
EXECUTIVE SUMMARY

The goal of the work documented here was to analyze and extract the best practices in nation-building from the post–World War II experiences of the United States. To do this, we examined U.S. and international military, political, and economic activities in postconflict situations since World War II, identified the key determinants of the success of these operations in terms of democratization and the creation of vibrant economies, and drew implications for future U.S. nation-building operations.

This report includes seven case studies: Germany, Japan, Somalia, Haiti, Bosnia, Kosovo, and Afghanistan. The final chapter examines the challenge ahead of building a democratic, economically vibrant Iraq and recommends best-practice policies for achieving these goals based on the lessons learned from the case studies.

FROM GERMANY TO AFGHANISTAN

The post–World War II occupations of Germany and Japan were America’s first experiences with the use of military force in the aftermath of a conflict to underpin rapid and fundamental societal transformation. Both were comprehensive efforts that aimed to engineer major social, political, and economic reconstruction. The success of these endeavors demonstrated that democracy was transferable; that societies could, under certain circumstances, be encouraged to transform themselves; and that major transformations could endure. The cases of Germany and Japan set a standard for postconflict nation-building that has not since been matched.

For the next 40 years, there were few attempts to replicate these early successes. During the Cold War, U.S. policy emphasized containment, deterrence, and maintenance of the status quo. Efforts were made to promote democratic and free-market values, but generally without the element of compulsion. American military power was employed to preserve the status quo, not to alter it; to manage crises, not to resolve the underlying problems. Germany, Korea, Vietnam, China, Cyprus, and Palestine were divided. U.S. and international forces were used to maintain these and other divisions, not to compel resolution of the underlying disputes. U.S. interventions in such places as the Dominican Republic, Lebanon, Grenada, and Panama were undertaken to overthrow unfriendly regimes and reinstall friendly ones, rather than bring about fundamental societal transformations.

The end of the Cold War created new problems for the United States and opened new possibilities. Prominent among the problems was a rash of state failures. During the Cold War, the United States and the Soviet Union each—and, in some cases, both—propped up a number of weak states for geopolitical reasons. For instance, Yugoslavia and Afghanistan were regarded as important geostrategic pieces on the Cold War chessboard, and their respective regimes received extensive external support. With the disappearance of the Soviet Union, Moscow lost its capability and Washington its geopolitical rationale for sustaining such regimes. Denied such support, these and other states disintegrated.

After 1989, a balance of terror no longer impelled the United States to preserve the status quo. Washington was free to ignore regional instability when it did not threaten U.S. interests. The United States also had the option of using its unrivaled power to resolve, rather than simply to manage or contain, international problems of strategic importance. Since the end of the Cold War, the United States has felt free to intervene not simply to police cease-fires or restore the status quo but to try to bring about the more-fundamental transformation of war-torn societies, much as it had assisted in transforming those of Germany and Japan four decades earlier. The United States was also able to secure broad international support for such efforts when it chose to mount them. The rest of the international community has also become more interventionist. Of the 55 peace operations the United Nations (UN) has mounted since 1945, 41 (or

nearly 80 percent) began after 1989. Fifteen of these were still under way in 2003.

Despite a more-supportive international environment, the costs and risks associated with nation-building have remained high. Consequently, the United States has not embarked on such endeavors lightly. It withdrew from Somalia in 1993 at the first serious resistance. It opted out of international efforts to stem genocide in Rwanda in 1994. It resisted European efforts to entangle it in Balkan peace enforcement through four years of bloody civil war. After intervening in Bosnia, it spent another three years pursuing a non-military solution to ethnic repression in Kosovo.

