

**A FIELD MANUAL FOR THE CRADLE OF CIVILIZATION:
THEORY OF LEADERSHIP AND LESSONS OF IRAQ**

by Roger B. Myerson

1. AN ANCIENT THEORY OF LEADERSHIP

John McCain has suggested¹ that there are "tried and true principles of counter-insurgency," but these principles are not well enough understood. In counterinsurgency and state-building, well-intentioned policies can bring devastation when understanding is incomplete. L. Paul Bremer's book *My Year in Iraq* describes the principles that guided his efforts to build a new Iraqi state. The U.S. Army's *Counterinsurgency Field Manual* presents principles that have guided American military efforts in Iraq since Bremer. These works offer important policy prescriptions, but we need to evaluate them in terms of some coherent general theory of the foundations of the state. We may find the elements of such a theory in a book that was written more than 2300 years ago, also about a war in Iraq: Xenophon's *Education of Cyrus*.²

According to Xenophon, Cyrus the Great got his start as the head of a Persian auxiliary force in Media's coalition against Assyria. From this secondary position, Cyrus rose rapidly to take supreme command of the coalitional forces. Then he turned their invasion of Assyria into a wider military operation that reorganized the Middle East and established the Persian Empire, making himself its absolute ruler.

The key to Cyrus's success was his apparent love of justice, which was instilled in him as a boy by his good Persian education, and which enabled him to earn the trust and loyalty of a great army. But what kind of justice was it that Cyrus loved so much? It was certainly not justice for poor peasants, whose crops were gathered to support his conquering forces.

What Cyrus loved was justice for the soldiers who served his cause. Apparently Cyrus's greatest pleasure in life was to judge the valor of troops in battle and to reward them richly for their accomplishments, asking nothing for himself. As a mechanic knows the names of his tools, Cyrus learned the names of all the captains in his army, so that each could be confident of his service being remembered. When everybody recognized Cyrus as the best leader to distribute their booty after a victory, he could take power, first over the multinational coalitional forces, and ultimately over Asia.

¹ Speech in Albuquerque on July 15, 2008.

² Xenophon was a student of Socrates and also wrote the *Oikonomikos*, making him the first economist.

Management consultants have many theories of leadership. Leaders are often glorified as visionary strategic planners who set the course with bold insightful decisions, but Xenophon gives us a different view. He portrays Cyrus as establishing the Persian Empire on one essential quality of leadership: a reputation for generously rewarding good service. Once this reputation was established, Cyrus could enjoy privileges of power as long as he acted accordingly, and so his followers could depend on his justice, even if he actually loved wealth and power more.

Thus in retelling the story of Cyrus the Great, Xenophon gives us a theory of the state based on its leaders' reputations for reliably rewarding those who serve them. We may apply this theory to gain insights into many aspects of state-building: how political organizations are built on patronage; how political leaders can be constrained by their reputations, even without a written constitution; and how democratic competition can be encouraged by political decentralization, which enables many leaders to develop independent reputations for exercising power and patronage responsibly.

2. BREMER'S THEORY OF DEMOCRACY

Centuries later, L. Paul Bremer also entered Iraq to take command, bringing his own theories about the foundations of the state. Unlike Cyrus, Bremer's goal was to establish a democratic state. In his book, Bremer lists three essential requirements for Iraq to become a democratic state: a professional uncorrupt police force that is attentive to human rights, an army that is not involved in internal affairs, with no rival militias, and a government that has been elected on the basis of a constitution. So from Bremer's perspective, the initial steps for building a new democracy were writing the new democratic constitution and training the new security forces to obey and enforce the constitution. Then, after popular ratification of the constitution, elections could be held to fill the political offices that it prescribes, and thereafter this new democracy would hopefully function as well as any other.

