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# The origin and persistence of state fragility in **Burundi**

Janvier D. Nkurunziza



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**State Fragility, Growth and Development**

# Abstract

State fragility in Burundi has been a cause, and consequence, of the country's political instability. Since independence, Burundi has endured six episodes of civil war, two major foiled coup d'états, and five coup d'états that have led to regime change. The root cause of state fragility is traced back to divisive practices introduced by the colonial power, which have since been perpetuated by post-colonial elites. This political volatility has generated persistent cycles of violence, resulting in the collapse of the country's institutions and economy, even after the negotiation of the Arusha Agreement. This has led to mass migration of Burundi's people and the emergence of a large refugee population, dispersed among neighbouring states and far away. Therefore, state fragility in Burundi is first and foremost the result of the strategies and policies of its political leaders, who are motivated by personal interests. Political capture calls into question the legitimacy of those in power, who feed state fragility through rent extraction, corruption, and mismanagement. This has had vast economic consequences, including slow growth, an underdeveloped private sector, an unstable investment landscape, and severe financial constraints. For reconciliation to be achieved, justice needs to be afforded to those who have encountered repression from the state, thereby breaking the cycle of violence. What's more, Burundi needs strong and long-term engagement of the international community for the successful implementation of reforms, as well as the provision of technical and financial resources, to embark on a prosperous and peaceful path.

## **Janvier D. Nkurunziza**

United Nations Conference on Trade and Development (UNCTAD)

[Janvier.nkurunziza@unctad.org](mailto:Janvier.nkurunziza@unctad.org)

## **About the commission**

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# Introduction

## 1

### State fragility in Burundi

State fragility in Burundi displays all five dimensions that generally characterise fragility:

1. For most of the country's post-colonial period, the country has been ruled by illegitimate regimes that came to power through coups d'états or constitutional fraud. Since independence in 1962, Burundi has recorded seven major coups d'états, of which five led to regime change.
2. The state has not been effective in steering the country through a development process, as illustrated by recent statistics listing Burundi as the second poorest country in the world.<sup>1</sup>
3. As political elites have primarily focused on controlling the state, and capturing the associated "rents to sovereignty" (Nkurunziza and Ngaruko, 2008), the private sector has been neglected and remains underdeveloped.<sup>2</sup>
4. State fragility in Burundi has been narrowly associated with insecurity due to a long cycle of violent conflict. Over the last 50 years, Burundi has gone through six episodes of civil war. The state has not only been unable to keep peace, but most of the violence has been caused by the state itself, because of acts of "cold blood by the deliberate fiat of holders of despotic political power" (Toynbee, 1969).
5. The combination of these fragilities has made Burundi highly vulnerable to political and economic shocks.

<sup>1</sup> In terms of the country's GDP per capita measured in Purchasing Power Parities (current international United States (US) dollars) (World Bank, International Comparison Program database, 2017. Accessible: <http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD?view=chart>)

<sup>2</sup> The concept "rents to sovereignty" refers to the spoils associated with the control of political power, including the capture of part of foreign aid, international borrowing, and tax revenue; allocation of public investment and public employment to benefit members of a specific group; and organization of the economy with a view to generating rents that are enjoyed by political elites at the expense of those not affiliated with them. This attitude creates inter-group tensions and grievances that eventually lead to political violence.

This paper analyses the origins, manifestations, and consequences of Burundi's state fragility, with a focus on the country's recurring political instability. State fragility has been both a cause and consequence of political instability. A fragile state has little capacity to absorb the shocks that lead to political instability.

## Instability and violence

In 1993, the assassination of a newly elected president through a coup d'état led to the longest episode of Burundi's civil war. In contrast, in the 1980s and 1990s, the presidents of Burkina Faso and Niger, Sankara and Mainassara, respectively, were assassinated by members of the army who subsequently took power, but these shocks did not result in civil wars. This suggests that Burundi was less able to absorb this political shock than Burkina Faso and Niger. Conversely, recurring instability as observed in Burundi destroys or drastically weakens the state, making it extremely fragile.

The recurrence of political violence in Burundi should not be understood as a succession of several civil wars. Cyclical political violence has been the result of the failure or unwillingness of the state and political elites to address the root causes of violence since the early years of independence.

Violence has been the outcome of asymmetric fights between political elites from the two major groups, the Hutus and Tutsis.<sup>3</sup> Each group fights to capture the state and its spoils, as discussed in some detail below. The group in power has a clear advantage over the other as it uses all state resources to annihilate its challenger. This explains why state repressions have been so ferocious. Criminal acts are committed with the disproportionate use of force, while those controlling state institutions have no incentive to punish their members involved in the illegal killings, perpetuating impunity.

This profile of political instability and violence that is immune to accountability means that each conflict leaves many victims with grievances that remain unaddressed. This sows the seeds of future conflict, as the victims find that it is only by ousting their repressors that they can get justice. As each episode of violence feeds into the next one, Burundi's political instability can be understood as due to one unresolved conflict that manifests itself in cyclical episodes of extreme violence.

<sup>3</sup> The concept of ethnicity in the context of Burundi differs from its empirical definition as used in other contexts (e.g. Horowitz, 1985). Burundi's population is divided into four groups: the Hutu, Tutsi, Ganwa and Twa. The Hutus are thought to represent most of the population, even though there are no credible statistics giving the proportion of each group, followed by the Tutsi group. The Ganwa are a relatively small group, mostly made up of descendants of the country's traditional monarchs. The Twa are another small group that is poorly integrated with the rest of the population. All four groups have shared, over several centuries of coexistence - apparently since the 11th century - one single language, Kirundi, one culture, and live mixed in the same geographical areas. Hundreds of years of coexistence under a common value system forge a common identity. Therefore, using differences in ethnicity to explain Burundi's political violence is a tenuous argument, despite its popularity in the literature on Burundi.

# Governance and impunity

This paper will devote special attention to the issue of governance, particularly the impunity of criminals involved in state crimes. This is an aspect of fragility that will need to be addressed if Burundi is to emerge out of its fragility trap. In this light, state fragility is analysed primarily through the lenses of insecurity and conflict.

The economic implications of state fragility are also explored. Burundi's failure to reconstruct its economy and institutions have been the result of choices made by its leaders over the years. Indeed, contrasting the cases of Burundi and Rwanda, two countries with comparable initial conditions in terms of history, culture, social mix, institutions, and economic development, illustrates that Burundi could have followed a different trajectory had its leaders made the right choices.

Since 1965, Burundi leaders have been unwilling and, to some degree, incapable of transforming their country's institutions, including economic institutions, in a way that would strengthen the country's resilience to shocks and help avert future violence. Every episode of violence is a reminder that Burundians have been locked into a situation "where the past does not pass" (Manirakiza, 2002).

## The paper proceeds as follows:

1. Section 2 draws from Burundi's history to help understand the nature and origins of state fragility.
2. In Section 3, the paper analyses the regional and international dimensions of state fragility in Burundi.
3. The motives driving policy choices that led to fragility are discussed in Section 4.
4. Section 5 highlights some major consequences of state fragility.
5. Section 6 concludes with a discussion of the lessons learned from this case study and makes suggestions on how Burundi can break out of its fragility trap and rebuild an economy and institutions that would help avert future state collapses.



# Origins of state fragility in Burundi

## 2

This Section draws on the history of Burundi to identify the origin of state fragility. It goes on to briefly discuss the different episodes of civil war, highlighting how they are inter-related.

## Historical origins of state fragility

### Colonisation

The history of Burundi does not provide accounts of any serious ethnic conflict that occurred before the country was colonised at the end of the 19th century. Instead, during the pre-colonial period, the state is described as well-structured, centralised and strong, with power controlled by a secular monarchy whose authority was generally uncontested throughout the country.

The kingdom of Burundi was one of the strongest kingdoms in the African Great Lakes region for several centuries, until the end of the 19th century when it became a German colony until the end of the First World War and thereafter, a Belgian colony. As an illustration of the strength of Burundi's state, when an army of Arab slave traders penetrated the country in 1884 in search of slaves, they were inflicted a humiliating defeat by the country's army (Gahama, 2001). Hence, Burundi never experienced slave trade, unlike some other kingdoms in the region.