In spite of this reticence, each successive post-Cold War U.S.-led intervention has generally been wider in scope and more ambitious in intent than its predecessor. In Somalia, the original objective was purely humanitarian but subsequently expanded to democratization. In Haiti, the objective was to reinstall a president and conduct elections according to an existing constitution. In Bosnia, it was to create a multiethnic state. In Kosovo, it was to establish a democratic polity and market economy virtually from scratch. During his presidential campaign in 2000, George W. Bush criticized the Clinton administration for this expansive agenda of nation-building. As President, Bush adopted a more-modest set of objectives when faced with a comparable challenge in Afghanistan. The current administration's efforts to reverse the trend toward ever larger and more ambitious U.S.-led nation-building operations have proven short lived, however. In Iraq, the United States has taken on a task with a scope comparable to the transformational attempts still under way in Bosnia and Kosovo and a scale comparable only to the earlier U.S. occupations of Germany and Japan. Nation-building, it appears, is the inescapable responsibility of the world's only superpower.

COMPARISONS ACROSS CASES

Following the elaboration of the seven case studies, we compared quantitative data on inputs of nation-building and progress toward democracy and the creation of a vibrant economy. On the input side, we collected and compared statistics on

- military presence
- police presence

- total external assistance in constant 2001 dollars
- per capita external assistance in constant 2001 dollars
- external assistance as a percentage of gross domestic product (GDP).

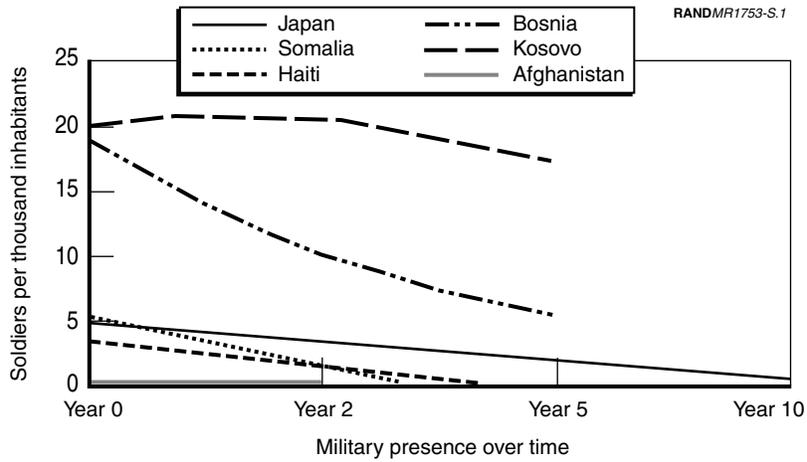
On the output side, we looked at statistics on

- postconflict combat deaths
- timing of elections
- changes in the number of refugees and internally displaced persons (IDPs) over time
- changes in per capita GDP over time.

Although each case is unique, we attempted to find areas in which comparisons might be useful. In particular, we attempted to quantify and compare measures of nation-building input (troops, time, and economic assistance) and output (democratic elections and increases in per capita GDP).

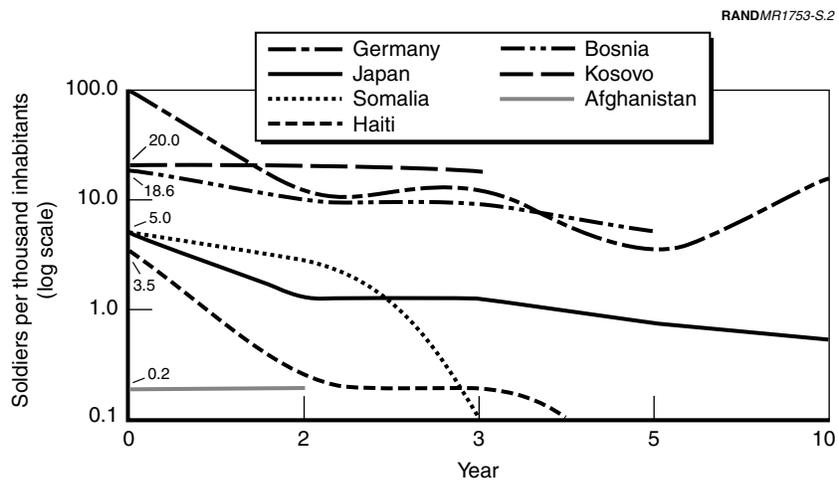
Military force levels varied significantly across the cases. They ranged from the 1.6 million U.S. forces in the European theater of operations at the end of the World War II to approximately 14,000 U.S. and international troops in Afghanistan currently. Gross numbers, however, are not always useful for making comparisons across the cases because the sizes and populations of the countries are so disparate. For purposes of comparison, we chose to calculate the numbers of foreign and U.S. soldiers per thousand inhabitants for each country. We used these numbers to compare force levels at specified times after the end of the conflict or after U.S. operation began.

