

Field Manual for the Cradle of Civilization

<http://home.uchicago.edu/~rmyerson/research/xenocoin.pdf>

How are the fundamental institutions of society established?
Foreign-policy challenges of counterinsurgency and nation-building.

L. Paul Bremer, *My Year in Iraq* (2006).

U.S. Army, *Counterinsurgency Field Manual* (2007).

David Galula, *Counterinsurgency Warfare* (1964).

John Nagl, *Counterinsurgency Lessons from Malaya and Vietnam* (2002).

James Dobbins et al., *The Beginner's Guide to Nation-Building* (2007).

Ashraf Ghani & Clare Lockhart, *Fixing Failed States* (2008).

Xenophon, *Education of Cyrus* (360 BC).

Reputational-leadership theory of the state.

Political machines are built on patronage.

Cultivating democratic leadership.

Education of Cyrus (book 1, chapter 3, edited excerpt):

When at dinner with his daughter and [her son] Cyrus, Astyages [King of Media] wished the boy to dine as pleasantly as possible. He thus put before him fancy side dishes and all sorts of sauces and meats.

Astyages said, "Does it not seem to you that this dinner is much finer than among the Persians?"

To this Cyrus answered, "No, grandfather, for the road to satisfaction is much more simple and direct among us [Persians] than among you [Medes]."

Astyages said, "Feast at least upon these meats, so that you may go home a vigorous youth."

Cyrus said, "Are you giving me all this meat, grandfather, to use however I want?" "Yes, my child, by Zeus I am," he said.

Then Cyrus, taking the meat, distributed it to his grandfather's servants and said to each, "This is for you, because you teach me to ride with enthusiasm; for you, because you gave me a javelin; for you, because you serve my grandfather nobly; for you, because you honor my mother."

He proceeded like this until he had distributed all the meat that he received.

(Cyrus later usurped the throne of Media.)

Xenophon, *Education of Cyrus* (360 BC)

Cyrus established the Persian Empire on one essential quality of leadership: **a reputation for generously rewarding good service.**

Reputational equilibrium: Cyrus got benefits of power as long as he acted according to his reputation.

(Did he really love justice, or the benefits of this reputation?)

Thesis: Political organizations are established by recognized leaders who maintain reputations for reliably rewarding good service among a group of supporters.

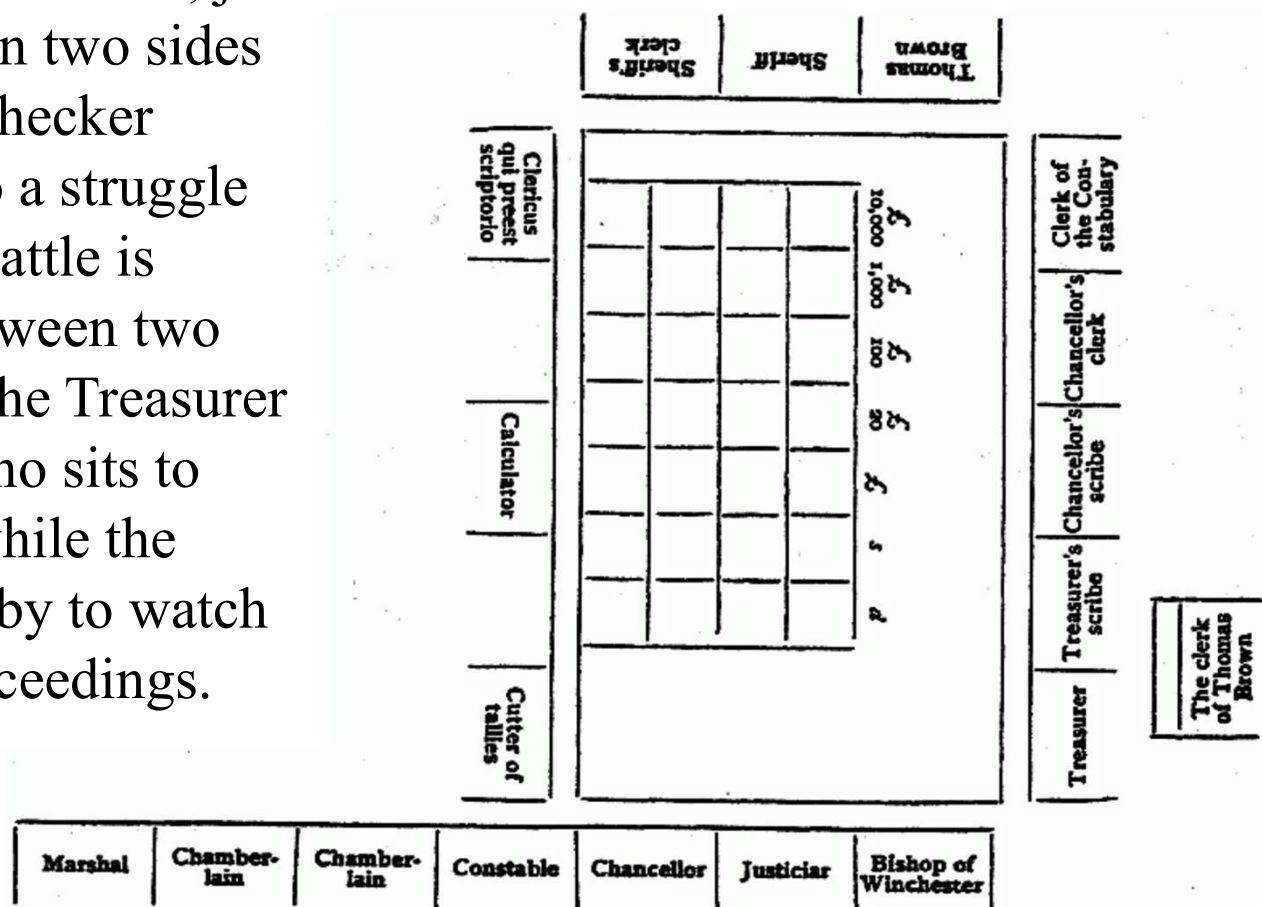
Applications:

essential role of patronage,
reputations as fundamental law,
decentralization to promote democratic competition.

Richard FitzNigel, Dialogue of the Exchequer (c. 1180)

Why is the Exchequer so called?

Because the table resembles a checker board. Moreover, just as a battle between two sides takes place on a checker board, so here too a struggle takes place, and battle is joined chiefly between two persons, namely the Treasurer and the Sheriff who sits to render account, while the other officials sit by to watch and judge the proceedings.



Reputational-leadership theory of the state

Government is a network of agents with delegated powers, imperfectly monitored.

Government agents could profit from abusing their power, and so they must expect greater long-run rewards from good service.

Agents' rewards depend on judgments of their superiors in the network, and so incentives ultimately depend on top leaders.

Promises of back-loaded rewards become a debt owed by the state, which leaders could be tempted to repudiate.

So courtiers must monitor the distribution of offices and rewards.

The primary imperative in any political organization is to build and maintain a network of supporters who trust their leadership.

(Becker-Stigler, *J Legal Stud* '74; Alchian-Demsetz, *AER* '72; my *APSR* '08.)

L. Paul Bremer, *My Year in Iraq* (2006)

Bremer's theory of democracy: primacy of the constitution, professionalization of the security forces.

"I've got three 'red lines': We must leave behind a professional uncorrupt police force, attentive to human rights; we must not have an army involved in internal affairs, and no militia; we should pass sovereignty to an Iraqi government elected on the basis of a constitution."

Bremer versus Ayatollah al-Sistani:

Which comes first, constitutional laws or elected leaders?

Xenophon and American history support Sistani.

Asking Iraqi leaders to endorse policies and write the constitution, but giving them few opportunities for patronage.

Training police and soldiers to obey civilian constitutional authority before any civilian constitutional authority existed.

Counterinsurgency Field Manual: Building Trusted Networks (A-26 to A-30)

Once the unit settles into the area of operations, its next task is to build trusted networks. This is the true meaning of the phrase "hearts and minds." "Hearts" means persuading people that their best interests are served by COIN success. "Minds" means convincing them that the force can protect them and that resisting it is pointless. Calculated self-interest is what counts.

Trusted networks include local allies, community leaders, and local security forces.

Building trusted networks begins with conducting village and neighborhood surveys to identify community needs. Then follow through to meet them, build common interests, mobilize popular support. This is the true main effort; everything else is secondary.

Start from secure areas and work gradually outwards. First, win the confidence of a few villages, and then work with those with whom they trade, intermarry, or do business.

**U.S. Army & Marine Corps,
*Counterinsurgency Field Manual FM 3-24 (2007).***

Military operations with political follow-up to establish and expand areas of control (spreading oil spots).

Promote security and effective governance to establish legitimate rule, with professionalism, avoiding corruption and favoritism.

David Galula's (1964) summary of counterinsurgency warfare:
"(Re)build a political machine from the population upward."

John Nagl (2002): US Army's tragic failure to learn this in Vietnam.

But political machines are built on patronage. (Galula)
Counterinsurgents and state-builders may need a reputation for reliable favoritism, but demanding performance.

Political machines are built on patronage

Supporters facing risk of attack must expect a profitable relationship.

"Winning hearts & minds" = "local service is well paid & protected".

Zamindars in colonial India: political benefits and economic costs of feudalism. (A. Banerjee & L. Iyer, *Amer.Econ.Rev.*, 2005).

Roots of underdevelopment in foundations of the state.

Insurgents also build on trust: Bin Laden as reliable paymaster.

Host-government leaders seem airbrushed out of FM.

Bremer & FM's bottom-up training of security forces

is opposite of Maoist discipline from top leadership.

Galula: Single boss must direct military, law-enforcement, and political operations.

