Table of Contents:

[**Preface:** 1](#_Toc457222025)

[Problem-formulation: 2](#_Toc457222026)

[Puzzle: 2](#_Toc457222027)

[Disentangling the problem-formulation: 2](#_Toc457222028)

[A note on me: 2](#_Toc457222029)

[Abstract: 2](#_Toc457222030)

[**Introduction:** 3](#_Toc457222031)

[Research design: 4](#_Toc457222032)

[Methodical approach: 4](#_Toc457222033)

[**The Social Contract:** 5](#_Toc457222034)

[Establishing the concept: 5](#_Toc457222035)

[The general will: 6](#_Toc457222036)

[Promises of the social contract: 6](#_Toc457222037)

[Virtues of good governance: 7](#_Toc457222038)

[The laws: 7](#_Toc457222039)

[A rights-obligations structure: 8](#_Toc457222040)

[Conclusion: 9](#_Toc457222041)

[Hypothesis 1: 9](#_Toc457222042)

[Hypothesis 2: 9](#_Toc457222043)

[**Part 1: Institutionalism:** 9](#_Toc457222044)

[Introduction: 9](#_Toc457222045)

[Defining institutions: 9](#_Toc457222046)

[Characteristics of institutions: 10](#_Toc457222047)

[Complexities of institutions: 11](#_Toc457222048)

[Formal and informal institutions: 11](#_Toc457222049)

[Institutions as power-conferring structures: 12](#_Toc457222050)

[Principal-agent models of institutions: 14](#_Toc457222051)

[The purpose of institutions: 15](#_Toc457222052)

[Incentive structures: 15](#_Toc457222053)

[Infusion with values: 16](#_Toc457222054)

[Institutional change: 17](#_Toc457222055)

[Replicating unproductive institutions: 19](#_Toc457222056)

[Aligned, flexible and stable institutions: 20](#_Toc457222057)

[Theoretical positions: conclusions: 21](#_Toc457222058)

 [**Explaining variables: 21**](#_Toc457222059)

[Path-dependencies: 21](#_Toc457222060)

[Punctuated equilibriums: 22](#_Toc457222061)

[Agency: 22](#_Toc457222062)

[**Part 2: Identifying cases of state failure:** 23](#_Toc457222063)

[Conceptualizing failed states: 23](#_Toc457222064)

[Dimensions of state failure: 23](#_Toc457222065)

[Reflections on institution-building in the context of the failure of the Washington Consensus: 24](#_Toc457222066)

[Problems associated with state failure: 25](#_Toc457222067)

[Institutions in failed states: 27](#_Toc457222068)

[**The cases of Congo, Afghanistan and Haiti:** 30](#_Toc457222069)

[**The case of the Democratic Republic of Congo:** 30](#_Toc457222070)

[Reflections on the Congolese developmental path: 32](#_Toc457222071)

[**The case of Afghanistan:** 34](#_Toc457222072)

[Reflections on the Afghan developmental path: 35](#_Toc457222073)

[**The case of Haiti:** 36](#_Toc457222074)

[Reflections on the Haitian developmental path: 38](#_Toc457222075)

[Comparing the cases of Congo, Afghanistan, and Haiti: 40](#_Toc457222076)

 [**Successful cases of institution-building:** 40](#_Toc457222077)

[**Case of Botswana:** 41](#_Toc457222078)

[Reflections of the Botswanan developmental path: 41](#_Toc457222079)

[**Case of Costa Rica:** 43](#_Toc457222080)

[Reflections on the Costa Rican developmental path: 44](#_Toc457222081)

[Conclusion: Costa Rica and Botswana: 45](#_Toc457222082)

[**Part 3: Transforming state institutions:** 45](#_Toc457222083)

[Qualities of successful formal institutions: 45](#_Toc457222084)

[Administrative institutions and the provision of public services: 46](#_Toc457222085)

[Judicial institutions and the provision of justice: 47](#_Toc457222086)

[Security institutions and the security guarantee: 49](#_Toc457222087)

[Political institutions and the achievement of equality: 50](#_Toc457222089)

[**Part 4: Problem-based solutions:** 52](#_Toc457222091)

[The Sovereignty gap: 53](#_Toc457222092)

[International incentive schemes: 54](#_Toc457222093)

 [**Conclusion:** 54](#_Toc457222094)