As Figures S.1 and S.2 illustrate, force levels varied widely across these operations. Bosnia; Kosovo; and, particularly, Germany started with substantial numbers of military forces, while the initial levels in Japan; Somalia; Haiti; and, especially, Afghanistan were much more modest. These levels all decreased over time by varying degrees, then rose in the case of Germany for external reasons. Overall, the differences across the cases had significant implications for other aspects of the postconflict operation.



NOTE: Year 0 represents the end of the conflict.

Figure S.1—Military Presence over Time, Excluding Germany



NOTE: In order to capture Germany in the same chart, we used a logarithmic scale because Germany started with a much higher troops-to-population ratio than all the other cases. The figures for Germany represent the level of U.S. troops at the end of the war as a proportion of the population in the U.S. sector.

Figure S.2—Military Presence over Time, Including Germany

We conducted a similar analysis of external assistance for the seven cases. Cumulative figures are useful to some degree, but to assess the true impact of assistance on individuals in postconflict situations, it is important to look at how much assistance was provided per capita. Figure S.3 captures the amount of assistance per person during the first two years in the various cases in constant 2001 U.S. dollars.

Germany, which received the most assistance in aggregate terms (\$12 billion) after the first two years of conflict, does not rank very high. Per capita assistance ran a little over \$200. Kosovo, which ranked fourth in terms of total assistance, received over \$800 per resident. Levels of per capita assistance have had some bearing on the speed of economic recovery. Kosovo, with the second-highest level of assistance on a per capita basis, enjoyed the most rapid recovery in levels of per capita GDP following the conflict. In contrast, Haiti, which received much less on a per capita basis than did Kosovo, has experienced little growth in per capita GDP since the end of the conflict.

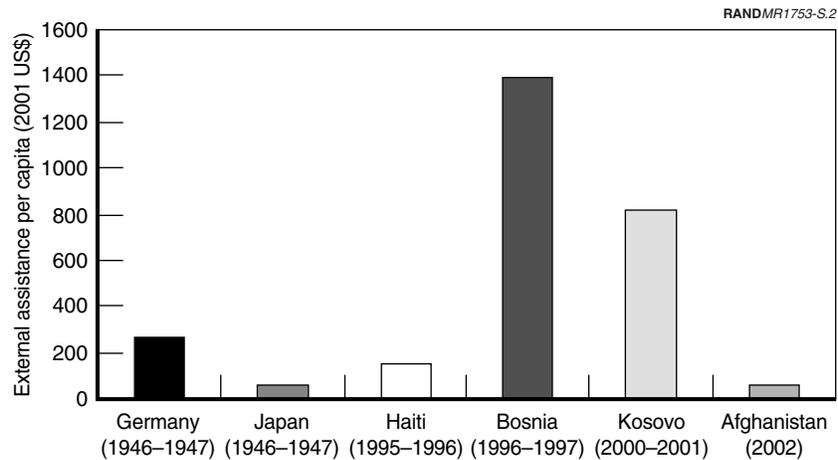


Figure S.3—Per Capita External Assistance

CRITERIA FOR SUCCESS

The German and Japanese occupations set standards for postconflict transformation that have not since been equaled. One of the most important questions an inquiry such as this must address, therefore, is why those two operations succeeded so well while all subsequent efforts have fallen short to one degree or another. The easiest answer is that Germany and Japan were already highly developed, economically advanced societies. This certainly explains why it was easier to reconstruct the German and Japanese economies than it was to make fundamental reforms to the economies in the other five case studies. However, economics is not a sufficient answer. Nation-building is not principally about economic reconstruction; rather, it is about political transformation. The spread of democracy in Latin America, Asia, and parts of Africa suggests that this form of government is not unique to Western culture or to advanced industrial economies: Democracy can, indeed, take root in circumstances where neither exists.

