

DECENTRALIZED STABILIZATION ASSISTANCE

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

Abstract: State-building missions fail when local politics is ignored. Social order in a failed state relies on local leadership, and local politics has a vital role in successful democracies. So a democratic state-building intervention needs a stabilization-assistance team that can engage with national and local leaders as they negotiate a balanced distribution of power. When the goal is to promote political development, international assistance should be directed by local stabilization officers, so that they can encourage trusted leaders to cooperate in a broad coalition for local governance. A state-building mission's strategic direction should be guided by coordinators of the stabilization-assistance team.

1. A practical and theoretical question

The recent fall of Kabul is a stark reminder that policy-makers need to understand much more about how to promote a stable and effective government in a failed or fragile state. Some may prefer to swear off any further involvement with state-building or political stabilization missions, but the problems of failed states cannot be ignored when they export violence and suffering across international borders. Like wars, foreign stabilization missions should be avoided whenever possible, but we should not pretend that they can always be avoided. As the Special Inspector General on Afghanistan Reconstruction has noted, America's refusal to prepare for future stabilization missions after the collapse of South Vietnam did not prevent the wars in Afghanistan and Iraq but instead ensured that they would become quagmires.¹

But even if policy-makers in Washington do not want to think about it, the question of what international assistance can do to support the establishment of an effective and accountable state is potentially very interesting for a theoretical social scientist. It requires us to think about the basic foundations of political order that are essential for a peaceful and prosperous society. Given that this is an area where practitioners need to understand more, we may hope that a careful theoretical analysis could help to identify some key points that have been overlooked.

Our analysis here begins with basic observations about the importance of local politics. Social order in a failed or fragile state must rely on decentralized local leadership, and successful democracies also depend on a functional relationship between local and national politics. For these reasons, a democratic state-building intervention needs a team that can engage with

¹ Special Inspector General for Afghanistan Reconstruction, *What We Need to Learn: Lessons from Afghanistan Reconstruction* (August 2021), p xii, 96. <https://www.sigar.mil/pdf/lessonslearned/SIGAR-21-46-LL.pdf>

national and local leaders as they negotiate a mutually acceptable distribution of power. We discuss the need for special professional norms for state-building agents, who may be sent by their home nation to promote accountable government in another country, where their mission would require involvement with local political issues that are difficult for their home government to monitor. As an example to illustrate basic operational principles for a well-organized stabilization assistance team, we consider the Office of Rural Affairs, which provided American support for local development in South Vietnam from 1962 to 1964. Finally, we consider how the essential principle of decentralized political engagement can help to clarify many of the lessons that experts have drawn from recent state-building missions.

2. The essential role of local leadership in democratic state-building

In history, invasions have often led to foreign-dominated governments that were stabilized by the invaders' threats to violently suppress any resistance to their regime. But it is appropriate for us to focus here on state-building interventions which accept the democratic sovereignty of the resident population, so that the new government can be stable only if it is freely supported by most people in the country.

When foreign forces have intervened with such benevolent intentions for the target or recipient country, one might hope that their democratic state-building goals could be largely achieved once the people there have been given an opportunity to elect a new national leadership in a free and fair election. Such hopes may be based on a centralized theory of democratic state-building which assumes that, once basic security has been established, the critical tasks for political reconstruction would be (1) holding elections to ratify a national constitution and select a national leader, and (2) supporting the formation of effective government agencies and security forces under this elected leadership.

Unfortunately, the hopes of this simple centralized theory of state-building have been severely dashed in Afghanistan and elsewhere. We should try to understand how there can be widespread opposition to the establishment of a new national government, even when its leader got the most votes in a recent election. A basic explanation is that, in a country where the state has been weak or nonexistent, there might be not be anyone whom people throughout the nation would trust to ensure that the new national government will not claim excessive powers and abuse them. Indeed, a lack of trusted national leadership would be a fundamental reason for political fragility of a national state.