US forces created local leaders without national political sponsors.

Multiparty democracy could help ensure inclusion of new local elites.

Cultivating democratic leadership

Democratic competition should limit political profits (corruption), but it can fail if nobody has a reputation for good governance.

Successful democracy requires many leaders with good reputations for serving the public, not just rewarding supporters.

Political decentralization creates more opportunities to build such good reputations. Local leader who exceeds expectations can rise. Contrast Bremer's regime in Iraq 2003, and Karzai's centralized presidential democracy in Afghanistan 2004. (My QJPS '06.)

Building infrastructure may be less important than increasing the supply of leaders whom people can trust with public funds, by distributing local responsibility with transparent accountability.

National leaders have incentive to centralize, to reduce competition. (Russia 2004.)

Building on strengths of democracy

A leader becomes committed to democracy when his violating democratic norms would shock his supporters.

When many politicians have democratic reputations, one who does not can have more difficulty recruiting supporters and allies.

Federal decentralization enhances national democratic competition, as responsible local leaders can prove qualifications for higher office.

National party competition strengthens local democracy, as different parties can nominate challengers to established local leaders.

Successful democracy is based on a flexible party system and a plentiful supply of politicians with reputations for public service.

Summary. Protect and cultivate responsible local leaders in communities throughout the nation, and bring them into a democratic system of national political networks that extend out to reach all of the population.

Roger Myerson, "A Field Manual for the Cradle of Civilization: Theory of Leadership and Lessons of Iraq." *The Journal of Conflict Resolution* 53, no. 3 (2009): 470–82. <http://www.jstor.org/stable/20684595>.

Preprint of paper:

<https://home.uchicago.edu/~rmyerson/research/xenocoin.pdf>

These notes:

<https://home.uchicago.edu/~rmyerson/research/xenonts.pdf>

J. Dobbins et al, *The Beginner's Guide to Nation-Building* (2007)

Plan. Match means to ends; greater change requires more forces and resources.

Prioritize: First priorities are military control, and humanitarian relief.

Then disarm and reintegrate surplus combatants, and establish law enforcement (police, judges & prosecutors, prisons).

Then build systems of governance. Responsible local officials and finance ministry are primary essentials.

Consider introducing local democracy before national democracy.

Longer term: help build infrastructure for economic development, but plan to gradually reduce international budgetary assistance.

Controls are scarce and costly resources in nation-building.

Need per million people: 3000 local soldiers, 2000 to 13000 international soldiers; 2300 police, 230 to 1600 internat'l police; 60 judges, 60 prosecutors, 420 penal staff in 4 prisons, 12 internat'l judicial advisors. Elections cost \$12/voter.

Government services (education, public health, gen'l admin) cost 10.4% GDP.

Infrastructure investment may be 40% GDP initially, 20% after 5 years.

Internat'l assistance pays most of budget at first, 40% at 5 years, 25% at 7 years.

A. Ghani & C. Lockhart, *Fixing Failed States* (2008)

A sovereign state has rights and obligations both in relation to its citizens and in relation to the international community.

In a successful society, rule of law supports the creation of productive resources, and the state's organizational capacity sustains the rule of law.

A successful state's central policy instrument is its budgetary system for setting priorities and allocating resources with effective control and accountability.

International aid projects, without local accountability, circumscribe and undermine the state budget's role in allocating public resources.

International assistance should be a catalyst for building effectiveness and accountability of the state. (Catalysts depart when the action is done.)

The first focus in development must be on building the state's organizational capacity, by cultivating local stakeholders in the state's administrative systems. Their human capital is the lifeblood of society.

Afghanistan's National Solidarity Program gives \$20,000 to every village for a budget set by a locally elected council, with accounts posted in a public place.

Foreign organizations regularly pay chauffeurs over 10 times a civil servants' salary.

Counterinsurgency Field Manual (paragraph 1-14):

Killing insurgents – while necessary, especially with respect to extremists – by itself cannot defeat an insurgency.

Gaining and retaining the initiative requires counterinsurgents to address the insurgency's causes through stability operations as well.

This initially involves securing and controlling the local population and providing for essential services.

As security improves, military resources contribute to supporting government reforms and reconstruction projects.

As counterinsurgents gain the initiative, offensive operations focus on eliminating the insurgent cadre, while defensive operations focus on protecting the populace and infrastructure from direct attacks.

As counterinsurgents establish military ascendancy, stability operations expand across the area of operations and eventually predominate.

Victory is achieved when the populace consents to [recognizes] the government's legitimacy and stops actively and passively supporting the insurgency.

CERP: Commanders' Emergency Response Program (money as a weapon system).

Political legitimacy is a general expectation of power which becomes self-fulfilling.

Power as focal arbitration authority in social coordination games (ownership).

(Schelling, 1960. Myerson, *Chgo J Intl Law*, 2004.)

Contests to take power as coordination games among captains (my *APSR* '08).