



University of Calgary

PRISM: University of Calgary's Digital Repository

University of Calgary Press

University of Calgary Press Open Access Books

2016-05

From Kinshasa to Kandahar: Canada and Fragile States in Historical Perspective

Carroll, Michael K; Donaghy, Greg

University of Calgary Press

Carroll, M.K. & Donaghy, G. (2016). "From Kinshasa to Kandahar: Canada and Fragile States in Historical Perspective." Beyond Boundaries: Canadian Defence and Strategic Studies Series; no. 6. University of Calgary Press, Calgary, Alberta.

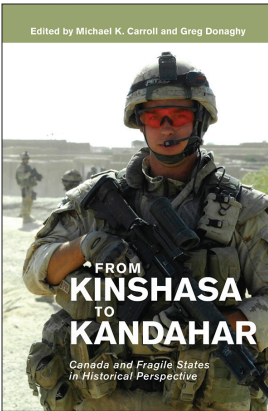
<http://hdl.handle.net/1880/51199>

book

<http://creativecommons.org/licenses/by-nc-nd/4.0/>

Attribution Non-Commercial No Derivatives 4.0 International

Downloaded from PRISM: <https://prism.ucalgary.ca>



FROM KINSHASA TO KANDAHAR: Canada and Fragile States in Historical Perspective
Edited by Michael K. Carroll and Greg Donaghy

ISBN 978-1-55238-845-7

THIS BOOK IS AN OPEN ACCESS E-BOOK. It is an electronic version of a book that can be purchased in physical form through any bookseller or on-line retailer, or from our distributors. Please support this open access publication by requesting that your university purchase a print copy of this book, or by purchasing a copy yourself. If you have any questions, please contact us at ucpress@ucalgary.ca

Cover Art: The artwork on the cover of this book is not open access and falls under traditional copyright provisions; it cannot be reproduced in any way without written permission of the artists and their agents. The cover can be displayed as a complete cover image for the purposes of publicizing this work, but the artwork cannot be extracted from the context of the cover of this specific work without breaching the artist's copyright.

COPYRIGHT NOTICE: This open-access work is published under a Creative Commons licence. This means that you are free to copy, distribute, display or perform the work as long as you clearly attribute the work to its authors and publisher, that you do not use this work for any commercial gain in any form, and that you in no way alter, transform, or build on the work outside of its use in normal academic scholarship without our express permission. If you want to reuse or distribute the work, you must inform its new audience of the licence terms of this work. For more information, see details of the Creative Commons licence at: <http://creativecommons.org/licenses/by-nc-nd/4.0/>

UNDER THE CREATIVE COMMONS LICENCE YOU MAY:

- read and store this document free of charge;
- distribute it for personal use free of charge;
- print sections of the work for personal use;
- read or perform parts of the work in a context where no financial transactions take place.

UNDER THE CREATIVE COMMONS LICENCE YOU MAY NOT:

- gain financially from the work in any way;
- sell the work or seek monies in relation to the distribution of the work;
- use the work in any commercial activity of any kind;
- profit a third party indirectly via use or distribution of the work;
- distribute in or through a commercial body (with the exception of academic usage within educational institutions such as schools and universities);
- reproduce, distribute, or store the cover image outside of its function as a cover of this work;
- alter or build on the work outside of normal academic scholarship.

CANADA AND FRAGILE STATES IN THE AMERICAS

Jean Daudelin

A number of states in the Americas are overwhelmed by the security, social, and economic challenges that they confront, while others have such limited capacities that any significant test would prove them wanting. Those states can be understood as “fragile” because their political order is already shaky or because they risk being broken under any significant stress.

State fragility can represent an international security threat. A weak state’s limited and brittle capabilities often imply the existence of spaces where political or criminal groups can gather, train, and accumulate resources to challenge other states. The instability associated with fragility may also lead to population movements that upset nearby countries and even destabilize whole regions. More broadly, fragility matters for development as fragile states are unable to provide the infrastructure and institutional environment required to generate economic investment and to function efficiently. The challenges of fragility, international security, and development, in other words, are deeply intertwined.

This chapter examines Canada’s policy toward fragile states in the Americas, asking if that policy makes sense given the nature and scale of the problem and Canada’s capacity to have a significant impact on the situation. The chapter focuses on the adequacy of the policy from the

standpoint of the region's fragile states, deliberately leaving out policy determinants and the intricacies of the decision-making process(es). Moreover, this assessment is not based on an examination of particular projects, formal policies, or specific aid delivery mechanisms. Rather, it examines the resources transferred by the Canadian government to those countries since 2000, the weight of such transfers in the broader context of Canadian assistance, the nature, channels, and declared purposes of those transfers, and the evolution of these variables.

Five questions structure the chapter's enquiry: What is state fragility? Which states are fragile in the Americas? What kind of aid have they received from Canada? How adequate is that assistance, given the characteristics of the challenge these states confront and Canada's technical and political capacity to help? And how sustainable is the current effort, given the economic, security, and political implications of fragility in those states for Canada and its government?

The chapter has three sections: the first outlines the conception of fragility underlying the analysis and identifies those states of the region that qualify as fragile; the second looks at Canadian assistance to these countries; and the third section assesses it. A conclusion discusses the scope and limits of the analysis.

