ABSTRACT

A failed state is a state that can no longer perform its basic security and development functions and that has no effective control over its territory and borders, which bears humanitarian and security consequences. These consequences adversely affect not only a failed state itself and its immediate region but also the wider international sphere. This thesis will compare and evaluate conceptual and operational responses by the United States to the tasks of nation-building and reconstruction in the past and the present. The post-World War II occupation of Germany set the standard for contemporary international efforts in post-conflict nation-building and reconstruction, which has not been matched since. The recent U.S. intervention in Iraq and its inability to produce peace, security and economic progress raise serious questions about the viability and effectiveness of the German model of nation-building.

This thesis examines the nature of contemporary failed states and international responses employing nation-building approaches. Using the postwar reconstruction of Germany as a historical and policy model, I evaluated the U.S. approach to nation-building in Iraq. These cases demonstrated that the German model of nation-building is not suitable to address the particular challenges posed by contemporary failed states. As
such, the thesis will highlight the difficult policy and value choices and consequences that continue to face the U.S. and international agencies responsible for promoting peace and development in post-conflict countries.
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CHAPTER 1

INTRODUCTION AND METHODOLOGY

Policy Problem

Failed states pose enormous political, humanitarian, and security challenges in the international system. The consequences of a failed state are not only confined within its geographic boundary; they directly impact the international order, undermining the Westphalian system. The failure of Afghanistan in the 1980s and 1990s and subsequent terror attacks on September 11, 2001 is a case in point. Among the costs of the failed state to the international community are: one, the influx of refugees to the neighboring states; two, increase in military and security spending to regulate the border and prevent spillover; three, the cost of prevention of epidemics; four, the adverse impact of illicit drugs and arms trafficking and increased cost to control these criminal activities; and five, affording safe haven for international or transnational terrorism, which threatens U.S. interests and global security.

Given the consequences of a failed state, the international community is compelled to intervene to fix the problems, which is a time-consuming, risky and costly proposition. In order to prevent disruption in the international system, the U.S.-led interventions in states such as Somalia, Afghanistan and Iraq but all encountered

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1 The term Peace of Westphalia refers to the two peace treaties of Osanbrück and Münster, signed on May 15 and October 24, 1648, which gave birth to concept of sovereignty, international law and diplomacy. For discussion, see Francis Fukuyama, State-Building: Governance and World Order in the 21st Century (Ithaca, NY: Cornell University Press, 2004), 96.

considerable setbacks. These experiences and failures have stimulated discussions among scholars and policy makers on various approaches to nation-building. In this context, America’s role in nation-building in post-war Germany and Japan five decades ago, which successfully transformed these countries into viable democracies, has become a rich source of both inspiration and contention for today’s post-conflict challenges.

In the aftermath of a protracted global conflict during the early 1940s, America undertook a comprehensive effort to engineer social, political and economic reconstruction, and transfer of democracy to its erstwhile enemies. These endeavors attained great successes and have become the standard for post-conflict nation-building; since then, this success remains unmatched. Now, decades later, this model for nation-building—a doctrine to transform societies—has arguably fallen short in the recent U.S. effort to transform Iraq into a stable democratic state. My thesis centers around on this shortfall.

I argue that an international intervention is a necessary policy instrument to maintain order in the international system, but it cannot employ the occupation modeling post-WWII Germany and Japan to transform societies. In an attempt to defend the thesis problem as stated earlier, it will use the case study findings of the success in

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3 James Dobbins et al, America’s Role in Nation—Building: Germany to Iraq (Santa Monica, CA: RAND, 2003), xiii.

4 The model employed in Germany and Japan is also viewed as conservative model of peace or militarization of peace, mainly associated with top-down approaches of peacebuilding and development, tending towards the coercive and often seen as an alien expression of hegemony domination, through the use of force. For details, see Oliver P. Richmond, “Reconstructing the Liberal Peace,” in Volker Rittberger and Martina Fischer ed., Strategies for Peace: Contributions of International Organizations, States, and Non-State Actors (Leverkusen Oplanden, Germany: Barbara Budrich Publishers, 2008), 57.
Germany and failure in Iraq from an inductive perspective to test the hypothesis.\textsuperscript{5}

Although the success in Japan was considered for the case study, the reason for selecting Germany over Japan is because the institutional framework of nation-building employed in Iraq is more similar to Germany than to Japan.\textsuperscript{6} There are other compelling factors for selecting Germany and Iraq such as each country’s prior experiences with democracy, level of economic development, and the nature of national identity, which will be discussed in greater detail later in this chapter.\textsuperscript{7} The case study in Chapter 3, of the success in Germany and failure in Iraq, will elaborate upon these differences, the problems and prospects they created for nation-building, and the reasons for their respective policy outcomes. This will provide a firm basis for the substantive policy discussion and recommendations for future interventions in Chapter 4.

\textsuperscript{5} A successful nation-building mission is transforming a violent society or a state into a peaceful and democratic. Some of the key ingredients for creating a viable state are creating a national identity, fostering economic development and embracing democracy that is equitable and just. A failed nation-building is when the intervening authority cannot transform society, enforce peace and security, foster economic development and subsequently end the conflict. For details, see Christina Steenkamp, 


\textsuperscript{6} Institutional framework for nation-building is selecting appropriate tools required for the mission such as mix of military and civilian capacity and national, multinational, and international participants. For details, see James Dobbins et al, \textit{The Beginner’s Guide to Nation—Building} (Santa Monica, CA: RAND, 2003), 6.

\textsuperscript{7} Identities have an important role in construction of an effective and legitimate government system. Nation-states by definition based on a cohesive population with a long, common past identities, have, through a process of trial and error and over the course of centuries, created a set of shared institutions; these institutions have formed governing bodies that are a regarded as legitimate because they reflect the underlining socio-cultural fabric of the state. For discussion, see Seth D. Kaplan, \textit{Fixing Fragile States: A New Paradigm for Development} (Westport, CT: Greenwood Publishing Group, Inc., 2008), 32; and James Dobbins et al, \textit{America’s Role in Nation—Building: Germany to Iraq} (Santa Monica, CA: RAND, 2003), 7.
Methodology and Organization

This thesis is organized into four chapters. This first chapter provides an introduction to the basic concepts and issues developed throughout the remainder of the thesis. Specifically, failed states are increasingly problematic for the international system because of the influx of refugees to neighboring states, illicit drugs and arms trafficking and, most importantly, transnational terrorism. In response to the problems of failed states, I argue that an international intervention is a necessary policy instrument to fix failed states and subsequently maintain order in the international system.

In the last decade, there have been several U.S.-led interventions in places such as Haiti, Somalia, Iraq, Afghanistan and Kosovo. Similarly, the United Nations (UN) has led operations in countries such as El Salvador, Namibia, Mozambique, Cambodia and East Timor. The success rate of the UN missions is relatively higher in comparison to the U.S. led interventions; this is because the U.S. assumes absolute control of the nation-building process, giving a limited role to its partners. On the other hand, an UN-led mission comprises a multiple of actors and a division of labor based on the expertise these actors bring, resulting in greater peace and security. In connection to this, the U.S.-

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9 Some of the prevalent terminologies of nation-building are as follows: the United Nations calls it *peace-building*, a European Union calls it *state-building* and the U.S. government calls it *stability operations or stabilization and reconstruction*. For details, see James Dobbins et al, *Europe’s Role in Nation—Building: From the Balkans and the Congo* (Santa Monica, CA: RAND, 2008), xv.

10 U.S. led operations has three failures and five success. The UN led operations has one failure and six successes. For details, see James Dobbins et al, *Europe’s Role in Nation—Building: From the Balkans and the Congo* (Santa Monica, CA: RAND, 2008), xxxv.
led interventions have had limited success in creating peace and stability, including America’s intervention in Iraq. The policy discourse in this thesis argues that after the setback in Iraq, America can no longer employ the historic nation-building model of Germany to fix failed states or a doctrine to transform societies in the future.

Chapter 2 will lay out an analytical framework for understanding failed states and an institutional framework for nation-building to be applied to the cases of Germany and Iraq. This chapter is divided into two sections. The first section will evaluate some of the contending and complementary claims of the causes of state failure. Social scientists such as Jeffrey Herbst, Ashraf Ghani, Francis Fukuyama, Samuel P. Huntington, Dankwart A. Rustow, Robert I. Rotberg, and Paul Collier are engaged in identifying the causes of state failures. Each of these scholars provides differing perspectives on the root causes of state failures. Scholars such as Herbst have directly connected the state failure to colonial legacy. Ghani and Fukuyama suggest that successor regimes in post-colonial states failed to develop new institutions, embrace democracy and reconcile ethnic divisions. Huntington, Rustow, and Rotberg point out that the disintegration of national identity or fracture of the society leads to the weakening of a government and institutions, retarded economic development, and internal conflicts. These scholars emphasize the political and social aspects of state failure but neglect the economic conditions that can lead to a state failure.

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Not surprisingly, economist Paul Collier focuses on economic aspects. Collier argues that the failure of a state is directly linked to lack of economic development. He further claims that lack of development raises the risk of civil war, and inversely, that increases in economic development retard internal conflicts. For example, states such as Somalia, Nepal, Sri Lanka, Ethiopia, Sudan, Colombia and Peru experienced internal conflicts because of their poorly managed economic affairs and vast income disparity.¹²

Although scholars present differing aspects of a state failure, they all agree that lack of economic development creates social problems. Similarly, social problems challenge economic development because they are directly related.¹³ Therefore, regardless of the causes, the consequences of state failures are similar – dysfunctional government, fragmented society and internal conflicts, displacement of people, and a breeding ground for terrorism.

The consequences of an internal conflict pose a security risk and a humanitarian problem within a country’s geographic boundary and beyond. In response to the risk, the second part of Chapter 2 will provide an institutional framework of nation-building. This section will delve not only into the intellectual history of nation-building but also methodologies, which will provide an analytical framework for the case studies. First, it will review the work of social scientists such as Rustow, Fukuyama and Karl W. Deutsch to provide understanding of nation-building from historical, social and international


¹³ Social unrests prevent the government to carryout economic development functions, which further divide the societies. For details, see Paul Collier et al, *Breaking the Conflict Trap: Civil War and Development Policy* (MA: Oxford University Press, 2003), 5.
relations perspectives. It will then examine the methodologies of nation-building advanced by James Dobbins and Fukuyama. Dobbins focuses on armed interventions as part of a broader effort to promote political and economic reform with the objective of transforming a society. He stresses this methodology will help a war-torn state emerge from conflict into one at peace with itself, its neighbors and the international community as a whole. Although he focuses on peace and security, he does not focus on institution building and long-term economic development.

In contrast to Dobbins, Fukuyama goes a step further to explain that there are two components to nation-building, which are reconstruction and development. He explains that reconstruction is the restoration of war-torn societies to their pre-conflict situation. Development, on the other hand, is building new institutions for the promotion of sustained economic growth, transforming society open-endedly into what it had not been previously.14 Fukuyama argues that nation-builders should stick to reconstruction and eschew development because conducting both together undermines the effort to build peace and security in the country in question.15

Within the conceptual framework for fixing a failed state, Chapter 3 will assess and compare the relative success of post-WWII reconstruction of Germany and the relative failure of the recent intervention in Iraq. The case study findings from this


chapter will help test the hypothesis that employment of a Germany-style approach to nation-building—a doctrine to transform societies—has arguably fallen short in the recent U.S. effort to transform Iraq into a stable democratic state. Therefore, America cannot employ the historic nation-building model that was applied successfully previously. This will set the scene for a discussion of future international intervention policy derived from the lessons learned from these experiences.

Why Germany and Iraq? In addition to the humanitarian issues as discussed before, there are several compelling reasons to choose Germany and Iraq for the case study. First, Germany was America’s most ambitious and largest nation-building mission, which successfully undertook societal transformation encompassing democracy. In Germany, the Allied forces reeducated the German society (e.g. through “denizification process”) to reform national identity and subsequently created democratic institutions. Given its success, after more than fifty years, the German model for nation-building has been employed to transform societies in Iraq, which has been challenging. In contrast to the denizification in Germany, the purging of the Iraqi society through the deba’athification process has had limited success. In Iraq, state governance and national politics are directly tied to Islam, and the differences between the Shiite and Sunni sects, and the Kurdish minority in Iraq made it extremely difficult for the

16 Ibid.

17 "Denazification" was a process to reorientate the German citizens by removing all things devoted to sustaining and celebrating Nazism. The Allied forces identified and rooted out all the Nazi party members and sympathizers by abolishing and prohibiting the Nazi party. For details, see Dewey A. Browder, “Historical Examples,” in Greg Kaufmann, ed., Stability Operations and State-Building: Continuities and Contingencies (Washington D.C., Strategic Studies Institute, 2008), 59.
intervening authority to create a national identity and a democratic system that would accommodate each.

Second, even though Germany was not formally a failed state, it had multiple corresponding characteristics of a failed state as described in the beginning of the chapter. A failed state creates a massive movement of refugees; the inter-Allied Committee reported that there were 21 million people in Europe displaced by 1941. Likewise, progressive deterioration of public services is common among failed states; Hitler’s regime diverted its resources to conduct war, leaving Germans without basic human necessities such as food, medical supplies and sustainable economic activity. Sharp economic decline is prevalent in failed states; during the interwar years, economic crises loomed in Germany, marked by high unemployment and rampant inflation. The suspension or arbitrary application of rule of law and widespread violation of human rights are also common among failed states; Hitler’s totalitarian regime suspended its citizens’ personal liberty and self-government. Finally, failed states often face intervention by external actors; similarly, the Allied forces invaded Hitler’s Germany and forcefully ended Nazi regime.\(^ {18}\) In comparison to Germany, many of these characteristics resemble the security, humanitarian and economic circumstances in Iraq.

Pauline H. Baker’s report point out that Iraq was already a failed state prior to the Gulf War.\(^ {19}\) Some of the key indicators of a failed state she demonstrates are as follows:


(1) There were 600,000 international Iraqi refugees and up to 1,000,000 internally displaced people during Saddam’s rule. (2) After Saddam’s repeated violation of international law, international sanctions against Saddam’s regime disrupted the economy, leading to hyperinflation, unemployment, and government inability to provide public goods and services to the citizens. (3) In order to prevent social unrest, Saddam’s totalitarian regime conducted ethnic cleansing of the Shiite and Iraqi Kurds and extrajudicial execution and forced expulsion of political prisoners, thus disregarding the rule of law and suspending human rights. (4) Iraq has faced two international interventions—from Iran and the international community under American leadership—over disputed territories and Iraq’s invasion of Kuwait in 1990 respectively.20

The third compelling reason to select Germany and Iraq as case studies is because the German model for transforming societies, establishing a viable democracy, and instituting peace and security, fell short in Iraq. The contributing factors were differing circumstances and conditions that prevailed when the respective interventions took place. Some of the key differences between Germany and Iraq are prior experiences with democracy, level of economic development, and the question of national identity.21

In the past, Germany already had experience with democracy based on parliamentary government. Consequently, Germany was more accepting of the Western democratic principles, making reconstruction of political life on a democratic basis less burdensome. On the other hand, Iraq had limited experience with democracy. The

20 Ibid., 8-15.
21 James Dobbins et al, America’s Role in Nation—Building: Germany to Iraq (Santa Monica, CA: RAND, 2003), xix.
history of Iraq demonstrates authoritarian politics aggravated by the absence of agreement on power-sharing among the ethnic, sectarian, and tribal groups. These differences are still prevalent today, which prevents Iraq from transforming into a viable democratic state.

