A SHORT OVERVIEW OF THE FUNDAMENTALS OF STATE-BUILDING

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Introduction

The mission of state-building or stabilization is to help a nation to heal from the chaos of war and a breakdown of the state, by establishing a new political regime that can provide effective government for the nation. A political system must be established which puts some people in positions of power and induces the rest of the nation to accept their authority. The difficulty and importance of such missions demands that we should think very carefully about the basic conceptual framework that guides their planning.

There is no better place to start than with David Galula's (1964) classic study of counterinsurgency.[1] As Galula emphasized in his conclusions, the essential goal of any stabilization operation is to build a political machine from the population upward. Galula also observed that political machines are generally built on patronage. This perspective suggests that successful stabilization will depend on the new regime developing a political network that distributes power and patronage throughout the nation. As the *Counterinsurgency Field Manual* has suggested (2007, appendix A-26), winning "hearts and minds" may actually mean convincing people that they will be well rewarded and well protected when they serve as local agents in the regime's political network.

So when the goal is state-building, the primary focus of all military and economic operations should be on supporting broad development of political networks under the leadership of the state; but recent interventions have had other priorities. In occupied Iraq, Paul Bremer would not permit the development of local democratic politics before a national constitution was written and ratified. In Afghanistan, Hamid Karzai tried to establish a narrowly centralized presidential regime without any political parties.[2] In any nation, foreign support can increase the national leader's incentive to concentrate power at the center. This note aims to put the focus of stabilization where it belongs, on the vital task of building a strong political base for the new state, which can be accomplished only by cultivating local leaders in communities throughout the nation.

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[1] For the best current texts on state-building, see Dobbins *et al.* (2007) and Ghani and Lockhart (2008). Some ideas in this note are also discussed further by Myerson (2009).

[2] For example, see Bremer (2006, p. 89), and Rashid (2008, p. 333).

Building national political networks

　　To compete for power in any political system, a leader needs to build a base of active supporters, and the essential key to motivating this base is the leader's reputation for distributing patronage benefits to loyal supporters. If a stabilization intervention is to establish a political regime that can stand on its own, it will happen because the leaders who hold power under the regime have developed networks of supporters that are wide and strong enough to defend the regime against those who would take power from it. Disciplined security forces can be formed only under such political leadership. The real political strength of the regime must be found in the leaders who have stakes in the regime and in their ability to mobilize active support. When they are too few or too weak, the regime can be sustained only with foreign support.

　　At any point in time, in any society, there are recognized structures of local social leadership in all communities. A successful military occupation may be followed by a "golden hour" when the population is initially inclined to accept the occupier's political directives, but the long-term successful establishment of a political regime will depend on its general recognition and acceptance by these local leaders in all parts of the nation. This is the meaning of political legitimacy. If a new regime is endorsed by an overwhelming majority of local leaders throughout the nation, then the others will feel compelled to acquiesce. But if there are communities where the regime lacks any local supporters, then these communities can become a fertile ground for insurgents to begin building a rival system of power with encouragement from disaffected local leaders.

　　The regime's constitutional distribution of power can determine how many local leaders will find a comfortable place for themselves in the regime, and how many local leaders will feel excluded from power in it. So the success of the state-building mission may depend on key decisions about how power is to be distributed in the new regime.

Democracy and decentralization in the constitutional distribution of power

　　The essential requirement for a stable regime is active support from a broad political network that reaches into every community in the nation, but if the goal were only political stability then this network might not be democratic. In the past, foreign interventions could create stable colonial regimes by devolving a share of power to feudal networks of local leaders, who provided a decentralized base of political support in exchange for confirmation of their local privileges. International stabilization operations today need to assure the world that their goal is different: not colonial exploitation, but to establish a stable regime that will protect and serve its

citizens. Indeed, a nation can be torn apart when other nations intervene to put rival clients in power. For a neutral state-building operation that can avoid becoming yet another such competitive intervention, broad support from other regional powers is essential. An intervention can best earn such broad international support by a commitment to the principle of democratic popular sovereignty in the distribution of power, allocating power to local and national leaders who win free elections.

Ideally, democracy should help to diminish fears of permanent exclusion from power. When there is a credible commitment to democracy, some losers from the first elections could still hope to win power in future elections by competing democratically within the system, rather than fighting against it. But if power is narrowly concentrated in a few national offices, then only a few out-of-power leaders can have any realistic hopes of competing successfully for these offices.

The most prominent leaders who cooperate with a stabilization intervention may expect to get positions of national power at the center of the new regime, and so they would benefit from a constitutional structure that concentrates power in the center. Furthermore, foreign interveners often find it convenient to have one strong national leader who is empowered to work with them in all the myriad complications of their occupation. So the leading collaborators of a stabilization operation may endorse a system of narrow political centralization, and such centralization may initially seem convenient for the intervening forces. But the result of this centralization may be to alienate other local leaders who are not aligned with the faction that holds power in the capital, and their alienation may compel the regime to depend more on foreign support.

For example, under Hamid Karzai's leadership, a centralized presidential regime was installed in Afghanistan in 2004. Only one elected leader can get a direct political stake in the presidency, and President Karzai's refusal to create a political party meant that he did not build a national network of local political supporters who could expect to share sustained benefits from his presidential power. In the National Assembly, the formation of parties was also discouraged by the use of single non-transferable voting in the 2005 legislative elections, and the predictably incoherent results of this voting system elected representatives who had support from only a small fraction of the voters. Under the unitary constitution, provincial councils were not given any autonomous powers. A change in any of these aspects of the political system could have yielded a broader distribution of political power in which more local leaders would have a direct stake in the regime, and their ability to mobilize local political supporters could have reduced the

regime's chronic dependence on foreign forces.