Based on this theory of the fundamental primacy of the constitution, Bremer argued that there could be no elections in Iraq until some form of constitutional law was established, and so the committee to write the constitution had to be appointed by Bremer himself. The Iraqi people would then be given a choice between Bremer's constitution and an unspecified alternative of anarchy. Against this plan, Grand Ayatollah Ali Al-Sistani argued that a legitimate constitution could be written only by popularly elected representatives. At the philosophical core of this disagreement between Bremer and Sistani, we find a chicken-and-egg dilemma. In a democracy,

political leaders must be elected according to the laws, but the laws must be written and endorsed by political leaders. So which should come first in a new democracy, the elected leaders or the constitutional law?

Xenophon's answer was that the leaders come first, and that leadership is based on a reputation for paying supporters. But while Bremer wanted Iraqi leaders to write a constitution and endorse government policies, he offered them few opportunities for distributing patronage benefits to their supporters. Under these circumstances, his complaints about Iraqi leadership are not surprising.

Bremer's theory of the primacy of constitutions would make it difficult to understand how they ever evolved in the first place. A complex system can be spontaneously self-organizing when it has many opportunities to start locally and then grow larger, which is true of leader-follower networks, but a constitutional system of government must be enforced nationally or not at all. In fact, the United States was founded by leaders who had already developed democratic reputations by serving in elected provincial assemblies under British colonial rule, and the subsequent adoption of the Constitution depended on its authors' reputations. Thus, American political history tends to support Sistani's view that elections can precede a constitution.

The other fundamental aspects of Bremer's system, indoctrination of the military and police to respect civilian authority and law, yield a similar dilemma. During Bremer's reign, any program to indoctrinate military officers to obey civilian constitutional authority would have had an aspect of unreality, as Iraq did not have any civilian constitutional authority at that time. Soldiers and police could only be taught to obey an abstraction that did not yet exist. Indeed, if they had no evidence that the future political leadership in Iraq would actually conform to the norms that Americans were prescribing in their military and police training programs, then the trainees would be irrational to take their indoctrination too seriously. Again, one of Bremer's fundamentals seems to depend on some previous assumption about leadership.

3. THE COUNTERINSURGENCY FIELD MANUAL

With insurgency raging in Iraq even after Bremer's departure, the US Army and Marine Corps launched a major study that produced a new *Counterinsurgency Field Manual*. The *Field Manual* offers a thoughtful and pragmatic analysis of the problems of establishing a government against virulent opposition. Many of its ideas are taken from the David Galula's classic *Counterinsurgency Warfare*, which was written in 1964 based on Galula's experiences in China,

Vietnam, and Algeria. John Nagl, a leading contributor to the *Field Manual*, was author of *Counterinsurgency Lessons from Malaya and Vietnam* (2002).

The *Field Manual* argues that military operations in counterinsurgency must be adapted to the political goals of nation-building. The insurgents are building a clandestine organization to take control of the population by a combination of long-term promises and near-term threats. The counterinsurgents' task is first to break the insurgents' control and then to establish the government's ability to protect the population and exercise local authority. Military operations should establish areas of control that are gradually expanded throughout the country. But military operations accomplish nothing unless they are followed by political operations to consolidate the host government's local authority and prevent the insurgents' return. Once basic security has been established, local and national political institutions must be able to maintain control and provide effective governance. Thus, success requires that the host government must build strong security forces, effective administrative agencies, and a loyal network of local leaders throughout the country.

So victory in counterinsurgency depends not on winning battles but on winning the support of the population, and this task requires close coordination between military and civilian operations. Galula summarized the essential goal of counterinsurgency warfare in a single sentence: "Build (or rebuild) a political machine from the population upward." Nagl's 2002 book showed that the US Army was tragically incapable of learning this basic lesson during the Vietnam war. US military efforts in Vietnam were fatally undermined, not by any stab-in-the-back weakness of civilians in America, but by the Army's own institutionalized obsession with enemy body counts instead of political development.

The *Field Manual* emphasizes the vital importance of human intelligence sources for counterinsurgency. The insurgents can be separated from the population and defeated only when people in all segments of the population have enough confidence and trust in the government to be willing to offer information against the insurgents. But any potential informant must weigh the government's rewards for information against the insurgents' threats of retribution. Even a person who is not sympathetic to the insurgents may help to hide them when there is a serious chance that they may control his community in the future. So victory for the counterinsurgents involves creating a general confidence that the government can effectively hold power throughout the nation. When everyone expects the government to prevail, then it can get the intelligence that it needs to prevail. In this way, a general expectation of political power tends to

become a self-fulfilling prophecy that is called political legitimacy. Thus, the *Field Manual* sees that such legitimacy is the main objective for the government.