In addition to having experience with democracy, a country’s level of economic development significantly determines the ease and difficulty of the nation-building effort. Germany was already a highly developed and economically advanced society before the war. The German economy was based on military and civil industries with superior technology and human capital. Although these industries and infrastructure were shattered by WWII, the Marshall Plan helped rebuild its economy on an industrial platform promptly.\textsuperscript{22} This allowed for the reconstruction of the economy and sustained socioeconomic development.

The oil-rich autocratic regime in Iraq never had sustainable, equitable economic development, as ruling elites linked to Saddam Hussein sought economic deprivation of the Shiites in the south (a predominantly non-oil economy) and Kurds in the north (an oil-rich area). Furthermore, Iraq was already on the brink of economic disaster after the 1991 Gulf War and the subsequent international economic embargo, which lasted for little more than a decade. The embargo had long-term effects on all sectors of the

\textsuperscript{22} America created The Marshall Plan or the European Recovery Program (ERP) for rebuilding and creating a stronger economic foundation for the countries of Western Europe. The American government allocated $13 billion in 1948, and was on top of $12 billion in American aid to Europe at the end of the war. Although Morgenthau Plan considered dismantling the industrial base in Germany, the creation of Iron Curtain or start of the Cold War forced America to build Germany’s industrial base for strategic insurance against Soviet Union. For details, see Charles P. Kindleberger, \textit{Marshall Plan Days} (Boston: Allen & Unwin, 1987), 31-34.
economy. Given the impeded economic development in Iraq, the reconstruction process has been extremely challenging and costly in comparison to Germany.

Finally, Germany had become a homogeneous society with no ethnic and tribal divisions because most of the minority groups such as Jews fled or were murdered during the Nazi regime. Given that there was no ethnic or tribal division after the Nazi regime, the U.S. nation-builders did not face the challenge of the crisis of national identity in Germany. Therefore, it allowed nation-builders to focus on creating a democratic society with representative national authority. In contrast to Germany, heterogeneous Iraq has longstanding political, socioeconomic and tribal divisions, and has been consumed by ethnic and religious violence, thus greatly complicating the reconstruction process. The current situation in Iraq is nowhere near the definition of success. The Bush administration’s post-war planners underestimated the question of crisis of identity and its linkage to internal conflicts, making for a time-consuming and costly scheme of nation-building.

Therefore, nation-builders’ neglect of prior experiences with democracy, level of economic development, and the crisis of national identity have made the intervention and the reconstruction process extremely challenging in Iraq. These key variables determine the intervention strategies, and in turn these strategies determine the success or failure of the nation-building mission. The nation-building strategy in Germany conformed to the circumstances in that country and led to a success. By contrast, in Iraq there was a mismatch between what the circumstances demanded and the strategy applied, leading to a failure. Thus, nation-building strategy needs careful consideration because states vary
widely in the extent and character of their experiences with democracy, economic
development, and nation-building.

Since every nation is unique, there is no single policy prescription for fixing failed
states. Therefore, the final chapter of this thesis, Chapter 4, will provide policy
recommendations for future interventions, based on the findings of the comparison of
U.S. nation-building efforts in Germany and Iraq. The faulty mission in Iraq has cost
America seven years of time commitment, 748.2 billion taxpayers’ dollars and more than
4,200 American lives. Such prescriptions are necessary to ensure that the mistakes of the
past are not repeated.

Limitations

Nation-building is a complex mission and varies from state to state. Therefore,
this thesis does not examine all types of state failure and nation-building missions, but
refers to the selected cases of Germany’s success and Iraq’s failure. This comparative
analysis between Germany and Iraq will not address all the issues related to nation-
building. I acknowledge I do not have firsthand knowledge nor have I had an opportunity
to visit these countries. I am, therefore, dependent on official government reports,
newspaper and journal articles, books, and interviews and as well as other primary and
secondary sources.
September 11th demonstrated the consequences of a failed state. The humanitarian and security crises imposed by failed states have sparked wide debates and research among scholars, policy makers, diplomatic circles, military establishments and economic development agencies. Some scholars provide analysis on the causes of state failures and others identify the consequences of a state failure. These debates and research efforts are also centered around resolving a myriad of complex challenges of failed states. In spite of the nation-building missions in the past, nation-building has not and will not become a science.\(^1\) Nation-building is a multidimensional function, which includes, inter alia, security, humanitarian assistance, governance, rule of law, democracy and economic development. Therefore, this chapter will provide various analyses on the causes and consequences of failed states and institutional frameworks to fix them.

**Failed States**

Failed states are not homogeneous. The nature of state failure varies from place to place, sometimes dramatically. Failure can flow from a nation’s geographical, physical, historical, socio-economic and political circumstances, such as colonial errors and Cold War policy mistakes. Although the phenomenon of state failure is not new, it has become much more relevant and worrying than ever before. These states now pose a

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\(^1\) According to RAND Corporation after the WWII, The U.S. has led eighth nation-building missions which are Germany, Japan, Somalia, Haiti, Bosnia, Kosovo, Afghanistan and Iraq. For details, see James Dobbins et al, *Europe’s Role in Nation-Building: From the Balkans to the Congo* (Santa Monica, CA: RAND, 2008), xxxv.
danger not only to themselves and their neighbors but also to peoples around the globe. Preventing states from failing and reviving those that do fail are thus strategic and moral imperatives that have led to broad discussions on the challenges that confront failed states.

Governments, militaries, think tanks, aid agencies, and scholars are engaged in studying the causes and consequences of failed states and working to lay out analytical frameworks for understanding the multiple dimensions of a failed state. Furthermore, there have been several attempts to define failed states. Zartman defines state failure as “the situation where the structure, authority (legitimate power), law, and political order have fallen apart.”\(^2\) Rotberg defines a failed state as, “tense, deeply conflicted, dangerous, and contested by warring factions.”\(^3\) Although there are various definitions, in the contemporary context RAND uses the most widely used definition that is, “failed states lack ability to perform basic security and development functions and so have no effective control over its territory and borders.”\(^4\)

Definitions provide a starting point but do not capture the causes of a state failure. New states are born, old ones may decay and die, and some states may even die prematurely if not sustained. In this connection, Deutsch poses intriguing questions: how


and when do nations come into existence, and how and when do they pass away? A birth of a state and a death of a state are not necessarily new phenomena, but represent historical continuity. Simply put, weak and divided states often ceased to exist because they could no longer perform their basic functions of security, economic development and effective control over their territory. These states were susceptible to being engulfed and controlled by the powerful states politically, economically and fiscally (e.g. Sikkim in 1972 and Tibet in 1950) or else disintegrated into smaller ones (e.g. the Ottoman Empire in 1923 and Yugoslavia in 1990). According to Huntington and Rustow, new states that are formed are based on ethnicity and other cultural heritages that create a national identity. This has made the world map of the nineteenth century strikingly different from the twentieth century as states form and die.

Rotberg explains that states are more varied in their capacity and capability than they were before; this is due to the explosion the in number of states. In 1919 there were 59 nations. At the end of the Cold War and the disintegration of the Soviet Union, the number jumped to 191. After the independence of East Timor in 2002, it put the number to 192. He points out that inherent fragility is tied to the increase in the number of newly formed states which lack capacity and capability to manage themselves.

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Some scholars link state failure to colonial or neocolonial legacy and others link it to what successor regimes did with that legacy.\(^8\) Although Collier bases his theory of state failure on economic platforms, he also points out that the international and the social theorists are divided between political right and left in explaining state failure.\(^9\) The political right assumes that the root cause of the internal conflict is tied to longstanding ethnic and religious hatred. As Donald H. Horowitz puts it, “revolt and insurgencies, although ostensibly inspired by class ideology, have sometimes derived their impetus from ethnic aspiration and apprehension instead.”\(^10\)

On the other hand, the political left assumes internal conflicts are tied to economic inequalities that are deeply rooted in colonial legacy. Given this, during the colonial period, colonial powers sought to annex vast territories to form new states and governments, which served the colonial powers. The colonial powers maintained territorial integrity and managed these states politically, militarily and fiscally. The colonial power habitually divided the state socially and economically. Even after the decolonization that began in 1940s, its legacy continues to hound the international system.

In the 1940’s, the growing pressure for independence and emergence of the Cold War led to decolonization in Africa and Asia, creating the “Third World,” which lacked

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\(^9\) Ibid.

power structure, strong institutions, and development. Until independence, ethnic divides remained muted. After independence the struggle was not against external power but between the ethnic groups to self-determine themselves and capture or defect from the state apparatus, thus creating internal conflicts.

In the postcolonial era, the superpowers, in an ideological race, sought to intervene militarily and economically to maintain or alter the balance of power in their favor. According to Neil Robinson, “the Cold War System preserved weak states simply because the cost of violence breaking out within them was potentially too high for competing blocs in the Cold War to bear.”11 Moving from weak state to failed state and reconstruction threatened the balance of power between the U.S. and the U.S.S.R and posed the danger of drawing their local proxies into conflict.12 Disregarding its ideology, Moscow’s approach to maintain influence led to support of totalitarian leaders such as Kim Jong Il in North Korea, Ho Chi Minh in North Vietnam and Josip Broz Tito in Yugoslavia. Similarly, the U.S. also sided with some of the autocratic leaders in states such as Pakistan, Egypt, Singapore and Saudi Arabia for strategic reasons.

The end of the Cold War changed the dynamics of international politics. States such as Afghanistan, North Korea and Yugoslavia were no longer considered to be of strategic value to Moscow. Even if former Soviet clients wanted continued military and economic support to maintain their state affairs, they could not do so because the Soviet

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12 Ibid.
Union had disappeared from the map. As a result, many Soviet-dependent states failed, especially in sub-Saharan Africa and Asia. Some of these states are Angola, Benin, Mozambique, Democratic Republic of Congo, Ethiopia, Yemen, and Afghanistan.

This rash of state failures created new and perplexing problems for the international system. This was just not a Soviet phenomenon; even the United States neglected its Cold War allies such as Pakistan and Somalia, which are considered failing states. When discussing the aftermath of the Cold War, Michael Ignatieff rightly says, “huge sections of the world’s population have won the right of self-determination on the cruelest possible terms: they have been simply left to fend for themselves. Not surprisingly, their nation-states are collapsing.”

In addition to changing international conditions, destructive decisions by individual totalitarian leaders have almost always paved the way to state failure. Autocratic regimes such as Saddam Hussein’s Iraq, Kim Jong Il’s North Korea, Robert Mugabe’s Zimbabwe, Than Shwe’s Myanmar, and Omar al-Bahir’s Sudan continued to use harsh measures to consolidate and maintain power. These states notoriously violated human rights and suppressed the contending camps to maintain their power structure.

Some of these autocratic states are faced with the imposition of multilateral and/or bilateral economic and trade sanctions for violating the international norms, thus further weakening their capacity. Yet, these tyrant leaders diverted scarce resources to maintain control of their regimes and protect against external interventions. History points out that autocratic regimes have often been forced to reform (e.g. Suharto’s Indonesia), have

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collapsed (e.g. former Yugoslavia), or have faced regime change through the use of force by international actors when the country was deemed a threat to the international system (e.g. Saddam’s Iraq).

Collier identifies the root of state failure as lack of economic development.\footnote{Paul Collier et al, \textit{Breaking the Conflict Trap: Civil War and Development Policy} (MA: Oxford University Press, 2003), 53.} He further stresses that, in “the absence of economic development neither good institutions, nor ethnic and religious homogeneity, nor high military spending provide significant defense against large-scale internal conflict.”\footnote{Ibid., 53.} According to him, micro-economic analysis suggests that economic development lowers the risk of conflict.

In the last thirty years the world witnessed unprecedented global economic development due to globalization, development of technologies (e.g. information and communication), and creation of more market economies.\footnote{Thomas L. Friedman, \textit{The Lexus and the Olive Tree} (NY: Farrar, Straus and Giroux, 2000), 9.} Many states were able to upgrade themselves to middle-income status where four billion people live. On the other hand, more than a billion people live in low-income countries that have been unable to adopt and sustain policies and institutions conducive to development. According to Collier, low-income countries face the risk of civil war typically around 15 times higher than the Organization for Economic Cooperation and Development (OECD).\footnote{Paul Collier et al, \textit{Breaking the Conflict Trap: Civil War and Development Policy} (MA: Oxford University Press, 2003), 5.} Most of the failed states are low-income states with retarded economic development.
Putting various perspectives together, Douglas Dearth rightly presents a three-step progression of a state failure. First, institutions fail to provide adequate services to the population. Second, improperly channeled ethnic, social and ideological competition erodes the effectiveness of these weak institutions even more. Finally, the cumulative effects of poverty, overpopulation, rural flight and rapid urbanization, as well as environmental degradation, overwhelm the weak state to the point of collapse.\textsuperscript{18} Decay has economic, social and security implications.

Failed states face serious economic challenges. It is mostly due to the mismanagement (e.g., rampant corruption) of its scarce resources and excessive military spending.\textsuperscript{19} This further decreases public sector spending in infrastructure and health, thus impacting the supply of public goods and services, production and household income. Consequently, per capita income falls, food production drops, external debt increases, and exports decline. These states lack political and economic levers to respond to the crisis with a forceful action. In the 1980s, Zaire’s inability to manage itself resulted in revenue from taxes falling under 10 percent of the GDP.\textsuperscript{20} This was due to the creation of illegal economic transactions, which is prevalent where states lack institutional capacity. In Zaire, 45 percent of refined copper and 40 percent of coffee,

\begin{footnotesize}
\begin{enumerate}
  \item In normal circumstances typically states spends 2.8 of the GDP on military and during conflict spending increases to 5 percent. For details, see Paul Collier et al, \textit{Breaking the Conflict Trap: Civil War and Development Policy} (MA: Oxford University Press, 2003), 5.
\end{enumerate}
\end{footnotesize}
estimated to be valued at $437 million, was smuggled out of the country and thus escaped the government revenue stream.  

Similarly, failed states face an enormous social cost due to fatalities and population displacement. According to the World Health Organization (WHO), diseases, malnutrition, and mortality increases significantly after the breakout of conflict. The demand for health care increases with the spread of diseases and rising health care costs. The damaged infrastructure prevents the supply of food to the rural area, causing malnourishment.

Furthermore, to escape the conflict, the local populations are forced to seek refuge. Some portions of the population often seek refuge within the state’s geographical boundaries (known as Internally Displaced Persons (IDPs)) and others become refugees or seek asylum abroad. According to the United Nations High Commission for Refugees (UNHCR) 2001 report, they assisted about 12 million refugees and about 5.3 million IDPs worldwide. Since 1978, 3.8 million Afghans have been refugees and 1.2 million are IDPs. Most importantly, since the early 1990s, internal conflicts have killed about eight million people, most of them civilian.

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21 Ibid.
24 Ibid.
In addition to socio-economic challenges, security is an important factor. The principal function of a government is to protect its citizens. The security dilemma in a failed state arises when the state loses the monopoly of the legitimate use of violence to enforce order.\textsuperscript{26} In the absence of a government, it lacks institutional capacity to implement policies and the ability to exercise political control over its territory. As Huntington puts it, “the most important political distinction among countries concerns not their form of government but their degree of government.”\textsuperscript{27} Therefore, a failed state does not have the coercive capacity (e.g. political and monetary resources) to deter or easily defeat individuals and groups from engaging in serious conflicts.\textsuperscript{28}

Today’s failed states, such as Afghanistan, Sierra Leone, and Somalia, are incapable of projecting power and asserting authority within their own borders, leaving their territories governmentally empty.\textsuperscript{29} This has not only internal humanitarian and security consequences, but also has regional and international implications. The failure of Afghanistan demonstrated how non-state actors, the terrorist organization al-Qaeda, ...