In sum, this analysis argues that (1) four groups of American states qualify as fragile: a group of one, made up of Haiti, whose capabilities are so limited that they are overwhelmed by every significant challenge; Central America's Northern Triangle (El Salvador, Honduras, and Guatemala), where significant but limited state capacity confronts an onslaught of drug-related violence that these states are unable to manage; a subset of Caribbean states endowed with significant capacities but which are nonetheless unable to tackle extremely high levels of criminal violence; and finally one South American country (Venezuela), where a surprising discrepancy has emerged between huge capabilities but even larger challenges; (2) Canada's efforts have been concentrated on Haiti, the West Indies and, increasingly, Central America's Northern Triangle; and (3) the policy over the last ten years is well suited to the challenges of fragility in the region and appears to be politically sustainable.

State Fragility in the Americas

As David Carment, Stewart Press, and Yiagadeesen Samy have shown in exquisite detail,¹ current conceptualizations of the nature, determinants, and consequences of state fragility are extremely varied, with emphases on a wide range of factors, from the broad structural conditions that constrain effective political rule to the political “will” of governments.² Most studies, however, focus on the state’s administrative and military capabilities and on state legitimacy.

This study adopts a minimalist approach, focusing strictly on the capacity of the state and its rulers to manage in a sustainable manner the pressures exerted on them. Reaching back to Max Weber’s classic intuition about the core characteristics of states, it will focus on the ability of those “political organizations with continuous operations” to “successfully claim the monopoly of the legitimate use of physical force in the enforcement of [their] order.”³ The ultimate test of a state’s capacity, in other words, lies in its ability to enforce a sufficient modicum of order in the territory it claims.

To assess that capacity, the analysis considers only the material and administrative resources that states can mobilize to produce and guarantee order. Some measure of legitimacy or social recognition of a state’s capacity certainly matters; otherwise it would constantly be called upon to use that capacity, disrupting the very order it intends to uphold. But like Weber, the chapter will not assume that such legitimacy necessarily implies support for, or subjective agreement with, the nature and characteristics of the order the state enforces, as this is only one of the possible foundations of the practical recognition by subjects of the validity of the particular rule to which they submit.⁴ For these reasons, the complex problem of legitimacy will be collapsed into the much easier one of material and administrative capabilities.

An assessment of the extent to which such capabilities are sufficient must take into account the challenges that each state confronts. Imposing order on a huge and populous country like Brazil or the Democratic Republic of the Congo (DRC) calls for an immense amount of resources. Brazil clearly has them, but the DRC does not. Similarly, the intensity of the competition over resources or markets affects the scale of the demand

for order that a state confronts. The discovery of alluvial diamonds and oil, for instance, played a central role in turning weak but relatively stable political orders in West and Central Africa into chaotic messes.

Finally, some or even most of those challenges may come from the outside, either as a result of pressure from a neighbour—think of Ukraine—or simply because a state’s territory happens to be a key link in a long criminal value chain—a problem that afflicts Afghanistan as well as several states of the Americas.

Obviously, a rigorous and comprehensive assessment of state fragility combining these two sets of issues is well-nigh impossible. This chapter, therefore, uses an impressionistic selection methodology based on a broad range of data. All the countries of the Americas were assessed, with particular attention given to four widely used classifications of state fragility: Carleton University’s Country Indicators for Foreign Policy; the latest editions of the “Failed States Index” (now called “Fragile States Index”); the Center for Systemic Peace’s “State Fragility Index”; and the World Bank’s “Worldwide Governance” indicators.

I have adopted none of these indices wholesale, in part because of the sometimes patently absurd results that their methods have generated (e.g., the “Failed States Index” portrays Colombia as more fragile than any country of the region but Haiti; and Brazil is defined as more fragile than El Salvador in the “State Fragility Index”). Instead, I have focused on the existence of a significant discrepancy between a state’s capacity and the challenges it confronts, a relative measure that is not used by these indices’ methodologies. For that purpose, I have incorporated data from the World Development Indicators and, for crime and violence, have used statistics from the United Nations Office on Drugs and Crime (UNODC). Table 1 presents the dimensions of both challenges and capabilities, as well as the indicators I have used to assess them.

Table 1: Analytical Framework

	TYPES	INDICATORS
Challenges	Economic	<ul style="list-style-type: none"> • Sustained recession • High inflation • International insolvency • High dependence on foreign donors
	Military	<ul style="list-style-type: none"> • Foreign occupation • Invasion or long-distance attack or credible threat thereof • Presence and activity of domestic anti-government forces • Civil war between sub-components of society
	Political	<ul style="list-style-type: none"> • Mostly peaceful anti-government mobilizations by domestic social movements or organizations
	Environmental	<ul style="list-style-type: none"> • Major negative climatic change • Large-scale and/or frequent extreme weather events • Large-scale and/or frequent geological events
	Criminal	<ul style="list-style-type: none"> • Presence and activity of large criminal organizations • High levels of homicide and other violence crimes
	DIMENSIONS	INDICATORS
State capabilities	Economic	<ul style="list-style-type: none"> • Access to revenue (tax base, revenues from state corporations or investments, royalties, foreign assistance) • Stability of that access
	Political	<ul style="list-style-type: none"> • Stability of the government • Ability to command respect for its laws and regulations without the use of force
	Military and police	<ul style="list-style-type: none"> • Human and material resources available for territorial control and public order
	Administrative	<ul style="list-style-type: none"> • Human, material, and organizational resources available for the <ul style="list-style-type: none"> - provision of public services - regulation of economic activities - management of major natural disasters