Belgian colonists' attempts to subjugate the population of Burundi faced similar resistance. Several missionaries, who were among the first Europeans to penetrate into Burundi, were killed (Bonneau, 1949). Therefore, weakening the traditional state became the Belgian colonists' modus operandi to stamp their authority on the country. They undermined the traditional system of governance by introducing "divide and conquer" policies that broke the secular identity of the people of Burundi.

### Divide and conquer

The Belgian colonists opposed the two major groups, the Hutus and Tutsis, along what they considered to be ethnic lines. Historians are of the view that the colonists "racialised" the Hutu and Tutsi categories that had formerly been

considered as social groups (Chrétien, 2000a). This policy not only weakened traditional state structures but also created, over time, polarisation between the Hutus and Tutsis. This polarisation has persisted to date.

More specifically, between 1928 and 1934, the Belgian colonists introduced far-reaching administrative reforms (Gahama, 2001) that favoured the Tutsis, who were considered as superior and born to rule, at the expense of the Hutus who were described as backward peasants (Sandrart, 1953:2). For example, traditionally, the chiefs that were appointed by kings as regional governors were drawn from the Hutu, Tutsi and Ganwa groups. Colonial administrative reforms replaced all sitting Hutu chiefs with Tutsis and Ganwa. The proportion of Hutu chiefs went from 20% in 1929, to zero in 1945 (Reyntjens, 1994).

This interference with traditional leadership practices not only marginalised the Hutu political elite but also instituted a rigid system of domination of the Hutu and Twa by the Ganwa and Tutsis. As expected, the policy created resentment among the Hutus, inducing them to make several unsuccessful attempts to capture power from the Tutsis and Ganwa by force. In contrast, the Tutsi elite acted to strengthen and perpetuate the system as it favoured them. Moreover, the Tutsis used Hutu attempts at capturing power as an excuse to mercilessly repress them, which enabled the Tutsis to tighten even further their political control over the country.

## Independence

Political splits and incessant fights continued into the early years of independence, which was established in July 1962. There were two groups, one called Casablanca Group, favouring pan-Africanism and deep integration of the continent as the best way forward for Burundi, while the other, the so-called Monrovia Group, was also for pan-Africanism but not at the expense of national statehood (Manirakiza and Harroy, 1990).

Political elites in the first few years after independence were so absorbed by political fights, as well as plotting and counter-plotting, that governments were highly unstable. Between independence and the end of 1966, no government was in place for more than one year. This instability eventually led to the first large-scale political violence in 1965. Amidst these political fights, other aspects of governance, such as economic development, were of little interest to the leadership.

While the Belgian colonial authority is attributed with the creation of state fragility in Burundi, Burundian political elites, particularly those within the Tutsi group who ruled the country for most of the post-colonial period, perpetuated it through their leadership. Months before the country's independence, Prince Louis Rwagasore, the highly respected national hero who fought for the country's independence, was assassinated by political opponents "who seemed to have acted with the tacit approval of Belgian authorities" (Stapleton, 2017: 67). Within the *Unité pour le Progrès National* (UPRONA) party, Rwagasore had been able to unite Hutus and Tutsis behind his independence project, which was coupled with a clear development vision. After his assassination in October 1961, Burundi went through a period of turmoil, as Hutu and Tutsi political leaders were locked into leadership disputes.

## Political volatility

In this context of political volatility, in October 1965, a group of Hutu leaders, frustrated by what they perceived as their marginalisation, attempted to topple the government but failed.<sup>4</sup> Then, under the instigation of some Hutu leaders, Hutu peasants in Muramvya province killed several hundred Tutsis. In response, the Tutsi-led army used this as an excuse to purge the country's leadership of its most influential Hutu members. The army killed about 5000 Hutus in Muramvya to avenge the Tutsi killings (Stapleton, 2017). This marked the first large-scale political killings in the country.

In November 1966, with the Hutu leadership having been decimated a year earlier, a group of Tutsi officers mostly from the southern province of Bururi, carried out a coup d'état, overthrowing the centuries-old monarchy. This spelt the end of the post-independence political system that had to some degree included Hutu and Tutsi leaders from all regions of the country, albeit in unequal proportions.

The small Tutsi élite from Bururi installed an illegitimate system concentrating powers - political, military and economic - in their hands. The marginalisation of Hutus and, to some extent, non-Bururi Tutsis, polarised the country even further. The 1966 coup d'état turned out to be the first of a long series. Others that led to regime change were staged in 1976, 1987, 1993, and 1996. Most recently, in May 2015, a group of officers also attempted but failed to seize power by force. A bloody repression ensued, plunging Burundi into its current turmoil.

The most enduring legacy of political instability in Burundi is that crimes and other injustices committed by state agents and institutions since the 1960s have never been acknowledged, let alone punished. The rule of law has been crippled, allowing political elites to still engage in bloody fights to control the state, further deepening state fragility. The failure of successive governments to acknowledge past state crimes has alienated large sections of the population, particularly the victims of such crimes.

## The Arusha Agreement

The first attempt ever undertaken to find a lasting solution to Burundi's conflict has so far been the Arusha negotiations and their outcome, the Arusha Peace and Reconciliation Agreement for Burundi—The Arusha Agreement. The negotiations brought together participants from a large spectrum including political parties, civil society, the army, the government, and the international community. They were organised in the Tanzanian town of Arusha, resulting in the Peace Agreement that was signed in August 2000, and it entered into force in November 2001.

The Agreement succeeded in bringing an end to the longest episode of civil war, between 1993 and 2003. It also allowed the current political Hutu elite,

<sup>4</sup> Hutus in Burundi were of the view that their population majority should guarantee them de facto control of power, as occurred in Rwanda in 1959, which served as their model of political leadership. In contrast, the Tutsi elite in Burundi considered the Rwandan 1959 Social Revolution as an anti-model to be prevented at any cost. Hence, all attempts by Hutus to take power by force in Burundi were mercilessly repressed, fueling constant tensions between political elites in the two groups (Nkurunziza, 2016a).

coming from the group that had long been persecuted by former regimes, to come to power after a long bloody war. In this regard, the political settlement was radical in the sense that it brought an end to the domination of Burundi's politics by the Tutsi elite since the 1930s. Considering the political imbalances that the Agreement sought to redress, it seemed to be tilted towards one group, that of the traditionally marginalised.

## **State collapse**

The new political elite found it impossible to resist the temptation of absolute power and, in some cases, the urge to avenge past humiliations, partly because of their limited political experience. Power sharing, as envisioned in the Arusha Agreement, all but collapsed as the new political leadership failed to respect the power sharing provisions reached through tough negotiations. The unravelling of the Arusha Agreement entrenched the fragility of the state, leading to its collapse.

Since April 2015, Burundi has been in a state of political violence that has led to about 1,200 deaths and rendered more than 400,000 people refugees. The economy has been hit very hard, contracting by 4% in 2015 and 1% in 2016. Projections over the medium term are bleak. Between 2018 and 2022, gross domestic product (GDP) growth is expected to vary between 0.0% and 0.5% (IMF, 2017).

The failure of Burundi's political elites to consider the implementation of the Arusha Agreement as their best chance for long-term peace and stability seems to have returned Burundi to the old path of cyclical violence. It is in this context that the current debate about bringing back stability to Burundi systematically refers to the return to the text and spirit of the Arusha Agreement.

## **Burundi's internal armed conflict**

### **State repression**

The first episode of civil war in 1965 was followed by others in 1972, 1988, 1993-2003, and from 2015 to date (Table 1). With the exception of the 1993-2003 episode, almost all the casualties of the civil war have been due to repression by state institutions.

The modalities have been the same. Leaders of the group out of power, often the Hutu leadership, try to capture it by force, prompting those in power, often the Tutsi leadership, to unleash maximum violence against the Hutu group, irrespective of individual responsibilities. State institutions such as the army, police and intelligence service carry out these repressions. Given the asymmetry of the forces on the ground, the number of victims of political repressions dwarfs the casualties caused by the initial attacks.

