

# The Practice and Theory of US Statebuilding

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*The United States has employed three models of statebuilding over the last century, each animated by a different political theory. Statebuilding 1.0, developed and used from the late 1890s through the end of the Cold War, emphasized building loyal and politically stable subordinate states. Privileging American geopolitical and economic interests over those of local populations, the model was premised on the theory of realpolitik. Statebuilding 2.0 arose under and, in many ways, came to characterize attempts by the United States to construct a New World Order after 1990. The key shift was from seeking loyalty to building legitimate states. Under this model, the United States attempted to build broad-based popular support for nascent states by creating democratic institutions and spearheading economic reforms. In this 'end of history' moment, liberalism reigned triumphant in statebuilding practice and theory. Statebuilding 3.0 is now being 'field-tested' in Iraq and Afghanistan. This new model seeks to build legitimacy for new states by providing security and essential public services to their populations. It rests on social contract theory, and its core tenet that legitimacy follows from providing effectively for the basic needs of citizens. Successive sections summarize the practice of statebuilding under each model and discuss its implicit political theory. A critique of each model then flows naturally into the practice and logic of the next. The conclusion outlines why a statebuilding 3.1 is necessary, and what such a strategy might entail.*

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The United States has employed three models of statebuilding over the last century, each animated by a different political theory. Recognizing that each of the many instances of statebuilding is unique and responds to local needs and circumstances, and that the underlying theories are rarely made explicit, it is nonetheless possible to identify through practice ideal-type models of US statebuilding and their core political tenets. Like computer operating systems that differ in design, we can refer to these models as statebuilding 1.0, 2.0, and 3.0. But like different generations of operating systems, these models also have tremendous similarities in that they must carry out the same tasks and inevitably retain many of the same sub-routines. Troops must be sent to restore order. Food and humanitarian aid must be provided. New states or regimes must be created

to replace those that have collapsed or been overthrown. The differences are more of degree rather than kind, but still worthy of analysis. Nonetheless, each model was constructed in part to address the problems of the previous one, suggesting a dialectical process of change or, at least, some process of learning by policy elites over time.

Statebuilding 1.0 was developed and used from the late 1890s, when the United States first began trying to reshape the foreign regimes it encountered. Dominant through the end of the Cold War, this model emphasized building loyal and politically stable subordinate states. When loyalty to the United States conflicted with local interests, Washington tolerated autocratic governments; democracy was never irrelevant, but it was always a distant and instrumental goal—and rarely realized. Privileging American geopolitical and economic interests over those of local populations, this first model was premised on the theory of *realpolitik* and, as recognized by policy makers by the 1970s, failed to produce stable, effective states that governed with the support of their people.

Statebuilding 2.0 arose under and, in many ways, came to characterize attempts by the United States to construct a New World Order after 1990. The key shift was from seeking loyalty to building *legitimate* states, a change facilitated by the absence of any peer competitor. Under this new model, the United States attempted to build broad-based popular support for nascent states by creating democratic institutions and spearheading economic reforms. In this ‘end of history’ moment, as Francis Fukuyama (1992) dubbed it, liberalism reigned triumphant in statebuilding practice and theory.

Statebuilding 3.0 arose from the wreck of statebuilding 2.0 in the deserts of Iraq. It is now being ‘field-tested’ by the United States through the surge in Iraq begun under President George W. Bush, a policy shift much broader than simply increasing the number of troops on a temporary basis, and expanded efforts by President Barak Obama in Afghanistan. Statebuilding 3.0 seeks to build legitimacy for new states by providing security and essential public services to their populations. Although still embraced as goals, democracy and economic reform have shifted far down the list of priorities. This model rests on social contract theory, and its core tenet that legitimacy follows from providing effectively for the basic needs of citizens. It remains to be seen whether this model actually works, and whether it will become an enduring feature of US policy into the future.

The existing literature on statebuilding is surprisingly ahistorical, with most analysts concentrating on the period covered by statebuilding 2.0 or, at most, the post-1945 period (see Dobbins *et al.* 2003, 2007, Chesterman 2004, Fukuyama 2004, 2006b, Paris 2004). Laggard practice, only recently have scholars discovered the importance of legitimacy in theory and policy (Paris and Sisk 2009, p. 8), and none have, to my knowledge identified the different foundations for legitimacy in statebuilding 2.0 and 3.0. Contrasting these three models reveals the political strengths and inherent limits of each approach. Statebuilding 3.0 does indeed overcome many of the flaws of statebuilding 1.0 and 2.0. At the same time, statebuilding 3.0 slights the positive contributions of the earlier models, and these oversights are its most likely sources of failure.

Having tipped too far in the direction of social contract theory, a new statebuilding 3.1 is required that recaptures the emphasis on building loyal and democratic states central to earlier models. Building legitimate states by providing effective social services is a prerequisite for success. This should remain the centerpiece of American policy. However, the United States is unlikely to be willing to bear the burden of statebuilding in the future if it produces new anti-American or even neutral governments. Democracy is necessary to regulate state power and prevent the emergence of new predatory states. Both of these goals can be promoted by a global counterinsurgency campaign that encourages integration into the American-led international order.

Statebuilding refers, at its core, to militarized interventions by a foreign state or coalition with the explicit goal of creating a new regime, where the previous one has already collapsed, or of changing a regime that would otherwise fail (see Fukuyama 2004, p. ix, Pei *et al.*, 2005, pp. 64–65, Dobbins *et al.*, 2007, p. xvii). Much ambiguity lies in the last phrase, and thus different analysts will produce different lists of cases. None of the arguments in this essay depend on any specific definition but are sufficiently general, I believe, to hold across alternative sets of statebuilding cases.<sup>1</sup> In successive sections below, I summarize the practice of statebuilding under each model and discuss its implicit political theory. For each model, I highlight illustrative cases but seek to be neither comprehensive nor exhaustive. I aim only to identify the ideal type for each phase, its core political logic, and the principal problems that led to its replacement. The conclusion outlines why a statebuilding 3.1 is necessary, and what such a strategy might entail.

## Statebuilding 1.0

Beginning with its expansion into the Caribbean in the late 1890s through the end of the Cold War, the United States pursued a statebuilding policy premised on the theory of *realpolitik*. The primary objective was to build loyal, pro-US states that could maintain domestic political stability, often as a prerequisite to American investment or military bases. Given local opposition to Washington, its policies, or its client regimes in many instances, the United States often supported and even promoted autocratic rule and political repression. This frequent support for authoritarianism not only clashed with American values, undermining support at home for this strategy, but placed the United States in opposition to popular movements around the globe. The effort to get on the ‘right’ side of history eventually led to statebuilding 2.0.

### Practice 1.0

The practice of statebuilding by the United States evolved considerably over the twentieth century and was tailored in each instance to local circumstances, creating many versions of the basic model.<sup>2</sup> Despite these many variants, the

priorities of the United States as expressed through practice appear to have remained relatively constant: 1) loyalty to the United States, especially the forswearing of alliances or special economic relationships with any other great power; 2) domestic political stability; 3) foreign and economic policies preferred by the United States, particularly a receptivity to American military bases and investments; and 4) democracy, if consistent with other priorities.