\textsuperscript{26}German political scientist Max Weber defines state as monopoly of the legitimate use of violence; He claims that a state is a single legal entity of exercising authority (monopoly of legitimate use of violence) to enforce order. For details, see Max Weber, \textit{Basic Concept in Sociology} (Kensington Publishing Corp., 1962), 6.


could use the failed state of Afghanistan as a base of global terrorist operations to harm global citizens.

In addition, failed states lead to bad neighborhoods because of the spillover effects of conflict, which frequently causes the region to fail, which has broader international implications. On a regional level, this problem can be seen in the African triangle from Sudan to the Congo to Sierra Leone, and the former Yugoslavia’s war in Croatia in 1991, Bosnia in 1992-95, Croatia again in 1995, and Kosovo in 1998-99.30 Similarly, the failure of Afghanistan and the heightened vulnerability of Pakistan have expanded the risk to the most volatile region of the world, the Middle East and South Asia, causing effects on a global scale. The democratization of violence and combination of radical Islam with weapons of mass destruction (WMD’s) in volatile regions such as the Middle East and South Asia (especially Pakistan, Somalia, Afghanistan, Iraq and Iran) have increased international instability.31

Fukuyama points out that traditional approach of containment and viewing failed states as a humanitarian issue was transformed into a security issue after September 11.32 Since then, failed states are viewed as the single most important problem for the international order. He claims that “what goes on inside these failed states often matters

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32 Ibid.
intensely to the other members of the international system."\textsuperscript{33} In order to prevent future threats, it has become a necessity to reach inside not only to dismantle the terrorist organization but to help rebuild the failed state’s sovereignty by establishing peace and security. Today, the number of states that needs to be fixed is increasing. There are some states that are in the process of being fixed (e.g. Iraq, Afghanistan, Haiti, and Democratic Republic of the Congo) and there are some that need immediate attention (e.g. Iran, Zimbabwe, Somalia, Chad and Guinea). The Fund for Peace has methodically indexed failed states across the globe, demonstrating the extent and severity of the problem as shown in the table below for the year 2009.

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<td>Syria</td>
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<td>East Timor</td>
<td>20</td>
<td>Solomon Islands</td>
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Source: Fund for Peace

\textsuperscript{33} Ibid., 92.
These failed states are indexed based on the following 12 sets of indicators: 1. Mounting demographic pressure, 2. Massive movement of refugees or internally displaced persons creating complex humanitarian crises, 3. Legacy of vengeance-seeking groups grievance or group paranoia, 4. Chronic and sustained human flight, 5. Uneven economic development along group lines, 6. Sharp and/or severe economic decline, 7. Criminalization and/or delegitimatization of the state, 8. Progressive deterioration of public services, 9. Suspension or arbitrary application of rule of law and widespread violation of human rights, 10. Security apparatus operating as a “state within a state”, 11. Rise of factionalized elites, 12. Intervention of other states or external actors.\(^{34}\)

In response to the 9/11 attacks and their association with failed states, the Bush administration outlined the preventive war or preemption doctrine in the *National Security Strategy of the United States* (2002). This doctrine was based on military intervention to destroy terrorist organizations and govern the hostile population in states that threatened American interests.\(^{35}\) An international intervention is a vital policy instrument to maintain order in the international system by seeking to fix failed states forcibly. For such a policy to be effective, it requires international legitimacy. The US-led intervention in Iraq in 2003 is a case in point.

Although the U.S. intervention in Afghanistan was hardly opposed, intervention in Iraq was heavily challenged. Fukuyama points out some of the questions that arise in


regards to the question of sovereignty: One, who has the right to violate another state’s sovereignty? Two, is there a source of international legitimacy? Three, doesn’t an attack on sovereignty become a self-contradictory enterprise? There are few compelling reasons that justify an infringement of sovereignty, but one is an obligation for the “international community” to protect victims of crimes against humanity in war-torn societies. Therefore, to resolve the crisis in the war-torn societies requires outside power by establishing its presence as the effective government. The function of the transitional government is to restore the supply of public goods and services and maintain peace and security until the state in question is capable of managing itself.

Regarding the source of international legitimacy, given the risks of a failed state in an international realm, legitimacy is drawn from self-defense. The non-state actors (e.g. terrorist groups such as Taliban, al-Qaeda, and Lashkar-e-Taiba) have often established themselves as a state within a state, making it easy to launch attacks. This can be demonstrated by the attack on America by al Qaeda on 9/11 using failed state Afghanistan as a base, and the recent attack in Mumbai by Lashkar-e-Taiba’s using Pakistan as a base, killing more than 3,500 and 170 people respectively. Therefore, the principle of sovereignty by itself would never be sufficient to protect a country that is

36 Ibid., 92.

37 After a forced entry, the intervening authorities establish a government until the peace and security is restored. From the time of intervention till the time power is transferred to the sovereign people the governing authority is known as transitional government. For details, see James Dobbins et al, The Beginner’s Guide to Nation—Building (Santa Monica, CA: RAND, 2003), 135.

sheltering this kind of threat. In exercising self-defense, external actors infringe sovereignty by using force to deter or respond to the rising threats against their own citizens.39

Although these arguments provide premises for international intervention to fix failed states forcibly, the question of who gets to decide whose sovereignty to violate remains debated. Article 51 of the United Nations Charter (UN) permits members to undertake unilateral military action in their own self-defense. Yet, without broader international support, the intervening authority lacks sufficient legitimacy, making it difficult to build the nation in question.40 In spite of the question of legitimacy, the risks posed by failed states cannot be ignored.

Given the myriad challenges failed states pose both internally and externally, they have to be dealt immediately but delicately. Since the causes of a state failure may differ from state to state, the consequences are different as well. In order to fix failed states with different characteristics, employing policies that are successful in fixing a failed state in one incident may not produce a similar result. Therefore, the following portion of

39 Ibid.

40 The Bush administration’s rational for the regime change was disarming Iraq’s of its WMD and its link with the terrorist network such as al-Qaeda. On this ground U.S. failed to secure support from the French, Chinese, and Russian governments, all veto-wielding members of the United Nations Security Council (UNSC) for authorizing the use of “all necessary means.” Although Bush administration claimed their authority under United Nations Security Council Resolution (UNSCR) 1441 to invade Iraq, it lacked broad support from the UNSC members such as French, Chinese, and Russian. Due to the lack of broad international support prevented other international actors (e.g. UN and EU) to participate in the nation-building in Iraq. Therefore, U.S. as the leader had to bear most of the burden of nation-building making it extremely risky and costly. For details, see James Dobbins et al, America’s Role in Nation—Building: Germany to Iraq (Santa Monica, CA: RAND, 2003), 167.
this chapter will not only delve into the intellectual history of nation-building but also discuss various policy options that create the institutional framework for nation-building.

**Nation-Building.**

In response to 9/11, nation-building missions in Afghanistan and Iraq have had setbacks, which have led scholars to redefine the role of nation-building. Dobbins defines nation-building as a use of armed force in the aftermath of a conflict to promote a durable peace and representative government.\(^{41}\) Fukuyama points out that, “most of the Americans refer nation-building is rather state-building—that is, constructing political institutions, or else promoting economic development.”\(^{42}\) He further explains that nation-building specifically reflects America’s own experience of constructing a new political order in the land of new settlement without deeply rooted peoples, cultures, and traditions. Today, there is no consensus among scholars on neither defining nor selecting a common terminology for nation-building.

Some of the prevalent terminologies used are as follows: the United Nations calls it *peace-building*, the European Union calls it *state-building*, and the U.S. government calls it *stability operations* or *stabilization* and *reconstruction*.\(^{43}\) In spite of various terminologies being used, the fundamental premise is a use of military force to underpin a

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process of state reconstruction including democratization. Since all of these terminologies do not capture the full scope of such operations, this thesis will use the term *nation-building* because it involves a full range of objectives to foster security, rule of law, humanitarian functions, governance, democratization, and economic development. In spite of the varying terminologies, nation-building is not a new phenomenon.

Rustow explains, “in Europe, the roots of modern states roots back to successive phases of the over-all process, such as Renaissance, the Reformation, the Age of Enlightenment, and Revolutionary Era creating national identity, institutions, governing authority and subsequently leading to modernization of a state.” In these major periods of European history, Europeans had to organize themselves socially, culturally, and economically, creating viable states. After they organized themselves, the Europeans expanded overseas due to the lack of “stateness” in African, American and Asian continents. The Europeans conquered vast swaths of territory and replaced the old politics and leadership structures with their own and infused colonies with their Western norms.

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44 Ibid.

45 Identities have an important role in construction of an effective and legitimate governing system. Nation-states by definition based on a cohesive population with a long, common past and identity, have, through a process of trial and error and over the course of centuries, created a set of shared institutions; these institutions have formed governing bodies that are regarded as legitimate because they reflect the underlying socio-cultural fabric of the state. For details, see Dankwart A. Rastow, *A World of Nations: Problems of Political Modernization* (Washington D.C., The Brooking Institution, 1967), 8-11.

In his poem *White Man’s Burden*, Rudyard Kipling points out that, “Westerners had the obligation to rule over and encourage the cultural development of other cultures and societies until they can take their own place in the world by adopting Western ways.” To the Western world, this was considered nation-building. Others saw it as exploitation of human and natural resources to help modernization of Europe by dividing the society in the colonial state.

Only a few former colonies have benefited from the impact and legacy of colonialism by investing substantially over many generations in establishing and legitimizing new institutions and a new national identity. India is a case in point. Under the British-controlled India, the British were able to consolidate various small states in the subcontinent into a single unified political space, regional languages into a common language, and divided ethnic and religious groups into a acceptable society. The most important legacy of the British Raj in India is that the British invested in creating functional institutions and bureaucratic traditions. In connection to this, Sunil Khilnani explains that, “British domination helped to create the opportunities for Indians to acquire a modern self, a political identity guaranteed by the state.” Today, India is a vibrant democracy.

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49 Ibid.

On the other hand, many of the colonial states were a disaster at the time and its legacy continues. Given the low probability of reward, the colonial powers were less willing to invest in developing institutions, building infrastructure and administering the colonial states as they should have. Europeans drew up new borders at the end of the World War I, spent two decades administering the new states, and promptly withdrew after World War II in response to a growing anti-colonization movement. After colonialism, the new states lacked national identity, economic development, and functional institutions to govern themselves.

During the Cold War, in an ideological race, the two superpowers, America and Soviet Union, bolstered weak regimes to hold together the divided societies, to prevent power vacuum that other side might fill. Thus, the intention of both of the superpowers was to keep these weak states afloat, not to build them. After the collapse of the Soviet Union in the early 1990s many of these states were severely neglected. These former neocolonial states remained without a strong government, institutions, infrastructure and democracy, causing them to fail. Currently, almost all of the countries listed on failed states table are former colonial and neocolonial states, expect for Nepal.

As a result of growing failed states in the 1990s, the nation-building agenda gained momentum. In its first 45 years of existence, from 1945 to 1989, the United Nations (UN) launched only 13 peacekeeping missions, whereas after the fall of the

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52 Ibid.
Berlin Wall the UN’s peacekeeping missions increased to 41. The UN’s nation-building efforts are limited functions such as peace enforcement, institution building, and economic development. In addition to the UN’s nation-building, America’s nation-building centers around transformation of societies, which are guided by distant memories of nation-building missions in Germany and Japan after the World War II.

Not surprisingly, most of the missions were badly performed and the policymakers made little effort to learn from these failures. Often failed states were left ungoverned until 9/11, which demonstrated that the ungoverned states could be used by terrorist organizations to breed and launch attacks on civilized societies.

After 9/11, fixing failed states forcibly became a prime agenda for the Bush administration. However, the fundamental challenge that nation-builders faced was not the ability to project military power to dismantle non-functioning governments, terrorist organizations, and tyrant leaders, but to (re)construct a peaceful and viable state. In short, to resolve the crisis in a state in question, the intervening authority has to solve the puzzle of creating a national unity, functional government and institutions.

Historically, it took four to seven hundred years for Western Europe to develop into a functioning system of nation-states. Given the evolution of functional nation-states, Rustow and Deutsch point out that unity of a state—based on national identity and

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54 Ibid.
institutions that support the state—were achieved sequentially over a period of time.  

First, the national identity was created by the deliberate violence forcing the Europeans to organize themselves based on ethnicity, religion, language and cultural heritage. Second, a national authority was created to serve and protect their citizens.

In contrast to the evolutionary and sequential process of nation-building, the intervening authority nowadays tries to bring together a fractured society by means of force. This is because the intervening authority wants to establish peace and stability in the shortest period of time with an acceptable cost, which requires extensive pre-war planning. Given the complexities of nation-building, pre-war planning begins with the careful selection of policies. These selected polices create the institutional framework for nation-building.

Given the multidimensional nature of nation-building, different missions have different requirements, which define the institutional framework. It could be a mix of military and civilian or only military involvement; it could be unilateral or multilateral intervention. The overall objectives for creating the institutional framework are centered around stopping attacks on civilians, genocide, famine, civil war or proliferation of

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56 The institution framework for nation-building is a process that outlines the configuration of the mission (e.g. who does what). For details, see James Dobbins et al, The Beginner’s Guide to Nation—Building (Santa Monica, CA: RAND, 2003), 7.
Weapon of Mass Destructons (WMD), and establisng a viable democracy, establisng peace and security in an organized fashion.

Although the military component is essential for a forced entry and securing the failed state, it does not have the mission or means to carry out nation-building functions such as creating new institutions, replacing or building infrastructures, and reconstructing the economy. It was evident from Iraq. When the military tried to carry out civilian functions (e.g. building institutions and reigniting the collapsed economy), it added more problems to the existing ones such as societal division (e.g. between Shiite, Sunni and Kurd) and deterioration of security. This has made reconstruction of Iraq extremely challenging.

The war planner also must weigh the burden of the mission. If it is a unilateral intervention, the intervening authority has to bear the burden (e.g. cost of the mission) alone and furthermore, it will lack legitimacy. In comparison to unilateral intervention, in a multilateral intervention the burden is shared with multiple participating actors and it has broader international legitimacy. Therefore, participation of international bodies such as the United Nations (UN), the North Atlantic Treaty Organization (NATO), the European Union (EU), and the African Union (AU) helps not only share the cost of the mission but also provides greater international legitimacy.57

For example, in 1994, the U.S. led the forced entry into Haiti and subsequently the UN peacekeeping force restored peace and security, and started reconstruction of the

57 James Dobbins et al, America’s Role in Nation—Building: Germany to Iraq (Santa Monica, CA: RAND, 2003), 75.
war-torn society. The transition from nationally-led entry force to UN-led peacekeeping mission secured legitimacy and wider local acceptance; at the same time the U.S. was also able to share the burden with international actors. The UN performed humanitarian and political tasks, while the World Bank (WB) and the International Monetary Fund (IMF) aided the reconstruction and economic development in Haiti. Given its specialization for this task, the UN was able to perform the functions of nation-building at a fraction of the cost in comparison to U.S. undertakings. Therefore, multilateral intervention gives war planners options to develop an institutional framework consisting of international actors to establish peace and security in the shortest period of time with an acceptable cost.