A failed state is not an ungoverned blank slate, however. In any weak or failed state where people cannot rely on a national government, they must get basic protection and other essential public services from local groups. People have lived in communities with various forms of local leadership since long before the first nation-states, and local community organizations still have a vital role in people's lives even in strong states. When a national government has failed to serve its people, local leadership becomes even more important to them.²

The positions of these local leaders could be threatened by the establishment of an effective state under new national leadership, and many people may trust their familiar local institutions more than they trust the newly proclaimed national leaders. People could realistically fear that the new national leadership will not be responsive to their local concerns, and that an effective national government could forcefully suppress the institutions of local leadership on which they have relied. Thus, a key challenge in any state-building intervention will be inducing people to accept some transfer of power to the center of a new and unproven state. If the intervention would respect the political preferences of people in the target country, then the interveners must expect to be involved in basic questions about the distribution of powers between the new national government and various local institutions.

3. The relationship between local and national politics in successful democracies

The successful establishment of America's own constitutional government was characterized by long and intense negotiations about the appropriate balance of power between local authorities and the new national government. The ratification of the United States Constitution was managed by institutions of provincial government, and so the authors of the US Constitution had to provide credible assurances that the new national government would not be able to suppress the existing local authorities. Today, however, new national constitutions are generally ratified by a national plebiscite in which the voters are not given any clear constitutional alternatives; and so the leading authors of a new constitution (who are generally confidants of the likely first national leader) have more freedom to promote a centralization of power in the hands of a national elite in which they expect to be included.

But successful democratic states generally depend on a balanced functional relationship

² For a broad cogent discussion of these points, see Jennifer Murtazashvili, "A tired cliché: why we should stop worrying about ungoverned spaces and embrace self-governance," *Journal of International Affairs* 71(2):11-29 (2018), <https://www.jstor.org/stable/10.2307/26552327>

between local and national politics, for at least three reasons. First, people can be confident that a local official will be responsive to the concerns of their community only if the community has some power over the official's career, and such local accountability becomes reliably enforceable when the official is locally elected. If local officials are appointed by the central government, then other national political interests may take priority over local concerns. When the national leader can allocate offices of local government as patronage rewards for key political supporters, then the central government may be expected to tolerate some corrupt profit-taking by these officials, at least in areas where the local voters are not considered essential to the national leader's re-election.³

Second, people's basic willingness to fight for the defense of a political system may be greater in communities where respected local leaders have a valued role in this system. Individuals can be motivated to help defend the state when they expect that their service can earn them higher status in their community, but such an expectation is plausible only if people see some connection between service to the state and leadership in their community.⁴ Trusted community leaders who have a stake in the state can encourage local volunteers with promises of honor and respect for those who fight to defend it. But a national centralization of power would leave many communities where local leaders feel alienated from a state that has no use for them.

Third, successful democracy at the national level depends on a competitive supply of political leaders who have good reputations for exercising power responsibly in public service, and autonomously elected local governments with meaningful powers and responsibilities can be the best place to develop such competitive democratic leadership. When responsible leaders of both national and local governments are democratically elected, then popularly trusted local leaders who prove their ability to provide good public service in local governments can become strong competitors for higher office, thus strengthening democratic competition at the national level.⁵ However, an incumbent national leader might naturally prefer not to face competition from such candidates who have demonstrated effective leadership in local governments, and so

³ For a formal model, see Roger Myerson, "Local agency costs of political centralization," *Theoretical Economics* 16(2):425-448 (2021).

<https://econtheory.org/ojs/index.php/te/article/viewFile/3763/30632/869>

⁴ Edward Lansdale described people's willingness to support the state as a vital "x factor" in counterinsurgency; see Rufus Phillips, *Why Vietnam matters: an eyewitness account of lessons not learned* (Naval Institute Press, 2008).

⁵ For a formal model, see Roger Myerson, "Federalism and incentives for success of democracy" *Quarterly Journal of Political Science* 1:3-23 (2006). <http://dx.doi.org/10.1561/100.00000002>

we may expect national leaders to advocate a more centralized state, where autonomous local political institutions are weak or nonexistent.⁶

These observations give us a perspective that is quite different from the centralized theory of state-building. This decentralized perspective begins with an understanding that (1) any national political reconstruction needs to recognize and reassure a wide range of local groups that have been serving people in their communities, and (2) the new political system can actually be made stronger and more accountable by assurances that popularly trusted local leaders will continue to have substantial power to serve their communities. With this view, we can agree with Ashraf Ghani and Clare Lockhart⁷ that assistance should aim to promote effective government that is accountable to its people, but we should not expect all the lines of public accountability to go through a national leader in the capital. Some significant public responsibilities should be held by local leaders who are directly accountable to their communities.