Statebuilding 1.0 was developed and honed through seven statebuilding interventions on the Caribbean littoral 1898 and 1934 (see Table 1).<sup>3</sup> A constant was the creation of states that would be loyal to Washington. This pattern was ended only with President Franklin Delano Roosevelt's Good Neighbor Policy, more a reflection of the success of US efforts than any fundamental change in strategy. Concerned that domestic instability and corruption—state failure, in modern parlance—would create opportunities for European states to intervene to collect outstanding debts or otherwise protect their investments, the United States undertook to rule the states of the region directly or, more commonly, indirectly through subordinate, client regimes.

The Dominican Republic provides a classic example of statebuilding 1.0.<sup>4</sup> The United States reluctantly entered the Dominican Republic for the first time in 1904 to forestall an impending financial crisis, brought on by decades of looting from the public treasury by corrupt presidents. With European powers threatening to collect their debts by force, President Theodore Roosevelt assumed responsibility for the troubled republic's finances at the request of then President Carlos Morales. In first an executive agreement and later a treaty

**Table 1** US statebuilding episodes since 1900

Target country	Period	Year of first national election	Number of years from intervention to election	Democracy after ten years?
Cuba	1898–1902	1901	3	No
Panama	1903–1936	1952	49	No
Cuba	1906–1909	1908	2	No
Nicaragua	1909–1933	1912	3	No
Haiti	1915–1934	1930	15	No
Cuba	1917–1922	1918	1	No
Dominican Republic	1916–1924	1924	8	No
West Germany	1945–1949	1949	4	Yes
Japan	1945–1952	1946	1	Yes
Dominican Republic	1965–1966	1966	1	No
South Vietnam	1964–1973	1970	6	No
Cambodia	1970–1973	1972	1	No
Grenada	1983	1984	1	Yes
Panama	1989	Restoration	–	Yes
Haiti	1994–1996	1995	1	No
Afghanistan	2001–present	2004	3	–
Iraq	2003–present	2005	2	–

Source: Cases from Pei *et al.* (2005); election data from Nohlen (2001, 2005).

between the two countries, the United States took over the management of the republic's customhouses, the primary source of government revenue. The republic also bound itself to neither increase debts nor lower taxes without the consent of the United States and consolidated its foreign debt in a new loan, making its northern neighbor its sole foreign creditor. Following the outbreak of civil war in 1913, the United States dramatically expanded its rule. Landing the Marines in 1916 to uphold the country's 'lawful authorities', the United States declared martial law, revised the financial receivership agreement to preserve American control, and eventually placed the armed forces under American command. After Washington's handpicked candidate won new elections in 1924 and ratified decisions taken under martial law, the American troops withdrew.

Having extended an informal empire over the Dominican Republic, the challenge for the United States was ensuring that a pro-American regime remained in power to provide political stability on the island. Seizing power in fraudulent elections in 1930, General Rafael Leonidas Trujillo y Molina successfully anticipated American wishes and was careful, until the very end of his regime, not to cross the United States (Lowenthal 1995, p. 10, Atkins and Wilson 1998, pp. 79–84, 87–92). As President Franklin D. Roosevelt allegedly remarked about the dictator, Trujillo may be a 'S.O.B.', but 'at least he's our S.O.B.' (Lowenthal 1995, p. 24). Over the course of his 30 year rule, however, Trujillo gradually became more repressive. In the wake of the Cuban Revolution and fearing it would be held responsible for his actions, the United States eventually withdrew its support (Atkins and Wilson 1998, pp. 87, 111–117). The dictator then threatened to align with the Soviet bloc, offering détente to Fidel Castro, legalizing the Dominican Communist Party, and sending emissaries to the Soviet Union. Threatening to leave the informal empire, however, was not acceptable. The Central Intelligence Agency, under a directive signed by President Kennedy, encouraged, organized, and planned Trujillo's assassination, carried out in May 1961 by a group of disaffected associates. Continuing political instability after Trujillo's assassination prompted further action by the United States. A series of coups and countercoups came to a head in April 1965. With the pro-American junta requesting troops on the grounds that its opponents were 'directed by Communists', the United States quickly intervened, landing 500 Marines within days and ultimately deploying 23,000 troops (Lowenthal 1995, pp. 100, 102). The United States presence in the Dominican Republic was quickly folded into an Inter-American Peace Keeping force sanctioned by the Organization of American States and led by Brazil. Since 1965, the republic has been governed by pro-American moderates, who enjoy extensive economic ties and a free trade agreement with the United States.

In sum, as the case of Trujillo makes clear, repression was not in itself a problem; Roosevelt and others were willing to accept Trujillo, despite his all too evident flaws. 'Too much' repression was an issue only when it threatened to undermine the long-term position of the United States. More important, however, was loyalty to the United States. Only threats to align with other great powers caused the United States to intervene directly to change the regime.

During the Cold War, the United States extended this same basic strategy of statebuilding beyond the Caribbean basin to Europe, Northeast Asia, and Southeast Asia (see Table 1). Now overlaid by the ideological struggle with communism, as in the 1965 intervention in the Dominican Republic, the United States continued to support pro-American leaders who promised domestic stability, now defined as the absence of any leftist and especially communist opposition with an effective chance of seizing power. Once again, democratization was a distinctly secondary goal that was encouraged only when it did not conflict with American's other interests.

The case of Germany is often used to illustrate the conditions for successful statebuilding (for example, Dobbins *et al.* 2008, p. xiii). In an exceptional instance that nonetheless supports the priorities implied in statebuilding 1.0, the United States insisted upon a pro-American stance and internal political stability rather than democracy *per se*. During the occupation, the United States cultivated and promoted a pro-US political elite, centered around Konrad Adenauer. Excluded from power under the Nazis, and concerned with their own left-wing parties and the threat from the Soviet Union, Adenauer and other conservative reformers pursued better relations with the West even at the price of an early reunification with East Germany. The symbiotic relationship between the United States and conservative reformers in Germany ensured close collaboration, which in turn makes it hard to judge just how constraining the American presence actually was on German politics. It is unlikely, however, that the United States would have tolerated a unified but neutral Germany in the center of Europe had Adenauer and other early postwar leaders pursued Stalin's overtures in this direction. It is even more unlikely that the United States would have accepted any security relationship between West Germany and the Soviet Union. In the end, the United States did not need to restrain Germany greatly, as both parties recognized and accepted the constraints as they existed (Lake 1999, Chapter 5).

In turn, democracy was possible because internal political opinion was deftly reshaped to align with American preferences. Absolute defeat delegitimized previous German regimes, both the indigenous democracy of the Weimar Republic and fascism under Nazi dictatorship, and created a period of political plasticity that the United States could mold in its interests. The massive military forces required to defeat Germany remained in place initially, allowing for the imposition of a new rule of law in the occupied territory and deterring possible challengers to the new regime. The United States also used extensive financial aid, principally through the Marshall Plan, to empower Western-oriented elites willing to subordinate themselves and Germany to Washington. Finally, the United States worked hard to induce the new state to join the 'West' by promising integration into new American-led international security and economic orders through NATO, the European Coal and Steel Community and, ultimately, the General Agreement on Tariffs and Trade (GATT).

Given this reorientation, there was no real conflict in West Germany between loyalty to the United States and democratization. Nonetheless, as implied by its policy of denazification, for the United States policy preferences and political

stability would likely have trumped ideology and a commitment to building democracy if interests had clashed. In the heat of the war, the United States planned a Carthaginian peace under the Morgenthau Plan, which included strict bans on Nazi Party members from political, economic, and civic life. Eager to restart economic growth and cultivate political allies, however, the United States reversed course in 1946, devolving responsibility for assessing Nazi party members onto the Germans themselves. As a result, many Germans who helped or at least acquiesced in the death of democracy in the 1930s were quickly welcomed back into public life. Democratic principles were, once again, conveniently ignored when necessary.