In a decentralized regime that devolves substantial power to locally elected councils of provincial and municipal governments, local leaders throughout the nation can compete for a share of local power even if they are not affiliated with the faction that controls national power at the center. Thus, decentralized democracy can create a broad class of local leaders in all communities who have a positive expected stake in defending the new political system.

In occupied Iraq, the Coalition Provisional Authority could have begun in 2003 to cultivate local democratic leadership by holding local elections throughout Iraq and then giving the elected leaders responsibility for spending local reconstruction budgets. Much of this money might have been wasted (as it was even under the CPA's control), but local leaders who spent it well would have gained good reputations that could have made them serious contenders for higher office after national sovereignty was restored. Instead, however, the CPA put priority on drafting a national constitution before any introduction of local democracy in occupied Iraq. While local leadership was not cultivated, insurgencies took root.

Embedding local democracy in national politics

Successful democracy depends on vital interactions between local and national politics. Local democracy can help to make national democracy more competitive, as a record of using public resources responsibly in local government can qualify a local leader to become a competitive candidate for power at higher levels of government. In effect, local democracy can reduce barriers against entry into national democratic competition.

Conversely, the risk of small unrepresentative cliques dominating local governments can be reduced by the participation of national political parties in local democracy. From the first organizational meetings, local elections should involve representatives from two or more parties that have made a commitment to democracy. Local political bosses should know that, if they lose popular support, they could face serious challengers supported by a rival national party.

Against violent insurgents, some restrictions on nomination to local elections may be necessary, to prevent elections from being stolen by candidates who use force to threaten voters. But such restrictions should not be used to exclude candidates of national democratic parties, which can develop naturally from factions in an elected national assembly. Once a national assembly has been elected, a good rule is that any party that is endorsed by at least some minimal fraction of the national assembly should be able to participate in all elections, both in nominating candidates and in monitoring electoral processes.

When candidates for local elections are nominated by national political parties, the parties develop a competitive interest in recruiting popular local leaders to serve as their local candidates in each community. Thus, local democracy can encourage national parties to extend their political networks to include local leaders throughout the nation. Parties are social networks that distribute power and privilege to their active members, but such networks are needed to mobilize agents who have stakes in sustaining the democratic political system.

There may be concerns about decentralization exacerbating regional separatism. In a region that has a strong popular separatist movement, its candidates would be likely to win local elections, but local democracy would not then be causing the separatist movement. In fact, separatist movements are often caused by a history of oppressive centralized rule that leaves no place for local leadership. Election to local offices can actually give local leaders more interest in preserving the political status quo, because of concerns that the next successor state might reduce or redistribute their local powers. In a province that is large enough to stand alone against the rest of the nation, however, the top provincial leaders could perceive some chance of gaining sovereign national power by cultivating a separatist movement. Thus, where separatism is a concern, political decentralization may be better limited to local councils for small districts.

Distributing responsible control over public funds

To be politically effective, local councils must have opportunities to allocate public jobs and contracts, because the elected leaders can develop their political strength only by building reputations for rewarding active supporters with patronage jobs. When the goal is political reconstruction, the essential measure of success for a reconstruction project may be, not in how many bridges or schools it repairs, but in how it enhances the reputations of the political leaders who spend the project's funds. So to develop local political leadership, a substantial fraction of the national budget should be regularly allocated to local governments. Indeed, to create a federal system that distributes power across national, provincial, and municipal governments, the distribution of aid funds directly to units of government at all these levels may be more important than the promulgation of provisional constitutional documents.

The essential key to successful democratic development is to increase the nation's supply of leaders who have good reputations for using public funds responsibly to serve the public at large, and not just to give jobs to their active supporters. For this goal, it is important to develop systems of transparent accounting for public funds that are spent by political leaders at all levels. The essential accounting here must be to the local population, however, not to foreign donors

who may have provided the funds; but donors should insist on such accountability. Local people must be able to learn what funds were spent by their leaders and must be able to monitor what public services were provided by these funds. For these purposes, reconstruction of the public finance ministry may be a vital priority even when other agencies of the government are still badly underdeveloped. Basic press freedoms are also essential for such accountability.

An example worth remembering

To conclude, it might be helpful to offer one example of a good transitional regime for a state-building operation: the American Articles of Confederation (1776-1788) which distributed power widely among thirteen locally-elected provincial assemblies. This decentralization of power might have sometimes seemed inconvenient to the regime's foreign supporters, but it guaranteed that every community had at least one local leader, its representative in the provincial assembly, who had a substantial vested interest in defending the new regime. This broadly distributed political strength was what made the American Revolution unbeatable.

The contrast is stark between this broadly inclusive political structure and the ultra-centralized regime that was installed in Afghanistan in 2004. Narrow centralization may seem more convenient for those at the pinnacle of power, but it increases demands on foreign supporters of the regime. Those who would support state-building should be aware of how the broad strength of the regime can depend on the way that its constitutional structure distributes power and on the way that donors distribute funding to groups and leaders throughout the nation.

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