



PROJECT MUSE®

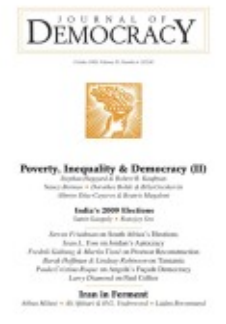
## A New Approach to Postwar Reconstruction

Fredrik Galtung, Martin Tisné

Journal of Democracy, Volume 20, Number 4, October 2009, pp. 93-107 (Article)

Published by Johns Hopkins University Press

DOI: <https://doi.org/10.1353/jod.0.0132>



➔ *For additional information about this article*

<https://muse.jhu.edu/article/362640>

# A NEW APPROACH TO POSTWAR RECONSTRUCTION

*Fredrik Galtung and Martin Tisné*

***Fredrik Galtung** is CEO of Tiri, a London-based independent nongovernmental organization that works with governments, business, and civil society to find practical solutions to making integrity work. **Martin Tisné** is director of the Network for Integrity in Reconstruction, a Tiri program.*

In nations emerging from war, the immediate postwar period sets the stage for the future direction of the country. Referred to by former Afghan finance minister Ashraf Ghani as an “open moment,” this phase rarely lives up to the hopes and expectations of the country’s citizens or the international community. An upsurge in corruption and a lack of accountability, which frequently become entrenched during this time, can breed popular disenchantment with international donors and with the interim government and erode trust in democracy and its institutions, thereby eating away at the legitimacy of the postwar state.

The results can be devastating: Half of all postwar countries resume violent conflict within ten years. Disaffected, excluded citizens are liable to become spoilers. To illustrate, in early 2008 Mullah Abdul Salam, a former Taliban commander who defected and became district governor of Musa Qala, Afghanistan, explained to the U.S. ambassador that the failure of aid to arrive and the flourishing of corruption fostered support for the Taliban.

Democracy assistance is an important component of international efforts to rebuild war-torn states. Elections, local-media support, strengthening civil society, and improving governance are all part of the reform package implemented in the early months of postwar recovery. Transparent and accountable government is a key condition of liberal democracy—one that has a determinative effect on the legitimacy and stability of fledgling postwar democracies. Governance reforms—ranging from public financial management to procurement reform—tend to be top down rather than bottom up, however, thus neglecting social-account-

ability mechanisms that can build transparency and accountability from below in a collaborative process.

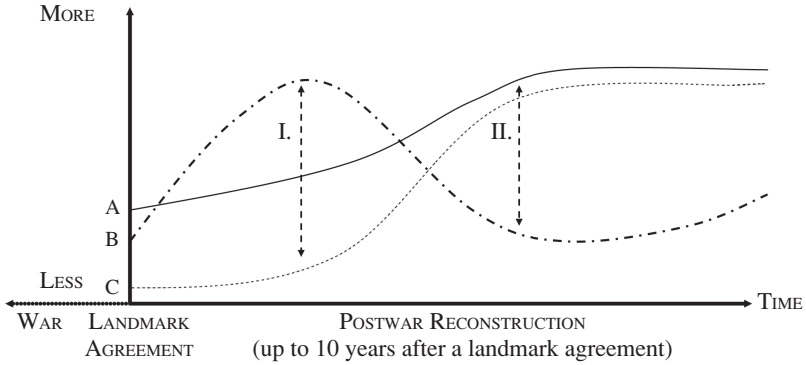
Success in stabilizing the country, reconciling divisions, and building trust (between competing groups as well as in the state itself) after war depends on these informal mechanisms as much as on formal democratic institutions. An alternative approach is thus needed whereby citizens are engaged in the allocation of public resources that affect their lives. In addition to stemming corruption, this can help to reengage citizens in the democratic process. Contrary to received wisdom, such measures can begin in the earliest postwar stages, building on a country's local competencies and resources.