In few cases other than Germany (and Japan) were the domestic raw materials of politics so malleable that they could be easily re-formed into shapes favored by the United States. Throughout Southeast Asia, recognizing the power of anti-colonialism and a domestic insurgency with heavy foreign support, the United States backed a series of corrupt, brutal, and even incompetent dictators. As in the case of the Dominican Republic, the object of statebuilding during this phase was not democracy *per se*, but rather the creation of pro-US regimes that could also ensure a degree of domestic political stability. This is not to claim that democracy was irrelevant to the United States. Washington did move the new states it helped create towards elections, but only after an average of 7.3 years after each intervention (3.8 years, excluding Panama in 1903 as an extreme outlier). As we shall see, this was a substantially slower pace than under statebuilding 2.0, when elections were held within two years on average. But in only three cases to the end of the Cold War—Germany, Japan, and Grenada—did democracy survive for ten years or more (see Table 1). When loyalty and democracy clashed, the former was accorded a much higher priority than the latter (see Smith 1994, Hermann and Kegley 1998).

## Theory 1.0

Statebuilding 1.0 was premised on a political theory of *realpolitik*.<sup>5</sup> Only states in America's expanding sphere of influence were subject to its ministrations. There was no universal call or campaign to build states around the globe. Rather, efforts were concentrated in areas of concern and undertaken only in the self-interest of the United States. Statebuilding was not intended to improve the lives of the subject populations, but to secure America's interests abroad. Statebuilding was pursued in the national interest, and vice versa.

In ways that are perhaps masked by the label *realpolitik*—with its association with realism, and especially realism's assumption that relations between states are anarchic—statebuilding was pursued by the United States as a means of establishing and maintaining international hierarchy or authority over subordinate states (Lake 2009). Over the twentieth century, the United States built an informal empire around the Caribbean littoral and a sphere of influence in Western Europe and Northeast Asia, through which it exercised broad authority

over the foreign security and economic policies of its subordinate states, restricting with whom they could ally or enter into preferential economic relations and, in the Caribbean, ensuring favorable economic policies towards American traders and investors. President Theodore Roosevelt justified this policy in his famous corollary to the Monroe Doctrine, declaring that

Chronic wrongdoing, or an impotence which results in a general loosening of the ties of civilized society, may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the Western Hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence, to the exercise of an international police power. (Quoted in LaFeber 1994, pp. 247–248)

Building loyal states, often through collaborators, was an integral part of this broader strategy of establishing hierarchy.

Emphasizing only that ‘might makes right’, realpolitik lacks any positive theory of legitimacy. Indeed, other than asserting its ‘international police power’ in the Roosevelt Corollary, the United States appears not to have considered the question of legitimacy. It certainly did not aim to promote democracy per se as a legitimating device. Even the most liberal of American presidents, Woodrow Wilson, well known for wanting to make the world safe for democracy, actually wanted only to teach the Mexicans and others in the Caribbean to ‘elect good men’, by which he meant, of course, leaders who would share or at least follow America’s political preferences (Knock 1992, p. 27). Nor was the United States interested in nation building. Rather, the emphasis was on ensuring that local rulers would be loyal and could enforce policies, including domestic political stability, preferred by Washington. Throughout, democracy was instrumental. When society appeared closer to its policy preferences than possible state leaders, as was the case in previously fascist Germany and Japan after 1945, the United States pledged to democracy, within bounds. But in small, weaker states with populations that did not share its preferences, the United States typically imposed loyal, collaborationist regimes.

## Critique 1.0

The key problem in statebuilding 1.0 is that loyal states are not necessarily legitimate states, or states that govern with the broad support of their citizens. In some cases, there was little tension between these goals. As noted, in West Germany and Japan the political preferences of the subordinate elite and population were reshaped and subsequently coincided with those of the United States sufficiently that freely elected governments acted in ways desired by Washington. But in other cases where American and local preferences were more distant from one another, states that followed policies desired by the United States lost the support of their people. In such cases, loyalty *required* that the state also insulate itself *against* popular opinion and demands, most typically



through an autocratic and sometimes repressive regime. Rather than governing legitimately, such states stayed in power through the assistance of the United States and the greater use of coercion against their own peoples. Their dependence on the United States, in turn, ensured their loyalty, since they lacked significant other support. In the end, the United States preferred loyalty even at the price of authoritarianism.

This strategy of supporting dictators—‘our S.O.B.s’, as FDR put it—was first challenged on principled grounds by President Jimmy Carter who, seeking to rebuild America’s standing after Vietnam, endorsed human rights and democracy promotion as goals of United States foreign policy (Smith 1994, Chapter 9). Not only did support for dictators undermine America’s own democratic values, Carter believed, but popular resentment at prolonged repression would inevitably transmogrify into anti-Americanism. This long-term view was submerged, again, in the second Cold War under President Ronald Reagan, most notably in his opposition to the populist Sandinista regime in Nicaragua and his support for the Contras. Nonetheless, by the late 1970s, there was a growing recognition by US policy makers that statebuilding 1.0 was deeply flawed and threatened rather than enhanced America’s long-term interests.

### Statebuilding 2.0

Following the end of the Cold War, the practice and theory of US statebuilding changed in two profound ways. First, the United States placed a new emphasis on building legitimate states, or states that are broadly accepted as ‘rightful’ by those over whom they exercise authority. To the extent that legitimacy is one condition for domestic political stability, this emphasis was not entirely new, but popular recognition of the authority of the state did take on greater importance. Facilitated by the absence of a peer competitor or global ideological struggle, the change in US orientation was significant. No longer could governments simply repress their societies, they had to govern with, at least, a modicum of popular support.

Second, legitimacy was understood and expected to follow from democratic political institutions. That is, there was a widespread assumption that what made a state legitimate were broad-based elections and a degree of popular representation in and control over the state. This embodied a liberal theory of the state and a particularly American view of legitimacy.

These two innovations permitted, for the first time, multilateral statebuilding efforts by the community of democratic states. Instead of pursuing its own national interests, the United States now sought to build states that would be accepted by the people over whom they ruled. This allowed the international community, and especially the other advanced industrial democracies, to come together around a common approach and policy, reflected in a shift to multi-lateral statebuilding through the United Nations or other regional organizations.

Despite this shift toward multilateralism, the United States remained the key leader in statebuilding missions around the globe.

## Practice 2.0

As with version 1.0, there was not a single practice of statebuilding in the immediate post-Cold War era. Each episode was unique, involving different actors who pursued different agendas in different orders. Especially important was whether statebuilders were invited as part of a peacekeeping operation or arrived as part of a peace enforcement mission. Yet there is enough commonality across instances to posit a broad model of statebuilding 2.0 that held during the administrations of Presidents George H. W. Bush, Bill Clinton, and George W. Bush. Despite 9/11 and the start of the global War on Terror, little of substance changed in terms of statebuilding between 1990 and 2007. The model has two primary features (Paris 2004, p. 19).<sup>6</sup>

Statebuilding 2.0 focused on refounding the political institutions of failed or overthrown states on inclusive, democratic principles. As soon as practicable after the end of hostilities, the principal parties were typically brought together under the auspices of an external power(s) in a constitutional convention composed of all stakeholders within the country, usually excluding only those responsible for widespread atrocities or who represented an overthrown faction (e.g., the Taliban in Afghanistan). This convention was charged with writing inclusive rules of political participation and creating a new structure of democratic politics tailored to the unique historical experience of the country. As part of this process, an interim government was often created. Once the constitution was ratified or legally validated, internationally monitored elections were quickly held. In all cases that did not immediately dissolve into renewed fighting, this process ended in elections in two years on average (see Table 1) and within three years in all cases (Paris 2004, p. 19). Participatory institutions were clearly seen as a priority and perhaps even a panacea.