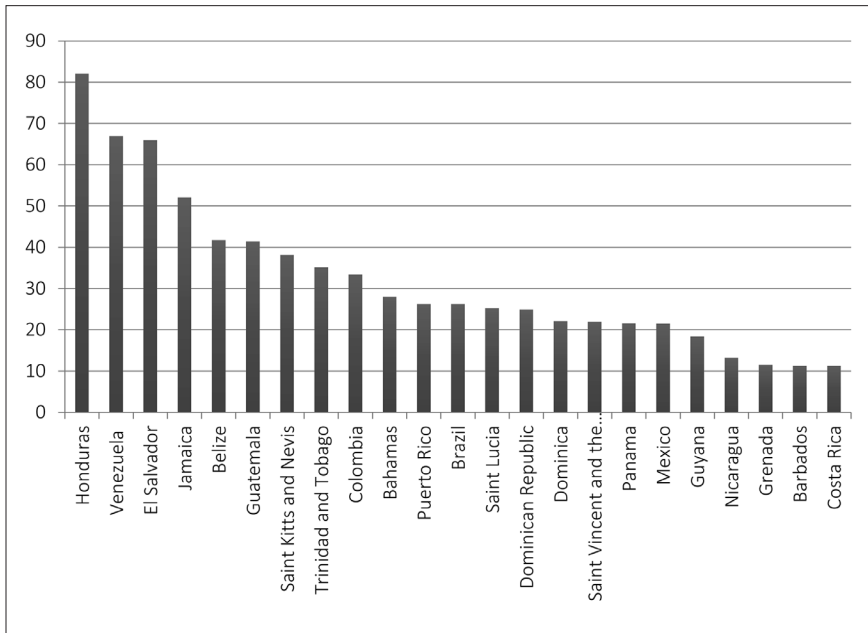
Table 2: Fragile States in the Americas

	Economic	Military	Political	Environmental	Criminal
Belize			X		xxx
El Salvador					xxx
Guatemala			X		xxx
Guyana		X	Xx		xx
Haiti	xxx		X	xx	x
Honduras			Xx		xxx
Jamaica					xxx
Suriname			Xx		xx
Venezuela	xx	X	xx		xxx
West Indies					xx/xxx

Using the data sources listed above, and building on a broad overview of the region’s recent economic and political history to combine the two sets of parameters, I propose the picture of fragility painted in Table 2. The presence of one, two, or three Xs identifies challenges that over the last ten to fifteen years have overwhelmed government capabilities, as well as the degree to which they have done so (low, medium, high). The table includes all the countries that currently appear fragile in at least two of the five categories or that have high levels of fragility in any one of them. Obviously, the “calculations” involved here are highly approximate and most of the indicators on which they rely are impressionistic. This approach has been chosen mainly for reasons of expediency: the paper assesses Canadian policies toward fragile states in the Americas, it does not propose a theory to explain fragility in the hemisphere. Still, I would contend that the results presented here are not any less compelling, and arguably more so, than those arrived at by using supposedly “precise” proxies to reach clear but sometimes absurd results, like the rankings of Brazil or Colombia mentioned above.

The diagnosis summarized in Table 2 has a number of key features. Criminal challenges represent the most important determinant of fragility in the Americas, as they often overwhelm, sometimes massively, the capabilities of the region’s governments.⁵ In almost all cases, some of this violence is tied to drug markets, local, regional, and global.

Figure 1: Homicide Rates in the Americas in 2010 (per 100,000, for countries whose rate is larger than 10 per 100,000)



The region's staggering number of homicides represents the most shocking expression of those challenges: between 145,000 and 150,000 murders annually in recent years, totalling over a million deaths in the last decade.⁶ Because of the sheer size of their respective countries, most of the victims are Brazilian (50,000), Mexican (15,000), and Colombian (15,000). However, with the exception of Venezuela, it is in the region's smaller countries that homicide rates reach their highest levels (cf. Figure 1): using Canada's homicide rate of about 1.5 per 100,000 as a yardstick, consider that in 2010, Honduras, Venezuela, El Salvador, Jamaica, and Belize had rates hovering between 25 and 50 times higher. While homicide rates are often poor proxies for general levels of criminality, such high levels of violence imply a terrible climate of insecurity that profoundly disturbs and damages people's everyday lives. Moreover, while violence is almost always extremely concentrated in particular regions or neighbourhoods, national homicide rates of over 30 per 100,000 are never associated with low

levels of crime. Basic physical insecurity affects whole societies through its impact on social relations, economic activities, and political discussions.

Political dynamics are the second locus of fragility in the Americas. While all states of the region but Cuba have held regular democratic elections for almost twenty years—with recent “hiccups” in Honduras and Venezuela—the political system in a number of these countries is pervaded by deep divisions: ethnic (Guyana, Suriname), social (Haiti, Honduras, Venezuela), and political (Venezuela again). Political fragility lies in the inability of these states to channel social demands and manage the competition for power between ethnic groups, social classes, or broad political movements, pushing elites to coup conspiracies, ordinary people to the streets, and social movements toward challenging the legitimacy of the political systems themselves. The relative political stability of the last twenty years has not been accompanied by a broad re-legitimation of political institutions. Legislatures, in particular, continue to meet with profound cynicism from electorates, which results in highly personalized struggles for executive power and in the confrontational exercise of that power. Such arrangements limit the state’s ability to muster the capacity needed to tackle challenges, beginning with tax collection and ending with the provision of basic public order and justice.