For two years, we led a team of researchers and activists from eight countries or territories recovering from war: Afghanistan, Bosnia and Herzegovina, Kosovo, Lebanon, Mozambique, the Palestinian Authority, Sierra Leone, and Timor-Leste (see Table on page 96).<sup>1</sup> The polities were selected to represent a range of experiences from four regions, spanning the past fifteen years. With the partial exception of Lebanon, these countries financed most of their reconstruction through foreign aid. They range in size from a population of just over a million in Timor-Leste to 32 million in Afghanistan, and include older states such as Lebanon, as well as newly established states with little or no previous history of autonomous rule, such as Kosovo. An examination of recent Freedom House and Economist Intelligence Unit (EIU) data shows that while all eight have in place formally democratic structures with multiparty elections, most of them subsist in a grey zone of what EIU calls "hybrid regimes" and what Freedom House labels as Partly Free countries. Missing from these ratings are data on social-accountability mechanisms that have the potential to strengthen the postwar state and its democratic practices.<sup>2</sup>

The places in this study share two important characteristics. The first is the real threat of a return to violence. This risk has consequences for the legitimacy of the state and its stability. In 2004, Kosovo saw episodic civil unrest, and the Palestinian Authority and Afghanistan have experienced gradually worsening levels of violence since 2004 and 2006, respectively. Timor-Leste met with significant civil strife in early 2006 and at the beginning of 2008. Lebanon, having been partly reconstructed after its civil war, had a devastating month-long armed conflict with Israel in 2006.

The second shared feature, illustrated by the Figure below, is an imbalance, at a time when foreign aid is pouring in, between the country's weak institutional capacity to administer and use the aid effectively and people's urgent and growing needs. Development needs (line A in the Figure on the facing page) are initially humanitarian, but increase in complexity and cost over time. Aid flows have a different trajectory. According to data gathered by the World Bank, in postwar countries that receive significant assistance, aid follows a boom and bust curve: a rapid rise in the immediate postwar years followed by a sharp decline and the pos-

**FIGURE—PHASES AND DISSONANCES OF POSTWAR RECONSTRUCTION**



—	Range of development needs
- - - - -	International financial assistance
.....	Absorptive capacity of government and civil society institutions
<p>I. The “Potlatch Effect”: Period of unrealistically high expectations; high corruption risks; low demand for accountability; weak formal accountability structures: 1–3 years after landmark agreement.</p> <p>II. The “Late Awakening”: entrenched corruption; high corruption perceptions; period of heightened frustration / high demand for change; high risk of return to violent conflict: 3–5 years after agreement.</p>	

sibility of a gradual rise thereafter (represented by line B). Finally, after violent conflict, state absorptive capacities (line C) are low, as many state and civil society institutions are new or newly rebuilt. As a result, they cannot initially meet the requirements of international aid.

In Kosovo, for example, aid was at its height in 2000 just after the NATO intervention and then dropped by half each succeeding year. Likewise, donors disbursed more than US\$2.5 billion to the Palestinian people between October 1993 and September 1998. Beginning in the late 1990s, however, development funding to the Palestinians was scaled back and then, in 2001 after the start of the second Intifada, replaced altogether by humanitarian assistance. Following Hamas’s victory in the January 2006 polls and the boycott of the new government by the United States, the EU, Russia, and the UN, Western development aid ceased almost entirely for two years.

### Phases in Postwar Reconstruction

The Figure reveals two major discrepancies as a country recovers from war. The first gap (line I), at its apex sometime during the first three years after a peace settlement, stems from rapidly rising foreign-aid inflows being out of step with the capacity of the state and civil society to absorb the support. The new government or transitional administration benefits from international political goodwill, and the overriding

