**LOCAL POLITICS AND DEMOCRATIC STATE-BUILDING**

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https://home.uchicago.edu/~rmyerson/research/demsb.pdf

**Abstract.** State-building goes wrong when local politics is ignored. State-building begins, not from anarchy, but from decentralized social order. In democratic state-building, transfers of power to a new national government require popular consent. A democratic state-building mission 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 who can encourage trusted leaders to cooperate in a broad coalition for local governance. An instructive example is USAID's Office of Rural Affairs in Vietnam in 1962-1964.

The Afghan Republic collapsed against the Taliban assault in August 2021 after two decades of international state-building efforts, led mostly by the United States.¹ Yet the last President of Afghanistan, Ashraf Ghani, had been widely regarded as an expert on fixing failed states.² From Vietnam to Afghanistan, repeated failures of costly interventions show that something fundamental about democratic state-building has not been sufficiently understood. Rufus Phillips, who as a USAID official in 1963 had warned President Kennedy about the need to recognize the essential political nature of counterinsurgency in South Vietnam, saw a similar disconnection derailing U.S. efforts in Afghanistan half a century later.³ Our theories of democracy are incomplete if they cannot offer better guidance for international efforts to support the establishment of states that are democratically accountable to their people.

Now, after the disastrous misdirection of three American interventions, it is time to reconsider how we think about the foundations of democracy, to try to identify what has been overlooked or misunderstood. Here I suggest that the crucial underappreciated element may be in the relationship between local and national politics.

We often talk about national political reconstruction as if it would begin from an anarchic Hobbesian state of nature where each individual stands alone against all others, but this is never the case. Nowhere do humans live without basic social structures to help them get along with their neighbors, and the importance of local groups is greater when the state is not reliable. So

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state-building means imposing a new national authority over local communities which already have their own leaders and institutions. A state-building intervention that promises to respect people's right to choose their leaders should not ignore the local leadership that people have relied on. Before attempting to establish a new national government, it would be appropriate to ask what are the powers and responsibilities that people want their local institutions to retain.

Thus, for a better understanding of the difficulties of state-building and political stabilization, we may need a theory of democracy that emphasizes the importance of local politics and its relationship with national politics. Indeed, the success of democracy in the United States has long been understood to be based on a well-balanced division of power between national and local political institutions. From this perspective, negotiations to establish a broadly acceptable distribution of power between national officials and local leaders should be recognized as an essential pillar of democratic state-building. To facilitate power-sharing negotiations, international assistance programs should engage politically with trusted local leaders throughout the country, not just with national leaders in the capital.

Theories of constitutional democracy have regularly emphasized different ways of constitutionally dividing power, particularly among various offices of the executive, legislative, and judicial branches of the national government. Focusing on the challenges of state-building, however, helps us to recognize a vital primacy in the division of power between national and local political leaders. This is because accepted forms of responsible local leadership can be found even in failed states, where a lack of basic consensus about national leadership could make proposals to divide it into separate branches seem premature or quixotic.

International assistance efforts can be considered state-building missions if their main goal is to support a country’s political development. Such missions might accompany forceful military interventions, or they might provide economic aid only. The focus here is on democratic state-building missions that have promised to respect the ultimate sovereignty of the resident population, so that the new state can be stable only if it is freely accepted by most people in the country. Yet even this democratic state-building goal would violate international norms of noninterference in the domestic politics of foreign countries. So these missions should be undertaken only with internationally accepted justifications, and with clear limits that distinguish democratic state-building from missions of imperial domination that would impose a government
handpicked by the foreign interveners.⁴

The focus on state-building here is motivated both by its potential to offer a practical perspective on the theory of democracy and by a hope that the international community will be better prepared for any future eventuality that could call for state-building—not by any inclination to recommend such interventions as solutions to problems in the world today. Foreign interventions for political stabilization or state-building, like wars, should be avoided whenever possible, but we should not pretend that they can always be avoided. The problems of failed states cannot be ignored when they export violence and suffering across international borders. As John F. Sopko, the Special Inspector General on Afghanistan Reconstruction, observed, the failure of the United States to prepare for future stabilization missions after the collapse of South Vietnam in 1975 did not prevent the wars in Afghanistan and Iraq but instead ensured that they would become quagmires.⁵

