"STATENESS" FIRST

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The 15 years since the founding of the *Journal of Democracy* have seen enormous changes in the configuration of world politics. In 1990, the "third wave" of democratization was cresting; there was tremendous optimism that new democracies would become consolidated and that the democratic zone of peace would expand to new horizons. Today the world scene is considerably darker: While some democratic gains have occurred, there have been serious setbacks in Russia, Latin America, and sub-Saharan Africa. The Arab Middle East not only has remained an exception to the general trend toward greater democracy, but has spawned a profoundly antiliberal form of Islamist extremism. And a new problem has emerged in the form of failed or weak states—from Somalia and Haiti to Afghanistan and Iraq—that have become sources of poverty, human rights abuses, refugees, and terrorism.

As the preceding articles demonstrate, the *Journal of Democracy* kept up with these trends by expanding its coverage beyond questions of institutional design and democratic consolidation to include the more elemental issue of state-building. Before you can have democracy or economic development, you have to have a state. As Stephen D. Krasner indicates in his essay, the violent political competition that led to state formation in Europe has not produced comparably strong states in most parts of the developing world. Thus "stateness" has to be begged, borrowed, or stolen from other sources, ranging from multilateral agencies

like the UN or the World Bank in such places as East Timor or Sierra Leone, to the European powers running the Office of the High Representative in Bosnia, to the United States as an occupying power in Iraq.

There is a fundamental conundrum in this process, one that is particularly underlined in the articles by Larry Diamond and by Gerald Knaus and Marcus Cox. Outsiders are driven to supply sovereign-state functions because of the internal weakness of the countries in question. But stateness that is provided by outsiders often undermines the ability of domestic actors to create their own robust institutions. Too much state-building on the part of outsiders builds long-term dependence, and may ultimately come to seem illegitimate to the locals.

In Iraq, the United States tried to create a soup-to-nuts post-Ba'athist state in the form of the Coalition Provisional Authority (CPA)—an example of what Knaus and Cox label "authoritarian state-building." As Diamond points out, L. Paul Bremer's understanding of his role as U.S. proconsul led to a degree of centralization and micromanagement that infantilized the Iraqi Governing Council, blocked the emergence of local governing bodies, and contributed mightily to the crisis of legitimacy that forced an acceleration in November 2003 of the timetable for the return of sovereignty and elections. Similarly, Knaus and Cox show how the Office of the High Representative in Bosnia has voided elections, overturned the decisions of Bosnian officials, and retarded the growth of indigenous capacity, all in the name of capacity-building and democracy.

It would be one thing if the outsiders running these authoritarian transitional agencies had at their disposal experienced and effective bureaucracies that were capable of actually governing a failed state. But both the United States and the Europeans went into these projects needing to build their *own* capacity for nation-building even as they were trying to provide it to the locals. The problem was especially egregious in the U.S. case. In planning for the Iraq occupation, the Bush administration drew on virtually none of the existing institutional knowledge about postconflict reconstruction that existed within the U.S. government. It started organizing for the postwar reconstruction very late and devoted far too little authority or resources to the task. In Afghanistan, planning began with less lead time, but was dogged by charges that the project was under-resourced by the United States.

The Importance of "Local Ownership"

In other parts of the development-policy community, there has been a move over the last decade toward a very different approach, one that stresses local ownership and participation. Long gone are the days when a team from Washington or Brussels would be airdropped into a developing country, do a "needs assessment," and then dictate to the locals

what they were to do to help themselves. The current emphasis on "community-driven development" puts the burden on the aid recipients to assess their own needs and then take responsibility for implementation of a project that they themselves have designed. It is they who best understand local needs and constraints, and it is they who must have incentives to help themselves in the long run. In the memorable words of former U.S. treasury secretary Larry Summers, "no one ever washes a rented car."

Knaus and Cox point out that the Europeans have stumbled on a remarkable mechanism, in the form of the EU accession process and the criteria that must be met for membership, that gives the locals an incentive to take ownership of the state-building process. This has become perhaps the most successful exercise of soft power in the world today. Could a similar approach work in failed states such as Bosnia, Afghanistan, or Iraq?

There are, of course, many drawbacks to letting the locals take the lead. The first is that they may make bad choices. As Andrew Reynolds points out in his article on constitutional design, arriving at the right set of interlocking institutions for a stable democratic polity is a very complex process. Locals interested in state-building may not understand the full range of possibilities available to them or may fail to anticipate the consequences of certain rules. More importantly, locals are often motivated to create institutions that embed their own particular interests and protect their power, or to act in ways that are at variance with internationally accepted practices. It is fine to argue, as Diamond does, that more reconstruction contracts should have gone to Iraqis in the early months; what deterred this was not U.S. unwillingness, but rather the absence among the Iraqis of any system of accountability of the sort that is built (perhaps overbuilt) into the U.S. government's contracting process. Similarly, it was in part fear that early elections would lead to intolerant Islamists coming to power that motivated the CPA to put them off.