In addition to reconstructing the political institutions of the state, statebuilding 2.0 also emphasized economic reform. Along with political liberalization, state builders sought to implement the Washington Consensus on economic policy, including reducing barriers to international trade and investment and stimulating the growth of private enterprise (Paris 2004, p. 19; see also Barbara 2008). This emphasis on economic liberalism is less unique to statebuilding 2.0 than the new focus on legitimacy. It is roughly equivalent to the adoption of economic policies favorable to the United States in statebuilding 1.0, and like most economic relationships that flowered during the Cold War it was based on an 'open door' policy of equal access. In turn, pushed by international financial institutions and others during this period, the Washington Consensus was part of the 'good governance' movement that was applied far beyond failed states.

Haiti in many ways exemplifies statebuilding 2.0. In early 1991, Haiti was simultaneously a democracy and a failed state. In December 1990, political

reformer Jean-Bertrand Aristide was elected president with 67 per cent of the vote in a generally free and fair election. Nonetheless, Aristide was opposed by the country's political and economic elite, which dominated Haiti's military and police forces, and thwarted by a corrupt and dysfunctional legislature, a weak and incompetent bureaucracy, and a nonexistent judiciary (Dobbins *et al.* 2003, pp. 72–73). After only nine months in office, Aristide was overthrown in a military coup led by General Raul Cedras, whose repressive policies caused many poor Haitians to flee illegally to the United States for both political sanctuary and economic opportunity.

Attempting first and foremost to stem the tide of refugees, the United States brokered a deal in October 1993 to return Aristide to office and retrain Haiti's military and police forces. The military pulled out of the agreement, however, and a US Navy ship carrying the trainers was driven from the dock in Port-au-Prince by a mob of demonstrators—a humiliating turnabout for the Clinton administration, which had just recently lost 18 troops in Mogadishu and decided to withdraw from Somalia as well. The failed deal was followed by stiff economic sanctions and increasing political pressure on Cedras. Under pressure from Aristide and his supporters, the Clinton administration eventually threatened to invade the island to restore democracy (Soderberg 2005, p. 47). With former President Carter mediating, Cedras finally capitulated only when learning that the first planes of US paratroopers were in the air. US forces eventually entered the country peacefully in October 1994. After three years in exile, Aristide was returned to office.

Although technically a restoration of democracy, the United States also attempted to deal with the underlying sources of state failure. Following the recipe of statebuilding 2.0, the United States restored Aristide to power, even though he lacked significant supporters within the US government, but insisted that he step down upon the completion of his original term in 1996. Equally important, the United States sponsored new local and national elections in autumn 1995 (and a second round of national elections in 1996) in an attempt to renew and possibly purge the legislature of corrupt and ineffective members (Dobbins *et al.* 2003, pp. 78–79). In tandem, the United States orchestrated a new international aid initiative that targeted improvements in infrastructure and emphasized privatizing public utilities and other state-owned enterprises, long perceived as a source of the widespread public corruption bedeviling the government (Dobbins *et al.* 2003, p. 81).

Neither democracy nor economic reform endured in Haiti, however. In 1996, Aristide was replaced in democratic elections by René Préval, a political ally, but the two leaders split shortly thereafter and effectively immobilized the government, forcing Préval to rule by decree. Contested elections in November 2000 brought Aristide back to power, but continuing disagreements in the legislature and delayed elections led to Aristide also ruling by decree. Another coup in 2004, perhaps with foreign support, overthrew Aristide for a second time. New elections in 2006 returned Préval to office. In the midst of this continuing political controversy, economic reform efforts were quickly terminated. Even

before the devastating earthquake in January 2010, the island remained mired in corruption, poverty, and political instability.

Until 2009, Afghanistan followed a very similar course (Rashid 2008, Jones 2009). Following the terrorist attacks of 11 September 2001, the United States launched Operation Enduring Freedom to eliminate al Qaeda and the Taliban regime in Afghanistan. With the overthrow of the Taliban, expatriate and Northern Alliance leaders from Afghanistan met in Germany in late November to establish an interim authority. On 5 December, they signed the Bonn Agreement, which laid out a blueprint for peace and statebuilding. Harmid Karsai, a Pashtu leader whose forces were then besieging Kandahar, was selected to head the interim authority. The Bonn Agreement also called for the convening of a *loya jirga* (grand or general assembly) in June 2002. Over the spring, relatively inclusive village meetings elected representatives to regional meetings, which in turn elected members to the national *loya jirga*. Meeting over six days, the conclave established a second constitutional convention and a transitional administration, also led by Karsai. The second *loya jirga* began in December 2003, and finalized a constitution weeks later. After several delays, the first presidential election was held on 9 October 2004. The process of democratization moved rapidly from constitutional convention to elections.

Afghanistan is one of the poorest countries in the world. Under the Soviet Union and afterwards, it had essentially a socialist and certainly a state-run economy. Along with substantial economic aid following the overthrow of the Taliban, but still at a fraction of that dispersed per capita in other cases (Dobbins *et al.* 2003, p. xviii), the international community, led by the United States, has pushed hard for economic reforms in the country, including privatization, market liberalization, and central bank autonomy and monetary stability. Some progress has been made towards these goals, but corruption remains rife and opium cultivation and smuggling remains by far the largest economic activity in the country, much of it controlled by newly resurgent Taliban forces.<sup>7</sup> In Afghanistan, as elsewhere, economic liberalism has been an important element of statebuilding 2.0.

## Theory 2.0

Underlying the practice of statebuilding 2.0 was a classic liberal conception of the state, one that ruled 'by the people, for the people' in President Abraham Lincoln's famous phrasing. It is the joining of legitimacy and liberalism that is most distinctive in this new model (see Paris 2004, Barnett 2006). At the end of the Cold War, the United States found itself both free from the shackles of ideological competition and without any peer competitor. Rather than supporting loyal rulers, the United States could now give greater emphasis to building legitimate states. This coincided with and, in fact, gave voice to critics of statebuilding 1.0 (above). In this way, the end of the Cold War created a political opening for the United States to accord legitimacy a much higher priority in statebuilding efforts than

before. But there are many different notions of what makes a state legitimate (see Zelditch 2001, Gilley 2006a, 2006b). In the euphoria of the end of the Cold War and informed by its own historical experience, the United States reached to liberalism to guide its policy. Four tenets of liberalism were important and fit together into an integrated strategy for building legitimate states.

First, democracy legitimates states by promoting deliberation by citizens in a public sphere (see Cohen 1989, Dryzek 2001). Although the conditions for ideal deliberation remain contested, and are rarely approximated in the real world, liberals nonetheless posit that democracy comes closest of all known political systems to meeting these conditions. By encouraging the exchange of ideas and information among individuals, competition between parties for votes, and a free press to stimulate debate and verify information, democracy allows the will of the people to be determined more accurately than would be otherwise possible.