Once the institutional framework is defined and when the timing is correct, forced entry is made. After the intervention, multiple tasks must be carried out immediately; one, quickly move to restore security; two, respond to humanitarian distress; three, establish government functions such as restoring public services and administration; four, stabilize the economy and currency, and resume commerce; five, democratize the nation by building political parties, civil society, and a legal and constitutional framework for elections; six, foster economic growth and reduce poverty. These functions are not in


“pecking order,” rather they must be executed simultaneously immediately upon the forced entry. When there is a constraint of resources, the sequencing of the priorities is based on available resources. Therefore, high-priority tasks like enforcing stability needs to be adequately resourced before the money is spent on second-order priorities and wasted without net results.61

The first order of business is to restore security. Establishing security allows supply of the humanitarian relief, establishment of governance, restoration of public services, and economic stabilization. Therefore, the intervening authority deploys military forces to purge violent society under transitional law.62 Purging of the violent section of the population is conducted through disarmament, demobilization and reintegration (DDR) of the combatants.63 This reduces violence. Together with the war criminals, the combatants who cannot be rehabilitated and continue extremist violence are prosecuted in a transitional justice system such as War Tribunal. The rehabilitated

61 Ibid., 15


63 First, the weapons were collected by the intervening authority, which were either stored or destroyed. Second, the combatants were demobilized by disbanding their attachment to the former armed unit and then preparing them for discharge; temporally these ex-combatants were placed in a camp rehabilitated before they are reintegrated in to the society. Third, the ex-combatants were provided job trailing so that they would renounce violence and return to the civil society. Antonio Giustozzi, “Bureaucratic façade and political realities of disarmament and demobilization in Afghanistan.” in Mats Berdal and David H. Ucko ed., Reintegrating Armed Groups After Conflict: Politics, Violence and Transition. (NY: Routledge, 2009), 69.
combatants who qualify are integrated into the armed force or police. Others are reintegrated into society by receiving job training that the market demands.

In addition to the purging of a violent society, the intervening authority helps build security apparatuses (e.g. police and army) under the heading of Security Sector Reform or Security Sector Reconstruction (SSR) as it is called in post-conflict situations. The transfer of the security functions occurs when the local police and army are capable of enforcing the law. The success of SSR depends on three important elements; one, choosing the correct people while reconstructing security apparatus; two, sizing of the institutions to meet the requirement of security needs; three, providing adequate funding to reconstruct the security sectors. In 2004, a bad selection of security personnel in Solomon Islands led to corruption and criminal activities, which hindered the SSR. The intervening authority, Australia, had to fire more than 400 security personnel especially the police, and recruit and train new personnel, which cost the Australian government time and money, and delayed the transfer of authority to the people of Solomons. Therefore, it is extremely critical how the security apparatus is constructed because it is in the frontline of protecting their citizens and enforce the governing law.

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64 It is typical for the ratio of military personnel to local inhabitants range from 0.2 soldiers per 1,000 inhabitants to 1 per 1,000 inhabitants. The ratio for police officers to total population range from 150 to 300 per 100,000 inhabitants. Therefore, the security personals are carefully vetted during selection process and are adequately funded. James Dobbins et al, The Beginner’s Guide to Nation—Building (Santa Monica, CA: RAND, 2003), 66.

65 James Dobbins et al, Europe’s Role in Nation-Building: From the Balkans to the Congo (Santa Monica, CA: RAND, 2008), 192.
The rule of law binds all aspects of the state, the economy and society through the judicial system. There needs to be courts to resolve disputes, judges to uphold the law, and police and other security agencies to enforce the law.\textsuperscript{66} Usually, the reconstruction of law reflects the local customs, traditions and religions of the occupied state; this helps establish trust and legitimacy between the law and the local population. For example, after the collapse of the Taliban regime, Afghanistan’s law was based on their 1964 constitution (as per the Bonn Agreement), a mix of customary law and sharia law; therefore, the newly reconstructed law could gain trust and legitimacy.\textsuperscript{67} Today, Afghanistan still has not been able to establish rule of law due to widespread corruption because it lacks incentive and capacity to enforce laws effectively and fairly. This has put the law and judicial system into question in the public’s eye.

In addition to rule of law challenges, failed states are faced with excessive humanitarian crises. Improved security allows immediate delivery of humanitarian relief. Delivering humanitarian relief requires extensive planning and coordination between the military forces, the civil participants and the local actors. Effectiveness is extremely important when dealing with starvation, refugees, and deterioration of public health.

Organizations such as the United Nations High Commissioner for Refugees (UNHCR)\footnote{It is critical for the international actors to work with the local actors to form legal structure for public administration, civil procedural law, property rights law, business and finance law, juvenile and child protection, human trafficking and narcotics, immigration and citizenship and civil service. Ashref Ghani and Clare Lockhart, \textit{Fixing Failed States: A Framework for Rebuilding A Fractured World} (NY: Oxford University Press, 2008), 124.} \footnote{Bonn Agreement was the initial series of agreements intended to re-create the State of Afghanistan by establishing a government in waiting and a transitional constituent that would be implemented after Taliban regime. For details, see Ashref Ghani and Clare Lockhart, \textit{Fixing Failed States: A Framework for Rebuilding A Fractured World} (NY: Oxford University Press, 2008), 181.}

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protect and resolve refugee crises; the World Health Organization (WHO) and Red Cross provide medical assistance in the post-conflict environment; and the World Food Programme (WFP) provides emergency food supply.

Currently, in Iraq and Afghanistan the military is heavily involved in both humanitarian and security functions, and the civilian component lags behind. Therefore, the relief programs have not had a significant impact because of the dual functions, security and humanitarian, that military is conducting. Since military personnel are removed from their core duty, security is compromised. Ideally, the military assist in providing security and logistics whereas the civilian participants assist in providing humanitarian relief. This has proven more effective in the past (e.g. Haiti, East Timor and Solomon Islands). On the other hand, if the intervention is forcible, then until security is adequate, civilians cannot do much, which means the military has to do it all until then.

In addition to security and humanitarian assistance, a government is needed to provide law enforcement, education, health care and public utility. If an acceptable government is already in place at the time of intervention, the intervening authorities focus on strengthening and reforming it rather than creating a new one.68 If a state has failed, the intervening authorities directly govern the state.69 Alternatively, the intervening authorities may constitute an interim government by election, appointment or...

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69 Ibid.
consultation with the local actors.\textsuperscript{70} At the same time, the intervening authorities need to get the mandate from the United Nations Security Council to carry out or supervise the functions of a government. However, the intervening authority cannot govern the occupied state indefinitely because one of the essential purposes of nation-building is to establish a capable democratic government and transfer the power to the sovereign people.

Although democratization is a core function of nation-building, in reality it is extremely difficult to transform societies that are afflicted by poverty and ethnic and social divisions into democratic ones. In order to embrace democracy in war-torn societies, the states in question need to be restructured in concert with political actors. Some of the key issues that need to be decided in post-conflict restructuring are whether to establish a federal or unitary state, parliamentary or presidential system, and how to craft and implement a democratic constitution that is inclusive to all sections of the population based on equality and transparency.\textsuperscript{71}

The international community has an important role in pressuring and guiding the local stakeholders so that the peace process is brought to a successful conclusion. This can be only achieved if an acceptable democratic constitution is promulgated in a stipulated timeframe. After the constitution is promulgated and if security permits, the local elections are held at grassroots level so that the democracy takes hold. Subsequently, the national election is held, transferring full sovereignty to the freely

\textsuperscript{70}Ibid.

elected government. Although the power is transferred to the sovereign people, it requires economic development so that conflict is reversed.

Usually, these failed states lack government revenue due to their inability to collect taxes and they have extremely high inflation. The only prescription to revitalize the economy requires international support. International donor agencies inject funds (e.g. financial assistance grants, soft loans) to establish disciplined monetary and fiscal policy and to tame the macroeconomic indicators. These funds are also used to reconstruct or establish new infrastructures (e.g. utilities, roads and telecommunication), develop the financial sector, and promote the private sector to create a conducive environment for economic growth.

The funds injected by the international partners must be sufficient for public services provided that the funds are utilized with responsibility and accountability. Therefore, it is critical to establish good governance, build capacity by providing tools and training, enforce accountability and combat corruption. The international development agencies (e.g., The World Bank, United Nations, and International Monetary Fund) have put extra emphasis on good governance especially to post-conflict states. This is to prevent politicization of the economy and return to the status quo.

Fixing a failed state requires long-term planning and commitment before the state in question can stand on its own feet. A mission without proper planning and adequate

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72 Often, transfer of power is extremely challenging. The transfer of power could occur in various ways: one, intervening authority assumes power and transfer the power after securing peace and stability; two, the intervening authority and the indigenous regime share the responsibility of governing the state and then transfer; three, the transfer of power takes place via election. For details, see James Dobbins et al, The Beginner’s Guide to Nation—Building (Santa Monica, CA: RAND, 2003), 189-222.
commitment increases the prospect of violence reoccurring. In East Timor, even after the transfer of power the violence erupted after the UN-sponsored referendum for independence. The re-eruption of violence in East Timor was due to the lack of adequate planning and commitment to resolve the underling political differences, which called for a re-intervention. This cost the intervening authorities—the Australians and the UN—more than expected. Neglecting or aborting the mission will not only cost the intervening authority but will have direct consequences in the international order.

Therefore, a mission failure is not an option given the cost and consequences. For a nation-building mission to be successful it requires deep understanding of the state in question and its implications for the international order. The first section of this chapter provided an analytical framework of a failed state based on its characteristics. Given the risks failed states pose, international intervention is a necessary policy instrument to fix them. The second section of this chapter discussed various policy issues in configuring the institutional framework, including planning forced entry, establishing rule of law, providing humanitarian relief, setting up governance, securing economic stabilization, building democratic institutions, and creating sustainable economic development. The analytical framework of failed states and the institutional framework of nation-building will be used in Chapter 3 in analyzing America’s leadership in fixing Hitler’s Germany and Saddam’s Iraq.

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CHAPTER 3

CASE STUDY AND ANALYSIS: INTERVENTIONS IN GERMANY AND IRAQ

Hitler’s Germany and Saddam’s Iraq share many similarities. Both of these tyrant leaders committed atrocities against their own citizens and continuously threatened the international system. For example, Hitler indulged in mass murdering of Jews and other ethnic groups resulting in the Holocaust; he frequently invaded or attacked other states such as France, Czechoslovakia, Poland, Austria, and Russia, creating instability in the international sphere. Like Hitler, Saddam also indulged in extrajudicial killing of Shiites and Iraqi Kurds and invaded its neighbors Iran and Kuwait. In response to humanitarian crises and security threats, Germany and Iraq were both invaded by Allied forces under the U.S. command. Yet, the outcomes differ.

More than five decades after toppling the tyrant Nazi regime, Germany was transformed into a vibrant democracy. In contrast to Germany, Iraq continues to face substantial humanitarian and security challenges even today. Iraq is consumed by ethnic and religious violence, which has made America’s mission to transform society extremely difficult. Therefore, this chapter will discuss America’s role in nation-building in both Germany and Iraq, followed by comparative analysis from an inductive perspective. This will help test the hypothesis that employing a German model of nation-building has failed to yield similar results.
Reconstruction of Germany.

As a troubled child living in a homeless shelter, Adolf Hitler decided to join the Bavarian regiment during World War I. After the war, he joined Nationalsozialistische Deutsche Arbeiterpartei (NSDAP) and rapidly climbed the political ladder by forging an alliance with other political right groups that shared common views like Pan-Germanism, eugenics, anti-Semitism and anti-communism, which gave birth to the Nazi Party. On these radical grounds, he thrived, established himself as a leader of the NSDAP, and soon became the chancellor of Germany on 30 January 1933. It was the start of fascism and dark days for humanity and a risk to international security.

Although America did not have intentions to be involved in the European affairs, later it was compelled to join the war against the Hitler’s regime. America joined hands with Britain, France and the Soviet Union in an alliance against the Nazi regime based on the moral obligation to protect humanity and to defend against Hitler’s aggression. President Franklin D. Roosevelt described the war as a “crusade to save civilization from the cult of brutal tyranny, which would destroy it and all of the dignity of human life.”

Allied troops were still fighting in Europe when the Allied forces presidents began to discuss and to study possibilities for economic and political rehabilitation of the liberated countries after fighting ceased. While battles continued, the Allies had already decided to occupy Germany militarily after the war was over (the United States, the United Kingdom, and France were to occupy the west and the Soviet Union was to

occupy the east). The shared Allied policy to reconstruct Germany after the war was developed in a series of summit meetings, which were held in Casablanca in January 1943, Yalta in February 1945, and Potsdam in August 1945.²

In Washington, there was much policy confusion when the fate of Germany was being decided. First, there were limited occupation policy discussions between the White House and Congress. The common notion in Washington was that during the war such matters were for the military to decide. Second, Henry Morgenthau Jr., Secretary of Treasury, proposed to Roosevelt that Germany be “industrially disarmed” and converted into an agrarian state by destroying its capability to wage war in the future; this plan was known as the Morgenthau Plan or JCS 1067.³ Henry L. Stimson, Secretary of War, later opposed Morgenthau’s Plan when he directly controlled the occupation of Germany after the war. In opposition to the Morgenthau Plan, he used Germany’s industrial base to create a market economy.

In May 1945, Germany unconditionally surrendered to the Allied forces. Although the fate of Hitler’s Germany was decided in advance, there were immediate problems Allied forces had to deal with after its collapse. The brief power vacuum after

² At Casablanca, British Prime Minister Winston Churchill and U.S. President Franklin Roosevelt had decided to accept unconditional surrender of Germany. The Yalta Conference called for unconditional surrender, the destruction of Nazism, the disarmament of Germany, the speedy punishment of war criminals, reparations, and an economy able to sustain the German people but not capable of waging war. The Potsdam Conference elaborated on these political and economic principles and included agreements about occupation areas, the disposition of eastern German borders, population transfers, and treatment of war criminal. For details, see James Dobbins et al, America’s Role in Nation—Building: Germany to Iraq (Santa Monica, CA: RAND, 2003), 3 and U.S. Department of State, Occupation of Germany: Policy and Progress 1945-46 (Washington, D.C.: Government Printing Office, pub. 2783, 1947), p.3.

the collapse of the Third Reich created the prospect for instability. There were possibilities of Nazi party members regrouping and resorting to militancy.

In response to the security challenges, Allied forces established military government in its respective zones as charted out in the Casablanca, Yalta, and Potsdam summits. The Soviet Union occupied the east part of Germany and the U.S., British, and French occupied various zones in the west within the Federal Republic of Germany (FDR). The U.S. zone was under the command of Office of the Military Government, United States (OMGUS) led by military governor Lieutenant General Lucius Clay. Although the occupation policy structure included a Civil Affair Division (CAD), they only facilitated OMGUS throughout the occupation. It was OMGUS which directed the dissolution of the Nazi party, demilitarization, control over communication (e.g. press, propaganda, and education), reparations for countries desiring them, establishment of rule of law, decentralization of the German government, and distribution of humanitarian assistance.

After the collapse of Hitler’s regime, OMGUS immediately mobilized 1.6 million American troops to fill the power vacuum and to restore law and order. On one hand, OMGUS was under pressure to create a conducive environment for the delivery of humanitarian assistance and subsequently the reconstruction of a new democratic

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Germany. On the other hand, America was under tremendous pressure to divert its armed forces immediately to fight another battle against the Japanese in the Pacific.

The American war planners decided to maintain 404,500 troops in Germany to meet the security challenge. As per the JCS 1067 directives, American troops were mobilized to the confiscate and demolish Germany’s military equipment, cease arms production, and take control of military installations. In addition, General George Marshall also created a U.S. constabulary to maintain law and order, respond to civil unrest, gather intelligence, and help demobilize Nazi remnants. The 31,000 U.S. constables were deployed throughout the American administrated zone. They played a critical role in the demilitarization process, which was to disable Germany’s ability to wage war and help create a safe and stable environment.