No postconflict program of reconstruction could turn Somalia, Haiti, or Afghanistan into thriving centers of prosperity. But the failure of U.S.-led interventions to install viable democracies in these countries has more than purely economic explanations. All three societies are divided ethnically, socioeconomically, or tribally in ways that Germany and Japan were not. Thus, homogeneity helps. But it is not a necessary condition. The kind of communal hatreds that mark Somalia, Haiti, and Afghanistan are even more marked in Bosnia and Kosovo, where the process of democratization has nevertheless made some progress.

As Table S.1 summarizes, what principally distinguishes Germany, Japan, Bosnia, and Kosovo from Somalia, Haiti, and Afghanistan are not their levels of Western culture, economic development, or cultural homogeneity. Rather it is the level of effort the United States and the international community put into their democratic transformations. Nation-building, as this study illustrates, is a time- and resource-consuming effort. The United States and its allies have put 25 times more money and 50 times more troops, on a per capita basis, into postconflict Kosovo than into postconflict Afghanistan. This higher level of input accounts in significant measure for the higher level of output measured in the development of democratic institutions and economic growth.

Table S.1
America's History of Nation-Building

Country	Years	Peak U.S. Troops	International Cooperation	Assessment	Lessons Learned
West Germany	1945–1952	1.6 million	Joint project with Britain and France; and, eventually, NATO	Very successful; an economically stable democracy and NATO member within 10 years.	Democracy can be transferred. Military forces can underpin democratic transformation.
Japan	1945–1952	350,000	None	Very successful; economically stable democracy and a regional security anchor within 10 years.	Democracy can be exported to non-Western societies. Unilateral nation-building can be simpler (but more expensive) than multilateral efforts.
Somalia	1992–1994	28,000	UN humanitarian oversight	Not successful; little was accomplished other than some humanitarian aid delivered in Mogadishu and other cities.	Unity of command can be as essential in peace as in combat operations. Nation-building objectives need to be scaled to available resources.

Table S.1—Continued

Country	Years	Peak U.S. Troops	International Cooperation	Assessment	Lessons Learned
Haiti	1994–1996	21,000 ^a	UN help in policing	Not successful; U.S. forces restored democratically elected president but left before democratic institutions took hold.	Exit deadlines can be counterproductive. Building competent administrations and democratic institutions takes time.
Bosnia	1995–present	20,000	Joint NATO, UN, and OSCE effort	Mixed success; democratic elections occurred within 2 years, but government is constitutionally weak.	Nexus between organized crime and political extremism can be a serious challenge to enduring democratic reforms.
Kosovo	1999–present	15,000 ^b	NATO military action and UN support	Modest success; elections occurred within 3 years, and economic growth is strong. But there has been no final resolution of Kosovo’s status.	Broad participation and extensive burden-sharing can be compatible with unity of command and U.S. leadership.
Afghanistan	2001–present	10,000	Modest contribution from UN and NGOs	Too early to tell; no longer a launch pad for global terrorism, but there is little democratic structure, and there is no real governmental authority beyond Kabul.	A low initial input of money and troops yields a low output of security, democratization, and economic growth.

^aPlus 1,000 international police.

^bPlus 4,600 international police.

Japan, one of the two undoubted successes, fully meets these criteria, at least in terms of the amount of time spent on its transformation. On the other hand, Japan received considerably less external economic assistance per capita than did Germany, Bosnia, or Kosovo. Indeed, it received less than Haiti and about the same as Afghanistan. Japan's postconflict economic growth rate was correspondingly low. U.S. spending on the Korean War, however, spurred Japan's economic growth during the 1950s, which subsequently helped consolidate public support for the democratic reforms that had been instituted soon after the war. As with the German economic miracle of the 1950s, this experience suggests that rising economic prosperity is not so much a necessary precursor for political reform as a highly desirable follow-up and legitimizer.