TABLE—COUNTRIES IN THE STUDY

COUNTRY	BENCHMARK PEACE AGREEMENT	POSTWAR ELECTIONS	FREEDOM HOUSE RATINGS (2008)	EIU DEMOCRACY INDEX (2008)
Lebanon	1990 Ta'ef Agreement	Parl: '92, '96, '98, '00, '05 Pres: '08	Political: 5 Civil: 4 Status: Partly Free	Score: 5.62 Hybrid regime
Mozambique	1992 General Peace Agreement	Pres: '94, '99, '04 Parl: '94, '99, '04	Political: 3 Civil: 3 Status: Partly Free	Score: 5.49 Hybrid regime
Palestine	1993 Oslo Declaration of Principles	Parl: '96, '06 Pres: '05	Political: 5 Civil: 6 Status: Not free	Score: 5.83 Hybrid regime
Bosnia and Herzegovina	1995 Dayton Peace Agreement	Parl: '96, '98, '00, '02, '06 Pres: '98, '02, '06	Political: 4 Civil: 3 Status: Partly Free	Score: 5.60 Hybrid regime
Timor-Leste	1999 Declaration of Independence	Refer: '99 Parl: '01, '07 Pres: '02, '07	Political: 3 Civil: 4 Status: Partly Free	Score: 7.22 Flawed democracy
Kosovo	1999 Military Technical Agreement	Parl: '01, '04, '07	Political: 6 Civil: 5 Status: Not Free	Not available
Sierra Leone	1999 Lomé Peace Accord	Pres: '02, '07 Parl: '02, '07	Political: 3 Civil: 3 Status: Partly Free	Score: 4.11 Hybrid regime
Afghanistan	2001 Bonn Agreement	Pres: '04 Parl: '05	Political: 5 Civil: 5 Status: Partly Free	Score: 3.02 Authoritarian regime

*Note:* Freedom House scores countries on a scale of 1 (best) to 7 (worst); according to the Economist Intelligence Unit, 0 is worst, 10 is best.

ambition is to secure the peace and to achieve “quick wins” by doing things such as building roads, hospitals, and schools. Progress during this initial stage is usually measured in weeks or months, and expectations, among both the recovering communities and external donors, are high. Between 2002 and 2007, for example, five-million Afghans returned from exile to help rebuild their country.

This early period is characterized by what we call the “potlatch effect,” a notion borrowed from the rites of Native American tribes in the Pacific Northwest. The potlatch is an elaborate ritual wherein lavish gifts of clothes, food, and precious items are given from one tribe or family to another. The gifts bear no relation to the needs of the recipients, or even their ability to consume them. In the case of postwar aid, donor governments’ international and domestic prestige closely corresponds to the size of their aid commitment and the importance of the ministries and sectors with which they work. The scope and nature of the aid are often unrelated to the needs of the recipients. At the December 2007 Paris donors’ conference, for example, the Palestinian Authority (PA) requested \$5.6 billion over three years, but Prime Minister Salim Fayyad left the conference with pledges of \$7.4 billion. Many of the funds remain unspent.

At a time when state capacities should be systematically strengthened, many practices have the opposite effect. Where capacities are seen

to be weak, for example, the state is often circumvented. In Afghanistan, 75 percent of aid is routed outside the government budget. In Bosnia and Herzegovina, the figure was 80 percent. In the Palestinian Authority, because of the boycott of the Hamas government, Western aid after 2006 was channeled almost entirely through the president's office, bypassing the elected parliament.

International aid can have the unintended effect of reducing locally available skills. In Kosovo, donors frequently lamented the lack of suitable local partners during the early reconstruction phase. Instead of taking advantage of local competencies, they competed to attract only the most skilled local staff, offering pay far in excess of average public- or private-sector salaries and thus temporarily distorting the labor market. Educated Kosovars were hired as drivers, for example. In fact, half the drivers at the EU office in Kosovo were reported to be university graduates. This phenomenon drains both the public and private employment markets of skilled workers, and instead of strengthening local competencies, weakens them: The longer that educated professionals languish as drivers or interpreters or in other aid-support roles, the more likely their skills will diminish.