From this decentralized perspective, a primary task for a democratic state-building mission should be to facilitate a complex system of negotiations between national and local leaders, to help them develop a balanced working relationship with a mutually accepted distribution of powers and responsibilities. A program of foreign assistance that focused only on central administrative capabilities could implicitly threaten the local institutions that people have come to trust, by supporting national leaders' ability to govern without them. State-building missions regularly offer mentoring and training for recipient-government officials about various aspects of successful modern government, but it may be particularly important to include some instruction about how successful nations share powers and responsibilities with autonomous subnational governments.⁸

This recognition of the essential local foundations for national political reconstruction has

⁶ Of course, local politics can be as problematic as national politics. In particular, ethnic rivalries can infect politics at either level; but in a balanced federal system, authorities at each level should have some power to protect minorities against oppression by authorities at the other level, as long as at least one level has inclusive political leadership.

⁷ Ashraf Ghani and Clare Lockhart, *Fixing Failed States* (Oxford, 2008).

⁸ The phrase "path to Denmark" has been used to describe goals for a state-building mission that seem too good to be feasible; but few have noted that Denmark is one of the most decentralized nations in the world. In most successful democracies, autonomous subnational governments may manage between 20% and 50% of all public spending, but Denmark has decentralized 65% of its public spending. The first step on a path to Denmark should be to talk about how public spending can be devolved to locally elected councils. See OECD (2018), *OECD Regions and Cities at a Glance 2018*, OECD Publishing, Paris, p114-115 https://doi.org/10.1787/reg_cit_glance-2018-en.

fundamental implications for the organization of any international mission to support this process. To support negotiations towards a broadly acceptable distribution of powers, an international state-building mission needs to be actively engaged with local leaders throughout the country, not just with national political leaders. The strategic direction of the state-building mission must be informed by a detailed understanding of local political concerns in every part of the country, as well as the views of those who would lead the new national government. For such local political engagement, an effective state-building mission needs a team of field officers who can monitor and respond to local political issues in every part of the country.

Thus, if an international intervention to rebuild a failed state would truly respect the ultimate sovereignty of the people who live there, then the intervention's first action should be to send a team of local stabilization officers to districts throughout the country, to engage with people at the local level where their political life has been based under the failed state. During the term of the intervention, its local stabilization officers should have primary responsibility for directing all foreign aid in their district, to ensure that the aid serves to support and encourage trusted local leaders who work constructively with the new state.

4. Problems of standard administrative controls in state-building missions

Government is an extensive network of agents who exercise substantial power in their society. Agents of the state are individuals with their own personal goals and desires, but the effectiveness of the state depends on these agents acting according to state policies, not according to their own personal preferences. Systems of internal accounting, administrative procedures, and professional norms in government agencies can all help to solve these moral hazard problems in government. State-building missions may try to improve the capacity of the recipient government by teaching its agents to apply such systems and procedures in their jobs.

But professionalized agents of government may still not serve the public's interests if the leaders of government are not politically motivated to demand real public service from their agents, who may have been given government jobs as patronage rewards for political support. That is why the principal goal of a state-building mission must be the establishment of a broadly acceptable political compact that addresses the basic concerns of people throughout the country, so that effective government agencies can be formed under appropriately accountable political leadership.

Of course, a state-building mission is itself composed of a network of agents, organized

by governments of intervening nations and sent to assist in the formation of an effective government for the target country. We must recognize the potential for moral hazard within the state-building mission itself.

The United States federal government has well-developed systems for managing normal problems of moral hazard by government agents. A standard principle for structuring operations in US federal agencies is that the government's power and the tax-payers' money should be used only with regular controls to ensure meaningful accountability to the American people through their elected political representatives. But the ultimate goal of an American state-building intervention should be to support the development of a government that is accountable to its own people, not to Americans. If the members of a stabilization assistance team are too responsive to American political concerns, then they could be reasonably perceived by people in the target country as agents of foreign influence who should be resisted. This is one basic reason for exempting a stabilization team from many controls that are standard in other US agencies. (The example of an American state-building agency is considered here only to emphasize the point that the normal controls which maintain the general effectiveness of agencies in the US federal government could become fundamentally ineffective in a foreign state-building mission. We are not suggesting here that a capability for democratic stabilization should be developed by America rather than by some other nation or international organization. The same points would apply if such a capability were developed by another nation or by an international organization.)