In addition, the Allied forces dissolved the Wehrmacth and other paramilitary organizations, and captured about 10 million Nazi fighting forces as codified by the rule of law set by the Allied forces. They were held in Allied camps, of which 5.5 million were taken by Americans. The occupying powers did not have the manpower or the resources to accomplish a thorough purging of German society. Therefore, the U.S. and the Allied forces military administration decided to create a military tribunal, the Nuremberg Tribunal, to indict the 24 Nazi leaders for the systematic murder of millions of people and planning and carrying out the war in Europe. In the American administrated zone, OMGUS utilized bureaucrats and officials from the Nazi regime to

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*Ibid., 10.*
run lower level tribunals (*Spruchkammern*), which convicted 117,523 Nazi members out of 5.5 million. Most of them were reeducated (politically and ideologically reoriented) and reintegrated into society.

Furthermore, the OMGUS and other occupying powers had to purge Nazi’s remnants from political and military structures through “denazification.” This was a process of reorienting the German citizens by removing all things devoted to sustaining and celebrating Nazism. The Allied forces went to great lengths to identify and root out all the party members and sympathizers by abolishing and prohibiting the Nazi party. The Allied forces sought to punish those who were committed to reviving Nazism. The denazification was a process that deconstructed ideological extremists in order to create a cohesive democratic society.

In addition to security challenges, Germany was consumed by extreme humanitarian crises including starvation, epidemics, and homelessness and subsequently societal disorder. Criminal behavior (e.g. looting, black marketing of essential supplies such as food, medicine and fuel, etc.) swept throughout Germany because the Allied forces could not organize the distribution of humanitarian assistance promptly. The situation worsened in the winter of 1945 when rations were reduced to 600 from 800 calories per person.\(^7\)

\(^7\) Due to the impact of the war it had created short supply of food and medicines in America, Britain, France and Soviet Union making it difficult to supply humanitarian supplies to Germany. For details, see Richard Bessel, *Germany 1945: From War to Peace* (NY: HaperCollins Publishers, 2009), 345.
Furthermore, OMGUS also had to deal with more than 15 million German refugees. The refugees consisted of those who fled Germany to escape Nazi prosecution or the war, and there were some Germans who were expelled from the Soviet Union and other countries after the war. Many of these refugees and displaced persons had no shelter, food, water, sanitation, health and other vital needs. As a consequence, many perished due to the malnutrition and outbreak of diseases.

In response to the dire situation, OMGUS coordinated and financed humanitarian assistance and aid for the refugees and the rest of the population with other organizations such as the International Red Cross and religious organizations. The assistance included provision of food, clothing, and health care and assisting refugees and displaced people to find surviving family and friends.\(^8\) One year later, due to the un-diminishing demand for humanitarian assistance, the U.S. government provided financial support for these activities in the U.S. zone through the Government Aid and Relief in Occupied Areas (GARIOA) program. Under GARIOA, America provided $9 million in 1946 and allowed Germany to purchase military surplus valued at $875 million or $184 million on credit.\(^9\)

In the short-run, it was critical for the occupying authority to provide security and humanitarian needs, but in the long-term it was their objective of build a Germany that was democratic and that could self-govern itself. The Potsdam Conference had called for

\(^8\) James Dobbins et al, *America’s Role in Nation—Building: Germany to Iraq* (Santa Monica, CA: RAND, 2003), 12.

\(^9\) Ibid.
the establishment of local self-government on democratic principles with central German administrative departments of finance, transportation, communication, trade, and industry, but these ideas were abandoned after the start of the Cold War.\textsuperscript{10} In an ideological contest between the Western allies and the Soviet Union, the Potsdam mandate to create central German intuitions was precluded. Therefore, General Clay proposed to unify the Western zone, which initially the British and the French resisted.\textsuperscript{11} However, with the creation of the “Iron Curtain” and a subsequent threat to the Western society, the U.S. and the United Kingdom merged the occupied zones and the French relinquished their control after the creation of Federal Republic of Germany (FDR) in 1949.\textsuperscript{12}

Since the Western allies’ objective was to transform German political life along democratic principles, they centered their attention on building civil society from “grass root levels.” The Western occupiers initially created local administration at the county level and subsequently the state level, giving them limited administration responsibilities, which were known as \textit{Kreis} and \textit{Län}de respectively.\textsuperscript{13} In 1946, OMGUS and the British and the French administered local elections for the Council of Ministers-President


\textsuperscript{11} The term “Iron Curtain” refers to the start of the Cold War. This term was referred by Winston Churchill during his speech in 1945 at Fulton, Missouri. For details, see Fraser J. Harbutt, \textit{The Iron Curtain: Churchill, America, and the Origin of the Cold War} (NY: Oxford University Press, 1986), xii.

\textsuperscript{12} James Dobbins et al, \textit{America’s Role in Nation—Building: Germany to Iraq} (Santa Monica, CA: RAND, 2003), 15.

(Länderrat), thus returning partial sovereignty to the German people. These locally elected administrations were able to build institutions from the bottom up with the help from the occupying authorities.

The Soviet Union’s increasing power in Eastern Europe forced the Western occupiers to build Germany’s capacity of self-governance. In 1949, Western allies permitted Germany to organize political parties. The two prominent political forces that took shape on a democratic platform were the center right Christian Democratic Union (CDU) party and the center left Social Democratic Party (SPD) party. In the same year, Germany held the first nationwide election. Konrad Adenauer from the CDU party was elected the first chancellor after the occupation of Germany. This not only provided the premises for the Allied forces of handing over the sovereignty but also—with the agreement of the Western powers—allowed FDR to join the North Atlantic Treaty Organization (NATO) alliance and commence rearmament in 1955.

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14 Ibid.


17 Given that North Korea had invaded South Korea with the support of Soviet Union, the probability of Soviet Union invading the West was equally high. In order to deter Soviet threat, the Western allies created the security apparatus know as the North Atlantic Treaty Origination (NATO). Although the British and French opposed to the rearmament of Germany, the U.S. began to push of rearmament under the condition that German forces remained under the control of NATO. For details, see Rainer Baumann, “German Security Policy Within NATO”, Volker Rittberger, ed., *German Foreign Policy Since Unification: Theories and Case Studies* (NY: Manchester University Press, 2001), 141.
As it was necessary to build security and democracy in Germany, it was equally important to build Germany’s economy for peace and stability. After the collapse of Hitler’s regime, Germany had no economic and budgetary policies. Under General Clay’s command, the U.S. military had to respond immediately to provide subsistence to the German population. In order to allow sustained supply of goods and services, the occupying powers permitted the German central bank to continue with the circulation of the reichsmark. In 1948, to curb the hyperinflation, high unemployment and to reignite the standstill economy, the Allied forces implemented Ludwig Erhard’s reform package; this entailed replacing the unstable reichsmark with the new stable deutschmark and stimulating the economy through consumption.18

Germany had to overcome significant challenges to bring about economic stability. America abandoned the Morgenthau Plan (that wished to convert Germany into an agrarian state) and chose to create a market economy resembling its own. Under the directive of General Clay, Germany restarted its factories and mines. In spite of its earlier resistance to rebuild Germany’s industrial base, later the British and the French also followed the American path. This created a conducive environment for private businesses in the Western occupied zone.

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18 Ludwig Erhard was a Minister for Economic under Konrad Adenauer’s government. He spearheaded the economic reform together with the Western allies. Before Ludwig’s reform policy, hyperinflation was a result of Soviet Union excessive printing of reichsmark to pay for the supplies from the West. Then, Soviet Union was in charge of print money circulation throughout all four zones. For details, see James C. Van Hook, Rebuilding Germany: The creation of the Social Market Economy, 1945-1957 (Cambridge, UK: Cambridge University Press, 2004), 156.
While the Soviet Union continued to dismantle Germany’s manufacturing plants and ship the disassembled industries to the Soviet Union (as a part of reparations) in the Eastern occupied zone, in the West, George Marshall made a commitment of monetary funds from the United States to assist reconstruction of all Europe, including Germany. This was known as the Marshall Plan, which came into effect on April 3, 1948.\textsuperscript{19} The United States provided $3.4 billion in 1946 and $4.7 billion in 1947.\textsuperscript{20} Similarly, multilateral organizations such as International Monetary Fund (IMF) and United Nations Relief and Rehabilitation Administration provided $2.3 billion between 1946 and 1947.\textsuperscript{21} These funds were used to pay for the large inflows of imports that were instrumental for post-war recovery and also helped Germany’s economic revival.

Although Germany was divided into East and West since the start of the Cold War, West Germany continued to thrive because of the democratic principles and free market-economy that FDR embraced.\textsuperscript{22} After the Soviet Union started to disintegrate in the 1989, the Berlin Wall was torn down and Germany was reunited. The re-unification was a desire of citizens in both East and West Germany, which had remained divided for


\textsuperscript{20} James Dobbins et al, \textit{America’s Role in Nation—Building: Germany to Iraq} (Santa Monica, CA: RAND, 2003), 20.

\textsuperscript{21} Ibid.

\textsuperscript{22} The American, British and French administrated zone built FDR on democratic principles and market economy. Although the zones were administered differently, it was ultimately unified as per the Potsdam conference when Germany became democratic and were able to self-govern. For details, see Rainer Baumann, “German Security Policy Within NATO”, Volker Rittberger, ed., \textit{German Foreign Policy Since Unification: Theories and Case Studies} (NY: Manchester University Press, 2001), 141.
more than half a century due to the ideological contest between the two superpowers. The East Germans had lived under the Soviet Union’s political and economic suppression and the West Germans were a sovereign democratic nation. Today, twenty years after the reunification, Germany is a vibrant democratic state with the fourth largest economy in the world.

The intervention in Germany demonstrates that a state that endangers human civilization and creates insecurity to the international system can be fixed forcefully. To manage the humanitarian disaster and security risks, the Allied forces responded by providing humanitarian assistance and security to the German citizens after the Nazi regime dismantled. Although some resistance was anticipated from the Nazi remnants, in large the defeated were cooperative. In order to prevent violence in the future, the Nazi ideology was not only banned but was purged through the denazification process, which also included disarmament, demobilization, and reintegration of the Wehrmacht. Lastly, some of the Nazi members were tried in the war crimes tribunal, holding them accountable for past injustices.

Once the Allied forces were able to bring about stability in Germany, the occupying forces in West Germany were able to build sustainable institutions on democratic principles from the bottom up. After the local, state and central elections FDR was able to have the first democratic government since the occupation of Germany. The new democratic West Germany was able to reconstruct its economy with the Marshall Plan over a decade and become an economic powerhouse. Most importantly,
even after the merger of East and West Germany, the West has been able to successfully transform society in the East, which the West has gone through five decades before. The transformation of society in Germany not only helped create democracy for themselves, it has also made it safe for democracy globally. This is not the case in Iraq. Therefore, the next section will discuss the Iraqi mission and will be followed by a comparative analysis between Germany and Iraq.

**Iraqi Intervention.**

Similar to Hitler, Saddam Hussein had a troubled childhood. At the age of 10, Saddam fled his home in Al-Awja and joined the revolutionary pan-Arab Ba'ath Party. Over the years, he quickly climbed the Ba’ath Party’s ranks, making him the strongman of Iraq’s President Ahmed Hassan al-Bakr in 1976. Saddam was discontented with al-Bakr’s unification treaty between Syria and Iraq. Therefore, Saddam forced al-Bakr to resign and assumed the presidency. Ever since his presidency, Saddam was a problem to humanity and the international order. He indulged in extrajudicial killings of Shiite and Iraqi Kurds, using biological and chemical weapons, and projected Iraq’s military force towards its neighbors Iran and Kuwait. On 2 August 1990, Saddam invaded and annexed Kuwait, sparking an international crisis.

After the U.S.-led coalition liberated Kuwait, as a part of the cease-fire agreement Saddam agreed not to invade other sovereign states, to scrap all chemical and biological

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23 The term “making it safe for democracy” is derived from Woodrow Wilson’s view of the world. He emphasized that a democratic state is less likely to be at war with other democratic states, which would create a relatively stable international system. For details, see Tony Smith, *America’s Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century* (Princeton: Princeton University Press, 1994), 60.
weapons, and allowed UN observers to inspect the sites.\textsuperscript{24} The UN-placed trade sanctions after the cease-fire would remain in effect until Iraq complied with all terms. Although Saddam publicly claimed victory at the end of the war, Iraq never recovered either economically or militarily from the Gulf War.\textsuperscript{25} Yet, Saddam’s regime continued to violate the international agreement by executing Iraqi people who opposed his regime, not committing to disclose details about the Weapons of Mass Destruction (WMD) to the UN weapon inspectors, and constantly violated the “no fly zone.” Given Saddam’s disregard for international norms, he continued to be a threat to humanity and the international system.

The Bush administration decided to topple Saddam Hussein’s regime using force in March 2003. The rationale for the regime change was to disarm Iraq of its WMD and dismantle its support for terrorist networks such as al-Qaeda. Due to the lack of credibility on these charges, the U.S. failed to secure support from the French, Chinese, and Russian governments, all veto-wielding members of the United Nations Security Council (UNSC) for authorizing the use of “all necessary means.”\textsuperscript{26} In spite of the opposition, George W. Bush and Tony Blair decided to claim authority for the operation


\textsuperscript{25} After the humiliating defeat, Saddam wanted to assert to the Iraqi people that he was still in control of Iraq by portraying that Iraq had won the war. He did this so that social and ethnic unrest among Shi'ite Muslims, Kurds, and dissident military units threatened the stability of Saddam's government.

\textsuperscript{26} James Dobbins et al, \textit{America’s Role in Nation—Building: Germany to Iraq} (Santa Monica, CA: RAND, 2003), 167.
under United Nations Security Council Resolution (UNSCR) 1441. On these premises, the U.S. led the invasion of Iraq with the support of allies in a “coalition of the willing.”

After the invasion on March, on May 1, 2003 America officially ended the military invasion and began the military occupation. The Bush administration assumed that once Saddam Hussein’s regime was overthrown, the people of Iraq would welcome the U.S. as liberators, the military would surrender or defect, and people working in state institutions would stay on the job. Although the pre-war planners had anticipated relative levels of stability after the invasion, their plans proved to be wrong and the situation was more complicated.

Iraq was overwhelmed with chaos due to the lack of security, causing rampant looting of the government properties that included the Iraqi Central bank losing near $12 billion. Furthermore, Iraq was a humanitarian disaster because over 4.2 million Iraqis (more than 16 percent of the Iraqi population) lost their homes and became refugees. Moreover, Iraq came under the grip of violence because of the insurgency against the

27 Alongside United States, the United Kingdom and smaller contingents from Australia, Denmark, and Poland invaded Iraq. Four countries participated with troops during the initial invasion phase, which lasted from March 20 to May 1. These were the United States (248,000), United Kingdom (45,000), Australia (2,000), and Poland (194). 36 other countries were involved in its aftermath. For details, see Raymond W. Copson, Iraq War: Background and Issues Overview (Washington D.C.: The CRS Report for the Congress, 2003), 12.