The Importance of Local Leadership

When foreign forces intervene with seemingly benevolent goals of democratic state-building, one might hope that they could achieve these goals as soon as the people in the target country have had an opportunity to choose 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, this simple centralized theory of state-building has been severely dashed in Afghanistan and elsewhere. We should understand how a newly established national government could face widespread opposition even when the new national leader received 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 not be anyone who is broadly trusted by people throughout the nation. Indeed, a lack of trusted national leadership would be a fundamental reason for political fragility of a national state.

As noted above, however, a failed state is not an ungoverned blank slate. In countries where a national government cannot be relied on to provide basic protection or other essential public services, people must depend on local groups, making local leadership particularly important. The establishment of an effective state under new national leadership could threaten the positions of these local leaders. Many people may trust their familiar local institutions more than the newly proclaimed national leader, who would have no prior record of restraint in the exercise of supreme power. 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 the people, then the interveners must expect to confront basic questions about the distribution of powers between the new national government and various local institutions.

Balancing Local and National Power

Although U.S. policymakers may have sometimes discounted such questions of decentralization and federalism in foreign state-building, the successful establishment of the United States’ own constitutional government was characterized by long and intense negotiations about the appropriate balance of power between local authorities and the new national government. In contrast, the French Revolution eliminated provincial institutions that had maintained some decentralization of power, and the result was a new form of tyranny. The ratification of the U.S. Constitution was managed by institutions of provincial government, and so its authors had to provide credible assurances that the new national government would not be able to suppress the existing local authorities. Today, however, national constitutions in nascent democracies are generally ratified by a national plebiscite in which voters are not given any clear constitutional alternatives; so the leading authors of a new constitution often have more freedom to promote a centralization of power in the hands of a national elite in which they expect to be

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6 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 no. 2: 11–29 (2018).

But successful democratic states generally depend on a balanced functional relationship 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 that official’s career, and such local accountability is 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 can be expected to tolerate some corrupt profit-taking by these officials, at least in areas where local voters are not considered essential to the national leader’s reelection.8

Second, people’s basic willingness to fight against insurgents or invaders to defend a political system may be greater in communities where respected local leaders have a valued role in the system.9 Individuals can be motivated to help defend the state by an expectation that such service could help them to secure a 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.10 Trusted community leaders who hold responsible positions 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 local leaders and their communities feeling 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 with reputations for exercising power responsibly in public service, and autonomously elected local governments with meaningful powers and responsibilities can be the best place to cultivate such competitive democratic leadership. When the leaders of both national and local governments are democratically elected, then leaders who prove their ability and competence in local government can become strong competitors for higher office, thus

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strengthening democratic competition at the national level. An incumbent national leader, however, might naturally prefer not to face competition from candidates who have demonstrated effective leadership in local government. Thus we may expect national leaders to advocate a more centralized state, where autonomous local political institutions are weak or nonexistent.

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 their communities; and 2) the new political system can be made stronger and more accountable by assurances that popularly trusted local leaders will retain substantial power to serve their communities. This decentralized theory of state-building explains the essential generality of at least two of Larry Diamond’s lessons from reconstruction in Iraq: to hold local elections first, and to disperse economic reconstruction funds and democratic assistance as widely as possible.

From this decentralized perspective, a primary task for a democratic state-building mission should be to facilitate an intricate 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 focuses solely on building central administrative capabilities would, in essence, bolster national leaders’ ability to govern without the local institutions that the people already trust and rely on, thereby implicitly threatening these bodies. When state-building missions conduct trainings for recipient-government officials on various aspects of modern government, one essential topic of instruction should be how successful national governments share powers and responsibilities with autonomous subnational governments.

As Ashraf Ghani and Clare Lockhart have argued, the ultimate goal of state-building

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12 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 levels, as long as at least one level has inclusive political leadership.