The stabilization (or, as it was then termed, occupation) force in Japan was also smaller in proportion to population than those in Germany, Bosnia, or Kosovo, although it was larger than those in Haiti and Afghanistan. The willing collaboration of the existing power structures and the homogeneity of the population undoubtedly enhanced the ability to secure Japan with a comparatively small force. But the very scale of Japan's defeat was also important: Years of total war had wrought devastation, including the firebombing of Japanese cities and, finally, two nuclear attacks. As a result, the surviving population was weary of conflict and disinclined to contest defeat. When conflicts have ended less conclusively and destructively (or not terminated at all)—as in Somalia; Afghanistan; and, most recently, Iraq—the postconflict security challenges are more difficult. Indeed, it seems that the more swift and bloodless the military victory, the more difficult postconflict stabilization can be.

Unity of Command Versus Multinational Participation

When it was shouldering the burden of Japan's transformation and most of that for West Germany, the United States generated some 50 percent of the world's GDP. By the 1990s, that share had dropped to 22 percent. The decline in the United States' share of global GDP and the concomitant rise in output and incomes elsewhere have made international burden-sharing both politically more important for the United States and more affordable for other countries.

Throughout the 1990s, the United States wrestled with the problem of how to achieve wider participation in its nation-building endeavors while also preserving adequate unity of command. In Somalia and Haiti, the United States experimented with sequential arrangements in which it organized, led, and largely manned and funded the initial phase of each operation but then quickly turned responsibility over to a more broadly representative and more widely funded UN-led force. These efforts were not successful, although the operation in Haiti was better organized than that in Somalia. In Bosnia, the United States succeeded in achieving unity of command and broad participation on the military side of the operation through the North Atlantic Treaty Organization (NATO) but resisted the logic of achieving a comparable and cohesive arrangement on the civil side. In Kosovo, the United States achieved unity of command and broad participation on both the military and civil sides through NATO and the UN, respectively. While the military and civil aspects of the Kosovo operation remained under different management, the United States ensured that the mandates and capabilities of the two functional entities, the Kosovo Force (KFOR) and the UN Interim Administration in Kosovo (UNMIK), overlapped sufficiently to prevent a gap from opening between them.

None of these models proved entirely satisfactory. Arrangements in Kosovo, however, do seem to have provided the best amalgam to date of U.S. leadership, European participation, broad financial burden-sharing, and strong unity of command. Every international official in Kosovo works ultimately for either the NATO commander or the Special Representative of the Secretary General. Neither of these is an American, but by virtue of the United States' credibility in the region and its influence in NATO and the UN Security Council, the United States has been able to maintain a satisfactory leadership role while paying only 16 percent of the reconstruction costs and fielding only 16 percent of the peacekeeping troops.

The efficacy of the Kosovo and Bosnian models for managing a large-scale nation-building operation depends heavily on the ability of the United States and its principal allies to attain a common vision of the enterprise's objectives and then to shape the response of the relevant institutions—principally NATO, the European Union, and the UN—to the agreed purposes. When the principal participants in a nation-

building exercise have such a common vision, the Balkan models offer a viable amalgam of burden-sharing and unity of command.

In Afghanistan, the United States opted for parallel arrangements on the military side and even greater variety on the civil side. An international force, with no U.S. participation, operates in Kabul, while a national, mostly U.S. force, operates everywhere else. The UN is responsible for promoting political transformation, while individual donors coordinate economic reconstruction—or, more often, fail to do so. This arrangement is a marginal improvement over Somalia, since the separate U.S. and international forces are at least not operating in the same physical territory, but it represents a clear regression from what was achieved in Haiti; Bosnia; or, in particular, Kosovo. By the same token, the overall results achieved to date in Afghanistan are better than those in Somalia, not yet better than those in Haiti, and not as good as those in Bosnia or Kosovo. However, the operation in Afghanistan is a good deal less expensive.

Duration

Another aspect in which these seven cases differ is in duration. Some began with clear departure deadlines that were adhered to, such as Haiti. Some began with very short time lines but saw those amended, such as Germany, Japan, Somalia, and Bosnia. And some began without any expectation of an early exit, such as Kosovo and Afghanistan. The record suggests that, while staying long does not guarantee success, leaving early ensures failure. To date, no effort at enforced democratization has taken hold in less than five years.