Second, democracy legitimates states by ensuring government responsiveness to citizen demands and desires. Here, again, democracy is imperfect. Politicians may write the rules of political competition to insulate themselves from the will of the people. Special interests may pull policy away from the proverbial median voter. But compared to the alternatives, liberals believe democracy does respond to the demands of average citizens and provides public goods more effectively than the alternatives (Lake and Baum 2001, Levi and Sacks 2009).

Third, democracy legitimates states because it is procedurally fair (Tyler 1990). Under democracy, the rules of politics are established and more or less clear, permitting smooth successions of power from one set of elected officials to another. In addition, democracy equalizes, more or less, the voices of citizens in the political process. Special interests, of course, play a major role even in democracies, enjoying access to politicians that average citizens do not—as their name implies. But through the rule of ‘one person, one vote’, democracy is relatively fair—or at least more fair, again, than the alternatives.

For all three of these reasons, participating in the political process, especially for citizens previously repressed by the state, can often have a powerful legitimating effect. Iraqis proudly showed off their purple fingers after their first elections in 2005, dyed to inhibit election fraud but quickly reinterpreted as a symbol of their new ability to participate in the political process. Such moments visually and emotionally attest to the legitimating power of democracy.

Finally, liberal economic policies of competitive markets, limited regulation, and openness to trade are understood to both maximize social welfare, and thereby legitimate the state, and constrain the state in ways that help preserve democracy over the long term. By minimizing the scope of the state and maximizing the sphere of private property and private rights, economic liberalism creates social forces with vested interests in protecting those rights against future state encroachment. By keeping resources out of the hands of the state, economic liberalism reduces the benefits of holding political office and, therefore, incentives for individual leaders to appropriate political power for themselves.<sup>8</sup> In short, economic liberalism, good on its own terms, also reinforces and preserves democracy.

These pillars of liberalism—democracy and the market—fit together into a persuasive whole that promised to legitimate otherwise failed states, just as they legitimate the state in advanced industrial democracies. Drawing on well-established liberal theories of the state, and its own perceived historical experience, the United States deeply embraced this new model of statebuilding.

## Critique 2.0

The problems in statebuilding 2.0 were fourfold. Manifested as early as the humanitarian intervention in Somalia, they reached a nadir in postwar Iraq. The cumulative failures of this strategy, recognized even by the reluctant statebuilders in the administration of President George W. Bush, led directly to statebuilding 3.0.

First, although proponents believe it can be broadly applied, liberalism is not a universally shared philosophy. Where it has intellectual roots, it appears to have played a positive role in legitimating the state, as in Bosnia. But in many regions of the world where it is not generally accepted, it does not automatically have this effect. In Islamic countries, for instance, God's law as embodied in the Koran is understood as superior to the law of man. For religious Muslims, man-made law, no matter how participatory the political process through which that law was made, can never trump Sha'ria or the teachings of religious scholars (see Sisk 1992). In less religious societies that nonetheless lack experience with democratic institutions, liberalism may clash with local practices and political thought, and will also fail to confer legitimacy on states. Notions of 'fairness' differ dramatically across cultures. It was a supreme act of Western hubris to expect liberalism (the 'freedom agenda') to apply equally to all social and political cultures around the globe.

Second, democracy necessarily alters the balance of political power within societies and challenges interests vested in the *ancien régime*. All political institutions privilege some social interests over others. In autocratic regimes, the military, individuals with personal ties to the leadership, or industries that share their economic rents with politicians tend to have political influence disproportionate to the number of votes they control. Democracy shifts political power from these interests towards the majority of citizens. For its proponents, this is one of democracy's key benefits.

Yet, by disrupting the political equipoise, democracy can be extremely destabilizing (see Mansfield and Snyder 2007). In Somalia, for instance, the United Nations initially negotiated with the principal warlords, who enjoyed political power roughly in proportion to the size of their militias. By spring 1993, however, it began a process of democratization by building elected district level councils, with the ultimate goal of creating a new country-wide representative body. This enraged the warlords who correctly saw this as a deliberate attempt to sideline them and empower others in society. The strongest warlord, General Mohamed Farrah Aidid, quickly broke with the United Nations process. The

United Nations subsequently convinced the United States that Aidid was an obstructionist, and something close to a civil war ensued between the peacekeepers and his militia, ultimately resulting in the failed attack on his headquarters in Mogadishu in October 1993, the deaths of 18 US servicemen, and the pullout of American forces from Somalia (see Hirsch and Oakley 1995, pp. 135–136, Patman 1997, p. 519, Woods 1997, p. 169). Similarly, attempts to build democracy in Iraq, which would empower the majority Shiites, fed the insurgency among the Sunnis, the religious minority that was previously privileged under the Baathist regime.

Democracy will never appear legitimate to former power holders who lose influence within the new, democratically constructed state. But any rules that preserve the power of formerly privileged groups will, by definition, not be democratic. The evidence to date, as Paris (2004) ably shows, is that democratization has, at best, no effect on building effective states and may even have a detrimental effect by reifying divisions and distrust. Although it is an unquestioned article of faith in developed countries that democracy is a ‘good thing’ and desirable for all—and I will admit to sharing this faith—there is little evidence that democracy per se can legitimate governments in weak states.

Third, economic reform has an effect similar to democratization on economic interests in a country. Economic reform necessarily strips away economic protections and reduces the rents of those individuals and industries that had prospered through their connections to the old regime and shifts returns towards industries and entrepreneurs that can compete effectively in domestic and international markets. Again, liberals see this process of economic and political change as one of the benefits of market reform. Yet these economic disruptions also undermine state legitimacy. The economic losers will seek to block reforms, and if they fail will be likely to judge the state that caused their new ‘plight’ as illegitimate. Again, the minority Sunnis, with no oil resources in their region of the country, were nonetheless economically privileged and the wealthiest group in prewar Iraq. The economic reforms championed by the Coalition Provisional Authority (CPA), regarded by Ambassador Paul Bremer as his greatest accomplishment (Chandrasekaran 2006, pp. 70, 134, 328), created a ‘fearsome’ backlash from the former economic elite and drove them into the insurgency (Allawi 2007, p. 198). Even more so in Somalia, the breakdown of normal economic intercourse during the humanitarian crisis allowed the warlords to profit from control over external aid and, indeed, from criminal behavior, including now piracy. Any return of the rule of law would necessarily diminish their activities. As now perhaps the only prosperous group in Somalia, the warlords, smugglers and pirates use their illegal returns to build public support and through continued violence undercut prospects for the return of political stability (Bradbury 2003, pp. 20–21, Menkhous 2003, p. 417).

In short, on no dimension does liberalism automatically legitimate a state (Beate 2007). Political and economic reforms also disrupt the *ancien régime* and weaken interests vested in the old order, and these interests are likely to oppose any state founded on liberal principles. Neo-conservatives have sometimes

averred that it is a form of racism to imply that developing peoples are not yet ready for democracy and freedom, but it is equally an act of hubris to assume that democracy alone is sufficient to legitimate new state institutions, especially in countries without a tradition of democratic rule (Fukuyama 2006a, Chapter 5).