U.S. led-military coalition and sectarian violence among the different ethnic groups (e.g. Sunni, Shiite and Mahdi Army of radical cleric Moqtada al-Sadr) within the population.\textsuperscript{30}

Although the instability and chaos was predicted by several Pentagon war planners including the Secretary of State Collin Powell, these views were sidelined by President George W. Bush. Also, the Army Chief of Staff Eric Shinseki had warned that, “it would require hundreds of thousands of troops to secure a viable post-war order in Iraq.”\textsuperscript{31} Secretary of Defense Donald Rumsfeld and his senior Pentagon civilian deputies such as Deputy Secretary of Defense Paul Wolfowitz rejected every call for a larger force commitment to meet the challenges. They assumed that Iraq was a strong state whose institutions would survive after the intervention and subsequently they could be used for securing Iraq.\textsuperscript{32}

The Bush administration’s assumption underpinned the war strategy but their misjudgment on Iraq underscored the security. This led to an immediate focus on

\textsuperscript{30} Some of these Islamic extremist groups were sponsored by Iran and Syria through pro-Iranian, Ba’athist and al-Qaeda elements. They became involved because a democratic Iraq would undermine non-democratic regime forcing change in their own government. For details, see James Dobbins et al, \textit{Occupying Iraq: A History of the Coalition Provisional Authority} (Santa Monica, CA: RAND, 2009), 81-111, Arwa Damon, “Iraq refugees chased from home, struggle to cope,” \textit{CNN Online}. June 21, 2007, available on-line at \url{http://www.cnn.com/2007/WORLD/meast/06/20/damon.iraqrefugees/index.html} (accessed March 21, 2010).


\textsuperscript{32} The CPA had to rebuild Iraqi military and police from the scratch, which was constrained by lack of resources, high turnover and inability to recruit new ones. The Iraqi security apparatus proved to be a failure because of their poor performance and inability to protect Iraqi citizens.
stabilizing Iraq by establishing a Coalition Provisional Authority (CPA) with the
Pentagon’s backing. Since the intuitional framework for the invasion of Iraq was for the
U.S. to retain control of both military operations and post-conflict reconstruction,
President Bush appointed L. Paul Bremer III to head the Coalition Provisional Authority
to exercise powers of the government to stabilize Iraq.\textsuperscript{33} The immediate objectives of the
CPA are fivefold: one, establishing security; two, promoting the Rule of Law; three,
creating a Governing Council so the power could be transferred to new democratic
regime; four; reconstructing the economy; and five, promoting democracy.

Given the deteriorating situation in Iraq, the CPA’s priority was to stabilize Iraq.
Originally, the Bush administration had anticipated that after the fall of Saddam’s regime
some of the Iraqi army and police would be retained to establish security. On this
premise U.S. Central Command’s (CENTCOM) intent was to reduce the U.S. contingent
to 110,000 by the end of May 2004 from 130,000 in 2003.\textsuperscript{34} However, in April 2004,
uprisings in central and southern Iraq and CPA’s inability to rebuild the Iraqi army and
police led CENTCOM to alter its plan: they raised the number of U.S. troops to 141,000

\textsuperscript{33} The CPA’s authority derived formally from the status that the United States and Great Britain
assumed as occupying powers under the laws of armed conflict UNSCR 1483. The resolution recognized
the specific authorities, responsibilities, the obligations under applicable international law of the U.S. and
the U.K. as occupying powers under unified command (the “Authority”). Given the U.S. leadership under
Pentagon, CPA Paul Bremer (President Bush’s special envoy) was to report to the Secretary of Defense
Donald Rumsfeld. For details, see James Dobbins et al, \textit{Occupying Iraq: A History of the Coalition
Provisional Authority} (Santa Monica, CA: RAND, 2009), 12-16.

\textsuperscript{34} Steve Bowman, \textit{Iraq: U.S. Military Operation} (Washington D.C.: CRS Report to Congress,
2006), 5.
by delaying the scheduled return of some units and accelerating the deployment of others.  

The U.S. and allied forces were confronted by mounting pressure from the Sunni insurgents and Shiite militias who were adherents of the radical Islamic clergy such as Muqtada al-Sadar. According to Bremer, there were more than 30 militias and between 30,000 to 60,000 armed supporters which needed to be dismantled. For the U.S., disarming and demobilizing Saddam’s army (e.g. Iraqi Republican Guard) and police was not the challenge because after the fall of Baghdad, Iraqi security had already self-demobilized; rather, the challenge was disarming and demobilizing the growing insurgents and militias who were the source of Iraq’s instability.  

Although the CPA tried to dismantle the insurgents and militia’s capabilities by employing military force and through disarmament programs, there was very little initial progress. Therefore, the U.S. had to increase its troop levels to 160,000 in early 2005 from 141,000 in 2004 in anticipation of insurgents’ efforts to disrupt the January 2005 election. Subsequently, the total number of U.S. soldiers in Iraq peaked to 170,000 in 2007 during President Bush’s so-called “surge” of troops in a bid to stabilize the country.

35 Ibid.

36 The Muqtada al-Sadar’s militia and other insurgent often launched attack on the U.S. and the British military, humanitarian convoys, civilians, and also fought between the contending militia groups using Improvised Explosive Device (IED), suicide bombing, and rampant military style attacks. Places such as Fallujah had come under the control of the insurgents and militias, which had to be retaken by launching a massive military campaign. For details, see Rick Jervis, “Iraq will wait to disarm militias,” US Today Online. October 20, 2006, available on-line at http://www.usatoday.com/news/world/iraq/2006-10-15-al-maliki_x.htm (assessed March 21, 2010).
which was wrecked by sectarian violence.\textsuperscript{37} Over the years, the reconstructed Iraqi army and the police have increased their capabilities, leading to a decrease in U.S. troops to 98,000 in 2008, but the sectarian violence still lingers.

Given the insecurity, promoting rule of law was perpetually challenging.\textsuperscript{38} A shortage of staff constrained CPA’s ability to rebuild the justice system and to deal with pervasive corruption. Most importantly, the Abu Ghraib prison scandal undermined the occupying forces’ authority to establish rule of law. In spite of these challenges, Paul Bremer had 90 percent of the courts running by September of 2003, and he increased the detention facilities and enforcement apparatus. He also outlawed the Ba’ath party so that the top officials of the Ba’ath party were captured and tried by the Iraqi Special Tribunal (IST) for war crimes and other international offences. Saddam was captured on December 13, 2003 in the town of ad-Duar, tried and sentenced to death by hanging on December, 30, 2006. Similarly, some of his deputies are facing charges or have faced the death sentence.

Similar to the denazification, CPA took the task was to dismantle the political and military structure of the Ba’ath party through deba’athification of Iraqi society. Some of the lower Ba’ath party cadres that were loyal to Saddam joined the extremist groups to fight against the U.S.; other were forced to abandon their ties to the Ba’ath


\textsuperscript{38} The Ministry of Justice was burnt down and of 18 courthouses in Bagdad on only 7 survived but its furniture, equipments and all the records had been stolen. For details, see Seth G. Jones et al, \textit{Establishing Law and Order After Conflict} (Santa Monica, CA: RAND, 2005), 136.
party. The ones who abandoned Ba’athist party were reeducated and reintegrated into the society. They were given the privilege to maintain their freedom, keep their government jobs and retain their property.

In addition to the deba’athification process, establishing security has been extremely challenging in Iraq. The insecurity directly impacted living conditions of Iraqi people. Due to the internal violence there was extensive damage to the oil sector, transportation, and electric power infrastructure, making it difficult to deliver humanitarian assistance such as food and medical supplies to the 4.2 refugees inside Iraq and 2.2 million aid-dependent Iraqis.39

Originally, the Bush administration had not anticipated the violence and sabotage of the infrastructure; they had focused on delivering humanitarian assistance through the Office of Reconstruction and Humanitarian Assistance (ORHA) with a smaller budget.40 Given the growing instability and lack of infrastructure, the Bush administration had to alter the plans by dissolving ORHA and giving the humanitarian assistance responsibility to newly created CPA.

The CPA responded to the humanitarian challenge with larger manpower and a budget, which Congress had approved. Alongside the U.S. military, aid agencies such as

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39 James Dobbins et al, America’s Role in Nation—Building: Germany to Iraq (Santa Monica, CA: RAND, 2003), 182.

40 Three months before the invasion, Bush administration had estimated cost of reconstruction of $1 billion. Few weeks later USAID budgeted only $1.7 billion but President Bush requested for only $2.4 billion. Given the differing situation in Iraq, the U.S. government has already spent more than $720 billion till date. For details, see James Dobbins et al, Occupying Iraq: A History of the Coalition Provisional Authority (Santa Monica, CA: RAND, 2009), 12-16., and 109.
the U.S. Agency for International Development (USAID) also faced great difficulty when trying to deliver humanitarian assistance. Nevertheless, as a result of increased manpower and budget, the power generation grew to 6000 megawatts in 2008 compared to 4000 megawatt in 2003; more than 240 hospitals and 1,115 clinics were rebuilt, staffed and reequipped with medical equipments providing care to Iraqis; and more than 7 million children started school despite the poor physical condition of many facilities.

Although there has been improvement in human conditions, a nation-builder such as Dobbins asserts that if the U.S. had chosen to work with other international agencies such as the United Nations Development Fund (UNDP), World Health Organization (WHO) and World Food Program (WFP), the nation-building mission in Iraq would have cost less and been more effective.

In addition to providing humanitarian assistance, CPA’s most important job was to create a democratic Iraq. Historically, Iraq had no prior experience with democratic government. Iraq, whether in a monarchist, Arab nationalist, communist, or revolutionary Ba’athist, has always been under an authoritarian power structure. Authoritarian Saddam had run a highly centralized administration by combining three elements; one, the *dimuqratiyyat al-khubz* (democracy for bread) is a social contract in

41 In addition to the insecurity, USAID provided hundreds of millions of dollars of contracts which were selected by the Pentagon. However, political tensions preceding the invasion of Iraq reduced ability for U.S. to work with the UN, the EU and other allies on humanitarian relief and reconstruction plans, which may have reduced burden on the U.S. For details, see James Dobbins et al, *America’s Role in Nation—Building: Germany to Iraq* (Santa Monica, CA: RAND, 2003), 182.

which the regime provides social and economic welfare to the Iraqi people in return for political loyalty; two, *mukhabarat* is employment of a coercive means to maintain control of the state; and three, *Ba’athistism* (ideology) that denied participatory politics. The oil revenue allowed Saddam to implement these policies to an extreme degree.

After Saddam, the Bush administration had assumed that ORHA would ensure that the Iraqi ministries would continue to function—to provide public goods and services to Iraqi citizens—between the fall of Saddam’s regime and the establishment of a new Iraq government in a short period of time. After the violence increased, the Bush administration had to replace ORHA with CPA with intent to govern Iraq until a new Iraqi government was formed. The Pentagon had two choices, which were to lead a lengthy occupation modeling post-WWII Germany or a quick handover to the indigenous regime following the precedent of Afghanistan in 2001. The choice was clear, which was to use military means to govern Iraq until it was safe to transfer of sovereignty to the democratic Iraqi people.

Under normal circumstances, democratizing an authoritarian society begins at the grass roots level. The local elections allow a new generation of leaders to emerge, then proceed to national election when civil society, free media, and non-sectarian political

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parties have time to organize. In Iraq, the circumstance was different. The CPA could not replace the Central Intelligence Agency (CIA)-appointed grass roots leaders (e.g. Mayors) with elected local officials because of the insecurity and growing fear that pro-Iranian Shiites would dominate the political scene. Therefore, the local elections had to be forgone and provincial and local councils were established by CPA’s appointment of members of various political parties. These council members were thoroughly vetted by the CPA so that so that Ba’athists and other criminals were excluded from the political process.

At the national level, the CPA outlined “seven steps to sovereignty” in consultation with U.S. officials in Washington and Iraqi leaders. They were: one, creation of Governing Council (GC); two, the formation of the Constitutional Preparatory Committee (CPC); three, increasing day-to-day responsibility to GC; four, writing the constitution; five, ratifying the constitution; six, national elections to choose a government; and seven, the dissolution of the CPA and the resumption of Iraqi sovereignty. In spite of these outline, creating GC was extremely challenging due to


47 The function of the GC was to fill in the bureaucratic positions (e.g. ministers) in the various Iraqi Ministries as advisors, help transitional constitutions and formation of the Constitutional Preparatory Committee. While day-to-day responsibilities were given to GC, the U.S. forces clearly presumed the de jure and de facto authority. For details, see James Dobbins et al, Occupying Iraq: A History of the Coalition Provisional Authority (Santa Monica, CA: RAND, 2009), 36.
the sectarian violence and political division between the Shiite and Sunni. The minority Sunnis asserted that being a part of the mainstream political process was pointless; they felt they would be underrepresented.48

After six weeks of political maneuvering and pressure exerted by the CPA, Iraqi political factions decided to establish a 25-person Governing Council. After the creation of GC, the “seven steps to sovereignty” were abandoned due the resistance from the Shiite political faction under the directives from their senior most Shiite cleric Ayatollah Ali Sistani. They claimed that a constitution produced by unelected authors would be illegitimate and they would issue fatwa against it.49 In order to break the stalemate, the CPA yielded Sistani’s demand for a Transnational National Assembly (TNA) through a nationwide election.

On January 30, 2005, Iraq elected 275 TNA members in spite of the violence but without UN support and Sunni participation. The election did not produce a clear majority for any political party, which led to a formation of a coalition government after several months. Subsequently, the U.S.-led CPA granted power to Iraq’s interim government 467 days after the U.S. invasion began.50 In spite of the violence to

48 According to the CIA Factbook, Iraq constitutes Arab 75%-80%, Kurdish 15%-20%, Turkoman, Assyrian, or other 5% out of which are Muslims 97% (Shiite 60%-65%, Sunni 32%-37%), Christian or other 3%. For details, see CIA Factbook, “Iraq, available on-line at https://www.cia.gov/library/publications/the-world-factbook/geos/iz.html (assessed March 24, 2010).

49 Fatwa is a legal pronouncement in Islam, issued by a religious law specialist on a specific issue in this case was in regards to the writing of the constitution by on elected Iraqis. Shiite cleric Ayatollah Ali Sistani issuing fatwa was to delegitimize the constitution and call for a revolt.

undermine the democratic process of writing the constitution, TNA was able to write and have it approved through referendum on 15 October 2005; the new constitution replaced the transitional constitution.

While the new constitution was a positive development, the extremist forces continued to escalate violence with external support—Iran, Syria, and transnational terrorist organizations such as al-Qaeda—to restrain Iraq from becoming a democratic state.\textsuperscript{51} In order to quell the violence during the national election on December 15, 2005, the U.S. authority increased the number of troops. After the election, the White House claimed that the low level of violence and high turnout (79.6 percent) of voters allowed Iraq to elect the 275 Iraqi Council of Representatives.\textsuperscript{52} Subsequently, it took Iraq more than five months to form a coalition government under the leadership of Shiite Arab Ibrahim al-Jaafari.\textsuperscript{53} During this government’s tenure, insurgency peaked, depriving Iraqis of peace and security. Therefore, President Bush’s called for a “surge” of troops

\textsuperscript{51} Iran, Syria and al-Qaeda interest to destabilize Iraq are; one, a democratic Iraq would threaten their non-democratic regimes (e.g. theocracy in Iran and autocracy in Syria); two, they were also threatened by the U.S. presence in the Middle East because they thought they will be the next target for the U.S. military action. James Dobbins in a conference revels that Iran had approached him during the Bonn Conference that they would play a constructive role after Saddam but the Iranian imitative was hampered by the 2002 State of the Union speech to take stark action against “axis of evil,” which included Iran. For details, see New America Foundation, “Does Nation-Building have a Future?” New America Foundation, Window Media Player video file, 1:45, \url{http://www.youtube.com/watch?v=ZF2SB1qrhN0}(assessed March 22, 2010).


(to 170,000) to root out the al-Qaeda and insurgent’s networks to reduce the level of violence. The “surge” produced relative success. On March 7, 2010, the second general election was held under comparatively calm circumstances, which demonstrates Iraq was embracing democracy despite of great difficulty.\textsuperscript{54}

Similar to the political process, Iraq’s economic development continues to be subjected to terrorism and sectarian violence. After the invasion, the Bush administration had assumed the smooth transition of power to the Iraqi people would cost only $1.7 billion in reconstruction. In addition to $1.7 billion, they had hoped that the proceeds from the sale of Iraqi oil, unused Oil for Food program funds and the release of $2.7 billion frozen assets by the U.N. member states from the former Iraqi regime would be sufficient to help revitalized the Iraqi economy.