14 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 percent of all public spending, but Denmark has decentralized 65 percent 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, *OECD Regions and Cities at a Glance 2018* (Paris: OECD, 2018), 114–15.
assistance should be to help a country establish an effective government that is accountable to citizens. Within government agencies, staff should be administratively accountable through supervisory reporting lines to government leaders, and in turn these leaders should be politically accountable to the people whom they serve. Such accountability can be strengthened by promoting democracy in politics and administrative professionalism in government. The decentralized theory of state-building emphasizes, however, that the lines of public political accountability should not all go through one national leader in the capital. Some significant public responsibilities should stay in the hands of local leaders who are directly accountable to their communities. When a state-building mission supports negotiations to develop a broadly acceptable political compact, groups from different parts of the country should have opportunities to press for local accountability in areas of particular local concern.

**Decentralizing Foreign Assistance**

This recognition of the essential local foundations for national political reconstruction has fundamental implications for the organization of any international mission to support the process. To support negotiations toward a broadly acceptable distribution of powers, an international state-building mission needs to engage with local leaders throughout the country, not just with national political leaders. The mission’s strategic direction should be informed by a detailed understanding of local political concerns as well as the views of the new national government’s prospective leaders. For effective local political engagement, a 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 truly respects the ultimate sovereignty of the people who live there, then its first action should be to send a team of local stabilization officers to districts throughout the country, to meet with people at the local level. These stabilization officers should have primary responsibility for directing all foreign aid in their district during the term of the intervention, so that they can ensure that foreign aid supports and encourages trusted local leaders who are working constructively with the new state. Such

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15 See Ghani and Lockhart, *Fixing Failed States* (2008). Ghani and Lockhart acknowledged (p165) that an effective state is not necessarily a centralized state, and they suggested that the state might transfer some decision-making power down to local authorities when doing so could enhance the implementation of a national policy agenda. But they did not discuss the possibility that autonomous local leaders might have been handling some public responsibilities before new state was established, and that the key question could actually be what powers do people want transferred up to the national leaders of their new state.
decentralized direction of foreign interventions was an essential component of the political stabilization strategy that was potently applied by British district officers in the early twentieth century. On the other hand, a lack of coordinated direction of foreign assistance in Libya after 2011 allowed donors to support different rival factions, exacerbating the conflict there.

More often than not, however, international assistance has been a force for the centralization of power in poor countries. In Afghanistan, for example, U.S. support promoted a centralized government in Kabul, while Pakistan's assistance to the Taliban helped top Taliban leaders to exercise centralized control over the insurgency. A national government’s ability to regulate foreign aid can effectively make the aid a valuable external resource that increases the national leader’s ability to govern with less local support. In this way, unless donors insist that some portion of their assistance be directed to local institutions, foreign assistance can make a government more centralized and less accountable to its people.

Donors, however, may find administering decentralized assistance to be more complicated. Rick Barton has described how the United States’ ability to support democratic local councils in Syria around 2014 was severely restricted by the U.S. government’s difficulties in dealing with a foreign political movement that did not have a unified national leadership. U.S. policymakers were highly averse to risks that a U.S.-financed payroll might include some unsavory individuals unless there was a respected national leader to take responsibility for it.

Of course, successful countries such as the United States have well-developed administrative controls for managing risks and moral hazard in government agencies. A standard

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16 See R. Myerson, “Stabilization Lessons from the British Empire” (2022), http://home.uchicago.edu/~rmyerson/research/sblessons.pdf, to appear in Texas National Security Review. Over a century ago, an expert on the British Empire’s strategy for political stabilization summarized it by three principles: decentralization, cooperation, and continuity. The colonial intervention decentralized substantial authority in each district to a local political officer, whose duty was to use this authority for encouraging cooperation of local groups and leaders in establishing political order. While these political officers were regularly reassigned to a different district every few years, continuity of policies was maintained by supervision from regional coordinators, who were expected to serve longer terms. However, colonial officers tended to interpret the cooperation principle very narrowly, by promoting a concentration of local power in the hands of one cooperative chief, whereas a democratic stabilization officer should support the authority of a broadly inclusive local council and try to work with all its members.