Finally, liberalism does not ensure loyalty to the United States, the goal of statebuilding 1.0 and still an important consideration today. Implicitly, Americans have assumed that democratically elected leaders would support the United States and its interests around the globe. This rests on the notions that 'small d' democrats are inherently alike, and that democracies are innately peaceful and therefore favor the status quo, which largely complements America's position in the world today. This belief may also rest on the lessons learned from the successful statebuilding efforts in Germany and Japan after World War II, although as I argued above both cases were more complicated than any simple notion of democratization can explain. Nonetheless, the recent wave of democratically elected leftist governments in Latin America, including Hugo Chavez in Venezuela and Evo Morales in Bolivia, challenge this liberal notion. More consequentially, Hama's victory in the free and fair elections in the Palestinian Authority in January 2006 struck fear into the hearts of would be democratizers in the American government, making plain that democracy in the Middle East was unlikely to produce friendly, pro-American governments, at least in the near term.

The United States has attempted to manage the tension between democracy and loyalty by making its leadership preferences clear and subtly manipulating the rules of the domestic political game. In Afghanistan and Iraq, this resulted in the election of Karsai and Nouri al-Maliki, respectively, both of whom are minimally acceptable to Washington. In turn, successive administrations have backed these leaders strongly for fear of losing control to more 'radical' or anti-American movements. As expected, the dependence of Karsai and Maliki on the United States has kept them largely compliant and loyal to American interests, but this dependence has also undermined their legitimacy at home and opened both to charges of being American 'lackeys'. The more directly the United States intervenes in national politics to ensure that an acceptable candidate wins, the less democratic the process and the politically weaker the winning candidate is likely to be. In the case of Karsai, this led both to his orchestrating blatantly fraudulent national elections in August 2009, and the toleration of this fraud by the United States. In any democratic state, there is a real and irresolvable tension between loyalty to a foreign power and legitimacy. Although taking legitimacy more seriously, statebuilding 2.0 did not really address the key problem that ultimately led to the failure of statebuilding 1.0.

### Statebuilding 3.0

Already under challenge for its disappointing results, statebuilding 2.0 was rejected after its utter failure in Iraq. Even as the country as a whole imploded in



sectarian violence, however, deviations from version 2.0 led to apparent success in some areas of Iraq, especially the area around Mosul occupied until February 2004 by the Army's 101st Airborne Division under the command of General David Petraeus. The US military quickly recognized these pockets of success and generalized the practice into a new doctrine, described in the new *U.S. Army/Marine Corps Counterinsurgency Field Manual (CFM 2007)*. The *CFM* overlaps with and appears informed by substantial case studies and lessons learned compiled by the RAND corporation (Dobbins *et al.* 2007) and echoes other recent manifestos (Ghani and Lockhart 2008). It might seem odd to treat counterinsurgency warfare as statebuilding, but according to the *CFM* counterinsurgency *is* statebuilding, a battle to win the 'hearts and minds' of the local population for the nascent state and thereby undercut support for the rebels.

Statebuilding 3.0 is now being actively implemented in both Iraq and Afghanistan. It is a sufficiently important turn in practice and theory that it is worth examining in some detail. Moreover, given the role of the military in stabilizing fragile states, the *CFM* is likely to form the basis for policy in future cases. The aid community appears to have embraced the same lessons, implying that this strategy of statebuilding is likely to be employed even in less violent or post-conflict sites as well (OECD 2008). For the near term, statebuilding 3.0 will be the US approach to rebuilding fragile and failed states.

Like statebuilding 2.0, version 3.0 aspires to create legitimate states. Unlike its predecessor, however, statebuilding 3.0 eschews liberalism, with its emphasis on democracy and free markets, in favor of providing essential social services and a social contract theory of the state. If the mantra of statebuilding 2.0 was 'democracy first', statebuilding 3.0 clearly proclaims 'public security first', with democracy relegated to a distant fifth priority.

### Practice 3.0

Although media attention focused on the additional troops being sent to Iraq in the surge, perhaps more important were the changes in military leadership and statebuilding strategy. Written under his general direction, Petraeus appears to have followed the *CFM* closely when he returned to Iraq in January 2007 as Commander of the Multi-National Force–Iraq. This same strategy is also being applied in Afghanistan under his direction as Commander of United States Central Command. Although the practice of statebuilding 3.0 is still relatively new, we nonetheless have a clear statement of the principles in the *CFM*.

In statebuilding 3.0, success is defined as a 'host' state that can survive effectively on its own and govern with the broad-based support of its people. In pursuit of this goal, according to an overlapping RAND study (Dobbins *et al.* 2007, p. xxiii), statebuilders should prioritize goals and activities in this order:

- *Security*: peacekeeping, law enforcement, rule of law, and security sector reform.
- *Humanitarian relief*: return of refugees and response to potential epidemics, hunger, and lack of shelter.
- *Governance*: resuming public services and restoring public administration.
- *Economic stabilization*: establishing a stable currency and providing a legal and regulatory framework in which local and international commerce can resume.
- *Democratization*: building political parties, free press, civil society, and a legal and constitutional framework for elections.
- *Development*: fostering economic growth, poverty reduction, and infrastructure improvements.

Operationally, the *CFM* makes clear that security, whether provided by US forces or host nation forces, is the highest priority, even though this means at the tactical level that troops will be placed at greater risk by protecting the people rather than themselves, being visible and present in the streets, and living amongst the population rather than in secure bases. Conversely, governance and economic development, central to statebuilding 2.0, are demoted to lower priorities overall and, strikingly, elections and support for a free market are the last, not the first, steps in statebuilding practice (see *CFM* 2007, p. 156, Figure 5–2). Although the goal remains building legitimate states, the field manual completely flips the practice of statebuilding on its head. While in statebuilding 2.0 states that were legitimated by democratic processes were then expected to provide services demanded by citizens, statebuilding 3.0 aims to provide those services first in order to legitimate the state, with democracy and economic reform following only once stability has been achieved.

The United States initially followed the model of statebuilding 2.0 in Iraq after the invasion and collapse of the Baathist regime. An Office for Reconstruction and Humanitarian Relief (ORHA) was created as the primary American presence in Iraq and as a temporary relief agency. It was soon replaced in April 2003 by the CPA, which claimed all political authority in Iraq. Plans for a provisional Iraqi government, already shaping up under ORHA, were quickly shelved by the CPA (Allawi 2007, pp. 105–110). Nonetheless, an Iraqi Interim Government was formed and the CPA itself disbanded in June 2004, returning full sovereignty to Iraq. Following elections in January 2005 to draft a new constitution, an Iraqi Transitional Government was formed in May 2005. The constitution was ratified in October and a National Assembly was elected in December 2005. After months of negotiations, a coalitional government was finally formed under al-Maliki in May 2006, completing the initial transition to democracy. Along with democratization, the CPA began and the new regime has largely continued a massive liberalization of the previously state-owned socialist economy, dramatically opening the country to foreign investment and trade (Foote *et al.* 2004). Despite this apparent success in meeting various institutional ‘benchmarks’ central to statebuilding 2.0, neither legitimacy nor political stability followed as planned.

By 2006, after a massive bombing at the al-Askari Mosque, rising violence between sectarian groups exploded into civil war.