Political legitimacy is about shared beliefs in a society, and so it is inevitably shaped by local culture and traditions. In particular, if a foreign-dominated government would be seen as unacceptable by the population, then the presence of foreign counterinsurgents might actually tend to undermine the legitimacy of the host government. The *Field Manual* argues, however, that governments can achieve political legitimacy by demonstrating the ability to provide basic protection and essential public services to the general population. The host government may need foreign counterinsurgents' help to establish this capability against the resistance of insurgents.

The problem of developing effective security forces for the host government is a primary concern of the *Field Manual*. Members of the security forces should be given extensive training to develop skills and inculcate appropriate values, so that citizens can be confident that the government will maintain the rule of law. Security personnel should be recruited from all major subgroups in the population, because alienated minority groups are more vulnerable to infiltration by insurgents. A tendency to recruit only within favored subgroups should be avoided.

The *Field Manual* acknowledges that it is better for the host government to perform any administrative task tolerably than for Americans to do the same job well, because the goal is to build people's confidence in the government's administrative capabilities. But the provision of public services must be accomplished at least tolerably well. The *Field Manual* sees corruption and inefficiency in the host government as a serious failing that can fatally undermine the counterinsurgency, as may have been the case in the failure of Chiang Kai-shek's government in China. A host government's tendency to promote officials based on personal connections rather than on demonstrated competence is seen as a potential problem, and American counterinsurgents need to guard against such corruption or favoritism.

4. PATRONAGE AND PRIVILEGE IN POLITICAL MACHINES

Such arguments against favoritism and corruption may sound uncontroversial, but there is a fundamental dilemma here. People must be recruited to support the government against violent threats from the insurgents, but there would be no motivation for anyone to step forward if there were no benefits from political connection to the government.

For example, consider the question of local business suppliers for counterinsurgent operations. The *Field Manual* observes that local business contacts may develop into relationships from which counterinsurgents can derive valuable intelligence information. Such local suppliers may be putting themselves at serious risk of attack by insurgents, however, and the *Field Manual* suggests that the task of protecting them may be more of a challenge than is worthwhile for American forces. In this context, we should reconsider the *Field Manual's* warning against favoritism in local business transactions. What would induce local suppliers to take such risks of being killed, if all transactions were to be competitively priced with a minimal profit margin? If vendors are not coercively drafted into supplying the counterinsurgents, then they will accept such dangerous jobs only in exchange for some implicit promise of long-term protection and profits. The anticipation of a long-term profitable relationship gives suppliers a vested interest in supporting the government, and local support is exactly what the counterinsurgents are trying to build. Thus, counterinsurgents may actually need a reputation for repaying support and service with favoritism.

The *Field Manual* finally observes that distribution of profitable contracts to local suppliers is not just military logistics but can be an essential part of the political process of nation-building. So in occupied Iraq, a practice of awarding reconstruction contracts to American corporations could help to cement valuable political relationships in America, but it would be a wasteful distraction from the real task of building a new political system in Iraq.

All politicians understand the vital importance of patronage, as they try to build their teams of active supporters, but it is a taboo that they try not to discuss in public, and so we should not be surprised that it is not emphasized in the *Field Manual*. But we cannot ignore patronage when we are trying to understand the foundations of the state. Before Galula asserted that the essential goal of counterinsurgency is to build a political machine, he observed that political machines are generally built on patronage.

Any government is a team of individuals who must be recruited and motivated to enforce its laws and execute its policies, but powerful government officials regularly face temptations to abuse their power for personal gain. So the effective functioning of government depends on their confidence that good service will be well rewarded, while bad service would entail serious loss of privileges. In well-organized administrative departments and military units, trained professional staff may follow routine procedures that facilitate monitoring and reduce the potential for abuse of power at lower levels. But responsible higher officials must anticipate that

good service will earn long-run rewards and privileges that are greater than the short-run temptations of corruption. Thus, the effective functioning of government requires some systematic promises of long-run privileges for powerful government officials.