And if democratization takes hold, does that provide the ultimate exit strategy? As these case studies suggest, not necessarily. U.S. forces have left clear failures behind, such as Somalia and Haiti, but remain present in every successful or still-pending case: Germany, Japan, Bosnia, Kosovo, and Afghanistan. These five interventions were motivated by regional or global geopolitical concerns. Democratization alone did not fully address such concerns. Germany and Japan were disarmed and consequently required U.S. help in providing for their external security long after they became reliable democracies, fully capable of looking after their own internal affairs. Bosnia, Kosovo, and Afghanistan may also require assistance with their external security long after internal peace has been established.

Whether this help will take the form of an external troop presence, an external security guarantee, or external leadership in forging new regional security arrangements remains to be seen. But some security relationship is likely to continue long after the democratic transformation is completed. Indeed, if Germany and Japan are any guide, the more thorough the democratic transformation the more deeply forged the residual links may be. The record suggests that nation-building creates ties of affection and dependency that persist for a substantial amount of time.

Conclusions

With these considerations in mind, we draw a number of general conclusions, in addition to the numerous case-specific lessons contained in the chapters:

- Many factors influence the ease or difficulty of nation-building: prior democratic experience, level of economic development, and national homogeneity. However, among the controllable factors, the most important determinant seems to be the level of effort—measured in time, manpower, and money.
- Multilateral nation-building is more complex and time consuming than undertaking unilateral efforts but is also considerably less expensive for participants.
- Multilateral nation-building can produce more thoroughgoing transformations and greater regional reconciliation than can unilateral efforts.
- Unity of command and broad participation are compatible if the major participants share a common vision and can shape international institutions accordingly.
- There appears to be an inverse correlation between the size of the stabilization force and the level of risk. The higher the proportion of stabilizing troops, the lower the number of casualties suffered and inflicted. Indeed, most adequately manned post-conflict operations suffered no casualties whatsoever.
- Neighboring states can exert significant influence. It is nearly impossible to put together a fragmented nation if its neighbors

try to tear it apart. Every effort should be made to secure their support.

- Accountability for past injustices can be a powerful component of democratization. It can also be among the most difficult and controversial aspects of any nation-building endeavor and should, therefore, be attempted only if there is a deep, long-term commitment to the overall operation.
- There is no quick route to nation-building. Five years seems to be the minimum required to enforce an enduring transition to democracy.

APPLYING THESE LESSONS TO IRAQ

After reviewing these experiences and seeking to draw the most-important lessons, we conclude by suggesting how these best practices might be applied to future operations and, in particular, to Iraq. Although the military phase of the war against Iraq went very well, and the regime collapsed much faster than many expected, the United States has been left with an unenviable task in seeking to build a democratic, economically vibrant Iraqi state. The British spent several decades forging an Iraqi state out of the remains of the Ottoman Empire, but neither they nor their Iraqi successors managed to forge a real Iraqi nation.

Nation-building in Iraq faces a number of challenges. Iraq has no tradition of pluralist democracy; politics has always been about authoritarian rule and the settlement of disputes by force. Although a sense of Iraqi national identity does exist, it does not override communal forms of identity along ethnic, geographic, tribal, or religious grounds. The majority of the population, the Kurds and Shia, have no real tradition of representation in national Iraqi politics but will now have to be brought into the polity. To make matters worse, organized crime and banditry are strongly rooted in Iraqi society. The past decade of sanctions and dictatorship have denuded Iraq of its once-strong middle class, which had a stake in the development of a civil society.