In 1972, a group of Hutu politicians, frustrated by the repression endured by their group in 1965 and their political marginalisation, organised a rebellion with the intention of overthrowing the Tutsi government. They killed thousands of unarmed Tutsi civilians in the Southern province of Bururi, the same region where the political elite of the time was from.

**Table 1: Characteristics of Burundi's internal armed conflict**

Characteristic	1965	1972	1988	1991	1993–2003	2015 to date
Duration (months)	2	4	2	1	120	27
Deaths (thousands)	5	200	15	1–3	300	1.2
Refugees (thousands)	0	300	50	38	687	416
Deaths & refugees to population (%)	0.2	14.0	1.3	0.7	17.1	3.8
Years from previous conflict	–	6	16	3	2	12
Provinces affected	Muramvya	Whole country	Ngozi, Kirundo	Cibitoke, Bubanza, Bujumbura	Whole country	Whole country but mostly Bujumbura

Source: Nkurunziza (2016b); Data in the last column (2015 to date) reflects the latest available information. Data on total deaths is from ACLED (2016), effective April 2016; information on the number of refugees is from UNHCR, at (<https://data2.unhcr.org/en/situations/burundi>), effective July 2017

In retaliation, Bururi-dominated government forces engaged in ferocious killings of Hutus, not just in Bururi, where the new-born rebellion operated, but across the whole country. As a result, about 200,000 innocents, mostly Hutus, were killed. By targeting almost all Hutus with some level of education, the objective, it seems, was to eradicate the Hutu political movement. Another 300,000 people were forced to flee the country as refugees. The same pattern was observed in 1988 and 1991, albeit to a more limited extent.

## Cycles of violence

The 1972 episode affected the country so deeply that it became a defining moment for future political violence. Many subsequent Hutu leaders were either former refugees who had come back to Burundi after leaving the country in 1972 as young adults, or children of the Hutus who were killed in 1972. The most prominent members of this group include the current president, Pierre Nkurunziza, who lost his father in the 1972 political repression.<sup>5</sup> Melchior Ndadaye, the first civilian president elected democratically in 1993, was a former 1972 refugee. Two of his successors, Sylvestre Ntibantunganya, and Domitien Ndayizeye, were also former 1972 refugees.

In 1993, Burundi organised the first ever democratic elections since the early 1960s. Melchior Ndadaye, a former Hutu refugee, was democratically elected. In October of the same year, after just three months in power, he was assassinated by members of the Tutsi-dominated army, triggering the longest episode of the civil war.

The assassination of the Hutu president triggered a massacre of Tutsis by their Hutu neighbours throughout the country. The reaction by members of the Hutu

<sup>5</sup> Later, during the 1993-2003 conflict, he escaped two assassination attempts before deciding to join the rebellion.

group was so swift that some have argued that it had been planned by the Hutu leadership. As in the past, the Tutsi-dominated army resorted to repression of the Hutus, but this did not end the violence. About 17% of the population were either killed or fled to become refugees.

The Hutu leadership considered that the October assassination of the Hutu president was an attempt by the old Tutsi elite to recapture the power they had just lost through the elections. For the first time, the Hutu group organised a strong rebellion that waged war for ten years. Many of its military and political leaders were orphans of the 1972 government repressions.

## **The pursuit of peace**

As the war dragged on, the international community brought together the warring parties in negotiations that culminated in the signing of the Arusha Agreement. Elections were organised in 2005, and won by the Conseil National pour la Défense de la Démocratie-Forces pour la Défense de la Démocratie (CNDD-FDD), dominated by the Hutu rebel movement.

The transfer of power to Hutu leaders, the victims of repressions by past Tutsi-dominated regimes, was greeted by many Burundians as ushering in a new political era where political violence would have no place. However, the recent past has shown that the current political elite has adopted the same practices that they decried. Many independent reports have pointed to the role of state security institutions in many acts of violence since April 2015, when the current president decided to seek a third term in office, a move considered by many as illegal. At least 1,200 people have been killed, mostly by state agents, while 400,000 people have left the country to seek refuge abroad. Scores have been tortured and thousands of Burundians are languishing in prison.

While non-state actors involved in violence are often killed during state repressions, very little has been done to identify and prosecute the state actors involved in illegal acts of violence. This has constantly been the biggest problem hindering a peaceful resolution of the cycle of violence.

Indeed, “more serious problems arise when the body responsible for threatening and causing death is - or is in complicity with - a State itself” (Whitaker, 1985, paragraph 18). The fact that state agents can kill and torture with impunity sends the message that the law applies only to the powerless. As impunity persists, today’s victims will likely seek taking justice into their own hands in the future, perpetuating the conflict.

# Regional and international dimensions of fragility

## 3

State fragility in Burundi has had important regional and international repercussions. Three different aspects are discussed: the flow of refugees to neighbouring countries and beyond; regional initiatives, as well as the involvement of the African Union and the United Nations in finding a solution to Burundi's conflict.

### Refugees

As Table 1 illustrates, the conflict in Burundi has generated a cumulative number of 1.5 million refugees. These have been concentrated in neighbouring countries, particularly Tanzania. It alone housed more than half a million refugees from Burundi at the height of the refugee crisis. Other countries that have hosted large numbers of Burundian refugees at some stage of the conflict include Rwanda - particularly in relation to the 1972 and 2015 conflicts - and the Democratic Republic of Congo (DRC).

Starting with the 1993 conflict, a sizable number of Burundian refugees have also reached faraway places, including Europe (e.g. Belgium, Netherlands, Switzerland), and Canada, most prominently. Burundian refugees are now found in every region of the world.

### Migration

The refugee question has been a sensitive political issue in the context of relations between Burundi and its neighbours. In the 1970s and 1980s, Rwanda hosted a large number of Hutu refugees from Burundi following the 1972 state repression. Since the Social Revolution in 1959, up until the genocide in 1994, Rwanda was run by politicians from the Hutu group. Burundi, in contrast, was led

by Tutsi politicians from independence until 2003, save for the period between 1993 and 1996. As a result, the Hutus who were persecuted in Burundi until 1993 considered the regime in Rwanda as friendly, so many fled to this country, particularly in 1972.

Conversely, among the Tutsis, who fled Rwanda from 1959 to the genocide in 1994, many migrated to Burundi, where the Tutsi regimes were considered friendly. Both countries perceived the presence of large numbers of their refugees - Burundian Hutus in Rwanda and Rwandan Tutsis in Burundi - as a political threat, generating tensions between the two countries. In the 1980s, the refugee issue pushed Burundi and Rwanda to the brink of war.

## **Political tensions**

Political fortunes in the two countries have reversed. From 1994 onwards, Rwanda has been led by members of the Tutsi group, while a Hutu elite has been at the helm of Burundian politics since 2005. Relationships between the two regimes were friendly until 2015, when scores of Burundian refugees started to flee to Rwanda after the eruption of violence in April 2015. Several opposition leaders, army officers, civil society leaders, journalists, business people, professionals, as well as normal citizens went to Rwanda to seek refuge.

Allegedly, some officers who were involved in a May 2015 foiled coup in Burundi fled to Rwanda. As a result, Burundi has been openly accusing Rwanda of harbouring its enemies and training them to overthrow the current government in Burundi, which Rwanda has vehemently denied. Political tensions are so high that trade between the two countries has been suspended.

The DRC has also been drawn into Burundi's conflicts. In 1972 for example, the group that attacked the Southern part of Burundi came from DRC, then called Zaire. Until today, the unruly and mountainous Eastern part of DRC is said to host Burundian rebels, alongside many other rebellions. Consequently, the Burundian army has been crossing the border into DRC in pursuit of these groups, causing frictions between Burundian and DRC governments.

## **Tanzania**

Tanzania has traditionally hosted the largest number of Burundian refugees over the decades of conflict. The largest number of refugees went to Tanzania in 1972 and during the 1993-2003 conflict. Interestingly, tensions between Burundi and Tanzania over the refugee issue never were as high, as compared to the case of Rwanda, despite Tanzania hosting more refugees than Rwanda.