The economy remains a challenge for parts of the region. Despite two “golden” decades of growth in what remains a commodity-dependent region, some of its richest countries (Venezuela, for instance) are in a critical economic position, with high inflation, poor growth rates, deteriorating infrastructure, declining domestic and international investment, and limited access to global financial markets. Again, Haiti is uniquely situated because of its dependence on foreign aid from Western donors and cheap oil from vulnerable Venezuela, and because of the chronic inability of its government to establish a self-sustaining basis for long-term growth.

Beyond these prominent themes, one should also draw attention to the remarkable geographic concentration of fragility in the Americas. All the weakest and most fragile states are located in the Caribbean Basin, and all but Venezuela are among the small republics of Central America and the West Indies. Size matters.

A brief overview of key individual cases completes this portrait. Haiti and Venezuela are the worst cases of severe multidimensional fragility. It is a profound paradox that the poorest and one of the best-endowed

countries of the region find themselves at the top of our fragility ranking. Haiti owes its place to a tragic mixture of very poor material endowments, secular social and educational under-investment, a history of political mismanagement, chronic and acute administrative deficiencies, extreme social inequalities, and severe geological, environmental, and climatic vulnerabilities. From any angle and by almost any measure the country is a developmental and human security disaster.

By contrast, Venezuela has no good reason for its high fragility ranking. It was already one of the best-educated countries in the hemisphere by the end of the 1950s (along with pre-Castro Cuba, Argentina, and Costa Rica). It has few deep ethnic fractures and it enjoyed remarkable political stability during the region's troubled 1960s and 1970s, when it benefited immensely from the global oil crisis and played a leading role in the establishment of OPEC.

Problems started to emerge only in the 1980s, when the price of oil dropped violently and the government proved unable to adjust its policies to the country's shrinking bounty. Corruption of the political parties that had dominated Venezuela since the 1950s, mismanagement of public finances, ever more severe inequality, and growing popular discontent paved the way for the eventual rise to power of President Hugo Chavez in 1999. Using state programs, price controls, and administrative recruitment to build and consolidate support among the poor, Chavez was able substantially to reduce both poverty and inequality. Corruption and economic mismanagement have worsened under his successor, Nicolás Maduro, threatening those gains. Inflation is at an all-time high, economic growth has stalled, and the country, which has some of the largest oil reserves in the world, remains heavily dependent on imported refined gasoline and diesel. To make matters worse, public security has deteriorated drastically. The military and well-armed party militias do not always see eye-to-eye, and the opposition appears unable to harness popular discontent, prompting some of its members to seek extra-constitutional routes to power. Collapsing oil prices since 2014 have added fuel to this explosive mix.

The absence of Brazil, Colombia, and Mexico from this portrait warrants a comment. In all three cases, the levels of violence are very high (homicide rates of 26, 33, and 21 per 100,000 respectively in 2010) and, in the case of Colombia, two anti-government guerrilla movements are still active in the country. However, government capacity in these states is

extremely high and is not overwhelmed by these challenges. Public safety aside (Colombia's guerrillas should be seen today primarily as a public order issue), none of these states confront very significant challenges, notwithstanding a lagging economy in Brazil and Mexico.

Canadian Assistance to Fragile States in the Americas

This section, detailing the allocation of Canadian aid to fragile states, is divided into four subsections. First, it considers the overall character of that aid and its main hallmarks. Specifically, it addresses the relative weight of the region's weakest states in Canadian aid flows to the Americas, as well as its channels (bilateral, regional, or multilateral). Second, this section explores the sub-regional allocation of aid flows, beginning with Haiti, and moving to the fragile states of Central America, the Caribbean, and South America. Third, the examination moves to country allocation and, fourth, to sectoral allocations for fragile states as a whole, for sub-regional groupings, and for the largest individual recipients.

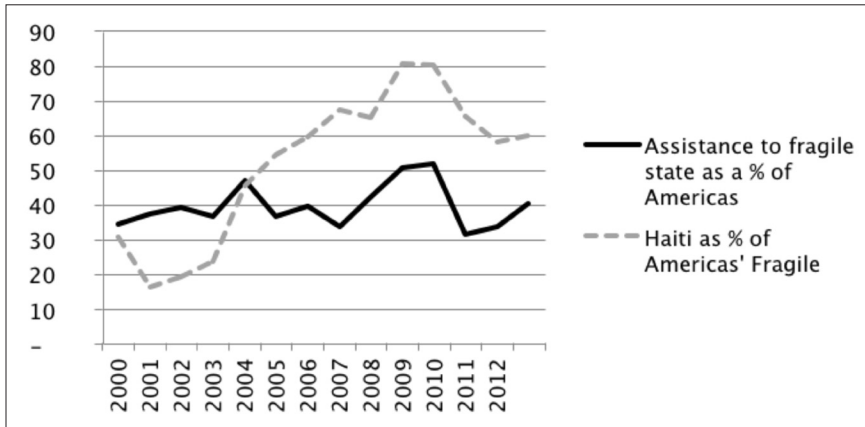
The data comes from the website of the former Canadian International Development Agency (CIDA) and covers all Canadian transfers to developing countries between fiscal year (FY) 2000–2001 and FY 2012–13, including military and police assistance, when the data are available.⁷

Overall Picture

Total assistance to the fragile states of the region, as identified in Section 1 of the chapter, was worth C\$3.64 billion between FY 2000–2001 and 2012–13. Three basic features dominate the overall official flows of Canadian aid to the region's fragile states: their small size in Canada's total aid envelope, their remarkable concentration in Haiti, and the dominance of bilateral over multilateral disbursements.