There also are informational reasons why a stabilization team needs more autonomous flexibility. To induce positive political change, a stabilization officer must identify key local leaders and offer them appropriate incentives to cooperate in forging a national political compact. For this purpose, the effectiveness of foreign stabilization assistance depends on its local political conditionality, so that local leaders should understand that they and their supporters can benefit from foreign assistance only if they cooperate with the wider program of national political reconstruction. In a typical project for international economic development, one might measure results by counting the number of people who have observably benefited from our assistance; but when the goal is political development, it is essential to understand which local groups are benefiting and what they and their leaders have done to support national reconciliation. So for American assistance to encourage political development, the criteria for distributing assistance must depend on conditions that can be understood by the local recipients, but not necessarily by people in America. Indeed, these local political conditions are generally

very difficult for anyone outside the country to assess. Thus, when America's political leaders have decided that a mission to help rebuild a failed state would be in America's interest, the budgeted resources for the state-building mission should be managed by a team of stabilization officers who, by their selection and training, can be trusted to spend the money appropriately according to local conditions in remote communities of the failed state, where normal controls of the US federal government would be very difficult to apply.

Local stabilization officers also need professional norms to mitigate risks of their intervention adversely transforming local politics. Foreign aid can exacerbate problems of corruption in local institutions if the aid is out of proportion with the customary resources of local leaders. Foreign support can reduce leaders' need for local political support if stabilization officers are not committed to encouraging local accountability.

These are fundamental reasons why a stabilization assistance team should be composed of professionals who, by training, share a dedication to promoting inclusive and accountable government anywhere, even above other special interests of their home nation. Such professional norms cannot be expected in a team that is brought together on an ad-hoc basis for one state-building mission. Furthermore, the essential priority that stabilization officers must put on building relationships of trust with foreign officials and local leaders would diverge significantly from what is normally expected of diplomats and soldiers. For these reasons, foreign stabilization assistance would be best managed by a permanent agency in which individuals with appropriate talents and skills can make a rewarding career in the company of others who share a dedication to the norms of their profession.

5. An example of a well-organized stabilization assistance team

International interventions to promote political change have a long history, and we should try to learn from the organizational structure of missions that were relatively effective toward their goals.⁹ In the recent history of American interventions, a good example of a well-organized stabilization assistance team can be found in the Office of Rural Affairs, which was created by Rufus Phillips and Bert Fraleigh in 1962 to help the government of South Vietnam reach people in rural communities throughout the country. The ultimate failure of the US government to rely on this initiative may also be instructive.

⁹ The importance of decentralization, cooperation, and continuity in stabilization missions was emphasized by experts over a century ago; see Roger Myerson, "Stabilization lessons from the British Empire" (2021) <http://home.uchicago.edu/~rmyerson/research/sblessons.pdf>.

The primary organizational principle for the Rural Affairs Office was decentralization. The Office fielded a network of local stabilization officers (who were then called *provincial representatives*). To each province of South Vietnam, the Rural Affairs Office sent a local stabilization officer who was authorized to work with local Vietnamese officials in spending the funds for development assistance that were budgeted for this province. With the available resources, these local stabilization officers worked to promote the formation of locally elected community councils and then to assist these councils with funding for local development projects. The decentralization of spending authority was considered essential for ensuring prompt and effective responses to the needs of remote hamlets and villages, where the government needed to earn people's confidence and support against the Communist insurgency.¹⁰

The core mission of the local stabilization officers was to encourage cooperation between trusted local leaders and officials from the national government, to form a broad coalition for local governance that would strengthen the local foundations of the state. But many of the national government's provincial officials might see a program of local power-sharing as a threat to undermine their authority, and so it was essential that the local stabilization officer could direct foreign aid to support their initiatives as well as the initiatives of local councils. Such judicious distribution of foreign assistance could provide vital encouragement both for national government officials and for local community leaders, to work together in developing a shared responsibility for local governance.