The 1993-2003 rebellion that later came to power in Burundi used rear bases in Western Tanzania, particularly in Burundian refugee camps. The Tutsi-dominated government of Burundi had long suspected Tanzania of being pro-Hutu, especially during the Arusha negotiations that were facilitated by Julius Nyerere, former president of Tanzania (Boshoff, 2010). Despite this suspicion, the negotiations took place and were concluded in Tanzania, partly under the facilitation of a Tanzanian political leader (see discussion below).

## The international community

Beyond the African region, the refugee issue associated with the current political crisis has caused serious diplomatic frictions between Burundi and Belgium, the former colonial power. The latter has also attracted the wrath of the government of Burundi for hosting a number of prominent refugees from Burundi.

Diplomatic relations between the two countries reached an all-time low when both governments recalled their respective ambassadors. The government of Burundi accuses Belgium of being behind the drive to freeze international aid to the country. Being the main donor to Burundi in terms of bilateral aid, the freezing of Belgian direct aid to the government of Burundi has increased the country's state and economic fragility.

Beyond Europe, Canada has received large numbers of refugees from Burundi, predominantly starting with the 1993-2003 crisis. In light of the acceptance rates of applications from Burundi citizens for refugee status in Canada in 2016 being high, combined with a high volume of cases, Canada included Burundi in the group of countries for which the processing of cases is expedited (as of 1 January 2018). Burundi joins Afghanistan, Egypt, Eritrea, Iraq, Syria, and Yemen.<sup>7</sup>

## African-led peace negotiations

### The Arusha negotiations

The conflict in Burundi has involved prominent African leaders who have invested their personal and political capital into helping to find a permanent solution. As stated earlier, the Arusha negotiations were the first serious attempt by Africans to find a lasting solution to Burundi's political problem. Julius Nyerere, former president of Tanzania and a highly respected international figure, facilitated the negotiations until his death in 1999. Thereafter, another highly respected African statesman, Nelson Mandela, former president of South Africa, took over the negotiation process.<sup>8</sup>

This exceptionally high caliber of chief facilitators to the negotiations drew the attention of the international community to the crisis in Burundi. At the signing of the Arusha Agreement in August 2000, international personalities, including Kofi Anan, Secretary-General of the United Nations, were present to show their support.

The Arusha Agreement had shortcomings, as highlighted in Nkurunziza

<sup>7</sup> Immigration and Refugee Board of Canada (2018). Expedited Processing of Refugee Claims by the Refugee Protection Division. Accessible: <http://www.irb-cisr.gc.ca/Eng/NewsNouv/info/Pages/expedited-processing-refugee-claims.aspx>

<sup>8</sup> For a detailed analysis of these negotiations, including the reasons why they took place, as well as their shortcomings, see Nkurunziza (2016a). It is worth noting that unlike the previous four episodes of the conflict in Burundi, the 1993-2003 episode overlapped with the genocide in neighbouring Rwanda, where the international community failed to act to stop the killings. It is possible that collective guilt might have prompted the international community to do something in the case of Burundi.

(2016a). However, it formed a basis on which a credible and inclusive political system in Burundi could be built. In its opening paragraphs, the Arusha Agreement acknowledges that its signatories are “Aware of the fact that peace, stability, justice, the rule of law, national reconciliation, unity and development are the major aspirations of the people of Burundi” and that the signatories are “Determined to put aside our differences in all their manifestations in order to promote the factors that are common to us and which unite us, and to work together for the realization of the higher interests of the people of Burundi”.<sup>9</sup>

## **National Truth and Reconciliation Commission**

In the Arusha Agreement, national reconciliation is the cornerstone of peacebuilding. It calls for the establishment of a National Truth and Reconciliation Commission with the following main mandate: investigate the killings and all human rights abuses committed; arbitration and reconciliation; clarification of history to offer one reading of Burundi’s history (Protocol I, Article 8). The period to be covered is from independence on 1 July 1962, to 4 December 2008 (Protocol I, Article 6).

## **Implementation**

The Arusha Agreement has valuable provisions if implemented objectively. In his analysis, Nkurunziza (2016a) shows that the implementation has been selective, favouring provisions that are in the interest of the different ruling elites. Some of the most important provisions of the Agreement, such as the creation and facilitation of a credible National Truth and Reconciliation Commission, were never taken seriously.

A possible reason is that none of the successive regimes entrusted with the implementation of the Arusha Agreement had interest in revisiting a past where their own crimes might come to light. All the elites that have ruled the country seem to benefit from “historical silences” (Lemarchand, 2002). The decision of the ruling party in 2015 to field the same candidate for a third presidential term, which seems to violate the Arusha agreement, is another illustration of the selective approach to the implementation of the Arusha Agreement.

## **International involvement**

### **Muted reactions**

Overall, the involvement of the international community in addressing Burundi’s state fragility has been wanting. The 1965 conflict was considered as a simple local conflict, attracting little interest from the international community. In

<sup>9</sup> Arusha Peace and Reconciliation Agreement for Burundi (2000). Accessible: [http://peacemaker.un.org/sites/peacemaker.un.org/files/BI\\_000828\\_Arusha%20Peace%20and%20Reconciliation%20Agreement%20for%20Burundi.pdf](http://peacemaker.un.org/sites/peacemaker.un.org/files/BI_000828_Arusha%20Peace%20and%20Reconciliation%20Agreement%20for%20Burundi.pdf)

1972, despite the large-scale nature of the killings that decimated the Hutu intelligentsia, the reaction of the international community remained muted.<sup>10</sup>

The international community seems reluctant to act forcefully in extreme cases of violence, as observed in Rwanda in 1994. Moreover, in Burundi in 1972, the then Tutsi-led government that was responsible for the massacres engaged in a diplomatic crusade across the world to thwart any serious condemnation of the violence and potential intervention by the international community.

## Commission of inquiry

A muted response to grave violations of human rights in Burundi was not limited to 1972. After the assassination of the Hutu president in 1993 that triggered the 1993-2003 civil war, it took two years (28 August 1995) for the United Nations Security Council (UNSC) to approve Resolution 1012, requesting the Secretary-General to establish an international commission of inquiry to:

“establish the facts relating to the assassination of the President of Burundi on 21 October 1993, the massacres and other related serious acts of violence which followed” and to “recommend measures of a legal, political and administrative nature, as appropriate, after consultation with the Government of Burundi, and measures with regard to the bringing to justice of persons responsible for those acts, to prevent any repetition of deeds similar to those investigated by the commission and, in general, to eradicate impunity and promote national reconciliation in Burundi” (USIP, 2004).

The commission produced a damning report. High-ranking officers from the army and other senior politicians were identified by name as being involved in the assassination of the president and fueling the violence that ensued. These individuals refused to cooperate with the commission and, in the end, none were held to account.

## The United Nations

The UNSC’s failure to hold to account those responsible for such serious crimes provoked doubts about the willingness of the international community to help bring justice to Burundi. The United Nations helped with a peacekeeping mission that supported the transition to the current regime. This was useful but insufficient in realizing lasting peace. As the point is made below, Burundi needs a long and well-funded international presence that should oversee the establishment of a more resilient political and economic system.

Recently, since the eruption of violence in April 2015, the United Nations has debated the case of Burundi several times, both in the Security Council and the Human Rights Council. Fact-finding missions have been sent to Burundi and neighbouring countries. They have all come up with the same results, attesting to grave and widespread violations of human rights committed by government forces and, to a lesser extent, opposition groups.

<sup>10</sup> Later, the 1965 and 1972 episodes of violence were acknowledged as cases of genocide (Whitaker, 1985).

## International diplomacy

The situation in 2015 was judged to be so grave that the African Union's Peace and Security Council voted to send a 5,000-strong peacekeeping force into Burundi in December 2015. The government of Burundi opposed this move and in January 2016, the African Union backtracked on its pledge. In July 2016, the UNSC voted to send a modest police force of 288 officers to Burundi to monitor the situation. The government of Burundi refused to cooperate, claiming that its own national police force had the situation under control.

The exercise of international diplomacy, at least as recently applied to Burundi, has failed partly due to its internal contradiction. Why should international intervention be subjected to the agreement from the same "holders of despotic political power" (Toynbee, 1969) who are committing the very crimes the international community seeks to end? What incentive does such a regime have to allow into its territory a force that is perceived as coming to destroy it?