From this perspective, the failures of Nationalist China in the 1940s may not have been that high government officials profited from their positions, but that they profited without fulfilling their administrative responsibilities. It was Chiang Kai-shek's job, as the nationalist leader, to monitor the performance of his high officials and make sure that they were well rewarded only when they did their jobs appropriately, withdrawing privileges of elite favor from those who failed in their responsibilities.

The expected benefits of service for responsible government officials must be even larger when their positions entail serious risks of being attacked or killed by insurgents. This point is especially important for recruiting local leadership to consolidate the government's control in a newly pacified area. The *Field Manual* includes a suggestion that "winning hearts and minds of the people" may actually mean convincing people that they will be well paid and well protected if they serve as local leaders in the government's political network.

Indeed, when the British were first establishing their colonial rule in India, they regularly granted long-term local privileges of power and taxation to local agents, called zamindars, who took responsibility for keeping order in their districts. The zamindars' local authority was granted as a permanent property right that could be sold or bequeathed to heirs, and so they became a class of local leaders with a vested interest in maintaining the regime. The effectiveness of this feudal power proved remarkably durable, but it also had long-term economic costs. Decades after independence, Banerjee and Iyer found in 2005 that the regions where the British distributed such feudal privileges still suffer significantly lower agricultural productivity and higher infant mortality than other regions of India.³ Similar scars of colonial counterinsurgency operations may be found in many poor countries. Such a feudal solution to the problem of motivating local political supporters, however, requires a long-term imperial commitment, which fortunately is not available to American counterinsurgents in Iraq today.

5. DEPENDENCE ON LEADERS' REPUTATIONS

We have characterized a government as a network of agents who are motivated by

³ Abhijit Banerjee and Lakshmi Iyer, "History, institutions, and economic performance: the legacy of colonial land tenure systems in India," *American Economic Review* 95(4):1190-1213 (2005).

expectations of future privileges as long as they are seen to fulfill their official responsibilities. The career rewards for a government official must depend on the judgment of others, higher in the network, who have the power to punish unsatisfactory performance. As each agent of government is held accountable by his superiors in the chain of command, the performance of the entire organization ultimately depends on the judgments of those at the top. Thus, as Xenophon saw, the foundations of the state depend on political leaders' reputations for appropriately judging and rewarding their subordinates.

To maintain this vital reputation, even an autocratic leader like Cyrus the Great must in turn submit to the collective judgment of the key supporters whose joint efforts maintain his power. After all, his promise to reward any past service will become a debt that he could be tempted to repudiate if doing so would not jeopardize his reputation for reliably rewarding good service. Indeed, when he dismisses a high official for poor performance, he gets an opening in a valuable office that others would gladly pay to fill. But confidence in his fair judgment can be credibly maintained if his supporters know that his misjudgment against any one of them would cause all the others to lose confidence in him. Thus, even autocratic leaders regularly institute a council or court where major decisions are issued, and where courtiers implicitly judge the leader even as they serve him. The standards of behavior that active political supporters collectively expect of their leader become a primary constraint on his actions, as a kind of personal constitution, to which he must conform or lose their trust.

Thus, a reputation for reliably rewarding a network of active supporters is a precious and fragile asset that defines a leader. The primary imperative in any political machine must be to build and maintain a network of political supporters who have trust in their leadership. The *Education of Cyrus* is a fable about how one can begin building such a network.

Xenophon's Cyrus is a useful model for understanding insurgent leaders today. Osama bin Laden launched his political career by delivering Saudi money to mujahideen guerrillas, thus establishing his reputation as a reliable paymaster to them (see Wright, 2006). As civil strife creates more opportunities for independent freebooters to develop such reputations for reliably paying soldiers to commit acts of violence and extortion, it can induce a persistent social legacy of organized killing.