Opportunities for corruption abound amid the whirl of high aid inflows, pressure to deliver, weak state institutions, and legacies of wartime economies. For example, the Palestinian Authority was saddled with patterns of corruption established during the Palestine Liberation Organization (PLO) leadership's exile and four decades of Israeli civil and military administration. Some PLO officials continued to apply their expertise in money laundering after they took office, running public budgets and resources with complete opacity.

Political leaders in postwar countries and their foreign supporters consistently fail to find adequate responses to this problem. Underlying this failure are two widely held beliefs: The first is that the need to maintain a fragile peace settlement overrides the risks associated with leakage or mismanagement. The second, even more pernicious belief is that some degree of corruption is beneficial—that it can help to oil the peace process, strengthen the hand of the favored reconstruction allies, and pay off detractors.

Networks formed during the war can use their positions afterward to entrench their peacetime power through corruption. In Afghanistan after 2003 and in Lebanon in the early 1990s, peace was reached at least in part by buying factional adherence to the process. One or more warring factions were coaxed with political and often financial rewards to join in the peace settlement. In Afghanistan, warlords buttressed their positions by extorting rents from the disarmament process. In Bosnia and Herzegovina, the Palestinian Authority, and Sierra Leone, state actors were tacitly allowed to reap illicit benefits from peace. In the PA, one outcome of the Oslo process was the granting of monopolistic licenses to people close to Fatah, including senior officeholders, for basic commodities such as flour, cement, and gasoline. Similarly, the Dayton Accords enabled wartime

networks in Bosnia and Herzegovina to pursue tight control over public-sector appointments and to capture much of the privatization process.

In most of the countries surveyed, the establishment of formal political parties was combined with opportunities to jockey for political patronage. The state is often the only significant employer and therefore forms an invaluable political base. In Kosovo, the power and influence of political parties have gradually extended into the civil service and judiciary. From the mid-to-late 1990s, *wasta* (connections or influence) became commonplace in the granting of positions at all levels within the PA. The consequence was entirely predictable: The Palestinian bureaucracy is inefficient, bloated, and underpaid.

The potlatch effect stems from a failure to align local needs and capacities with the distorting incentives of external assistance, and it results in massive waste. More insidious is the entrenchment of patronage and corruption in fragile social and political environments, skewing the economic playing field and punishing entrepreneurship. It also feeds into long-held grievances. Local power brokers are the leading protagonists and immediate beneficiaries of this abuse of power. The international-aid community has a determining role in this context. Foreign donors in these settings must exercise awareness and demonstrate a greater understanding of their impact on networks of influence.

We find that the short-term gains achieved by corrupt means inevitably backfire during the second phase of reconstruction—the volatile “late awakening,” which commences anywhere from three to five years into the process. The legitimacy of the state and the resilience of its institutions are then tested, often violently. How the state responds to these challenges to its legitimacy will have a decisive impact upon the success or failure of the state-building process and its democratic character.

## The Late Awakening

It is during the late awakening, when the postwar state is at its weakest, that the second gap (line II in the Figure) appears. After several years of reconstruction, patterns of corruption have generally become entrenched and more visible. During the late awakening, aid levels tend to drop while needs on the ground as well as the country’s capacity to absorb aid have risen. Expectations easily turn into frustrations, and public awareness of corruption rises. Although this period is generally marked by a decline in aid, donors may demand more financial accountability for their funds, and internal critics are likely to insist on social and political accountability. Postwar countries often revert to violent conflict during this stage. In 2006 in Timor-Leste, for example, corruption and nepotism prompted young men to lead violent antigovernment demonstrations that shook Dili, the capital city.

In the countries for which survey data was available, the perception

that corruption was rampant became widespread during the late awakening. For example, 93 percent of respondents to a national survey in 2006 stated that bribes were demanded for more than half the public services in Afghanistan. Sixty percent rated the administration of President Hamid Karzai as more corrupt than the Taliban, *mujahideen*, and communist regimes. A majority of respondents polled across thirteen provinces felt that corruption in the police and army threatened their personal safety. According to Lorenzo Delesgues of Integrity Watch Afghanistan, "Today money has become all important, and those with access to ready cash can buy government appointments, bypass justice, or evade the police."<sup>73</sup> Such findings are mirrored in the Palestinian Authority, where, according to an opinion poll conducted regularly by the Palestinian Center for Policy and Survey Research, 50 percent of Palestinians in 1996 stated that there was significant corruption. By 2005, this figure had soared to 85 percent.