Distressed populations in Burundi have learned from this experience that the 'Duty to Act' and 'Commission by Omission' principles of international criminal law cannot be considered as a reliable source of justice. On the other hand, political powerholders in the country have learned that they can defy the international community by easily thwarting international intervention. This bodes ill for peacebuilding in Burundi.



# Strategies and policy choices that feed state fragility

## 4

As discussed above, political and economic fragility in Burundi are not inevitable consequences of the country's destiny. On the contrary, they are results of choices made by ruling elites who have favoured policies that serve their personal interests rather than those of the population at large. This section illustrates how state institutions have systematically been captured to promote and protect the interests of the ruling elites, deepening state fragility.

## Civil service and security fragility

### Political capture

The role of the civil service is to support the government in the efficient design and implementation of policies. In Burundi, however, to varying degrees, different regimes have used employment in the civil service as an opportunity to reward their faithful followers with positions of influence. Moreover, as an extension of executive power, the civil service has been organised in such a way that power remains in the hands of the "right" people, who would not use their positions to challenge the government of the day.

From the mid-1960s until the early 2000s, most positions of influence within the civil service were in the hands of people from the Southern province of Bururi, the cradle of the political leadership of that period. This influenced wealth distribution, given that the state has traditionally been the major employer in Burundi (Ngaruko and Nkurunziza, 2000). The allocation of public goods was also skewed in favour of this region. For example, most of the country's best schools and best teachers were concentrated in Bururi, an otherwise remote region (Nkurunziza, 2012). Privileged access to education in this region had a long-term effect on wealth, since access to quality education leads to better jobs with higher pay (Pritchett and Filmer, 1999).

The coming to power in 2005, of a traditionally marginalised Hutu elite,

does not seem to have fundamentally changed the practice of political capture initiated in the mid-1960s. Influential positions in the public service, the army, police and intelligence services, have changed hands in favour of members of the CNDD-FDD, the party in power. Many experienced and competent civil servants have had to cede their positions to people with limited or no capacity to carry out the functions associated with their positions, not just to reward CNDD-FDD members for their loyalty, but to also ensure that the administration is in the “right” hands. The result has been a generalised weakening of state institutions and widespread corruption.

## **Illegitimacy and power**

Firm control of security institutions by a military-political group ensures that potential threats to power are kept in check. This was illustrated by the brutality of the army, police and intelligence services, when dealing with the foiled coup of May 2015, and subsequent unrest. Thousands of people have been killed, tortured, or abducted by the country’s security apparatus, while close to half a million people have fled the country. Traditionally, illegitimate regimes in Burundi have solely relied on their repressive security apparatus to remain in power.

To ensure the loyalty of security institutions, politicians have purged the army, police and intelligence services of most of their old members, replacing them with new ones who are more malleable and answerable to the ruling party. Thanks to the Arusha Agreement, the police and intelligence services were deeply reformed from the outset since the coming to power of the new regime in 2005. They have been dominated by elements from the Hutu rebellion ever since.

Reforming the army generally followed the provisions of the Arusha Agreement, as it was already well-structured, unlike the police and intelligence services. The new regime also understood the risk of brutally dismantling the army to install its own members. But maintaining the status quo was not a viable option.

One key provision of the Arusha Agreement was to ensure that there were 50% Hutus and 50% Tutsis in security institutions. Considering the traditional dominance of these institutions by Tutsis, restructuring them implied injecting a large number of Hutus, and sending a number of Tutsis into early retirement. This was the first big pay-back opportunity for former Hutu rebels and other members of the new ruling elite. Hence, a slow “restructuring” process was set in motion, putting loyalists in key positions and sidelining the old guard, one by one.

As a result of the restructuring, a large number of former combatants, with insufficient military and general training, suddenly became very senior members of the army. Many former rebels in their early 30s became generals, an age at which those who went for formal training through Burundi’s officers’ academy would be lieutenants or captains (Nkurunziza, 2016a). As expected, this policy caused frictions within the army, but discontent was contained for several years.

The destructive effect of this policy became apparent in the 2015 political instability. The witch-hunt that followed the foiled coup targeted members of the traditional army who were perceived to be sympathetic to the Tutsis, accused of seeking to overthrow the regime. Many were killed and several high-ranking officers fled the country. The army, namely its command structure, is now

dominated by former rebels who were integrated in it after 2005, defeating the letter and spirit of the Arusha Agreement that provides for a balanced representation (ICG, 2016).

## **Feeding state fragility**

These transformations, combined with a selection system guided by an obsession to ensure that the security apparatus remain loyal to the individuals - not institutions - controlling political power, have weakened the security sector in Burundi. The recent instances of human rights violations, observed particularly since 2015, might partly be attributed to the lack of professionalism of security actors. As observed above, the situation will only worsen if the isolation of the political leadership persists. As has been the case under past regimes, resorting to violence risks becoming the only instrument that political leaders can use to stay in power.

## **Economic fragility**

### **State rent extraction**

Control of political power by a small group has a strong economic motivation: the control of “rents to sovereignty” (Ngaruko and Nkurunziza, 2008), as noted above. In Burundi, he who controls political power also controls economic power. In a country where the private sector is rudimentary, most of the rents are concentrated in the public sector where they are extracted through corrupt practices, including the awarding of public contracts. “To become rich in Burundi, you need a government contract” (ICG, 2012, footnote 59).

All regimes have considered the public sector as a source of rents to be shared among family members and loyal followers. In this light, appointments to some positions are considered strategic, not for the prestige they procure, but for the opportunities for corruption they offer. For example, positions from where one controls the allocation of government contracts, are held by individuals who are trusted members of the small political elite running the country because of the pecuniary opportunities associated with the function. Hence, some have characterised Burundi’s conflict as largely distributional (Ngaruko and Nkurunziza, 2000, 2008; Nkurunziza, 2012).

The management of state firms created in the late 1970s and 1980s illustrates Burundi’s extractive system. About 100 state-owned firms were created between 1977 and 1982. They operated in sectors such as retail, telecommunications, tourism, and manufacturing. These were among the country’s largest firms. On average, state firms were more than four times the size of the average firm created in the private sector during the same period, or more than seven times the average size of firms in operation in 2010 (Nkurunziza, 2016b).

These firms were managed by civil servants - not business people - belonging to the ruling elite. They had no business skills, as their primary objective was to generate and distribute rents among the ruling elite and their associates. To

do so, they used selective employment targeting members of the ruling class and their associates, and offered generous packages to their employees, even though most of these firms never made a profit.

## Corruption and mismanagement

To continue operating, every year, state firms absorbed a large share of the government budget in the form of subsidies. For example, in 1995, state firms recorded a net loss equivalent to 6% of GDP or 14% of government revenue, excluding grants. These amounted to transfers from the population to the ruling class and their allies. Mismanagement led most of these firms to failure in the 1990s and 2000s (Nkurunziza, 2016b). These large state firms benefited the individuals who ran them and their associates at the expense of society at large.

Recently, similar practices have emerged in other sectors. There is anecdotal evidence that state contracts are allocated without any competition to a handful of individuals working with or on behalf of powerful politicians or generals. Several mining contracts<sup>11</sup> have been signed in total secrecy with the public having not a shred of information on the terms of the contracts.<sup>12</sup>

Moreover, in 2011, OLUCOME, a local anti-corruption organisation, purported to have evidence about 50 persons who it claimed had embezzled up to 80 million US dollars. According to the non-governmental organisation (NGO), this information was compiled from cases analysed by the NGO itself, as well as state institutions such as the State's General Audit Service, the Police, and the Anticorruption Court.<sup>13</sup> The NGO implied that the authorities have been aware of these cases but unwilling to act, most probably because some influential figures might be among those involved.

International institutions have also ranked Burundi as one of the most corrupt countries in the world. According to the index of perception of corruption compiled by Transparency International, Burundi is ranked 159th out of 176 countries surveyed in 2016.<sup>14</sup> As a result, corruption and mismanagement represent another important dimension of state fragility in Burundi.