By January 2007, President George W. Bush was forced to acknowledge that the statebuilding strategy followed by his administration had failed. He altered course in the surge, expanding the number of troops deployed by some 20,000 and replacing General George Casey with Petraeus. Focusing on providing basic security and essential public services to Iraqis, the new strategy dispersed the newly enlarged US forces more widely, adopted population-centric protection measures, engaged in outreach to the armed antagonists, and developed new, more precise counterinsurgency tactics made possible by better intelligence provided by Iraqi civilians. Using an 'oil spot' strategy, the military established control over an area through a large initial deployment, provided services and especially the security desired by the population, elicited information from the population about local insurgents, and then used that information to eliminate insurgents and thereby expand the area of control. By progressively repeating these steps, the military was able to tamp down the violence in Baghdad. Critically, before and in the new breathing space opened by the surge, the largely Sunni insurgents organized into new Awakening Councils also simply decided to stop fighting (Robinson 2008, pp. 324–325). The new statebuilding strategy dramatically reduced US troop and Iraqi civilian casualties. By December 2008, the overall level of violence in Iraq had dropped from its high by 80 per cent (Kruzel 2009). In this new environment, the United States negotiated a Status of Forces Agreement with the Iraqi government that set a timeline for the withdrawal of all US combat forces from the country by 31 December 2011. As US forces redeploy to bases outside the cities, violence appears once again to be growing in Iraq, although this may be temporary as unreconciled insurgents test the new Iraqi police and military.

The new Iraqi regime has yet to survive its second election, often understood to be the real test for a successful democratic transition. The country remains famously corrupt. Nonetheless, Iraq seems to have turned the corner and, at least in the short run, statebuilding 3.0 has proven itself as a relatively effective strategy. The strategy is now being reprised in Afghanistan with as yet unknown effect.

### Theory 3.0

Statebuilding 3.0 begins with a core insight that the struggle between insurgents and counterinsurgents is over political power, a battle in which 'each side aims to get the people to accept its governance or authority as legitimate' (CFM 2007, p. 2, see also pp. 3 and 15). Essential here is the competition for the 'uncommitted middle', which lies between 'an active minority supporting the government and an equally small militant faction opposing it' (CFM 2007, p. 35). Legitimacy, in turn, is expected to follow from the ability of an actor—be it the insurgents or the state—to provide essential public services, especially

security. As the *CFM* (2007, p. 16) states, ‘a government that cannot protect its people forfeits the right to rule. Legitimacy is accorded to the element that can provide security, as citizens seek to ally with groups that can guarantee their safety.’ Explicitly recognizing that legitimacy can follow from many sources, including tradition and religion, the field manual nonetheless leaves no doubt that ‘the ability of a state to provide security—albeit without freedoms associated with Western democracies—can give it enough legitimacy to govern in the people’s eyes, particularly if they have experienced a serious breakdown of order’ (*CFM* 2007, p. 37). Clearly downgrading democracy as a basis for legitimacy, the *CFM* makes clear that security is a necessary and possibly sufficient condition for legitimacy.

Implicitly, this view of statebuilding and legitimacy follows from a social contract theory of the state (see North 1981, Olson 2000, Barzel 2002). In this approach, authority derives from a mutually beneficial contract in which the ruler provides a social order of benefit to the ruled, and the ruled in turn comply with the extractions (e.g., taxes) and constraints on their behavior (e.g., law) that are necessary to the production of that order. As Thomas Hobbes reasoned in *Leviathan* (1651/1962), individuals voluntarily subordinate themselves to a ruler only in return for protection, and in doing so they escape a condition of anarchy and enter a civil society. In equilibrium, the ruler gets a sufficient return on effort to make the provision of social order worthwhile, while the ruled get sufficient order to offset the loss of freedom entailed in consenting to the former’s authority. If the ruler extracts too much or provides too little social order, the ruled can withdraw their consent—and the ruler’s authority evaporates. In this way, legitimacy arises from practice or policy results, rather than political participation or ideology.

This theory accords with significant research on the formation of original ‘states’ from within the state of nature, the formation of modern states in Europe, and on the political stability of modern states.<sup>9</sup> It is also consistent with what we know about why and when states fail, of which the government’s inability to deliver services, as measured by rates of infant mortality, is the single most powerful predictor (Goldstone *et al.* 2000). And it rests on similar models of legitimacy that underlie the emergence of hierarchy in other anarchic environments, especially international relations (Lake 2009). Statebuilding 3.0 shows much promise, even if it has not yet been fully realized in Iraq or, even more recently, Afghanistan.

### Critique 3.0

Yet, despite these diverse applications of the theory, there is no evidence that other states or the international community more generally can build new and more effective states in conflict environments by simply fulfilling the social contract. At least three tensions lie at the core of statebuilding 3.0 that have not been dealt with adequately either in theory or in the field.

First, external actors, like the United States or even the United Nations, are not themselves inherently legitimate in the eyes of a subject population. To date, and especially under statebuilding 2.0, efforts to legitimate external actors have focused on gaining *international* approval through multilateral consent to the intervention (Sending 2009). The primary idea is that approval by some multilateral body confers authority on a state or coalition to serve as a temporary 'trustee' (see Bain 2003, Parker 2003, Chesterman 2004, Fearon and Laitin 2004, Krasner 2004). The bold assumption underlying this idea is that the trustee will then be accepted as legitimate by the subject population.

Yet it is not obvious that international legitimacy, if it exists, can legitimate external actors in the eyes of the people over whom they rule. There is no evidence that international legitimacy matters to populations that must ultimately consent to the rule of external actors or the new states they help create. Even if the United Nations Security Council approves a coalition of the willing to impose stability and build a state in a territory, there is no guarantee that the people on the ground will concur. To point to one salient case, in Afghanistan the support of the United Nations after 2001 has done little to legitimate the role of the United States or the new state under the leadership of Karsai, often referred to as the Mayor of Kabul for the limited reach of his power. More generally, nearly every international intervention since the end of the Cold War has been approved and overseen by some international organization, with Iraq being the major exception. But the statebuilding record is, at best, mixed. Even with international legitimacy, a large number of failed states remain failures and do not ever obtain domestic legitimacy.

The *CFM* does not delve deep into the issue of how to legitimate the United States role in statebuilding, but the social contract theory of state on which it relies implies that external actors legitimate their rule not by being duly appointed by some international body but by playing a critical role in the provision of security and other essential public services. The more crucial the role they play in producing these essential services, theory implies, the more legitimate the external actors will be. External actors can do well by doing good.

However, to the extent that the United States claims credit for its role in providing essential services to bolster its position and legitimacy, it risks detracting from and undermining the legitimacy of the new state it is supposedly there to support. Credit for services and legitimacy are unlikely to be absolutely fixed or zero-sum in quantity, but there is inevitably some tradeoff at the margin between the external actor and the new state (see Zuercher and Bohnke 2009). When the United States posts signs at new public works projects highlighting its contributions to the local population, or hands out school supplies to children, it diverts support likely accorded by the people from the very state it is trying to help become legitimate. The US military is aware of this tradeoff, with the field manual citing as one of its imperatives that 'the host nation doing something tolerably is normally better than us doing it well' (*CFM* 2007, p. 49). But the tradeoff cannot be solved simply by supporting the local government. In giving responsibility and attributing credit to the host nation, the United States

inevitably limits and perhaps undermines its own legitimacy, reducing popular support for its presence and role in the country. This really is a Catch-22 that can only be managed but not solved.