Whether perceptions of corruption reflect real underlying changes, direct personal experiences, or a general mistrust of public institutions, they must be taken seriously. Opposition groups are quick to capitalize on such discontent for political gain. In the PA, Hamas had a track record of community engagement free of corruption, and not surprisingly it won the January 2006 legislative elections by exploiting dissatisfaction with the ruling Fatah party, which was widely perceived as ineffectual and corrupt. In Lebanon in 2006, the opposition alliance of Hezbollah and the Christian former prime minister General Michel Aoun used anticorruption rhetoric to denounce the government of Premier Fouad Siniora.

In the rush to disburse significant resources, prudent and locally adapted administrative procedures are cast aside. The recent literature on fragile states and postwar recovery calls for aid inflows to be attuned to growing state capacities. A widely proposed policy recommendation is to increase funding gradually over time, making long-term commitments of support. Our research suggests that this would be a good step, but on its own it would leave largely unresolved the dangers directly associated with the potlatch effect and the late awakening. Funneling more money through the state will not in itself improve state capacities or develop local competencies. If done badly, it can simply increase the opportunities for waste, maladministration, and corruption. The management of aid inflows is only one way to improve the alignment with local capacities and needs. A contextually sensitive, rapidly instituted approach that takes the risks of early state building into account is also needed.

Projects aimed directly at countering corruption failed in every country in our study. Donors supported dedicated anticorruption bodies in five of the eight countries. In Sierra Leone, support for the anticorruption agency became, at one stage, the largest aid project of the country's largest donor, the United Kingdom. Despite the success of anticorruption commissions in Hong Kong and Singapore, the track record of such agencies elsewhere is generally weak, and in postwar countries it is dis-



mal. Anticorruption agencies created in Afghanistan, Kosovo, and Sierra Leone, for example, all failed to convict a single “big fish.” None of these agencies was vested with prosecutorial powers. Instead, they have relied on the weak powers of the attorney general, police, or ministry of justice to take cases to court, whereupon most big cases are dropped. Tellingly, the recent anticorruption victories in Mozambique, where several high-level cases have been opened and subsequently dropped, were the convictions of a man suspected of stealing a goat and a DVD player and of five people responsible for fraud to the tune of \$250.

Corruption-awareness campaigns—complete with radio spots, billboards, newspaper ads, and leaflets in schools—are frequently mounted in an attempt to rein in graft. In postwar settings, however, bringing attention to the problem risks doing more harm than good: By raising expectations for reform, such campaigns, if they do not succeed, can have a destabilizing impact, fueling cynicism about the state and politicians. That, in turn, can strengthen the hand of political spoilers.

Although fighting corruption may be destabilizing, it cannot be avoided. Systemic corruption directly undermines state legitimacy, and it is incompatible with consolidating a nascent state. Conventional approaches call for national anticorruption strategies, dedicated agencies, and the frying of “big fish,” along with awareness-raising campaigns. But in a postwar setting this approach is a waste of resources and scarce political capital. In developing and transitional countries, reducing the size of the state in order to curb opportunities for corruption can be a complementary strategy. In recovering countries, however, the state must meet basic social and security needs; thus downsizing the state and privatizing state assets usually are not viable options.

Although tempting, a national-integrity system and other holistic national approaches to anticorruption are not feasible either. The capacities of key accountability mechanisms and enforcement agencies (such as the legislature, executive, judiciary, auditor-general, ombudsman, watchdog agencies, the media, and civil society) cannot be simultaneously reinforced at a time when rebuilding core state functions is the priority. The national-integrity system approach does not help to prioritize or identify contextualized reforms.

