sector that was contained in the peace accords. Instead it concentrates power in the hands of the economic elites who control state and political institutions in their own interests, while state provision or accountability to ordinary citizens is minimal.



state institutions to actually rebalance power among Nepal's minorities. Call and Kugel (2012) argue that there has been little change in state-society relations or the clientistic and unrepresentative nature of politics and that traditional elites continue to control civil society and the media. It is also uncertain whether the broad inclusion of marginalised groups in the political process can be sustained in the long term. Indeed, in the 2013 polls to elect a new Constituent Assembly (which also serves as parliament) the two parties (the Nepali Congress and Communist Party of Nepal (Unified Marxist-Leninist)) that represent traditional elites and that dominated Nepali politics for many decades won the most seats, while support for the Maoists collapsed. This suggests that people have lost faith in the Maoists' ability to drive forward the constitutional process or deliver on their inclusion agenda.

International engagement in Nepal is strong, due to the country's aid dependency and strategic location. Until the Maoist war Nepal's donors in practice supported the narrow political settlement imposed by the monarchy and did little to promote structural changes or greater inclusion. According to Call and Kugel (2012), it was not until 2001 that donors began to acknowledge the conflict and its underlying causes and strengthen their work on exclusion. By 2005 international concern about human rights abuses and authoritarian rule led Nepal's international partners to play a more active role, criticising the king, protecting civil society and ultimately generating pressure for a negotiated peace.

Call and Kugel (2012) believe that Western donors played an important role both in helping to create a window of opportunity to transform the political settlement and supporting Nepal's political actors to take advantage of this window. Critically, donors were able to support and build on a strong internal debate about exclusion that had been created by the Maoist rebellion. They have done this by promoting research and dialogue about issues of exclusion, empowering marginalised groups and building the capacity of Constituent Assembly members from excluded communities. However, strong donor engagement on issues of inclusion has created some backlash, with traditional elites increasingly labelling this a Western-imposed discourse. Despite the undeniably important role played by Western donors, it is Nepal's powerful neighbours – and particularly India – that have had the most influence on the direction of Nepal's political settlement, firstly by strongly supporting and then ultimately abandoning the king, and then by seeking to promote a political and constitutional order in post-conflict Nepal that promotes their own allies and strategic interests.<sup>3</sup>

Nepal is a context where peacebuilding has involved a dramatic broadening of the political settlement, and representatives of excluded groups have been included as

central actors in the bargaining process. It is also a context where international actors have successfully built on and nurtured local discourses and movements for inclusion. However, Nepal's post-conflict bargaining is still very much under way. It remains to be seen whether the focus on exclusion in political discourse results either in the long-term institutionalisation of the current horizontal inclusion of new elites or – more critically – in a vertical deepening of the political settlement to include the broader population, whose marginalisation was a root cause of the conflict. It also remains to be seen whether the broad inclusion in bargaining processes such as the Constituent Assembly will result in greater inclusion in outcomes. Finally, the case of Nepal suggests a need for greater analysis of how regional powers and neighborhood factors can influence political settlements in FCAS and what implications this may have for international actors.

## International influence on political settlements

There is disagreement in the research community over whether international actors can – or even should – seek to influence political settlements in FCAS. It is widely accepted that political settlement bargaining is primarily an endogenous process led by local actors, and some analysts argue that there is therefore no role for external players. However, in an increasingly globalised context the distribution of power and resources in countries – and particularly fragile ones – is inevitably shaped by the international context. Indeed, Parks and Cole (2010) argue that international actors have long been influencing political settlements, particularly in aid-recipient countries, and have frequently (and often unwittingly) propped up powerful elites and exclusionary and unstable settlements. They argue that the adoption of a political settlement framework by international actors working in FCAS simply recognises this reality of international influence and seeks to harness it to exert “pressure on the political settlement to evolve in a more desirable way” (Parks & Cole, 2010: 25).

International actors can and do influence political settlements in FCAS in a number of ways. One of the more explicit ways is through peacebuilding and development assistance, as seen in international mediation in Guatemala or development programmes in Nepal. Elgin-Cossart et al. (2012) outline a number of strategies that international diplomatic and development actors can use to promote more inclusive political settlements. These include policy engagement on inclusion with elites; providing support to opposition and civil society voices; creating political space through supporting research and public debate on inclusion; direct mediation between parties; and coercive strategies such as aid conditionalities. However, they stress that the extent to which such strategies will be successful depends on the attitudes and

<sup>3</sup> India has sought to prevent the Maoists from gaining power and has wielded influence in favour of the traditional political parties and the military, to which it has strong ties. China has courted all political parties with the apparent aim of increasing its economic, security and political footprint in Nepal.

incentives of elites and their openness to broadening the political settlement; the extent of external leverage in terms of aid, military or economic support; and the level of coherence among international actors.