In this way, the Rural Affairs Office could have provided the basis for effective counterinsurgency in South Vietnam, but its basic operational principles were ultimately rejected by others in the US government. The principle of delegating broad authority over the direction of American assistance to junior field officers who specialized in monitoring local political issues was fundamentally objectionable to senior officials of the development-assistance bureaucracy. The provision of foreign assistance through multiple independent channels may indeed be appropriate when the goal of assistance is to promote economic development. But when the goal is to promote political development, then it is better to concentrate power over the local direction of foreign assistance in the hands of a field officer who can use it to encourage a broad coalition of local supporters for the new political compact. Unfortunately, the normal operational principles of the US federal government generated an imperative to direct American

¹⁰ See Rufus Phillips, *Why Vietnam matters: an eyewitness account of lessons not learned* (Naval Institute Press, 2008), chapters 8-10. The budget in 1962 was about \$150,000 per province.

assistance through agencies that were better designed for justifying their work in Washington. So in 1964, a reorganization of the rural assistance program critically curtailed its essential responsiveness to local political concerns in remote villages, where greater popular support for counterinsurgency could have been decisive.

If the Rural Affairs Office in South Vietnam had not been so short-lived, its managerial hierarchy would have confronted a basic problem of continuity in such an organization for decentralized political engagement. Local stabilization officers could be expected to serve in a district or province for a term of one or two years, but then they should be rotated to other provinces, so that a local officer cannot establish independent personal authority anywhere. Such rotations can help to ensure that, even in a remote province, evidence of any misbehavior by one local stabilization officer could be observed by the next officer there. Then to maintain reliable continuity of aid policies across these rotations, each local stabilization officer should be supervised by a regional coordinator who could be expected to take long-term supervisory responsibility for a region which might include several provinces. The managerial hierarchy of the Rural Affairs Office included four regional coordinators (called *corps area representatives*) under the national program director. With this organizational structure, a local stabilization officer could make credible promises of future assistance to people in the province when the commitments were approved and recorded by the supervising regional coordinator.

Thus, the local stabilization officers and their regional coordinators would form a stabilization assistance team that could monitor and respond to local political issues throughout the target country.¹¹ The team's flat three-level hierarchical structure, from local field officers through regional coordinators to the national headquarters, could provide for efficient communication of situation reports and strategic guidance to top policy-makers. While the local stabilization officers would need to work full-time in the field, the regional coordinators and the program director might return regularly to their home nation, where their meetings with policy-makers could be a channel for ensuring that the strategic direction of the state-building mission is based on a broad understanding of local political concerns throughout the target country.

But in September 1963, when Rufus Phillips returned to Washington from Vietnam as the director of the Rural Affairs Office, his participation in policy discussions at the highest level was severely limited by his status as the mere director of one program in a foreign country. In

¹¹ For more on stabilization assistance teams, see Rufus C. Phillips III, *Stabilizing Fragile States: Why It Matters and What to Do about It* (University of Kansas Press, 2022).

high-level meetings for planning America's strategy for counterinsurgency in South Vietnam, Phillips was warned not to speak without permission on a subject about which he was the best-informed person in the room.¹² Even on the one occasion when President Kennedy invited him to speak, his advice as a mere program director counted for little against the views of higher officials in Washington. The resulting misdirection of American policies in Vietnam during this period show why an agency for decentralized stabilization assistance needs to have a director with a recognized professional status that can demand the attention of top policy-makers.

6. Decentralized political engagement as the first principle of state-building

In the aftermath of recent state-building interventions, a number of thoughtful experts have offered lists to summarize lessons that should be remembered for the next such mission. These lists generally emphasize points that appear to have been insufficiently understood by policy-makers in Washington at the times when strategic decisions went wrong. But we may argue that many of these points could quickly become evident to a team of local stabilization officers once they arrived and began working with local leaders in their districts, and then top policy-makers would just need to recognize the importance of strategic guidance from this team.