21 See Rick Barton, Peace Works: America’s Unifying Role in a Turbulent World (Lanham, Md.: Rowman and Littlefield, 2018), ch. 8.
principle in U.S. federal agencies is that the government’s power and the taxpayers’ money should be used only with regular controls to ensure meaningful accountability to the American people through their elected political representatives. But the goal of U.S. foreign state-building missions should be to support the development of a government that is accountable to its own people, not to Americans. If the officers of a state-building mission are too responsive to U.S. political concerns, they may lose the trust of the resident population and incur its resistance.22

Thus the local officers of a state-building mission may need to be exempted from many controls that would be standard in other government agencies. Keith Mines, a former U.S. special forces officer and diplomat who also worked on stabilization efforts in Afghanistan, has described cases where stabilization officers greatly needed more flexibility in allocating assistance funds, particularly for paying and equipping local defense forces (in Al Anbar in 2003, and in Darfur in 2007). In Washington DC, where these local groups were unknown, such an expense could seem harder to justify than a much larger allocation for arming the forces of a recognized national ally, even when those national forces were distrusted by people in the conflict zone.23

Indeed, there are many basic reasons why a state-building team needs more autonomous flexibility in calibrating aid to local political conditions. To induce positive political change, a local stabilization officer must identify key local leaders and offer them appropriate incentives to cooperate in forging a national political compact. Then the effectiveness of foreign stabilization assistance will depend on its local political conditionality: Local leaders should understand that they and their supporters can benefit from such assistance only if they cooperate with the wider program of national political reconstruction. Furthermore, if foreign aid is out of proportion with the customary resources of local leaders, the aid could actually exacerbate problems of corruption in local institutions. If stabilization officers are not committed to maintaining local accountability, their assistance could reduce leaders’ need for support from their communities.

These local political conditions are often difficult for anyone outside the country to assess. Thus when strong nations undertake a foreign intervention to help rebuild a failed state, the budgeted resources for the mission should be managed by a team of stabilization officers

22 This is the core of what David Lake has called the state-builder's dilemma, between loyalty to the intervening nation and legitimacy in the target country. See David A. Lake, The Statebuilder’s Dilemma: On the Limits of Foreign Intervention (Ithaca: Cornell University Press, 2016).

who, by their selection and training, can be trusted to spend the money appropriately according to local conditions in the failed state—particularly in remote communities, where normal controls of the intervening governments might be very difficult to apply.

**Decentralized Political Engagement in Past Interventions**

As argued above, when the goal is to support the establishment of a new national government that can earn broad popular acceptance, an intervention must be sensitive and responsive to local political issues. Strategic direction from a stabilization-assistance team that interacts directly with local leaders across the country is therefore essential. The U.S. interventions in Afghanistan and Iraq eventually did get substantial direction from field officers who actively engaged with local leaders in many provinces, but not early enough. These interventions critically lost many people’s confidence during the initial period when strategic decisions were made without sufficient sensitivity to local concerns.

In 1948, a basic goal of the United States’ Marshall Plan for rebuilding postwar Europe was to encourage economic cooperation among European countries. This was not state building, per se, but the intervention cultivated cooperative agreements that ultimately developed into the European Union. The strategic direction of the program’s Economic Cooperation Administration was significantly decentralized to field officers stationed in each recipient country. These field officers worked closely with national officials to understand their concerns about developing new institutions for international cooperation in Europe. A 1955 review of the Marshall Plan attributed much of its success to the fact that U.S. assistance policies were substantially guided by input from a team with such decentralized political engagement.²⁴

It may be particularly instructive to consider USAID’s Office of Rural Affairs, which was created in 1962 for distributing aid to support counterinsurgency efforts in South Vietnam. Under Rufus Phillips and Bert Fraleigh, the program installed a network of field officers, one in each province of South Vietnam. Authority to allocate assistance funding was decentralized to these provincial field officers, and they were instructed to use their delegated authority to encourage cooperation among local officials of the national government and locally elected community councils.²⁵ This decentralization of spending authority was considered essential for ensuring prompt and effective responses to requests from trusted leaders of remote hamlets and villages.

where the government needed to earn people’s confidence and support against the Communist insurgency. But since there was a potential for some of the national government’s provincial officials to see a program of local power-sharing as a threat to their authority, it was essential that a field officer could offer foreign aid to support their initiatives as well as those of the local councils.