A number of key bargaining moments in the transition from conflict constitute important entry points for international actors seeking to promote a more inclusive political settlement. Central among these are peace negotiations, which can potentially have profound implications for the political settlement, involve a significant redistribution of power and resources, and address the underlying causes of conflict. International actors can support the participation of representatives from excluded groups in negotiations or mechanisms for wider public involvement such as consultations or referendums. Constitutional reform is also an important entry point, because it is often used to establish new formal rules of the game, including political processes, institutional structures and citizens' rights. International support for inclusive constituent assemblies (as in Nepal) or popular consultation processes (such as in Guatemala or South Africa) can help promote the voice of excluded groups in the constitution-making process. However, as the case of Guatemala demonstrates, inclusive formal constitutions may have little impact without a parallel shift in the informal rules of the game and a fundamental change in the incentive structures for elites.

Finally, post-conflict elections can also be an important entry point to broaden the political settlement, particularly where electoral coalitions unite a range of elite groups or where electoral competition forces elites to better represent the interest of excluded populations. International actors can support political parties, electoral commissions, and broader civil society participation and oversight during elections. However, the extent to which elections can make a political settlement more inclusive depends on whether political parties genuinely represent broad segments of the population or are just vehicles for narrow elite interests and patronage, as well as whether power is actually embedded in democratic political institutions or held elsewhere (e.g. by the military in Pakistan or the monarchy in Morocco).

While there is growing focus on political settlements in international peace and development communities, it is arguably other forms of international action that have the most profound – and often unintended – influence on political settlements in FCAS. Certainly, international military engagement, such as the NATO intervention in Libya in 2011, can dramatically alter the political settlement, although not necessarily in a very predictable or sustainable way. However, it is perhaps through long-term economic and strategic relationships and agendas – rather than development, peacebuilding or even military engagement – that international actors most profoundly shape the political settlement and its inclusiveness in FCAS. For

example, the narrow political settlements and predatory elite practices in Guinea-Bissau and Tajikistan are in large part a result of Western countries' demand for and policies regarding illegal drugs. Similarly, regional power rivalries or big-power interests have propped up exclusive military-dominated political settlements in countries such as Pakistan and Egypt, while international energy markets shape exclusionary political settlements in countries from Nigeria to Turkmenistan. Moreover, Langer et al. (2010) argue that global economic integration and neoliberal reforms (frequently driven by international financial institutions) can also exacerbate exclusion because market forces favour groups and regions that are already rich.

An emerging body of work on international drivers of fragility is beginning to unpick some of these global dynamics.<sup>4</sup> However, far more focus is required in both research and policy communities on how the international context influences political settlements in FCAS and shapes opportunities to enhance inclusion. In particular, international actors committed to promoting peacebuilding and inclusion need to better understand the impact of their broader range of external policies on political settlements and, wherever possible, avoid a situation where peace and development goals are undermined by other policy agendas. This requires greater coherence across all policy areas in relation to FCAS and transitions from conflict.

## Challenges and trade-offs for international actors

International actors seeking to promote a more inclusive political settlement in FCAS must negotiate a number of key challenges. Firstly – as discussed above – they tend to have a number of aims in FCAS, some of which may contradict each other. Negotiating these requires understanding the relationship among different aims, prioritising them and making trade-offs. Parks and Cole (2010) argue that most donors in FCAS have four central goals in relation to the political settlement: stability, conduciveness to development, inclusiveness and reduction of the level of elite predation. They argue that “these four donor goals are distinct, but they are interrelated in complex and sometimes contradictory ways. In many cases, there are trade-offs in the short-to-medium term that need to be better understood” (Parks & Cole, 2010: 21). Central among such potential trade-offs is balancing stability and inclusion, given that increased inclusion and attempts to limit elite predation can undermine stability in the short term. However, such short-term instability could have long-term benefits in allowing a new and more inclusive and developmental political settlement to emerge. Similarly, international actors must draw on a more nuanced understanding of the relationship between inclusion in process and inclusion in outcome to balance the aim of promoting democratic governance with the risk that in some FCAS elections and multiparty democracy can install a less

<sup>4</sup> See, for example, OECD (2012).

inclusive regime or lead to more exclusionary politics (Stewart, 2010). Negotiating these various trade-offs requires deep knowledge of the local context in order to identify both potential risks and relevant priorities.