<sup>11</sup> Contrary to widespread opinion, Burundi is very rich in minerals, including some of the world's largest deposits of nickel, gold, coltan, and rare earth metals.

<sup>12</sup> See for example, a detailed article by a local anti-corruption NGO, OLUCOME, on several irregularities surrounding the granting of a mining license to the Musongati Mining operation (2014). Accessible (French): [http://olucome.bi/IMG/pdf/lettre\\_au\\_president\\_republique\\_pierre.pdf](http://olucome.bi/IMG/pdf/lettre_au_president_republique_pierre.pdf).

<sup>13</sup> See: [http://www.arib.info/index.php?option=com\\_content&task=view&id=3546](http://www.arib.info/index.php?option=com_content&task=view&id=3546)

<sup>14</sup> Transparency International (2016). Accessible: [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2016](https://www.transparency.org/news/feature/corruption_perceptions_index_2016)

# Economic consequences of state fragility

## State fragility in Burundi

### 5

#### Slow growth

The permanent state of political instability has not allowed the country to focus on economic development. Given the recurrence of the conflict (see Table 1 in Section 2), any economic progress that is achieved between two episodes of conflict is undone by the next conflict. As a result, political fragility has led to economic fragility.

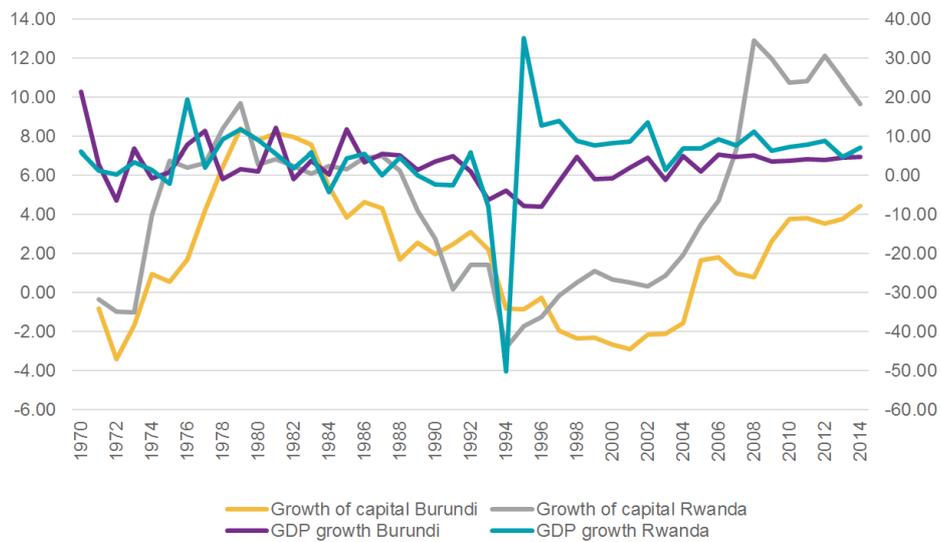
#### Capital accumulation and GDP growth

One indicator of economic fragility is the slow rate at which Burundi accumulates physical capital. As illustrated in Figure 1, during periods of conflict, physical capital is destroyed or not maintained, explaining the slow and mostly negative rates of capital accumulation. In turn, a small stock of capital slows economic growth, and growth rates remain slow as the conflict persists. It is against this backdrop that Burundi's GDP per capita has been declining since the early 1990s.

Consequently, Burundi has one of the highest incidences of poverty in Africa. In 2013, 75% of Burundians were considered poor, as their daily income was less than US\$1.9, measured in 2011 Purchasing Power Parities (PPP). This rate of poverty is almost twice the African average of 41% of the population in the same year.<sup>15</sup>

<sup>11</sup> World Bank (2017). PovCalNet. Accessible: <http://iresearch.worldbank.org/PovcalNet/povOnDemand.aspx>

**Figure 1: Annual rates of GDP growth (right axis) and capital accumulation (left axis): Rwanda and Burundi (percentage changes)**



Source: Data on GDP growth from UNCTADstat, UNCTAD's database. Data on capital stock computed by Nkurunziza (2017).

Figure 1 illustrates the economic cost of political fragility. In Burundi, GDP contracted by 6.4% in 1972, the first time the conflict affected the whole country. When another big conflict broke out in 1993, GDP growth contracted by 6% and remained negative, or oscillated around zero, for most of the years until the mid-2000s.

Owing to the very low GDP growth rates, the trend of Burundi's GDP per capita has never recovered from its collapse in the early 1990s. Similarly, its stock of capital contracted by 3.4% in 1972. Moreover, during the conflict of the 1990s, the stock of capital contracted continuously for ten years, between 1994 and 2004. Thereafter, at least until the late 2000s, the rate of capital formation remained weak, illustrating what has been identified as the absence of a peace dividend in Burundi (Nkurunziza, 2016a).

### Comparative analysis: Rwanda

To put the case of Burundi in perspective, it is compared with Rwanda, a realistic counterfactual for Burundi. In 1994, GDP collapsed by half because of the genocide. However, the recovery was swift. Between 1995 and 2014, annual GDP growth averaged 9.75%. In Burundi, average GDP growth during the post conflict period - between 2004 and 2014 - was only 4.1%, less than half of the rate in Rwanda. This rate was also lower than the rates in other African post-conflict settings such as in Sierra Leone (7.5%), and Mozambique (7.4%), for example. Capital formation in Rwanda followed the same pattern as GDP growth. Between 1995 and 2014, the average annual rate of capital formation was 4.9%, twice the rate in Burundi's post-conflict period, where it was only 2.3%.

Rwanda's recovery and economic success since the mid-1990s may be

considered as an illustration of the “phoenix factor” hypothesis, whereby devastated economies are transformed into more efficient and competitive systems. This is thanks to a process of post-conflict rebuilding that relies on better resources and the most up to date technologies. The fact that the Rwandan state had collapsed as a result of the genocide implied that the country had to rebuild its institutions from scratch. This might have been easier than having to operate in a context where pre-existing institutions that had led to the genocide would constrain the reform process. In contrast, Burundi’s failure to emerge out of its fragilities seems to illustrate the “war ruin hypothesis”, which posits that armed conflict destroys a country’s economy and institutions and that post-conflict reconstruction is very costly and messy (Nkurunziza, 2017).

Slow economic recovery in Burundi means limited opportunities “to reinsert its large number of ex-combatants and returnees from exile, and offer jobs to its youth. Most particularly, ex-combatants needed economic opportunity in order to help them pursue a peaceful path” (Nkurunziza, 2016a). The absence of a strong peace dividend, combined with the breaking down of the rule of law, as discussed earlier, make war a tempting option for the youth in Burundi.

## **Undeveloped private sector**

Weak capital formation resulting from weak private investment have contributed to keeping the private sector in a rudimentary state. As discussed earlier, private sector development has never been the priority of political leaders, whose main interest has been to extract rents from the public sector that is under their direct control.

### **Private sector corruption**

To some extent, rent extraction has extended to the private sector, by virtue of the latter’s relationship with political spheres. Many actors in the private sector are surrogates of politicians or people with strong political connections who use them to obtain public contracts, the main source of economic opportunities in a country where the state is the main economic agent. As a result, when regimes change, many old private sector actors go out of business as they lose access to public contracts and other associated rents, such as access to foreign currency at overvalued official exchange rates. Members of a new political class therefore install their own proxies in the private sector.

### **Firm growth**

The politicisation of business extends political fragility to the private sector, preventing it from growing and consolidating over time. Hence, the private sector is dominated by very small firms with a median size of seven permanent workers per firm. A census of formal firms carried out in 2010, with data covering the year 2007, found that micro firms (those with less than 5 full time workers) represented 34% of total firms, while small firms (those with 5 to 19 full time workers) represented 46% of the total number of formal firms. Therefore, micro and small

firms represented 80% of all formal firms in Burundi in 2007 (Nkurunziza, 2016b).