The Office of Rural Affairs’ approach to decentralized political engagement helped to bring national and local officials together in a broad coalition for local governance that strengthened the foundation of the state. Rural Affairs’ provincial field officers were supervised by a few regional coordinators and a national director. This flat, three-level organizational structure enabled efficient communication of information about local political issues in every part of South Vietnam. So top policymakers in Washington should have turned to the Rural Affairs’ director and regional coordinators for input in planning the U.S. strategy for counterinsurgency in South Vietnam. But Washington policy-makers did not recognize that a team of stabilization officers who were working with local leaders throughout South Vietnam could understand the challenges of establishing the government's authority there better than military officers who were fighting the insurgents.

In September 1963, when Rural Affairs director Rufus Phillips returned to Washington from Vietnam, his participation in policy discussions at the highest level was severely limited by his lower status as a program director in a foreign country. In high-level planning meetings about the U.S. strategy for counterinsurgency in South Vietnam, Phillips was warned not to speak without permission even on topics about which he was probably the best-informed person in the room. Phillips and his field officers understood how military actions could affect the essential political problems of stabilization, for better or for worse, but the U.S. government did not see his civilian agency as qualified to question military tactics. Instead, calls for military escalation ultimately prevailed. This misdirection of U.S. policies in Vietnam shows why an agency for decentralized stabilization assistance needs to have a director with a recognized professional status that can demand the attention of top policymakers.

In 1964, a reorganization of the rural-assistance program critically curtailed its responsiveness to local political concerns in remote villages, where greater popular support for counterinsurgency could have been decisive. The Office of Rural Affairs was dismantled, and many of its personnel were transferred to other countries, even while the aid mission in Vietnam

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was vastly expanded. Senior USAID officials objected to delegating broad authority over the direction of U.S. assistance to a small team of junior field officers who were focused on responding to community leaders' concerns. But we should recognize that, when the main goal of an aid mission is to promote political development, it is best to entrust the task to field officers who can use the aid to build local support for the new political compact. Regrettably, we can also understand how competition within the government bureaucracy could generate an imperative to direct U.S. assistance through agencies that were better designed for justifying their work in Washington than for responding to local political conditions in a distant land.

The ultimate failure of the United States’ state-building project in South Vietnam is familiar history. But recalling the lost promise of the Office of Rural Affairs highlights the potentially vast costs of ignoring the essential role of local politics in the foundation of a strong national democracy. The costly misdirection of U.S. efforts in Afghanistan from 2002 or in Iraq from 2003 might have been avoided if, from the very start of these interventions, US policymakers had relied on such a team of local stabilization officers who could monitor and respond to local political challenges in every part of the country.

In the aftermath of these disastrous interventions, some have argued that U.S. at state-building suffered from a naive assumption that foreigners would embrace democracy like Americans. But the actual problem may have been a failure to recognize that people everywhere are like Americans in having local political interests that are as vital to them as their national politics. In the language of the American Revolution, the people who formed the fundamental basis for the new nation were understood to be the enfranchised inhabitants acting together in their local communities. If this understanding had been applied in Afghanistan, interveners who professed high ideals of democratic state-building might have had more appreciation for the autonomous authority of traditional village institutions, instead of trying to establish a centralized state without any role for locally accountable leadership.


28 For example, see Michael Waldman, The Second Amendment: A Biography (New York: Simon & Schuster, 2014). I have tried to use the word "people" in this sense throughout this paper.