A major challenge for international actors seeking to promote the participation of representatives from marginalised groups in political settlement negotiations has been to draw in genuinely non-elite actors. Civil society leaders that “represent” marginalised groups such as women or ethnic minorities are frequently middle class, urban based, English speaking and with limited connection to grassroots communities. However, in many cases more rooted, local-level community leaders do also exist, but tend to be less visible and attractive to international actors because of a lack of connections, limited institutional capacity and the inability to speak “donor language”. However, it is important that international actors find ways to meaningfully include such leaders in political processes in FCAS. In terms of international support for broader public participation in negotiations, another challenge is to ensure that processes for broad-based participation and consultation – e.g. in relation to peace agreements or constitutional reform – are meaningful and result in the broader population’s interests being taken into account, rather than just validating a bargain brokered by a narrow group of elites. This consideration has implications for the type of processes that are adopted. For example, mechanisms for public endorsement such as referendums – which can potentially require leaders to take greater account of the broader population’s interests in order to win popular support – may have more impact than just public consultations, the messages from which can be easily ignored.

International actors seeking to strengthen inclusion in political settlements tend to focus on promoting inclusive bargaining processes as an area where they have leverage and where tools and institutional models are available. However, they also need to increase their focus on promoting more inclusive outcomes, particularly given the evidence that inclusionary processes do not automatically lead to inclusionary outcomes. This is a major challenge, because the distributional outcomes of the political settlement often relate to the underlying rules of the game that – as in Guatemala – may bear limited relation to the formal agreements, processes and institutions with which donors generally engage. Moreover, these core distributional issues, more than the structure of formal institutions or political processes, may be where core elite interests are most at stake and where international engagement is seen as most intrusive.

A focus on the outcomes of the political settlement would require international actors to analyse the nature and interests of elite groups, possible incentives to influence elite bargaining positions, the potential for alliances between some elites and excluded groups, and opportuni-

ties to build links with reform-minded elites. They must also question assumptions that political power sharing automatically results in economic redistribution among groups, which according to Stewart (2010) does not take account of the deep-rooted historical nature of economic exclusion.<sup>5</sup> Critically, addressing inclusion in outcomes requires international actors to understand the ways in which formal rules relate to informal rules and the actual practice of power, and move beyond formulaic approaches to institution building to approaches based on a nuanced understanding of how institutions relate to the political settlement and elite interests. It also requires them to assess the way in which the broader international context (including aid, economic and security relationships) influences the relative power and bargaining positions of the various elite groups.

In order to provide meaningful support to local actors in FCAS to renegotiate political settlements, exit violence and build institutions, international actors must move beyond normal project and funding cycles towards much longer-term engagement. Such transitions can take decades and follow very diverse paths, and can experience multiple setbacks and resistance from losers. International actors therefore need to develop policies that reflect realistic transition timelines and can respond to significant variety and fluidity of context. Critically, seeking to influence political settlements requires taking risks, both in terms of engaging more directly in the political realm (something that must be done very sensitively and with the aim of supporting local political voices and agendas rather than imposing outside ones) and working with actors beyond the usual counterparts. An important element of this risk taking must be greater engagement with political parties, who can play a major role in shaping political settlements, channelling group interests, and bridging civil society and state. Wild and Foresti (2010) note that donors are highly cautious about engaging in this highly sensitive area and tend to restrict their engagement to top-down technical assistance based on an ideal of what a political party should be rather than engaging on central issues of representation, legitimacy, internal democracy and inclusion.

Finally, international actors’ ability to understand and engage with political settlements in FCAS is hampered by a lack of evidence and analysis. While there is increasing donor interest in this area, there is still little solid evidence about how political settlements relate to fragility and transitions from conflict, how they change and evolve in FCAS, and how external actors can and do influence them. Jones et al. (2012) point to a serious lack of baseline data about exits from conflict and the role of political settlements in these, as well as problems of comparability among varied FCAS contexts. Critically, there is also a disconnect between evidence and knowledge generated by the research community and policymaking. International

5 For example, in Myanmar the current political opening does not appear to be leading to any significant redistribution of rents or economic opportunities.



actors interested in working on political settlements in FCAS therefore need to both fund more research into this topic and more effectively integrate the findings of this research into their policies and programming.

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## ■ THE AUTHOR

**Clare Castillejo** is a senior researcher with FRIDE. She has 15 years of experience in research and policy analysis and has worked for leading donors, multilaterals, non-governmental organisations and research institutes. She has conducted research in South Asia, West and Southern Africa, the Middle East and China. Recent publications include "State fragility in the EU's extended neighbourhood" (FRIDE, 2014), "Nepal's elections: new prospects for peacebuilding?" (NOREF, 2013), "Engaging China on development" (FRIDE, 2013) and "China's impact on conflict and fragility in South Asia" (NOREF, 2013). She has an MA in the anthropology of development from the University of London.

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