Second, even if providing essential public services is necessary for legitimacy, it may not be sufficient. A central problem with all states is that any government effective enough to enforce the rule of law is also strong enough to abuse its power, at least in the short run. Granting coercive power to a ruler to create and enforce a social order necessarily gives that ruler the ability to use coercion in his or her own self-interest as well. This is often not a pressing issue in fragile states, where the problem is typically a lack of authority, but it is a key impediment to rebuilding strong states: the fear of future exploitation prevents groups from subordinating themselves to a new central authority, and thus they are reluctant to permit the state to gain significant legitimacy either by denying their support or actively fighting against it. Such fears of abusive central authority, for instance, are critical to blocking the reconstruction of the state in Somalia today (Bradbury 2003, pp. 15, 21, Menkhaus 2003, p. 408). The favoritism and corruption of the Karsai regime in Afghanistan has also eroded popular support for the central government. To grant legitimacy to a state, citizens must be relatively confident that the authority so given will be used for the intended purpose of fulfilling the social contract. To receive this grant, therefore, the state must credibly commit not to abuse the authority it acquires.

Democracy has, historically, been one of the most effective ways of controlling state power. By diffusing authority and ensuring popular preferences are represented in the policy process, democracy ties 'the sovereign's hands', in North and Weingast's (1989) classic rendition of this problem. Democracy is not, however, the only means of constraining a state. Limited government existed before democracy, and has existed without democracy. Indeed, if a single majority exists within a society, democracy may even lead to the abuse of vulnerable minorities, and less participatory and more consociational forms of government may be preferred (Lijphart 1968). Federalism and other divided forms of government can also limit state power, as can freer markets and private property rights (see Lake and Rothchild 2005, Myerson 2007). No single institutional solution is likely to be universally appropriate. Although providing essential public services is important, limiting potential abuses by the ruler may also be a necessary and prior step in any grant of authority.

Third, from the perspective of the United States, an effective and therefore legitimate state may not be a loyal state. In other words, statebuilding 3.0 does little to solve the problem that motivated statebuilding 1.0 and was not itself resolved in version 2.0. Although commentators on the field manual are cognizant of this problem, the manual itself and its proponents do not consider the possibility that what makes a state effective may also render it independent or, worse, hostile to the United States (CFM 2007, pp. xxxix–xl). This silence in statebuilding 3.0 suggests that the United States may still be suffering from an end of history euphoria in which it assumes that all governments will share its values and interests. This is a challenge that still needs to be confronted.

### Conclusion: Toward Statebuilding 3.1?

Statebuilding efforts by the United States have evolved dramatically over time. The single biggest break occurred with the end of the Cold War when the pursuit of the national interest was deemphasized and the legitimacy of the nascent state itself became an explicit priority. A second key change was the shift from democracy to security and other essential public services as the primary foundation of legitimacy, and the corresponding shift from a liberal to a social contract theory of the state. This new model is now being applied in Iraq and Afghanistan with as yet unknown but promising results.

Contrasting this new model of statebuilding with its predecessors reveals, however, two problems that hark back to statebuilding 2.0 and 1.0, respectively. First, as discussed, strong states may also be predatory states. In turn, populations need some safeguards against state power before they willingly accept its authority. Democracy is a primary—but not the only—means of regulating state power. By minimizing the importance of democracy, statebuilding 3.0 risks creating states that are, ironically, too strong. Even though democracy may not be an end in itself, as in statebuilding 2.0, it should be accorded a higher priority for the instrumental reason that it helps control the state, and thereby makes it easier for groups to trust and support their leaders.

Second, effective and therefore legitimate states may not be loyal states. Governments that are legitimate in the eyes of their people may not share America's interests and values. Yet the United States cannot be expected and will not bear the costs of creating effective but anti-American or perhaps even neutral states. If loyalty cannot be reconciled with legitimacy, then statebuilding will either have to be done by the failed states themselves or some other, neutral party, both of which are utopian. As a practical matter, without the resources and will of the United States, international statebuilding efforts will be severely impaired; but equally, the United States will not expend blood and treasure over the long term to build states that oppose its policies and hegemony.

Fortunately, a broader, more international statebuilding 3.1—a global counterinsurgency strategy—may help legitimate states and build loyalty to the United States at the same time. The American-led security and economic regimes founded after 1945 have been highly beneficial for their members and have enormous attractive powers for others (Ikenberry 2001, Mandelbaum 2005, Lake 2009). Following World War II, it was the promise of inclusion in these regimes, along with massive economic aid to make the transition possible, that pulled West Germany and Japan into the US orbit and transformed previously fascist and militarist states into effective capitalist democracies that largely share interests and values with the United States. After the Cold War, the promise of inclusion in these same regimes—combined, again, with substantial economic aid—has exerted a similar pull on the previously communist states of Eastern Europe, turning them into some of Washington's most loyal allies on the continent. As these cases imply, and statebuilding 3.0 theorizes, state

effectiveness may be a necessary condition for legitimacy. But the promise of inclusion in international regimes—as well as significant infusions of economic aid to ease the transition—may produce states that are both effective and, significantly, loyal.

Statebuilding 3.1 should retain the core strategy now being implemented in Iraq and Afghanistan. This strategy is showing signs of initial progress. But it is already time for an update that elevates democracy and political and economic integration as priorities and couples these goals with significant financial, educational, and political incentives designed to win the hearts and minds of the people not only on the battlefield, as explained so well in the *CFM*, but on the larger geopolitical chessboard as well.

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## Notes

1 Pei *et al.* (2005) offer the most restrictive list of US statebuilding cases. Other analysts typically include a larger but less systematic set (see Dobbins *et al.* 2003). When making numerical assessments, I use the Pei *et al.* list, reproduced and augmented as Table 1. This safeguards against 'cherry-picking' cases to prove particular points.

2 American efforts in the Caribbean in the opening decades of the twentieth century, for instance, certainly differed from those in Europe after 1945. Other analysts might usefully construct versions 1.1, 1.2, and so on. The commonalities in this first phase emerge clearly, however, by contrast with the later periods.

3 The United States intervened militarily 30 times in states on the Caribbean littoral during this period. Pei *et al.* (2005) classify only seven as 'statebuilding interventions'.

4 On US–Dominican relations, see Hartlyn (1991), Lowenthal (1995), Atkins and Wilson (1998), Crandall (2006).

5 On the pattern of 'regime change' in international relations and its largely realist correlates, see Owen (2002). For a similar view, but drawing on cases of raw materials disputes, see Krasner (1978).

6 Statebuilders also urged and sometimes implemented some mechanism for political reconciliation, including truth commissions, war crimes trials for human rights abusers, and lustration (Teitel 2003, Chesterman 2004, Chapter 5, Borraine 2005). There is more variance in reconciliation efforts and mechanisms than in democratization or liberalization, so it is difficult to regard this as a core feature of statebuilding.

7 See the briefing for an address by Afghan Finance Minister Anwar-ul-Haq Ahadi at the United States Institute of Peace: <http://www.ciaonet.org/pbei/usip/usip10687/usip10687.pdf> (accessed 26 May 2009).

8 This is the inverse of the 'resource curse' (see Ross 1999, Sachs and Warner 2001).

9 On social contract theory and early states in general, see Diehl (2000), Earle (1997), Feinman and Marcus (1998). On modern state formation in Europe, see Downing (1992),



Ertman (1997), Tilly (1990). On politics in modern states, see Levi (1988), Lake and Baum (2001).

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