The current conventional wisdom favors tight controls on public expenditures. One example is Liberia, where international staff embedded in high-spending ministries cosign with local ministry officials for all outlays. Other financial-accountability approaches have been developed elsewhere. While such systems strengthen financial management, their deterrent effect on corruption remains unproven. PLO slush funds coexisted with the effort by Salam Fayyad, the PA’s finance minister in 2003–2004, to institute public financial management. The probity of the disbursements by multidonor trust funds is only as good as the ability of the monitoring agent to run spot checks on receipts for ex-

penditures. In practice, these offices are small and under pressure to disburse quickly.

## **An Alternative Approach**

Our study suggests the need for an alternative approach better suited to the exigencies of the postwar context. Such an approach must recognize that corruption is, by definition, designed to avoid detection. The worst forms of corruption will therefore be uncovered only if they are sought out proactively. A prevention strategy should start with an analysis, which can be based on an early postwar needs-assessment survey, of the following six areas of risk for corruption:

- 1) Revenues from valuable natural resources and illegal drugs (as in Afghanistan and Timor-Leste);
- 2) Privatization of state assets (as in Mozambique);
- 3) Control of reconstruction-aid programs, including major infrastructure projects, by networks of influence (as in Bosnia and Herzegovina);
- 4) Property rights (as in Lebanon);
- 5) State control of public institutions through patronage networks, nepotism, or the purchase of key ministries (as in Afghanistan and Kosovo);
- 6) Consequences of the political settlement, such as state-sponsored monopolistic control over basic commodities and foodstuffs—for example, gasoline, cooking oil, or flour (as in the Palestinian Authority).

Once entrenched in one or more of these areas, corruption can siphon off significant revenues, affect large numbers of people, and destabilize the state-building process. In each case, the possible positive outcomes of reform interventions should be weighed against their potential to destabilize the country.

In postwar countries, the police and judiciary are usually weak and ineffectual. An analysis of corruption risk areas predicated on effective enforcement is thus likely to fail. Dedicated anticorruption agencies can be viable only under the following conditions: 1) In the absence of a well-functioning judiciary, the agency is granted full prosecutorial powers; 2) there is a functioning and credible system for asset declarations by all senior officials; 3) the government and key donors commit to at least ten years of core funding; and 4) there is an enforcement strategy that is a component, but not the driver, of broader institutional reforms. These conditions are unlikely to be met in most postwar settings. Preventive and proactive approaches are therefore all the more important. If they are introduced too late, they are certain to encounter strong resistance. Their credibility will also be lessened if they are introduced against a backdrop of scandal or amid perceptions of abuse.

Distributed approaches to enforcement proved more effective than re-

lying on the powers of one or several enforcement agencies. In Nepal, an innovative energy program providing hundreds of remote villages with solar panels and micro-hydropower plants periodically sends private auditors to a random sample of about a fifth of the villages. When fraud by contractors is uncovered, a fine of five times the value of the project is imposed, and contractors or communities that refuse to pay the fine are blacklisted. The rates of fraud in this program, which have been independently verified, are very low. Such a system of fines or sanctions, however, is uncommon among postwar-aid providers. Instead, most donors prefer to withdraw their support quietly if fraud is uncovered.

High-priority government departments and NGOs working in such sectors as education, rehabilitation, and health care are sometimes offered more funding than they can absorb, which creates a high risk that some recipients may seek funding for the same project more than once. The recipient is then able to divert the additional funding to other, perhaps personal, uses. Donors should require grantees to report each grant to an independently managed registry as a condition for receiving funding. This would curb much of the double dipping that currently takes place.

There are other preventive measures that can be taken at an early stage in the recovery process to deter some forms of abuse by higher-level officials. One approach is to create a list of senior political figures and their associates, to be maintained by local civil society groups that have the necessary local knowledge. International banks are now required to subject politically prominent persons to enhanced scrutiny, but the present databases have numerous gaps and almost no information exists on top officials in postwar countries.