Community-driven development is not a new idea. Private foundations and multilateral aid agencies promoted it in the 1950s and 1960s, and it formed one of the guiding principles of U.S. president Lyndon Johnson's now much-maligned War on Poverty within the United States. Nor was local ownership a panacea. In fact it often degenerated into corruption, self-dealing, or, at best, a rent-seeking mentality in which local input simply became an excuse for demanding more resources.

In the case of failed states, moreover, state collapse is often so thoroughgoing that the outside power is forced to exert authority simply to avoid calamity. There are no local actors to assess needs or design institutions; only the outside powers have anything like the attributes of stateness. This was the situation facing Bremer (and his short-lived predecessor, Jay Garner) in the early days following the U.S.-led invasion

of Iraq: The collapse of the Ba'athist state had left a barren political landscape, and there was no one but "externals" like Ahmed Chalabi (who brought with them plenty of negative baggage) to whom authority might potentially have been transferred. Indeed, the central problem in this period was that, with the disappearance of the Iraqi police, the core function of the Iraqi state—the maintenance of domestic order—was going unperformed.

All this being said, however, outside state-builders should, as a rule of thumb, be predisposed toward giving up some of their control in the interests of maximizing local ownership. There are three reasons for this: 1) It is difficult to sustain the level of effort required to actually run a country outright; 2) outsiders frequently do not know how to govern; and 3) early local ownership increases the likelihood of creating sustainable local institutions that have some chance of eventually surviving an exit by the outside powers. In Iraq, this would have meant an immediate effort, after the cessation of active combat, to figure out how to return sovereignty as quickly as possible to an interim Iraqi government. This probably would have necessitated keeping a lot of the old regime's state structure in place, including the old army and police, and pursuing a much more restricted de-Ba'athification effort. It seems that many Americans in 2003–2004 misread the history of the post-1945 occupations of Japan and Germany: Purges of former regime supporters eventually turned out to be much more superficial than originally planned. In Germany, only a thousand permanent civil servants were eventually dismissed (many having been reinstated, after initial purges, due to a dire need for qualified administrators). In Japan, the wartime economic bureaucracy survived virtually intact and went on to lay the basis for Japan's subsequent economic miracle.

State-Building versus Democracy Promotion

Outsiders seeking to reconstruct societies face a further set of difficult trade-offs due to the uncomfortable existence of conflict as well as complementarity between state-building and democracy promotion. At the core of state-building is the creation of a government that has a monopoly of legitimate power and that is capable of enforcing rules throughout the state's territory. That is why state-building always begins with the creation of military and police forces or the conversion of the former regime's coercive agencies into new ones. The promotion of liberal democracy, on the other hand, involves putting constraints on that very power so that it is dispersed to localities, limited by the rule of law, and ultimately subject to public accountability and popular consent.

There are two typical and opposite mistakes that arise out of overemphasis on either the state-building or the democracy-promotion pole. The first is to build a coercive state without the rules and norms needed

to restrain it, usually because the outside power gets tired of the project before it is complete. That is what happened in Nicaragua during and after the U.S. intervention there from 1927 to 1934. The U.S. Marines helped to create a modern Nicaraguan National Guard but did not encase it in a firm rule of law, allowing dictator Anastasio Somoza to hijack the Guard after the U.S. departure and to use it as an instrument of his family's rule. The other mistake is premature democratization, as in the case of Bosnia's early elections in 1996, which employed an electoral system that simply reinforced the power of the ethnic political parties. Before you can have a democracy, you must have a state, but to have a legitimate and therefore durable state you eventually must have democracy. The two are intertwined, but the precise sequencing of how and when to build the distinct but interlocking institutions needs very careful thought.

There may be some failed states whose weakness is so thoroughgoing or so deeply rooted in intractable political conflicts that a quick exit by outside peacekeepers or nation-builders is simply not an option. Under these circumstances, Stephen D. Krasner suggests that outside powers should stop deluding themselves into thinking that they are overseeing a transition, and instead move formally to a quasi-permanent situation of shared sovereignty. In an age when sovereignty no longer appears to be an on-or-off condition, perhaps it is appropriate to consider various kinds of juridical formulas that would officially recognize the reality emerging on the ground in many parts of the world. A key problem remains, however: The challenge of persuading voters and taxpayers in the rich countries that usually provide resources for external governance to be willing to do so indefinitely in various places around the world. This hurdle may be quite high, but in some cases it will have to be cleared. While we can hope to be prudent in choosing future interventions, it is unlikely that we will be able to avoid them altogether.

The changing world agenda has been faithfully reflected in the pages of the *Journal of Democracy* during the first decade-and-a-half of its existence. Let us hope that in the *Journal*'s thirtieth-anniversary issue in 2020 we will be seeing articles on failed states that have successfully graduated, with outside assistance, to become self-sustaining ones, and that democratic consolidation will be firmly in place as the central concern in most parts of the world, including the Middle East.