The *Field Manual* has little to say about the leaders of the host government, however. Once it even suggests that, for developing better governance, foreign counterinsurgents may need to replace leaders who seem incompetent. It also recommends that the process of

developing the host government's security forces should initially focus on training officers for small units, and should only later move to training leadership for higher echelons. Similarly, in formulating his plans for training the Iraqi police, Bremer showed little concern for getting Iraqi political leaders to endorse the professional standards that he was trying to inculcate. But how can soldiers or police be expected to believe in standards of behavior that their top leadership might not support?

This bottom-up approach, developing security forces before identifying top political leadership, seems in stark contrast to the way that disciplined insurgent movements develop. From his early days as an insurgent leader, Mao was willing to pay great costs of internal bloodletting to eliminate Communist units that had developed separately under independent leadership (see Sun, 2006). The original Maoist insurgency did not tolerate ambiguity about who was in charge.

Galula asserts that a single boss must direct all the state-building operations of counterinsurgency, including the military operations to provide basic security, the subsequent police and judicial operations to arrest and judge individual insurgents, and ultimately the political operations to control and organize the population. The *Field Manual* recognizes that civilian and military operations must be well coordinated to achieve a unity of effort, but it never suggests that US counterinsurgent forces should be under the direction of the boss who heads the host government's political organization.

It is worrisome to see the *Field Manual* describing operations where US counterinsurgency forces cultivated local leadership structures under their own patronage, without asking whether these independent local leaders would actually find a place in the political network of the host government. The British could credibly promise long-run privileges to their zamindar agents in India when the British were planning to stay as colonial masters. But if US counterinsurgents are not colonial imperialists, then they cannot offer long-term sponsorship and protection for local political leadership, and the resulting local political vacuum would encourage insurgents to return after US forces leave.

On the other hand, if the host government is democratic and a new local leadership dominates an area large enough to have representation in the national legislature, then the shifting coalitions of legislative politics can ensure such local leaders a valued place in the national political system. If one party rejected them, they could affiliate with another. Thus, a democratic form of government may offer some advantage in counterinsurgency.

6. CULTIVATING DEMOCRATIC LEADERSHIP

We have noted that privileges of power can motivate political efforts, as profits motivate economic production. But as market competition can limit profits and yield better values for consumers, so democratic competition should limit elite privileges and yield better government for the public. This is the basic argument for democracy. Even a benevolent autocrat may find it difficult to resist his courtiers' urge for greater privileges if further exploitation of the public would entail no more risk of losing power.

Even with free elections, however, a corrupt political party could maintain its grip on power if the voters believed that other parties would not be any better. So a successful democracy requires more than just elections: It requires alternative candidates who have good democratic reputations for using power responsibly to benefit the public at large, and not merely to reward a small circle of supporters.

For democracy to function, political leaders must also accept basic norms of democratic competition: admitting each others' rights to compete peacefully for power, and accepting the verdict of popular votes to decide the contests between them. Successful transfers of power also require that competing parties should recognize basic common standards for rewarding and promoting the government's permanent staff of career civil servants and officers.

In a nation with a long tradition of democracy, there are typically many politicians who have established such good democratic reputations. Indeed, when democracy is well established, a senior politician who violated democratic norms or constitutional limits could lose his supporters' trust as if he had cheated one of them.

But in a nation that is emerging from generations of authoritarian rule, like Iraq in 2003, good democratic reputations are typically lacking. While waiting in exile, expatriate leaders could talk about democracy, but they could not demonstrate any ability to allocate public funds and patronage in a way that provides public goods and services for the population. Voters may be reasonably skeptical of candidates' promises when they have no evidence of good public service in the past.

For the new democracy to succeed, it needs more candidates with reputations for respecting democratic norms and using public power responsibly. Any political leader's reputation is defined by the way that he exercises power and spends public funds. Thus, a first step in a project of democratic state-building should be to encourage more individual politicians

to begin building independent reputations, by giving them administrative power and budgetary authority in different domains.