Including all transfers and loans, as well as contributions to regional programs and multilateral banks, total outflows to fragile states in the Americas represented just 5 percent of all Canadian aid since FY 2000–2001. Once the spike that followed the 2010 earthquake in Haiti is excluded, fragile states capture only about 40 percent of Canadian assistance to

Figure 2: Canadian Assistance to Fragile States of the Americas



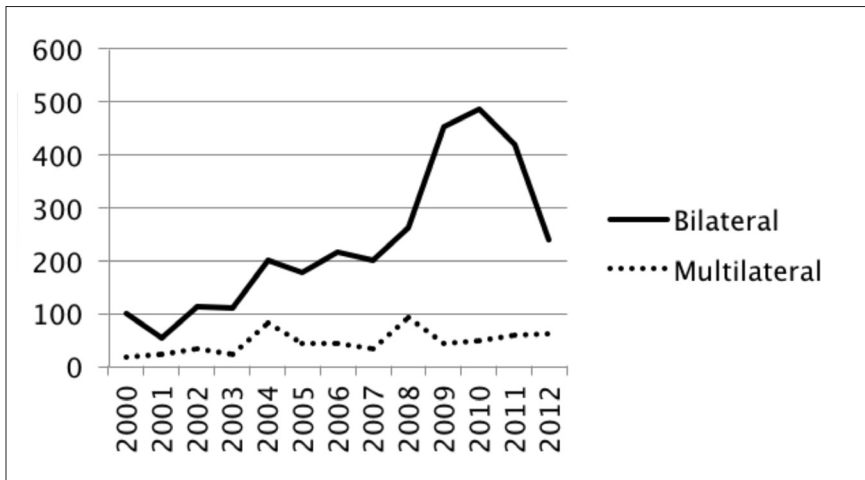
Source: International Assistance Reports, DFATD

the Americas (Figure 2). Beginning around 2004, more than half of that aid went to Haiti, reaching a peak of about 80 percent in FY 2009–10 and FY 2010–11, when a terrible earthquake devastated the country. Canada’s fragile state policy in the Americas is essentially a Haiti policy.

The relatively small weight of the Americas in Canada’s assistance envelope comes as no surprise. All countries of the region, including fragile ones but excepting Haiti, have “graduated” from the ranks of the least developed countries (LDC), making it difficult to justify sending significant assistance to them. Still, the fact that about 60 percent of Canada’s total assistance in the region goes to countries that are neither LDCs nor fragile points to an allocation that, for the Americas at least, is clearly driven by motives other than tackling fragility or extreme poverty.

Assistance to fragile states is primarily channelled through bilateral programs. Overall, in fact, the proportion of aid going through multilateral channels has declined over the decade, although this decline is driven by assistance to Haiti, which is overwhelmingly bilateral. Even when assistance to that country is factored out, about two-thirds of fragile state assistance still flows through bilateral channels.

Figure 3: Preferred Channels for Assistance to Fragile States in the Americas



Sub-Regional Allocation

The list of fragile states proposed in Section 1 lends itself logically to a four-part classification. Haiti stands as a unique case, with massive challenges and extremely limited capabilities. Venezuela, too, is in a class by itself, blessed with immense resources but overwhelmed by political, institutional, and criminal challenges. Central America’s so-called “Northern Triangle” of El Salvador, Honduras, and Guatemala—lower-middle-income states plagued with extreme violence tied to drug trafficking—make up the third group. The countries of the West Indies also confront formidable levels of violence. But Jamaica, Trinidad and Tobago, the Bahamas, and their smaller neighbours have higher revenues, much higher levels of education, and better public administrations, and represent a fourth subset of regional fragility. Belize, Guyana, and Suriname will be considered a part of this group, as historical, cultural, and sociological traits make them very similar to the British Caribbean islands, though their institutional and economic situations are somewhat closer to Central America’s Northern Triangle.

Breaking down Canadian assistance among these groups shows Haiti grabbing 50 percent, clearly the largest share. The rest is captured by

Central America's Northern Triangle (19 percent), the West Indies (16.5 percent), and the Caribbean Regional Fund (13.5 percent). Troubled and much bigger Venezuela gets less than one percent of the total.

Sectoral Allocation

Canadian aid takes a wide variety of forms, which are now carefully specified in the government's statistical reports (see Annex 2 for a full breakdown of the twenty-three distinct categories that were used in FY 2012–13). Four groupings are especially relevant to state fragility: (1) development assistance controlled by CIDA, which has a broad mandate to focus on the poorest countries, covers four of the twenty-three categories; (2) the bilateral and multilateral assistance extended by the former Department of Foreign Affairs and International Trade (DFAIT), which pursues policies linked to commercial and security objectives, falls into two categories; (3) the bilateral programs of the Department of National Defence (DND), which focuses on military training, constitute one category (from 2004 to 2012); and (4) the bilateral programs of the Royal Canadian Mounted Police (RCMP), which finances capacity building for the police, also form one category (from 2006).

These four groupings represented 86 percent of Canadian assistance to fragile states from 2000 to 2013. CIDA's development aid alone accounted for 76 percent of the total.

