

Remarks for introductory session 1 at Chicago conference, May 15-16, 2020

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We have gathered to talk about what foreign assistance can do to support positive political development in fragile states. This question of how to assist in state-building has been unfashionable in Washington for at least a decade, and this year people are preoccupied with a different global challenge. But the time will come when high-level policy-makers will again need some understanding of how to foster post-conflict political reconstruction, with respect for democratic national sovereignty. This question has fundamental importance in political science, at the intersection of comparative politics and international relations. Our conference has been motivated by a conviction that better policies can be found when we think more fundamentally about the political science.

Some may question the possibility of benevolent state-building interventions, which would support a nation's political development while respecting its democratic sovereignty. But to have any hope for planning such interventions, or for holding their planners to account, we need some understanding of what should come first in building a successful democratic society. So this fundamental question in political theory acquires practical importance when we gather to talk about foreign assistance for democratic political development.

We know that elections are not enough. Successful democratic development depends on a plentiful supply of leaders who have good reputations for managing public resources responsibly, and such leaders may be found in local politics as well as national politics. So I would argue that, if the goal of an intervention is truly to establish a sovereign democratic state, not just to install a hand-picked leadership dependent on foreign support, then interveners should foster a political reconstruction that is based on elected local councils and a national assembly.

Our re-thinking of state-building may well begin by re-examining Max Weber's famous definition of a state as an organization that "(successfully) claims a monopoly on the legitimate use of physical force within a given territory." Weber formulated this definition in 1919, in the aftermath of his nation applying physical force on a scale never seen before in history.

But when a state is weak, its people must get basic protection from other groups and leaders who can exercise force in their communities. To create an effective state in this Weberian sense would then require that these autonomous local groups, on which people have been relying for protection, must be suppressed or commandeered by the agents of one central political faction. Such an attempt to neutralize all potential challengers to the new state could naturally elicit widespread resistance from people who have no evidence that the leadership of the new state will protect their vital local interests. Indeed, the Second Amendment was added to the United States Constitution in 1791 because many Americans did not want their new federal government to get a monopoly on the legitimate use of force. So a realistic goal for democratic state-building should be, not a Weberian state, but a stable political system that may include autonomous subnational authorities with substantial power.

North, Wallis, and Weingast (2009) have written extensively about the political development of states where many local groups have autonomous capacity for physical force. To give these groups an incentive to help keep the peace, their leaders must have some valuable stake in the national order, and so the system can be stabilized by letting oligarchic leaders claim privileges to monopolistically exploit certain public or private resources in the country. So NW&W warn us that, in a fragile state where social peace depends on such anti-competitive agreements among armed groups, reforms that aim to increase economic and political

competition by eliminating monopolistic privileges could actually have the perverse effect of increasing political violence, so that people may be worse off than before.

But does this mean that a state-building intervention can promote peace only by sponsoring a division of national resources among an oligarchic coalition of local bosses and war-lords? I would argue that higher standards should be set for international state-building missions that have promised to uphold the recipient nation's democratic sovereignty.

To maintain the unity of the country, the state must have a coherent national leadership that can exercise substantial power. But the state can elicit the support that it needs from key local groups by a policy of allocating some share of power also to respected local leaders in each part of the country. These two essential points can be compatible with institutions that encourage the development of democratic leadership to serve the interests of people throughout the nation.

The performance of democratic government depends critically on people's expectations of their leaders. If a nation's history has led its people to expect that any successful contender for national leadership would exercise power only to benefit a narrow clique of supporters, then their leaders will probably fulfill this low expectation. For successful democratic development, people must somehow come to expect better public service from those whom they will recognize as their leaders. But an incumbent national leader has no incentive to raise voters' expectations. And voters have no reason to believe promises of better government from a candidate who has never exercised any public power. So an incentive to raise expectations can be combined with a credible potential to do so only when voters allocate power at two or more levels of government, so that elected officials at lower levels can hope for election to higher office if they demonstrate an ability to serve their constituents better.

Thus, I would argue, a state-building mission can maximize the chances both for political stabilization and for long-term democratic development by promoting a balanced distribution of power between local and national political institutions, with some form of democratic accountability at each level. Dividing power between different levels of government is not simple, and constitutional principles must be developed to resolve disagreements about the limits of local and national authority. But successful democratic nations commonly devolve between 1/4 and 1/2 of all public spending to autonomously elected local governments. Throughout America's own history, the importance of maintaining an appropriate balance of power between national and local governments has always been considered a vital political principle. However, it has been hard to find any recognition of this principle in the doctrines and policies that have guided America's recent state-building efforts abroad.

This is but one suggestion of an alternative analytical perspective to better inform the management of foreign assistance for political reconstruction. Our goal for the next two days is to accumulate critical assessments of many different ideas in this crucial area of public policy.

References:

- R. Myerson, "Standards for state-building interventions," in *Economics for the Curious*, edited by Robert Solow and Janice Murray (Palgrave Macmillan, 2014), pages 174-188; also online at <http://home.uchicago.edu/~rmyerson/research/std4sb.pdf>
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- Douglass C. North, John Joseph Wallis, and Barry R. Weingast, *Violence and Social Orders* (Cambridge University Press, 2009).