Social-accountability mechanisms, whereby communities are directly involved as accountability agents, have also proved successful in countering corruption. Development programs that combine engagement with local communities and grassroots social accountability have had a good track record in postwar countries. According to a local contractor in Kosovo, "There is no way you can corrupt people at the community development fund. They have very high criteria."<sup>4</sup>

Anticorruption approaches should aim to stem corruption in areas that matter most to communities, stabilize the reconstruction process, provide significant revenue to the state, and prevent leakage. In postwar settings, such approaches should be combined with community-driven accountability. Citizen-based monitoring has been successfully used in developing and transitional countries, including Brazil, India, Indonesia, Mexico, and Uganda, but in only a handful of countries recovering from war. A focus on local accountability and monitoring from below would help to rebuild citizen trust in the recovery process as well as to root out localized corruption.

Postwar states are accountable both to their citizens and to their foreign financial and political backers. These external actors, in turn,

are accountable to their legislative-oversight bodies and ultimately to *their* own citizens. Mindful of their principals, aid agencies tend to emphasize financial accountability over other concerns. Postwar governments, however, are held to account by their citizens for more immediate needs, such as security, the effective delivery of public services, public infrastructure, and employment opportunities. The postwar state's survival depends on its ability to manage the tensions and contradictions of this dual-accountability system. Ultimately, however, it is the aid beneficiaries' perception that matters if a renewal of conflict is to be avoided.

### Community-Driven Accountability

Community-driven accountability furthers the community-driven reconstruction approach. In Afghanistan, a large-scale community-driven reconstruction program—the National Solidarity Programme (NSP)—formed elected councils to determine spending priorities for community projects in two-thirds of Afghanistan's 24,000 villages. These councils provide a forum for power holders to continue playing a role in their communities and to work out their differences in the open. They also provide a forum for active involvement by the community—for example, by voluntarily donating labor. Thus the program has given Afghans a stake in rebuilding their country. A report by Human Rights Watch found that NSP-built schools were less likely to be attacked by the Taliban than other newly built schools.

Community-driven accountability enables the local population to act as accountability agents for more than just the projects that they are directly responsible for implementing, such as the NSP. Citizens may hold to account any institution that plays a role in the allocation and impact of public resources at the local level.

At the village or project level, the monitoring of reconstruction projects by stakeholders is rare. In Timor-Leste, a local nongovernmental organization (NGO) called Luta Hamutuk (Struggle Together) monitors electricity services, health care, education, and veteran-housing projects. In Congo (Kinshasa), informal tax collectors masquerading as police and customs officials had been extorting traders carrying goods down the Congo River every few miles. In a project facilitated by the NGO Innovative Resources Management, affected communities and river transporters joined forces to report illegal payments to the Congolese Ministry of Interior. The government, the traders, and local communities were all suffering financial losses and had an incentive to cooperate. The project succeeded in reviving commerce along the river, despite being implemented during a period of turmoil in a huge country where corruption was widely thought to be intractable.

In Afghanistan, the NSP already extends to two-thirds of the country's

villages. It could be used as a catalyst for citizen-led monitoring of other programs. Such programs are scalable, and their impact can be significant. They should be harnessed to monitor areas at risk for corruption, disbursements by multidonor trust funds, and the key services and social-development programs that matter most to the people, such as those pertaining to health and education. In each case, however, the relationship with the state will determine whether these efforts support the new state or damage it. Moreover, information-technology tools are increasingly used to facilitate monitoring on a larger scale. Integrity Watch Afghanistan uses cell phones equipped as personal digital assistants (PDAs) to gather citizen feedback on corruption in government services.