The main issue is not that firms are small, but that they do not have the opportunity to grow due to the challenging political and economic environment they operate in. As the literature on industrial organisation in developing countries has shown, small firm size has negative implications for firm resilience, access to resources, productivity and welfare. Moreover, firms in Burundi are not only small, but also limited in number. The same census found that in 2007, Burundi had only 1361 formal firms. This suggests a ratio of about 1.5 firms for every 10,000 people.

## **Assets and demand**

In addition to the weakness of the private sector, political instability has had a devastating effect on firms through the destruction of assets and plummeting demand. There is no recent data in Burundi that has attempted to measure more directly these two effects. The only attempt that seems to have been made, was a survey of a sample of 84 firms in 1994, one year into the 1993-2003 episode of civil war. It showed that only 45% of the firms had kept their pre-crisis size or reduced by less than 10%. About 15% of firms shrank by 10 to 25%, and 21% of them contracted by more than 25%.

It was also found that commercial banks' short-term lending to firms in the form of working capital increased from 62%, to 78% of total lending to the private sector, just a few months after the beginning of the 1993 conflict. At this time, firms were struggling to remain afloat in a very difficult business environment (Nkurunziza and Ngaruko, 2002).

During the political crisis that started in 2015, several businesses curtailed their activities for security concerns. Mainly in the second half of 2015 and early 2016, security in Bujumbura was so precarious that firms' opening hours were reduced or simply closed. As tourists and business travelers stopped travelling to Burundi due to insecurity, hotels and, to a great extent, restaurants, as well as related activities, were among the most affected sectors. Moreover, many businesses have been forced to shut down or curtail their activities following the killing or fleeing of their owners. Foreign direct investment (FDI), which was small even before the crisis, has all but collapsed, with the exception of some mining contracts that are shrouded in secrecy, as referred to earlier.

## **Risk and unpredictability**

Political instability has caused macroeconomic instability, which has in turn compromised the health of firms and the economy.

As shown in Figure 2, inflation has been generally high, particularly during episodes of conflict. During the longest period of instability, between 1993 and 2003, inflation was, on average, 15% per year, peaking at 31% in 1997, and dropping to an average of 10% per year after the war (between 2004 and 2014). The average lending interest rate was 16.4% between 1993 and 2003. High inflation and high interest rates, in an environment of slow economic growth, dampened domestic and foreign investment, and long-term economic growth.

**Figure 2: Macroeconomic instability and economic performance**



Source: World Development Indicators.

## Financial constraints

Burundi has very limited fiscal space that shrinks even more during periods of political instability. It relies on two major sources of financing: tax revenue and official development assistance (ODA), including concessional loans. Comparable data on tax to GDP ratios of African countries is sparse, and data coverage is uneven across countries.

### Tax revenue

According to available data, Burundi's tax to GDP ratio is 14%, on average, well below the African average of 18%.<sup>16</sup> This particularly low level of tax revenue reflects low compliance, poor fiscal governance, and low state capacity. With respect to low compliance, tax evasion and widespread discretionary tax exemptions in favour of politically-connected individuals have been identified as representing an important loss of fiscal revenue.

There are three types of tax exemptions:

1. Granted by law or through adherence to an international agreement, such as duty-free imports by international organisations or imports relating to aid projects.
2. Exemptions in Burundi's investment code, designed to attract investment.
3. Discretionary exemptions granted by authorities.

In 2012, for example, total exemptions represented about one-fifth of the total revenue collected by the Office Burundais des Recettes (OBR) - Burundi Tax Authority - during the same year (Holmes et al., 2013). Not all the exemptions are

<sup>16</sup> This average is based on a limited number of observations so should be taken with caution.

illegal. Of the three types, discretionary exemptions are the most problematic as they are prone to abuse. Even though they are granted by authorities vested with this power, their legitimacy may be questionable when their objective is to benefit specific individuals in their private capacity, with no positive effect on society.

Investment-related exemptions have also been abused by so-called investors who end up selling at full price their duty-free imports that are supposed to be part of their capital investment, most of the time with the complicity of some leaders. These practices take place either with the complicity of the authorities tasked with overseeing the use of exemptions or because they have limited follow-up capacity or competence to establish that exemptions are used as legally intended. As noted by a former head of OBR, the first to head the institution, the capacity and competence of staff dealing with revenue collection needs to be developed over time (Holmes et al., 2013). Directing external aid to the development of domestic resource mobilisation could be an efficient way of using foreign assistance, as the example of Rwanda has shown.

## Untapped resources and poor state capacity

Capacity building and improvement in economic management, including fiscal policy, as well as all areas of public sector management, will help the country realise its economic potential. Burundi has been wrongly described as a resource-poor country: it is instead a “resource-untapped” country with considerable economic potential.<sup>17</sup> However, its weak state institutions are not conducive to development.

Indeed, Burundi’s overall Country Policy and Institutional Assessment (CPIA) score has systematically been below the African average over the last ten years, despite some improvements in specific sectors. In 2016, economic management, and public-sector management and institutions, were the lowest performing clusters relative to the Sub-Saharan average. These two clusters also regressed in comparison with their values in 2008.<sup>18</sup> Addressing low state capacity should be a policy priority.

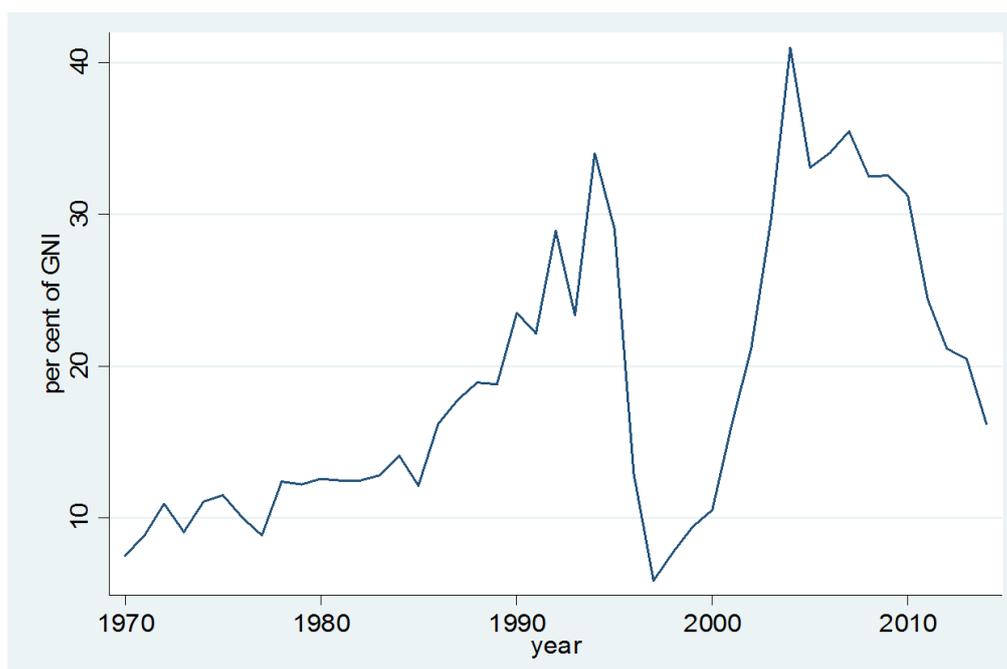
## External aid

Burundi’s financial resource envelope has also been affected by movements in aid flows, as summarised in Figure 3 below. Data covering the period between 1970 and 2014 shows that on average, Burundi recorded aid inflows amounting to 19% of its Gross National Income (GNI) per year, a value that is 73% higher than the African average of 11%.

<sup>17</sup> The country has good arable land, high-quality coffee and tea, Lake Tanganyika, and minerals such as nickel, cobalt, gold, and rare earth metals.

<sup>18</sup> World Bank (2016). Burundi: Quick Facts, Country Policy and Institutional Assessment. Accessible: [http://documents.worldbank.org/curated/en/891501500349324004/122290272\\_201706200032524/additional/117514-REVISED-96p-WB-CPIA-Report-July2017-ENG-v16.pdf](http://documents.worldbank.org/curated/en/891501500349324004/122290272_201706200032524/additional/117514-REVISED-96p-WB-CPIA-Report-July2017-ENG-v16.pdf)

Figure 3: Aid as a percentage of Gross National Income (GNI)



Source: Based on data from World Development indicators

As Figure 3 shows, aid flows have been highly unstable. One important feature of aid disbursements to Burundi is that external aid has been used by donors as a tool to influence the behaviour of political leaders at different stages of the country's political trajectory. Aid started to increase substantially in the second half of the 1980s, as Burundi adopted structural adjustment measures, serving as an incentive to reform the economy. From around 12% of GNI in the first half of the 1980s, the adoption of structural adjustment in 1986 led to the doubling of aid, reaching 29% of GNI in 1992, and 34% in 1994.