For example, the first concluding point in the "good enough governance" advice of Karl Eikenberry and Stephen Krasner is that policy-makers in a foreign intervention must set modest goals that are realistic and attainable.¹³ As Rory Stewart and Gerald Knaus have argued, interveners can support positive political change in a country only by working with political leaders there, and so attainable goals of an intervention cannot exceed what local allies are prepared to do.¹⁴ If excessively ambitious goals demanded more than local leaders could possibly do, however, then we could expect that the problem would quickly become evident to the local stabilization officers who are working with these leaders.

Thus, we may suggest that the list of lessons that need to be remembered could be shorter and simpler if the following principle of decentralized political engagement were included at the top of the list: *In any mission to promote political development in a country, the first priority must be to send in a team of local stabilization officers who can encourage cooperation of local*

¹² See Rufus Phillips, *Why Vietnam matters: an eyewitness account of lessons not learned* (Naval Institute Press, 2008), chapter 13.

¹³ Karl W. Eikenberry and Stephen D. Krasner, *Good Enough Governance: Humility and the Limits of Foreign Intervention in Response to Civil Wars and Intrastate Violence* (American Academy of Arts and Sciences, 2021) <https://www.amacad.org/publication/good-enough-governance>

¹⁴ Rory Stewart and Gerald Knaus, *Can Intervention Work?* (Norton, 2012).

leaders in every part of the country, and all major decisions about the mission's goals and strategies should rely on guidance from the coordinators of this team.

This principle may be seen as complementary to much of Eikenberry and Krasner's "good enough governance" advice. For example, Eikenberry and Krasner urge policy-makers to acknowledge that there can be painful tradeoffs between economic growth and political stability, when proposed economic reforms would stimulate competitive growth by eliminating rent-seeking opportunities that rewarded cooperative elites.¹⁵ When we understand the need for goals to be realistic and attainable within the bounds of such difficult tradeoffs, the next question must be who in the intervention will be competent to offer judgements about what actually is realistically attainable. For a state-building mission to a failed state, this judgement requires detailed information about political realities in a country where there is no consensus about national political leadership. To get such information, a foreign intervention needs a network of local political observers like the stabilization assistance team that has been described here, and policy-makers need to understand the importance of taking strategic guidance from this team.

America's interventions in Afghanistan and Iraq ultimately did get substantial direction from officers who became actively engaged with local leaders in many provinces, but this involvement with local political realities was not initiated early enough, and the interventions critically lost many people's confidence during the initial period when strategic decisions showed insufficient sensitivity to local concerns. For political goals to be realistic and attainable from the onset of the mission, the intervention's first arriving agents should include a team of local stabilization officers, and then the coordinators of this team can provide essential political information for formulating realistic goals and strategies.

Another lesson that needs to be remembered by policy-makers of an intervening nation appears as point #7 in Keith Mines's concluding list: that nation-building is a very long game, and so interveners should pace themselves, offering only a level of support that they can sustain for many years.¹⁶ It has been argued here that the local stabilization officers should to be given authority to direct the local distribution of all assistance that is being provided under the intervention, so that they can have maximal leverage to reward cooperation of local leaders.

¹⁵ See also Douglass C. North, John Joseph Wallis, and Barry R. Weingast, *Violence and Social Orders* (Cambridge University Press, 2009).

¹⁶ See p 319-324 of Keith Mines, *Why Nation-Building Matters: Political Consolidation, Building Security Forces, and Economic Development in Failed and Fragile States* (Potomac Books, University of Nebraska Press, 2020).

However, the total amount of assistance that is being provided must be decided by top policy-makers of the intervening nations, and these policy-makers must judge how much long-term investment their tax-payers can be asked to make for stabilizing the target country.

A democratic state-building mission will also ultimately need an exit strategy. At some point, the intervention's goal of supporting political development must yield to the normal principle of international respect for national political independence. Then, during a period of transition, the portion of foreign assistance that is directed by the team of local stabilization officers should be reduced gradually from 100% down to 0; and other independent aid organizations should be encouraged to fill in wherever needs are identified by the recipient country's national and local authorities. After the local stabilization officers have been withdrawn, their regional coordinators might still maintain consular offices for a few more years, during which they could continue to honor the mission's past promises to local leaders when it is feasible and appropriate to do so.