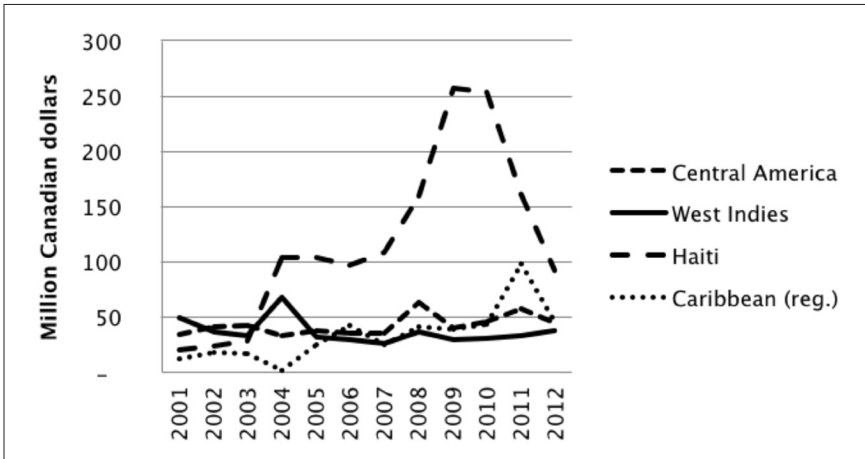
Development Aid (CIDA Funding)

Beginning in FY 2003–4, Haiti has dominated development assistance flows to fragile states in the Americas, capturing about half of this type of aid in “normal times.” Figure 4 appears to suggest that the proportion of aid going to the West Indies has slowly declined, relative to the amounts received by Central America. This is, however, something of an illusion, as the islands get a substantial share of the Caribbean regional funding.

Foreign Affairs

Foreign Affairs funding clearly has broader objectives, and fragile states have received only about half of the aid allocated by the Department to the Americas since FY 2000–2001. It contributed a modest 5.9 percent of

Figure 4: Development Assistance (CIDA) to Fragile States in the Americas



the fragile state assistance envelope for the period. Although Haiti once again received the lion’s share of those funds (60 percent), the evolution of disbursements highlights a significant reorientation toward Central America. Its allocation, beginning in 2010, was growing as fast as Haiti’s was declining: by FY 2012–13, both Haiti and the three Central American republics were receiving about C\$17 million annually.

DND and RCMP Assistance

Canadian military and police assistance to fragile states is minute, both in absolute terms (C\$144 million over the whole thirteen-year period) and as a proportion of the total flows of government aid to these countries (1.5 percent and 2.5 percent respectively). For the period covered by CIDA’s dataset, only three countries have received assistance from DND (Haiti, Jamaica, and Nicaragua) and two from the RCMP (Haiti and Guatemala). Again, Haiti receives the lion’s share of this help, with more than 99 percent of the funds provided to the entire Americas, including non-fragile states. This represents about 40 percent of all Canadian aid from these two envelopes.

How Adequate and Sustainable is Canada's Aid?

It is a sad statement on the limitations of public policy analysis that the questions of adequacy and sustainability, so central to assessing or designing policies, remain fiendishly difficult to answer. The material on which this assessment is based makes the challenge even more formidable, as it does not include an analysis of individual programs or projects, focusing instead on broad patterns of scale and allocation. However, to the extent that scale matters when tackling relative state capabilities, as do broad allocations of funds, which are less volatile than program or project spending, there is much to learn from those broad patterns.

Table 3: Parameters of Adequacy and Sustainability

Adequacy	Target truly fragile?
	Large-enough amount of assistance?
	Allocation consistent with challenges?
Sustainability	Consistency of engagement with broadly shared view of Canada's interests?
	Domestic support for the size of the aid package?

Adequacy will be assessed by answering two questions: Are funds going to states that confront severe challenges to their ability to provide order in their societies, and on a scale that is sufficient to make a difference? And does the general allocation of the assistance—between countries, among channels, and by sector—make sense in terms of the characteristics of the destination countries' challenges?

Fragility is a truly structural predicament, and attempts to tackle it should not only have a proper scale but also be made over a significant time period. The sustainability of an assistance policy toward fragile states is thus crucial. Once again, two questions will guide this assessment: given Canada's security and economic interests and domestic political incentives, can the scale of current investments be maintained over time? And is the allocation of funding among countries politically sustainable?

Adequacy of Scale and Allocation

At face value, a fragility policy in the Americas that focuses primarily on Haiti is on the right track. That country is by far the most vulnerable on the continent and it is the only one that ranks among the truly fragile states of the planet. The amount of aid provided is also significant at C\$1.8 billion over thirteen years, an average of \$140 million per year, or between \$12 and \$20 per capita annually. This may look puny, but one should consider that Canada is just one of many sources of assistance to Haiti. Taken together, the total weight of official development assistance (ODA) in the country's gross domestic product (GDP), hovering around 10 percent, is so large that it radically alters the incentive structure of its rulers. Indeed, with government revenues tied to aid and thus disconnected from the performance of the economy, Haitian rulers have little reason to focus their efforts on the latter. Along with Afghanistan, in other words, Haiti stands as the poster child for the "aid curse," and large flows of assistance are probably one of the reasons why it remains stuck with fragility.⁸ In other words, while the focus on Haiti is probably justified, the scale of the effort, for which admittedly Canada is only partly responsible, may well be too large for Haiti's own good.⁹

Given their challenges, the presence of Central America's Northern Triangle countries and the West Indies among recipients of Canadian assistance makes a lot of sense from a fragility perspective. The scale of the investment in the Caribbean (C\$600 million since FY 2000–2001) looks reasonable enough at about C\$6.00 per capita. With significantly larger GDP and government tax revenues than Haiti, as well as more capable public administration, these countries need less external support and are unlikely to be "cursed" by the amounts they receive from Canada and their other foreign supporters.