In addition to these particular Iraqi problems, the country faces the familiar challenges of a society emerging from a long period of totalitarian rule. The military, security services, and bureaucracy need to

be radically reformed and purged. Justice needs to be achieved for victims of human rights abuses, and the economy has experienced two decades of turmoil. These challenges are significant. Because of the diplomatic circumstances of the conflict, the United States must also cope with unsympathetic neighbors—Iran, Syria, and Turkey—who have an interest in shaping Iraqi politics and perhaps destabilizing a smooth transition. At the international level, the prewar splits in the UN Security Council make it much harder for the United States to adopt the burden-sharing models adopted in Bosnia, Kosovo, or even Afghanistan. At the same time, the United States was unable to undertake many of the prewar preparations that would have eased postwar transition, such as coordinating humanitarian relief with the UN and nongovernmental organizations, organizing international civil police forces, and establishing an international political authority to rebut Arab suspicions of U.S. imperialism.

Nonetheless, Iraq does have some advantages for nation-builders. First, it has a nationwide civil administration, which is relatively efficient. This administration needs to be rebuilt but not to be reconstructed from scratch. Staffed mainly by Iraqis, it will reduce the need for direct international intervention and facilitate security and development across the country. Second, the civil administration and the extensive links with UN agencies mean that the humanitarian issues should be soluble. Third, Iraq's oil means that the country will not remain dependent on international aid in the medium term.

As it embarks on its most ambitious program of nation-building since 1945, the United States can learn important lessons from the case studies we have examined. It has staked its credibility on a successful outcome in Iraq. This will require an extensive commitment of financial, personnel, and diplomatic resources over a long period. The United States cannot afford to contemplate early exit strategies and cannot afford to leave the job half completed. The real question for the United States should not be how soon it can leave, but rather how fast and how much to share power with Iraqis and the international community while retaining enough power to oversee an enduring transition to democracy and stability.

PROGRESS TO DATE

In its early months, the U.S.-led stabilization and reconstruction of Iraq has not gone as smoothly as might have been expected, given the abundant, recent, and relevant U.S. experience highlighted in this study. This is, after all, the sixth major nation-building enterprise the United States has mounted in 12 years and the fifth such in a Muslim nation. In many of the previous cases, the United States and its allies have faced similar challenges immediately after an intervention. Somalia, Haiti, Kosovo, and Afghanistan also experienced the rapid and utter collapse of central state authority. In each of these instances, local police, courts, penal services, and militaries were destroyed, disrupted, disbanded, or discredited and were consequently unavailable to fill the postconflict security gap. In Somalia, Bosnia, Kosovo, and Afghanistan, extremist elements emerged to fill the resultant vacuum of power. In most cases, organized crime quickly became a major challenge to the occupying authority. In Bosnia and Kosovo, the external stabilization forces ultimately proved adequate to surmount these security challenges; in Somalia and Afghanistan, they did not or have not yet.

Over the past decade, the United States has made major investments in the combat efficiency of its forces. The return on investment has been evident in the dramatic improvement in warfighting demonstrated from Desert Storm to the Kosovo air campaign to Operation Iraqi Freedom. There has been no comparable increase in the capacity of U.S. armed forces or of U.S. civilian agencies to conduct postcombat stabilization and reconstruction operations. Throughout the 1990s, the management of each major mission showed some limited advance over its predecessor, but in the current decade, even this modestly improved learning curve has not been sustained. The Afghan mission can certainly be considered an improvement over Somalia but cannot yet be assessed as being more successful than Haiti. It is too early to evaluate the success of the postconflict mission in Iraq, but its first few months do not raise it above those in Bosnia and Kosovo at a similar stage.

Nation-building has been a controversial mission over the past decade, and the intensity of this debate has undoubtedly inhibited the investments that would be needed to do these tasks better. Institutional resistance in departments of State and Defense, neither of which regard nation-building among their core missions, has also

been an obstacle. As a result, successive administrations have treated each new mission as if it were the first and, more importantly, as if it were the last.

This expectation is unlikely to be realized anytime soon. Since the end of the Cold War, the United States has become increasingly involved in nation-building operations. In the 1990s, the Clinton administration conducted a major nation-building intervention, on the average, every two years. The current administration, despite a strong disinclination to engage U.S. armed forces in such activities, has launched two major nation-building enterprises within 18 months. It now seems clear that nation-building is the inescapable responsibility of the world's only superpower. Once that recognition is more widely accepted, there is much the United States can do to better prepare itself to lead such missions.