The reality was different. After the invasion, the looting and insurgent’s sabotage on the infrastructure (especially the oil industry, the lifeline of Iraq’s economy) and high inflation destroyed Iraq’s economic capacity, costing Iraq billions of dollars. In response to the deteriorating situation in Iraq, the Bush administration immediately created the Development Fund for Iraq (DFI) to meet the unanticipated cost to rebuild and stabilize Iraq’s microeconomic indicators (e.g. hyperinflation).\textsuperscript{55} In 2003, the U.S. Congress

\textsuperscript{54} The votes for the March 7, 2010 election are still being counted. The current trend of the election can been seen in greater details, see BBC, “Iraq's Iyad Allawi urges swifter election result,” \textit{BBC Online}. March 20, 2010, available on-line at \url{http://news.bbc.co.uk/2/hi/middle_east/8578086.stm} (assessed March 25, 2010).

\textsuperscript{55} Although the CPA introduce new currency to tame the inflation but failed to yield result because of the “black market” created by the short supply of commodities, food and household products.
provided $53.3 billion and the international donors pledged $14 billion towards the DFI.56

Until the “surge” in 2007, the deteriorating security situation had adversely affected the Iraqi economy by restricting the reconstruction of the infrastructure and supply of public goods and services to the Iraqi people. The dangerous environment led to a halt of many reconstruction projects. For example, with attacks on the U.N. headquarters in Baghdad in August and September 2003, the U.N. Secretary General redeployed all U.N. international personnel from Baghdad, Basra, and other area offices to neighboring countries, particularly Jordan and Kuwait.57 There were many similar incidents like this one. Therefore, the United States and its partners have been rebuilding Iraq in a wartime environment. While attempting to combat a growing insurgency, U.S. and its partners are under pressure to combat economic hardships in Iraq. This demonstrates how the deteriorating security situation severely impeded the economic reconstruction effort.

According to the U.S. General Accountability Office’s May 2007 report, Iraq still faces many challenges reconstructing the economy after spending billions of dollars especially in the oil sector. In addition to the violence as a deterrent of economic

56 Countries pledging $500 million or more included Japan at $4.9 billion, the European Union at $1.3 billion, Saudi Arabia at $500 million, and Kuwait at $500 million. The World Bank pledged assistance ranging from $3 billion to $5 billion and the International Monetary Fund pledged $2.6 billion to $4.3 billion. For details, see The United States General Accounting Office (GAO), Rebuilding Iraq: Resource, Security, Governance and Essential Service. (Washington, D.C.: Report to Congressional Committee, June 2004), 19.

development, Iraq’s has been consumed by corruption. Iraq’s lack of legal planning to combat corruption has impeded the U.S. and the Iraqi efforts to restore the economy. For example, Iraq’s crude oil production and export goals that are central to Iraq’s government—revenues and economic development—have grown relatively slowly due to the rampant corrosion at all levels of the government. The corruption and mismanagement of the state have not only hindered economic development but directly impacted the evolution of democracy in Iraq.

Unlike Germany’s smooth transformation of society half a century ago, Iraq remains challenged. The Bush administration had intended to purge Saddam’s tyranny with democracy with ease but fell short due to faulty pre-war planning. The pre-war assumption was that Iraqi people would view a U.S.-led intervention as liberation rather than invasion, making reconstruction process relatively easy. Based on this assumption, the Bush administration used limited military force to topple Saddam’s regime and secure Iraq after the initial invasion. However, the unexpected looting, sectarian violence and political insurgency confined Iraq in chaos.

The instability in Iraq forced the U.S. and its partners to increase their military and financial resources to stabilize Iraq. This has cost the U.S. government more than $7 billion over seven years. The time and money committed by America and its partners was largely consumed in an effort to foster peace and security in a fragmented society.

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58 The Pentagon and Iraqi Government were assigning contract to reconstruct to handful of contractors without transparency. For details, see Natalia Antelava, “Billion Lost to Corruption in Iraq,” BBC Online. May 18, 2009, available on-line at http://news.bbc.co.uk/2/hi/middle_east/8055776.stm (assessed March 25, 2010).
(e.g. between Shiite, Sunni and Iraqi Kurds) using military means. In spite of the uncertainty and use of force to curb the violence, President Bush-appointed CPA was able to create a political settlement at the surface level—in great difficulty—leading Iraq to write a constitution and elected a government based on democratic premises. Even after the transfer of authority to the sovereign people of Iraq, it has held two democratic elections but the progress in terms of security and economic development has been extremely limited. As long as the sectarian violence and the political insurgency persist, supported by external actors such as Iran, Syria and terrorist networks al-Qaeda, the chances for Iraq to become a viable democratic state will be limited.

**Comparative Analysis.**

America led the intervention in both Hitler’s Germany and Saddam’s Iraq, because each leader posed risks to humanity and the international order. Hitler’s Pan-Germanism, eugenics, anti-Semitism and anti-communism led him to grossly eradicate non-Germanic societies (especially Jews) by force, resulting in the Holocaust. In an attempt to expand the Nazi regime, he frequently invaded other countries, challenging the Westphalian system. Similarly, Saddam Hussein employed chemical weapons to eradicate the Shiites and Iraqi Kurds. In 1980 he invaded Iran, and in 1990 he disregarded international norms again and invaded Kuwait. In both Germany and Iraq, America’s status as a world superpower enabled it to lead an international intervention to protect humanity and maintain order in the international system.
Although America justified its actions on moral grounds, the legitimacy of its 2003 military invention in Iraq remains controversial. In 1990, America and its “coalition partners” were given legitimacy by the UNSC to wage a war against Saddam for violating the international norms (for invading Kuwait in and using chemical weapons against Iraqi Shiites and Kurds). After the Gulf War, American-led coalition partners forced Iraq to respect sovereignty of other states, to scrap all chemical and biological weapons and allow UN observers to inspect the sites for WMD as a part of a cease-fire agreement between the international community and Iraq. In spite of the cease-fire agreement, Saddam constantly violated the agreement leading the Bush administration to attempt to disarm Saddam forcefully on WMD charges in 2003.

However, the Bush administration’s attempt to charge Iraq for its WMD-related activities lacked sufficient evidence. On this premise, other key voting members of the UNSC—French, Chinese, and Russian—did not provide support to use “all necessary means” to disarm Saddam. In addition, many other member states were not in favor of another attack on Iraq. In spite of the lack of broad international support, the U.S. led the invasion of Iraq with the U.K and various frail allies in a “coalition of the willing,” thus giving the intervention policy a weak form of legitimacy. Over the dispute of legitimacy, the multilateral bodies such as the UN, NATO and the EU were denied a role in the institutional framework of nation-building. This urged the U.S. to bear dominant share of nation-building in Iraq more making it difficult, time consuming, and costly enterprise in
comparison to the reconstruction of Germany after World War II.\textsuperscript{59} Although military means were employed to transform societies in Germany and Iraq, the outcome in Iraq does not mirror the success in Germany. The case of Germany demonstrates that the Allied forces had adequately planned and equipped prior to the war to meet the challenges of post-war reconstruction.\textsuperscript{60} In Germany, the assessment of the war planning was coherent with reality on the ground, thus making the reconstruction process less burdensome. For example, after Hitler’s regime, Allied forces established their respective military government zones as outlined by the Potsdam Conference (e.g. U.S. Britain and France in the West and Soviet Union in the East of Germany). Each of these military governments deployed military forces adequately throughout their zone to restore security immediately.

In contrast to Germany, the war planners lacked sufficient planning prior to the invasion of Iraq. This case suggests that the Bush administration failed to accept advice from Gulf War veterans, Secretary of State Powell and Army Chief of Staff Shinseki, who had warned about the prospect of sectarian violence and political insurgency. Both Powell and Shinseki had advocated that an adequate number of troops and sufficient resources would be required to secure a viable post-war order in Iraq. Ignoring Powell

\footnote{59 U.S. assistance to Germany totaled some $4.3 billion ($29.6 billion in 2005 dollars) for the years of direct military government (May 1945-May 1949) and the overlapping Marshall Plan years (1948/1949-1952). Today, the mission in Iraq has cost the U.S. government more than seven hundred billion dollars over seven years. For details, see Nina Serafino, Curt Tarnoff, and Dick K. Nanto, \textit{U.S. Occupation Assistance: Iraq, Germany and Japan Compared}. (Washington D.C.: The CRS Report for Congress, March 23, 2006), 4.}

\footnote{60 America shared its nation-building mission with Allied forces as outlined in series of summit meetings Casablanca in January 1943, at Yalta in February in 1945, and at Potsdam in August 1945.}
and Shinseki’s advice, the Bush administration was intent on employing limited military forces and producing a quick transfer of sovereignty to Iraqi people.

After the intervention, Iraq was gripped by looting, sectarian violence and growing insurgency, which called for an increase in the number of troops. This was not the case in Germany. After the fall of the Nazi regime, the Allied forces were able to enforce peace and security in a war-torn society in a relatively short span of time. The three important factors that contributed to stability in Germany were: one, most of the defeated population abandoned Hitler’s Pan-Germanism, and most of the former combatants cooperated with the occupying authorities; two, the Allied forces purged the Nazi party’s political and military personnel through a forced and systematic denazification process before being reintegrated into the society; and three, the occupying authorities enforced accountability for past injustices through war crimes tribunals, which deterred people from taking matters into their own hands. These actions taken by the Allied forces not only helped submerge discontent among Germans but unified German society, created stability and subsequently facilitated the transformation of society.

Similar to the denazification process in Germany, the CPA undertook the task under military command of dismantling the political and military structure of the Ba’ath party through deba’athification of Iraqi society. The CPA outlawed the Ba’ath party and captured its top officials including Saddam and tried them in the Iraqi Special Tribunal (IST) for war crimes. In spite of an effort to purge the Sunni-dominated Ba’athist structure, CPA failed to reconcile the past hatred between Shiites, Sunnis, and Iraqi
Kurds. As a result of the past hatred, Iraq was engulfed by sectarian violence and ideologically motivated insurgency. The case finding reveals that U.S. forces were not prepared to deal with the crisis of national identity leading to sectarian violence and the insurgency. The violence was further escalated by the external actors—Iran, Syria, and transnational terrorist organizations such as al-Qaeda—all intent on destabilizing Iraq.

In Germany, the occupying authorities did not face challenges from the external actors such as neighboring states or transnational terrorist organizations. The only insecurity in the region was the ideological contest between the two superpowers, the U.S. and the U.S.S.R. Since both of these superpowers were nuclear states, a direct infringement on each other’s territory had a risk of assured mutual destruction. Given the risk of assured mutual destruction, the FDR wanted to avoid conflict, whereas in Iraq, there was no commitment to that level of conflict avoidance. In contrast to Germany, external actors’ interest to destabilize Iraq are twofold; one, a democratic Iraq would threaten their non-democratic regimes (e.g. theocracy in Iran and autocracy in Syria); two, they are also threatened by the U.S. presence in the Middle East because they think they may be the next target for the U.S. military action. The instability makes democratization of Iraq extremely difficult in comparison to Germany.

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61 Mutual assured destruction (MAD) is a military strategy in which a full-scale use of nuclear weapons by two opposing sides would effectively result in the destruction of both the attacker and the defender. It is based on the theory of deterrence that the deployment of strong weapons is essential to threaten the enemy in order to prevent the use of the very same weapons. The strategy is effectively a form of Nash Equilibrium, in which both sides are attempting to avoid their worst possible outcome — nuclear annihilation. For details, see Charles H. Fairbank Jr., “Mad & U.S. Strategy,” in Henry D. Sokolski ed. Getting MAD: Nuclear Mutual Assured Destruction, its Origin and Practice (PA: The U.S. Army War College, Strategic Studies Institute, Nonproliferation Policy Education, 2004), 137.
In Germany, due to the relative level of security, the democratization or transformation of society began at the grass roots level by allowing political parties (i.e., SPD and CDU) to organize themselves. In 1946, the local elections allowed Germany to elect the Council of Ministers-President (Länderrat) returning partial sovereignty to the German people. Subsequently, in the 1949 national election, West Germany (FDR) democratically elected Konrad Adenauer from the CDU party leading to a smooth transfer of sovereignty. In 1955, a sovereign Germany was allowed to join the North Atlantic Treaty Organization (NATO) in the face of the Cold War and subsequently commence rearmament. After half a century of partition, the fall of the Berlin Wall unified the divided Germany, creating a vibrant democratic state.

In contrast to Germany, democratization of Iraq has been extremely difficult. The root of the problem is the fractured society in which Shiites, Sunnis and Iraqi Kurds have participated in sectarian violence and insurgency. Therefore, the CPA could not begin the process of democratization from the bottom up. Alternatively, the CPA devised “seven steps to sovereignty,” which ultimately failed because of the opposition from the dominant Shiite sect. Shiites believed that the writing of a constitution by the unelected CPC would undermine the legitimacy and also their position in the national politics. Therefore, the most agreeable option was formation of a Transnational National Assembly (TNA) through nationwide elections.

In order to move the democratization process further, CPA yielded to the political parties’ demand for a Transnational National Assembly (TNA). On January 30, 2005,
Iraq elected 275 TNA members in spite of the violence and subsequently the U.S.-led CPA granted power to Iraq’s interim government. The TNA wrote the constitution and had it approved through referendum on 15 October 2005. This was followed by a nationwide election on December 15, 2005, which produced the first democratically elected government.

In spite of a democratically elected government, the extremist forces continued to engage in violence with external support to disrupt Iraq and its democratic experiment. Over the years, the Bush administration deployed additional troops (“surge”) to protect an infant democracy in the Middle East. Given the slight improvement in security in Iraq due to the surge, on March 7, 2010, the second general election was held under lower levels of violence. This demonstrates that democracy is being constituted in Iraq, but with great difficulty. Although democracy is being fostered in Iraq, in the long run if Iraq does not resolve its crisis of identity, the violence will continue.

In addition to democracy, the creation of a market economy is an important component of nation-building. For Germany the concept of a market economy was not alien, as they had built their economy on this very principle. During Hitler’s regime, the robust economy helped fuel the war effort, which was later ruined during the Allied invasion of Germany. After WWII, the Allied forces had originally decided to convert industrial Germany into an agrarian state under the Morgenthau Plan. This plan was short-lived due to the start of the Cold War, which required the Western Allies to reindustrialize West Germany through the Marshall Plan, which created an export
oriented economy, allowing Germany to promptly stand on its own feet. Now, more than twenty years after reunification, the German economy is still thriving, making Germany the fourth largest economy in the world.

In contrast to Germany, Iraq’s economy was in the grip of Saddam’s hand. He directly controlled Iraq’s economic lifeline, the oil industry, without giving a prospect for free enterprise at a greater degree. After the fall of Saddam’s regime, the eruption of looting and constant sabotage on the infrastructures hindered economic development. Although Iraq has huge potential due to its oil reserves, it lacks sufficient investment due to the instability created by the sectarian violence and insurgency. Rebuilding Iraq’s economy has cost America billions of dollars in seven years. Yet the result has been limited.