Central America's Northern Triangle is a much different proposition. These countries are among the most violent in the hemisphere and are clearly overwhelmed by the challenges posed by criminal networks. Yet, Canadian aid, totalling C\$690 million over thirteen years, or barely C\$2.40 per capita in FY 2012–13 (even after a substantial increase in FY 2010–11), remains small. Despite substantial institutional and political problems, these states could easily absorb much larger amounts of aid.

Sectoral allocation of Canadian aid looks adequate. The profound and multidimensional character of the challenges confronting Haiti, the main target country, justifies the kinds of broad-based development programs that CIDA favours. Still, and despite the small sums involved, DND and the RCMP might have a more powerful impact were more of their investments directed to Central America, and especially Caribbean military and police forces.

Adequacy over time matters, too. Investments to tackle fragility must have a long time horizon. While the short period covered here makes an assessment of that variable difficult, the volatility of aid flows in that timeframe is worrying. Investments in Haiti exploded after the fall of Jean-Bertrand Aristide and—more understandably—collapsed two years after the earthquake. Similarly, the Northern Triangle seems to have been discovered only in 2010, though it had already been racked by extreme violence for at least a decade. By contrast, Canada’s presence in the West Indies seems to have a stronger, more stable footing.

In sum, Canada’s approach looks adequate in Haiti and the West Indies, while a stronger push in Central America would clearly be warranted. In addition, the kind of long-term commitment that one sees toward the Caribbean would be a welcome addition to increased funding for Central American programming.

Political Sustainability

Aid and foreign policy advocates invariably try to ground assistance in the “hard” interests of donors. Indeed, nothing anchors a long-term policy toward a country like sizeable investments and trade flows, significant security threats, or a mobilized diaspora community that commands significant political influence. These are the conditions that make for strong, long-term international commitments.

From this perspective, the fragile states of the Americas fare rather poorly. None of them is a significant trade partner. And while more than two-thirds of Canadian investments in Latin America and the West Indies sit in a handful of Caribbean tax havens (the Bahamas, Barbados, Bermuda, and the Cayman Islands), the security of those investments relies

less on peaceful and stable governments than on the possibility of transferring them to other shores at the flip of a switch.

Similarly, within low-crime Canada, it is difficult to argue successfully that the criminal violence in the urban peripheries of Central American or Caribbean cities justifies a significant investment of Canadian aid. Nor is domestic pressure in Canada likely to change this. The sizable diasporas from Haiti, the West Indies, and Central America in Canada are poorly organized and (except in a single Montreal federal riding with a large Haitian community) their political influence is diluted in Canada's large immigrant population.

One traditional driver of Canadian foreign policy, however, brings a degree of stability to Canada's presence in the Caribbean. The United States is sensitive to instability in countries that sit on its southern maritime border. American policymakers worry about the region's role in the drug value chains that end up on its territory. Haiti is a particular concern. It is a source of illegal immigrants, and the sizeable Haitian diaspora communities in New York City and Miami have considerable political clout. Canada's long presence in the region and the fact that many of its diplomats, police agents, and soldiers are francophone make it one of Washington's most useful and reliable regional partners. Brazil and its South American neighbours have taken a prominent role in the UN mission in Haiti, but they have few good reasons to linger. In contrast, Canada is likely to remain in Haiti even if Washington's interest in Canada's Caribbean policy hardly provides Ottawa policymakers with a compelling rationale for a prolonged effort to tackle local fragility.

A sustained and sizeable investment in the fragile states of the Caribbean rests on a weak interest foundation, a situation even more dismal in the case of Central America's Northern Triangle. Canada's policy toward those states will likely depend on political expediency and the entrepreneurship of committed public servants and civil society organizations. With due respect for their work over the last decade, this does not constitute the strong and sure footing that is required to confront the many challenges facing the region's fragile states.

Conclusion

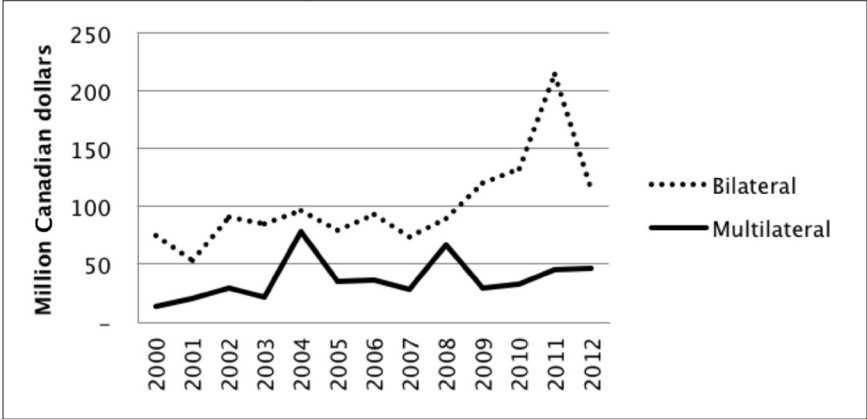
This chapter has examined Latin American and Caribbean cases as part of a broad assessment of Canada's fragile states policy. While detailed case studies on Haiti¹⁰ and on such thematic issues as drugs do exist,¹¹ a systematic assessment of Canadian policy in the whole region has not yet been done. This essay fills that gap by assessing foreign aid, broadly conceived, as a proxy for Canadian policy.