From 1996 to 2000, external aid dried up as a reaction to a military coup carried out in July 1996, during the 1993-2003 civil war. A few days after the July 1996 coup, Burundi was put under a total economic embargo and most of its donors suspended their assistance to the country. This explains the drop in aid from 29% of GNI in 1995, to 13% in 1996, and 6% of GNI in 1997. This move was intended to force the coup plotters to cede power back to elected civilians. But it had a devastating impact on the economy and social sectors.

The recovery of aid flows started in 2001, in response to the signing of the Arusha Agreement by Burundian warring parties, and its entering into force in November 2001. This heralded a new rapprochement between Burundi and the international community, as the change in leadership was seen in Burundi and by the international community as heralding a new political era of peace and prosperity in the country.

As a result, during its first term, the new regime that came to power in 2005 enjoyed very high levels of external aid. Aid flows dropped after the 2010 elections that were boycotted by the opposition, claiming that mass fraud had taken place. Worse still, although no figure on aid flows after the 2015 contested elections is available, it is likely that the ratio of aid to GNI has dropped back to its values during the embargo of the

1990s.

Indeed, all major traditional donors, including Belgium, the Netherlands, and the European Union - the latter being main donor to the country (it had pledged to disburse 432 million Euros between 2014 and 2020) - have suspended direct aid to the government of Burundi as a way of forcing the leadership to adopt a more democratic stance. The reduction of aid has severely affected the economy, as a large part of the government's budget, and most development projects, are funded through external aid.

The drying up of external aid led to a massive devaluation of the Burundi franc, and the reappearance of an active black market for foreign currency, at a time when the official and parallel markets had but converged. One dollar was trading for about 1700 Burundi francs in May 2015, but it is now trading for about 2750 Burundi francs. This represents a devaluation of about 62% in a period of two years.

Other consequences of the drastic reduction in external aid are a collapse in public and private investment, and a drop in spending on social sectors, particularly health and rural development. In late 2015, The World Bank noted that the 2015 crisis was "turning a decade of good economic performance to a macroeconomic collapse."

# Conclusion

## Lessons

### 6

#### Violence as a tool

This discussion on state fragility in Burundi has shown that fragility has been narrowly associated with extreme political violence. The latter has been used by different regimes to repress groups perceived to threaten their hold on power, precipitating the whole country into civil war. Even though political violence in Burundi has its roots in “divide and rule” policies introduced by the Belgian colonial power, the persistence and recurrence of fights between political elites from the two major groups, the Hutus and Tutsis, reflects the failure of Burundi’s post-colonial leaders to come to terms with these divisive policies.

#### Unity, law, and legitimacy

It was the duty of politicians to re-instill into Burundians the sense of unity that had characterised them centuries before the colonialists came to the country, late in the 19th century. On the contrary, all the regimes that have ruled the country since its independence in 1962 have, to different extents, exploited the imagined differences between the country’s two major groups as a strategy to keep a tight control on political power and its spoils. The illegitimacy of these regimes has forced the ruling elites to rely on violence as the only way of staying in power, further compounding the fragility of the state.

The absence of the rule of law has been at the heart of the country’s persistent insecurity. The use of state institutions as instruments of repression and the absence of checks and balances in the way power has been exercised have alienated most Burundians from their political leaders. Some victims of state violence have also resorted to violence, either as a survival strategy – killing before you get killed – or as a way of avenging past crimes. The most prominent members of the current leadership, who came to power in 2005, owe their ascent to power to this strategy. One important lesson from this experience is that the cycle of violence will likely continue, unless its root causes, particularly the absence of the rule of law, are addressed.

## **Constraints on truth and reconciliation**

Responsibility for past crimes must be established, and those responsible must be prosecuted to allow the victims to reach some form of closure. This was at the heart of the Arusha negotiations and the Arusha Agreement. However, this aspect of the Agreement, one of the most important for peacebuilding, has not been implemented.

The difficulty to serve justice arises from an incentive compatibility constraint: past and current political leaders who are expected to make justice possible might also be among the prime suspects. In this case, to make justice possible, a third party is needed: the international community should play a prominent role in this process. But judging by experience, there is little chance that the international community will successfully help Burundi become peaceful, unless it becomes more forceful in its engagement. It is not satisfactory that interventions of the international community, whose mission is to end reprehensible actions by the government, must rely on the goodwill of the same illegitimate regime.

## **Failure to intervene**

Burundi can be considered as a test case as far as international intervention is concerned. The failure to intervene in Burundi, a small African country, might have been interpreted by illegitimate leaders elsewhere as permission to defy the will of their people and get away with it. The failure to act has dented the moral authority of the international community, which might restrict its capacity to act elsewhere.

## **Prospects**

Three steps are essential for Burundi to break out of the cycle of violence and state fragility:

### **1. Affording justice**

The country's post-colonial history has shown that there will be no long-term stability without justice. As provided for in the Arusha Agreement, the country has no choice but to revisit its violent past and dispassionately rewrite the country's recent history more objectively. In doing so, the country's leaders should not shy away from establishing responsibility for past crimes and ensuring that the victims feel that justice has been served. The argument that re-opening past wounds would not be appropriate misses the point that such wounds have never healed and will not heal unless "historical silences" are broken as they do not serve the victims.

### **2. International intervention**

As discussed above, judging by the past, it is not realistic to expect that Burundian leaders will have the incentive or moral force to revisit the country's

violent history on their own. The Arusha Agreement provided a good framework, but different governments post-Arusha, shied away from implementing this provision of the Agreement.

Therefore, *only neutral international actors appear to be the right actors who can help the country move forward*. They will need to work hand in hand with neighbouring countries, particularly from the East African Community, who have strong influence on the leaders of Burundi. Regional and international cooperation could, if necessary, force the leaders of Burundi to adopt and implement a roadmap for peace and development. Such a roadmap could be based on the Arusha Agreement or its variant.

### **3. Peacebuilding**

It is also crucial to have an external guarantor for post-conflict institution-building. Entrusting the implementation of the Arusha Agreement to the government of Burundi, with its history of weak and poor governance, without any monitoring mechanism proved to be a bad strategy. It is time to consider entrusting this role to an external institution to oversee the implementation of an agreement reached by the parties.

A clear and reasonable implementation timeline should be agreed on, with the possibility of evaluating progress periodically. Building a democratic culture and strengthening the rule of law would be at the core of this project. Critics who would argue that this approach would put Burundi under the tutelage of a foreign institution should admit that other “more reasonable” approaches have been tried and failed. The Arusha Agreement is a case in point.

### **Going forward**

These solutions will require sustained external financial assistance. Indeed, it will be more worthwhile investing in Burundi’s long-term peacebuilding than bearing the costs of its fragility. As discussed above, the cost of civil war in Burundi includes half a million deaths; 1.5 million refugees; development impediments such as malnutrition, poverty, and other ills associated with civil war; as well as the destruction of human and physical capital. The conflict has also had impactful negative spillovers, including the cost of caring for refugees in neighbouring and faraway countries. It would be financially less costly to build a conflict-resistant society than regularly pay the cost of a recurring conflict.

Special attention should be devoted to building a stronger and more resilient economy. Most pressingly, it is important to develop the private sector to create opportunities for sustainable and peaceful livelihoods for more Burundians. This would aid in diversifying individuals’ pursuits beyond political leadership and the civil service, diluting the benefits of controlling the state and rents to sovereignty. In the reconstruction process, frontloading resources can build the foundations of a stronger economy and generate a peace dividend, by incentivising those who may be seeking revenge to pursue more peaceful ambitions.

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## 7

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