Similar to Germany, America led a military intervention in Iraq to underpin transformation of a society. In spite of the use of force to transform societies, the comparative analysis clearly demonstrates that the occupation modeling post-WWII Germany has been challenged in Iraq. The crux of the policy problem in Iraq is overlooking the prospect of sectarian violence among the different ethnic groups (e.g. Sunni, Shiite and Mahdi Army of radical cleric Moqtada al-Sadr) within the population creating a crisis of national identity. As learnt from Chapter 2, without resolving the crisis of national identity a nation cannot be built, which is the case in Iraq.

Before the invasion of Iraq, the Bush administration ignored the relevance of the crisis of national identity and assumed that the U.S. forces would be welcomed as
liberators. They assumed that a broad Iraqi acceptance of American invasion would lead to a relatively easy transformation of society paralleling the transformation in Germany. The reality was exactly the opposite. After the invasion, Iraq was gripped by the escalation of sectarian violence between the Shiites, the Sunnis and the Iraqi Kurds, and the insurgency against the occupiers made America’s nation-building mission extremely difficult.

Therefore, the Bush administration had to alter the Iraq strategy by increasing the troops to stabilize and reconstruct Iraq before the sovereignty could be handed back to the Iraqi people. Given the inability secure peace and stability in Iraq, the case finding demonstrates that the CPA preformed the task of nation-building on ad-hoc basis. Due to the lack of clear strategy to meet the demands in Iraq, over seven years, America spent more than seven hundred billion dollars and more than four thousand American lives to establish democracy in the heart of the Middle East. However, the result in Iraq does not emulate the experience in Germany. This not only demonstrates the mismatch between policy applied and what the circumstances demanded, but requires policy makers to rethink nation-building strategies.

There are valuable lessons to be learnt from Iraq. The case finding suggests that employing a methodology which had been successful in fixing one troublesome state will not necessarily be applicable to fix another. Although military forces were employed to underpin the transformation of societies, results differ from country to country as in the cases of Germany and Iraq. Few modern states are homogeneous. In other words, their
geographical, physical, historical, socio-economical and political circumstances, characteristics and attributes vary from place to place. Therefore, nation-building policy in the face of such heterogeneity requires debate and perhaps a new direction, which the next chapter will discuss.
CHAPTER 4

CONCLUSIONS AND POLICY RECOMMENDATIONS

The preceding chapters demonstrated that employing methodologies or policies which were successful in fixing one troubled state do not necessarily produce a similar result when trying to fix another state. The comparative study of postwar Germany and contemporary Iraq established that a mismatch between the policies applied and what circumstances demand leads to a failure to secure peace and stability in the state in question. Since nation-building is not a proven science, policy makers often refer to the past successes, Germany and Japan, as models to fix the current problems of failed states. This chapter will summarize the principal conclusions from the comparison of the two cases and present various policy options to address the challenge of fixing failed states, which are heterogeneous in character.

The first section of Chapter 2 elaborated on the causes and the consequences of a state failure from various perspectives. Scholars such as Deutsch and Rustow pointed out that a birth of a state and a death of a state is a historical continuity. Since failing states are not able to manage themselves, they are susceptible to being politically, economically and fiscally engulfed and controlled by powerful states. In a contemporary context, Rotberg claimed that the inherent fragility of a state is tied to the increase in the number of newly formed states because they lack ability to manage themselves.¹ All of these

failed states are engulfed by internal conflicts manifested by class ideology or have derived from ethnic aspiration.  

Some scholars have blamed state failures on colonial or neocolonial legacy. Most of the former colonial states, especially in sub-Saharan Africa, are listed on the Failed States Index. During the neocolonial era or Cold War era, the superpowers, in an ideological race, sought to intervene using hard and soft power to maintain or alter the balance of power in their favor. The Cold War System preserved weak states simply because the cost of violence breaking out within them was potentially too high for competing blocs in the Cold War to bear. After the Cold War, in the changing dynamic of international politics, weak states were left to fend for themselves. Today, as a result, many nation-states have collapsed, especially in sub-Saharan Africa.

Apart from international politics, failed states have failed due to the lack of economic development. Collier indicated that marginalized societies often resort to armed insurrection against the state due to the absence of economic development, income inequality and institutional failure to provide adequate services to the population.

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6 Ibid., 53.
According to Collier, the states that have lowered the economic development indices are prone to higher risk of conflict, which has security, social and economic implications internally and externally.

In the absence of a government, the state lacks institutional capacity or legitimate use of violence to exercise control over its territory. The difference between robust democracies and countries concerns not their form of government but their degree of government. Given the anarchy, state failure provides a prospect for the terrorist organization such as the al-Qaeda, which used the failed state of Afghanistan as a base of terrorist operations to harm global citizens. The combination of radical Islam with WMD in the volatile regions such as the Middle East and South Asia (especially Pakistan, Somalia, Afghanistan, Iraq and Iran) has increased international instability.

In addition to the security challenges, failed states are confronted by socioeconomic challenges. Failed states’ inability to provide public goods and services is directly related to the mismanagement (e.g., rampant corruption) of its scarce resources, excessive military spending, and inability to generate revenue through taxes. The decrease in public sector spending, infrastructure and health thus impacts the supply of


9 In normal circumstances typically states spends 2.8 of the GDP on military and during conflict spending increases to 5 percent. Similarly, in the absence of government a “black market” is created, which avoid paying taxes to the government. For details, see Paul Collier et al, Breaking the Conflict Trap: Civil War and Development Policy (MA: Oxford University Press, 2003), 5.
public goods and services, thus significantly increasing diseases, malnutrition, and mortality after the breakout of conflict.10 The demand for health care increases with the spread of diseases and rising health care costs. The damaged infrastructure prevents the supply of food to the rural area, causing malnourishment. Furthermore, due to the conflict, local populations are forced to seek refuge. Some portions of the population are IDPs and others become refugees or seek asylum abroad.

A state failure not only poses internal humanitarian and security consequences, but also has regional and international implications due to the spillover effect. Among the costs of the failed state to the international community are: one, the influx of refugees to the neighboring states; two, increase in military and security spending to regulate the border and prevent spillover; three, the cost of prevention of epidemics; four, the adverse impact of illicit drugs and arms trafficking and increased cost to control these criminal activities; and five, affording safe haven for international or transnational terrorism, which threatens global security.11

Given the challenges of failed states pose to the international system, fixing them forcibly has become a compulsion by international standards. Although the question of infringement of others’ sovereignty arises, in most cases the legitimacy of intervention is drawn on two principles; one, to protect victims of humanitarian disasters and crimes against humanity in war-torn societies; and two, to defend against threats emerging from


non-state actors—terrorist groups such as Taliban, al-Qaeda, and Lashkar-e-Taiba—that have established themselves as a state within a state, making it easy to launch attacks globally. After al-Qaeda attacked the United States on September 11, 2001 fixing failed states became a centerpiece of the *National Security Strategy of the United States* (2002), which was centered on preventive war or preemption doctrine.

On this premise, the Bush administration decided to topple Saddam Hussein’s regime using force in March 2003. The rationale for the regime change was to disarm Iraq of its WMD and dismantle its support for terrorist network such as al-Qaeda. Due to the lack of credibility on these charges, the U.S. failed to secure support from the French, Chinese, and Russian governments, all veto-wielding members of the United Nations Security Council (UNSC) for authorizing the use of “all necessary means.” In spite of the resistance from the UNSC, the Bush administration invaded Iraq and initiated the occupation modeling post-WWII Germany to transform society in Iraq, which remains challenged today.

The case finding in Chapter 3 demonstrated that the defeated German population became cooperative and malleable, allowing a transfer of democracy. Although the Allied forces had anticipated and planned to encounter Nazi resistance following the surrender of its armed forces, no resistance emerged any time thereafter. Given the relative level of peace and security, OMGUS (a military government) was able to enforce


\[13\] Ibid., 20.
accountability for the past injustices through war crime tribunals. With assistance, OMGUS also responded to the humanitarian crisis promptly after occupation and purged the Nazi party through denazification.

When “the Iron Curtain” came down, it became urgent for the western authorities to consolidate the U.S., the British, and the French zones and build FDR’s capacity. Given the urgency of the Cold War, the western powers let Germany organize political parties on a democratic platform in 1949. In the same year a nationwide election was held and subsequently handed over the sovereignty to the new Democratic Republic of Germany. Over the next decade, FDR was able to reconstruct its economy with the Marshall Plan, and Germany became, and continues to be, an economic power house in the world. Most importantly, after the fall of the Berlin Wall, East and West Germany merged, and the West was able to successfully transform society in the East.

Similar to Germany, the Bush administration assumed that the defeated population of Iraq would be cooperative with the occupying authority leading to a smooth transformation of the Iraqi society. In reality, Iraq was confronted by sectarian violence and insurgency against the occupying authority. Given the instability in Iraq, the Pentagon called for an increase in the number of troops to establish security, enforced accountability for past injustices through war crime tribunals, responded to humanitarian crisis promptly and purged the Ba’athist party’s through deba’athification. Yet, these policies failed to secure peace and stability in Iraq and continued to adopt policies on ad hoc basis. Five years after the transfer of sovereignty to the democratically elected Iraqi
government, Iraqi national politics remains divided on sectarian and ethnic lines creating instability. Although the U.S. has planned to draw down its troops in 2011, the viability of democracy in the fractured society or the heart of the Middle East is yet to be determined.

Given the complexity of the nation-building enterprise, fixing failed states requires careful and detailed selection of policies. The second part of chapter 2 demonstrated various policy options in configuring the institutional framework of nation-building such as unilateral versus multilateral. This configuration designates duties to participants as to who performs what functions. Since the U.S. assumed the ownership of nation-building in Iraq, it proved to be a costly and time-consuming enterprise due to the lack of other actors such as the UN. As opposed to single ownership of nation-building, multilateral interventions not only provide broad legitimacy, they provide the premise for burden sharing and bringing vast resources of expertise to fix failed states.

Given their military power, the U.S., NATO and the EU have the capabilities to carry out peace enforcement operations. Follow-on UN peacekeeping forces have the ability to maintain peace and security, which allows other actors to start reconstruction of the war-torn society. The transition from the U.S., NATO, or the EU-led forced entry to a UN-led peacekeeping mission secures legitimacy and wider local acceptance; at the same time, the intervening authority such as the U.S., NATO or the EU is able to share the burden with other international actors such as the UN. In addition, the UN can perform humanitarian and political tasks, while the World Bank (WB), the International
Monetary Fund (IMF), and major donor countries can financially assist the reconstruction and economic development. Given that each organization is specialized to perform specific tasks, the UN and its sister organizations such as the WB and IMF are able to perform the functions of nation-building at a fraction of the cost in comparison to the U.S., NATO, or the EU. Therefore, multilateral intervention gives war planners options to develop an institutional framework consisting of international actors to establish peace and security in the shortest period of time with an acceptable cost.

Although nation-building with multiple actors has advantages, it could potentially run into the problem of coordination. The Clinton administration learned a great deal about nation-building from the failures in Bosnia and Somalia, which urged him to revise policies in the Presidential Decision Directive (PDD) 56 in May 1997. PDD 56 established an interagency framework for coordinating the U.S. response to post-conflict situations, which proved successful in solving the crisis in Kosovo. After Bush replaced Clinton, he abandoned PDD 56 and decided that the Pentagon would retain control over the reconstruction under a single command. Therefore, the Bush administration sought a conservative model of peace or militarization of peace. This model favored coercive measures and was often seen as an alien expression of hegemony and domination through the use of force and the insistence on centralizing reconstruction.

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15 Ibid.
under military command. This model failed to yield peace and stability, which later forced the Bush administration to create an office of the Coordination for Reconstruction and Stabilization (CRS) in the State Department.

In spite of its creation, CRS does not provide a clear strategy and adequate resources to strengthen legitimate and effective institutions on the national as well as local level after international interventions. The case findings demonstrated that nation-building cannot progress on an ad-hoc basis nor can the state in question be sustained without institutionalization of post-conflict societies. Given that failed states are beset by socioeconomic problems, a policy that aims at democratization and establishment of a market economy in a war-torn and poverty-stricken society is most likely to fail because it lacks institutions.

If democracy is not readily transferable, institutions are. Fukuyama points out that, “knowledge about organizational structures, about public administration and about the creation of institutions is transferable, whilst other aspects—socio-cultural factors (such as social norms) in particular—can hardly be influenced by external actors.”

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17 The purpose of the CRS is to lead, coordinate and institutionalize U.S. Government civilian capacity to prevent or prepare for post-conflict situations, and to help stabilize and reconstruct societies in transition from conflict or civil strife, so they can reach a sustainable path toward peace, democracy and a market economy. For details, see the Coordination for Reconstruction and Stabilization, “Mission Statement,” The US Department of State, available on-line at [http://www.crs.state.gov/index.cfm?fuseaction=public.display&shortcut=4QXJ](http://www.crs.state.gov/index.cfm?fuseaction=public.display&shortcut=4QXJ) (accessed April 2, 2010).

Ulrich Schneckener states that, “the proponents of institutionalization share a belief in socializing effects of political institutions, which—in medium and long-term—contribute to altering the behavior of local actors and furthering the process of collective learning; this in turn promotes respect for public institutions, thereby strengthening their capacity to govern effectively.”\textsuperscript{19}

In addition, strong institutions are equally important for sustained economic development. Whether a war-torn society can jumpstart or underpin the development process depends on its capacity to construct good institutions, such as competent regulatory agencies, widely accepted property rights, and constructive social norms.\textsuperscript{20} In the process of fixing failed states, a failure to create strong institutions increases the risk of reverting to conflict. According to Collier, “typically a country reaching the end of a civil war faces around a 44 percent risk of returning to conflict within five years due to low income and lack of economic development.”\textsuperscript{21} Today, international donor agencies or the external actors have not been able to change the old habits of corruption or the rent seeking culture, which has contributed to more complexity to the already existing socioeconomic problems.


Because of such risks, international development agencies have to understand the political and institutional landscape to implement sound economic development policies. In addition to robust institutions, the capacity for development is increased by local ownership in partnership with international development agencies. The local ownership solely does not address the challenges of economic development; it requires societal development in parallel. Some of the key ingredients for social development are education, as well as training and providing incentives so that the society is capable, accountable and responsive.

In spite of various policy options, it requires sufficient monetary and human resources to implement nation-building policies successfully. It was evident in Iraq that the lack of resources impeded the possibility of peace and security. Since a nation cannot be built overnight, nation-building requires a long-term commitment of resources by the principal actors involved in the nation-building effort. A failure to provide adequate resources could result in a prolonged mission costing nation-builders billion of dollars and sometimes outright failure (e.g. Somalia). Given the constraint of resources, a multilateral mission or multiple actors in the configuration of nation-building provides premises for burden sharing, which eases the accumulation of resources required for the mission.

Moreover, this thesis pointed out the risks when policy makers refer to the distant memory of the successful Germany-model of occupation after WWII. The case finding demonstrated that employing the historic German-model in Iraq led to serious challenges
due to the mismatch between the policy employed and what the situation demanded. Many times when the mission is challenged, the policy maker seeks *ad hoc* fixes for the problems arising from failed policies. There is no single policy for fixing failed states; it requires a broad range of policy instruments.

Given the past failures and complexity of nation-building, no nation should take sole ownership of such a difficult exercise. Therefore, the configuration or the institutional framework of nation-building should consist of broad international participation with organizations such as the UN, NATO and the EU. These organizations’ involvement provides legitimacy, resources, and a vast pool of knowledge based on past successes and failures. Since transformation of societies is a sensitive issue, it must be dealt with delicately. Fostering democracy and creating a market economy might not be readily transferable in war-torn societies but the institutions to help rebuild are. Therefore, institutionalization can alter social behavior in the long-run. A transformed state or society enhances peace, prosperity and security in the international system.
BIBLIOGRAPHY