The chapter clearly demonstrates that Haiti is the primary focus of Canada's fragile states policy in the Americas and that the Canadian presence there is broad-based and significant. Large investments have also been made in the West Indies and Central America. Venezuela, despite of the scale of its problems, is simply not on Canada's fragility radar screen.

Overall, Canadian aid flows appear to be too large in Haiti, despite its daunting challenges. More measured investments in the Caribbean seem adequate, while Central America's vast needs are poorly addressed. Sustainability is probably the main risk to Canada's policy toward those countries, as Canadian economic, security, and political interests in the region appear insufficient to justify investments on the scale needed and for the timeframe required.

Annexes

Annex 1: Channels of Canadian Assistance to Fragile States of the Americas (Minus Haiti)



Annex 2: Canadian Government Breakdown of Foreign Assistance

Canadian International Development Agency	Country and Regional Programs	Bilateral Aid
	Canadian Partnership Programs	Bilateral Aid
	Multilateral Programs	Bilateral Aid
		Multilateral Aid
Other (Bilateral Aid)	Bilateral Aid	
Other Sources	Department of Foreign Affairs and International Trade	Bilateral Aid
		Multilateral Aid
	Finance Canada	Bilateral Aid
		Multilateral Aid
	Environment Canada	Bilateral Aid
		Multilateral Aid
	Royal Canadian Mounted Police	Bilateral Aid
	Department of National Defence	Bilateral Aid
	International Development Research Centre	Bilateral Aid
	Export Development Canada	Bilateral Aid
	Health Canada	Multilateral Aid
	Public Health Agency of Canada	Multilateral Aid
	Parks Canada	Bilateral Aid
	Employment and Social Development Canada	Bilateral Aid
	Natural Resources Canada	Bilateral Aid
	Industry Canada–ITU	Multilateral Aid
	Canada Post–UPU	Multilateral Aid
	Province of Quebec	Bilateral Aid
		Multilateral Aid
	Other Provinces	Bilateral Aid
Municipalities	Bilateral Aid	
Imputed Aid (Bilateral)	Bilateral Aid	
Loan Repayments	Canadian International Development Agency	Bilateral Aid
		Multilateral Aid
	Export Development Canada	Bilateral Aid

Notes

- 1 David Carment, Stewart Press, and Yiagadeesen Samy, *Security, Development and the Fragile State: Bridging the Gap Between Theory and Policy* (New York: Routledge, 2010), 20–76.
- 2 Sebastian Ziaja and Javier Fabra Mata, *State Fragility Indices: Potentials, Messages and Limitations* (Bonn: Deutsches Institut für Entwicklungspolitik, 2010).
- 3 Max Weber, *Economy and Society* (Berkeley: University of California Press, 1978), 54.
- 4 Weber's extensive discussion of legitimacy is best summarized in Guenther Roth's introduction to the English edition of *Economy and Society*: "men act as they do because of belief in authority, enforcement by staffs, a calculus of self-interest and a good dose of habit." Weber, *Economy and Society*, xxxv.
- 5 United Nations Development Program, *Human Development Report for Latin America 2013–2014. Citizen Security with a Human Face: Evidence and Proposals for Latin America* (New York: United Nations Development Program, 2013).
- 6 UNDP, *Human Development Report for Latin America 2013–2014*.
- 7 All channels, all allocation types, all GNP categories, all DAC ODA and non-ODA, all concentrations, all expenditure types, all Caricom, all Commonwealth, and all Francophonie. Canada, Department of Foreign Affairs, Trade and Development, "Statistical Report on International Assistance—by Country Spending," <http://www.acdi-cida.gc.ca/acdi-cida/acdi-cida.nsf/eng/CAR-616135752-P3Q> (accessed 4 October 2014).
- 8 Simon Djankov, Jose G. Montalvo, and Marta Reynal-Querol, "The Curse of Aid," *Journal of Economic Growth* 13, no. 3 (2008); Jean Daudelin and Yiagadeesen Samy, *In Praises of Taxes? Fiscal Pacts, Development Policy and Conflict Risk*, CSDS Working Paper 07 (Ottawa: Centre for Security and Defence Studies, 2008).
- 9 David Carment and Yiagadeesen Samy, "A Marshall Plan for Haiti? Think Again," *Globe and Mail*, 19 February 2010.
- 10 Yasmine Shamsie and Andrew S. Thompson, eds., *Haiti: Hope for a Fragile State* (Waterloo, ON: Wilfrid Laurier University Press, 2006); Stephen Baranyi, "Canada and the Travail of Partnership in Haiti," in *Fixing Haiti: MINUSTAH and Beyond*, ed. Jorge Heine and Andrew S. Thompson (Tokyo: United Nations University Press, 2011).
- 11 Jean Daudelin, "A New Drug Warrior?," in *The State and Security in Mexico: Transformation and Crisis in Regional Perspective*, ed. Brian Bow and Arturo Santa-Cruz (New York: Routledge, 2012).