Such opportunities can be increased by political decentralization, delegating power to autonomous provincial and local governments. So in 2003, Bremer could have begun to cultivate democratic competition by holding local elections throughout Iraq and then giving locally elected leaders responsibility for spending local reconstruction budgets. Much of this money might have been wasted (as it was even under Bremer's control), but local leaders who spent it well would have gained good reputations that could have made them serious contenders for higher elective office.

Efficient public services may help to legitimize the host government, as the *Field Manual* suggests, but their primary political impact must be through enhancing the reputations of political leaders whose patronage appointees have administered them.

A related point can be made in any nation that has been trapped in poverty by dysfunctional political institutions. When the fundamental problem is political, the most important benefit from a development project may be, not its investment in physical infrastructure, but its investment in social capital, if it augments the nation's scarce supply of leaders whom people can trust to manage public resources.

For development assistance to yield such political benefits, the essential accountability is not to foreign donors but to the local population. When local people know what money was given and for what public purpose, then they can judge whether the leader has effectively delivered on his promises. This principle of local responsibility may be incompatible with donor-imposed regulations for competitive bidding of supply contracts, because political leadership requires control of patronage. But foreign donors may appropriately insist on their rights to finance projects for independent local leaders as well as for central government agencies, because democratic competition requires reputations for good public service both inside and outside of the government.

National leaders might not want local leaders to develop independent reputations that could make them future challengers for power, however. Prospects for such competition can be reduced when local authorities are dependent on the central national leadership for their positions or budgets. Thus, hopes for democratic competition in Russia dimmed significantly in 2004 when provincial governors became appointees of the President.

In Bremer's Iraq, early local elections that could have cultivated a new generation of local

leaders might have threatened the interests of the small circle of leaders who hoped to take power from Bremer. But Ahmad Chalabi, as his political star was fading, actually suggested early provincial elections to Bremer. Bremer rejected this advice, based on his theory that democracy requires good constitutional laws before any elections.

This question of early local elections in occupied Iraq was never seriously debated in America. Americans can be proud of our long democratic tradition, but we should think carefully about the nature of democracy before embarking on a mission to install it elsewhere.

7. BUILDING ON STRENGTHS OF DEMOCRACY

We should understand the natural strengths of constitutional democracy, to build on them. Even autocrats generally need some implicit constitutional checks on their power, to protect the credibility of their promises to supporters and agents of the regime. Extending such constitutional protection to the rights of broader groups in the population can strengthen the state, by increasing the number of people who are willing to invest in the state and fight for it. It is when threats to the regime are weak, however, that the governing elite would be most tempted to restrict the circle of political privilege more narrowly, so that others could get political protection only by becoming clients of a patron in the oligarchy.

The weakness of authoritarianism is that the ruler is free to repudiate any past promises to people who lack identifiable connections with the regime's inner circle. Thus, although an authoritarian ruler could have more profits of power to distribute to his supporters (as democratic competition reduces such profits), problems of credibility tend to restrict an authoritarian's base of support. To compensate, authoritarian leaders may try to broaden their network of trust by relying more on ideological or religious norms. In general, however, democratic competition is never so perfect as to eliminate all expected profits for political factions, and a reputation for respecting democratic constitutional norms can help a leader to earn trust from supporters and allies throughout the population. It is easier for people to trust someone whom they can vote out of office.

Institutions of constitutional democracy can strengthen a government against insurgency by guaranteeing that power will be shared more broadly. Parliamentary assemblies distribute power among the groups that are represented in them, and so can give more groups a long-run stake in defending the state. A federal system of sharing power with provincial and local governments can help to earn support of local elites throughout the nation.

The *Counterinsurgency Field Manual* offers a sharp practical focus on questions about the foundations of the state which have been central concerns of Western political philosophy since Socrates. In his one-sentence summary of the counterinsurgency mission, David Galula suggested that the essential goal is to build a political machine from the population upward. Perhaps this summary sentence could be better rephrased: Protect and cultivate responsible local leaders in communities throughout the nation, and bring them into a democratic system of national political networks that extend out to reach all of the population.

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