Summary overview

Relationships between national and local leaders are vital in any state. With foreign assistance, national leaders may centralize more power, alienating local elites, increasing dependence on foreign assistance. Foreign assistance can achieve a state-building mission at less cost when power is constitutionally shared with local elites.

Outline:
- Elements of a viable state,
- The roles of local leadership and democracy in state-building,
- Centralization and dependence on foreign assistance,
- Historical examples,
- Conclusions and implications
State-building costs depend on structure of the state

A political stabilization mission is building a state.

The feasibility and cost of any building project depends on the architectural plan and the materials used.

In building a state, its constitutional structure is the architecture, and its political leaders are the core material.

Essential elements of a viable state:

- A system of political networks from capital to local communities.
- Key links: relationships between political leaders and supporters.
- Supporters are mobilized by leaders' reputations for reliably distributing long-term patronage and promotions for good service.

Such reputations are essential assets for political leaders in all systems. Disciplined security forces must develop under political leadership.
The role of local leadership in state-building

Any society has recognized local leaders in all communities. These become even more important when a state has failed.

When a new state is accepted by a large majority of local leaders, the rest will feel compelled also to acquiesce. This is the effective meaning of *legitimacy* for the state.

In long run, local leadership depends on connections in larger state. The state's constitutional structure determines whether local leaders feel included in its political networks or excluded from power. Insurgencies can develop in communities where no one has a stake in the state.
The role of democracy in state-building

Ideally, democracy could reduce fears of exclusion from power, but not if power is narrowly concentrated in a few national offices. Decentralized democracy creates opportunities for more leaders.

Strong foundations for democracy should be both national and local:
• multiparty national assembly,
• elected local councils.

Local democracy strengthens national democratic competition: Successful local leaders can become candidates for higher offices.

National democracy strengthens local democratic competition: National parties can support alternatives to established local bosses.
Key constitutional question: how are governors chosen

District and provincial governors are vital political links between national and local leaders. Key point of any political system is how governors are chosen: by central appointment, or by decentralized local election.

A centralized system can be strong if national leaders require governors to maintain local trust. But when local leaders have no political role, such discipline weakens as governorships become rewards for support in the capital.

A strong decentralized state depends on national leaders' reputations for working within an accepted constitutional division of powers.

Taliban councils' reputation for rewarding successful local commanders is a key constitutional asset of their insurgency.
Centralization and dependence on foreign assistance

When foreign assistance helps to keep control outside the capital, national leaders prefer to centralize more benefits of power.

Such centralization can alienate local elites, weaken the state, and perpetuate dependence on costly foreign assistance.

Requiring some decentralization as a condition for foreign assistance can help counter such incentives for excessive centralization, and may actually reduce the political impact of foreign assistance.
Historical examples

• In the Anbar Awakening (2006), tribal leaders took great personal risks for long-term political rewards in provincial government.

• In the Philippines (1901), American commanders could freely offer local power to collaborating local elites.

• In the American Revolution (1776), the Articles of Confederation distributed power among 13 locally elected provincial assemblies.
Conclusions

David Galula (1964): The essential goal of a stabilization mission is to *build a political machine from the population upward*, and political machines are *built essentially on patronage*.

The key to democratic development is to increase the supply of leaders with reputations for using public funds to provide public services, and not just to give jobs to their supporters.

When the goal is political reconstruction, the essential measure of success for any development project is how it enhances the reputations of the political leaders who spend the project's funds. *Outputs of public goods count only towards this political end.*

All public services should be directed by indigenous political leaders, but they should include both national and autonomous local leaders.
Policy implications for foreign financial assistance

To cultivate political leadership at all levels, foreign assistance should be distributed among national, provincial, and local governments.

The promise of funds for the national government should be conditioned on some political decentralization. *One possible condition: that elected provincial councils should be able to choose their governors and receive foreign assistance.*

Foreign donors should require transparent public accounting for all funds, both by the donors and by the national finance ministry. This accounting should be to the local population, who must be able to learn what their leaders have spent, and what this spending has achieved.