In postwar countries, a nonconfrontational approach helps to ensure that a program contributes to building an effective state and increases state legitimacy at the local level, rather than unwittingly destabilizing it. Frustrated with civil servants' lack of response to citizens' demands and needs, some groups are seeking to achieve a greater and more sustainable impact by directly influencing state responsiveness through traditional advocacy as well as by deepening partnerships with state institutions. In Timor-Leste, for example, Luta Hamutuk developed local committees as a forum for communities and local-government officials to discuss and review their monitoring findings.

In fact, many participatory civil society monitoring programs work with local government, though the interactions most often take place at the individual level. Civil society monitors gather information that they then convey to government officials whom they have gotten to know and trust. By engaging local-government institutions in a truly participatory process, these monitoring programs can develop a better understanding of how the institutions work with communities, what their capacities and constraints are, and how to achieve change through consensus. In this model, communities monitor the integrity and quality of services and provide feedback and incentives for the local government to reform. Meanwhile, the local government, as a direct participant, can better respond to the needs and wants of local communities.

Community-driven monitoring efforts have been successful where local government has had the opportunity and capability to respond to community representatives. Such an approach acknowledges that there is no clear line between the "supply" and "demand" sides of government. The so-called suppliers (that is, local-government bodies supplying services) are simultaneously "demanders" within their own institutions: Reformers in local government must demand improvements from their superiors and must understand how and when their agency can change. Where the government cannot meet the expectations generated by the monitoring, such accountability efforts have failed. In Nepal, for example, when the NGO Pro Public conducted public hearings that brought communities together to discuss the effectiveness and integrity

of government services, many of the officials present were either unwilling or unable to respond.

## **The Information Imperative**

To play an active role within community-development councils, local leaders need access to information on donor-funded projects. Too often, the international-aid system is opaque. This is increasingly recognized as a serious impediment. A recent World Bank review of international experience in postdisaster reconstruction finance suggests that good information and communication are the secret to successful reconstruction, but that these rarely exist.<sup>5</sup>

Bearing this in mind, NATO's International Security Assistance Force (ISAF) created a database of the more than 70,000 reconstruction and development projects across Afghanistan, including roads, schools, and clinics. Before this, no other agency—not the Afghan government, USAID, the World Bank, or the UN—had produced a reliable, comprehensive database. Although the ISAF database is nominally accessible to the public, it is in English and can be viewed only via a restricted-access website. For the overwhelming majority of Afghans who lack computer training or do not read English, this database has little value. Thus what could be an empowering monitoring and coordination tool currently excludes most Afghan citizens and local decision makers from the oversight process.

The world of private contracting is even more opaque. In Afghanistan, a local group of concerned citizens failed to gain access to even the gross budget figures for specific large-scale aid projects undertaken by private contractors and subcontractors. This lack of transparency is cause for concern as a growing percentage of aid is subcontracted out to major firms and NGOs.

In all eight countries in this study, information on aid flows was difficult for local NGOs and communities to obtain. Where donors did make efforts to communicate aid results, their reports were rarely accessible or understandable to the non-English-speaking public. Access to information is a condition for accountability in reconstruction-assistance work; it enables a range of stakeholders, including state agencies, members of parliament, community leaders, and NGOs, to provide input and oversight of the reconstruction process.

To remedy the information asymmetry between donors and recipients, a coalition of NGOs, including Tiri, has launched a global-aid transparency campaign called "Publish What You Fund." The campaign calls for a significant increase in the availability of timely, accessible, and comparable information about aid. To implement this, Publish What You Fund seeks agreement on a universal standard of transparency for donor assistance via the International Aid Transparency Initiative (IATI), bringing together donors, developing-country governments, civil society organiza-

tions, and other users of aid information. Increased aid transparency offers a structure to increase community participation in monitoring.

Some aid officials will counter that such details are too sensitive to be widely disseminated in a postwar setting. Decision makers (whether in government or in aid agencies), they say, must have a free hand to decide whom to support without being second-guessed by local communities, opposition groups, or NGOs. The experiences of all the countries in our study indicate the opposite—that short-term gains in efficiency are almost always outweighed by their negative consequences. Opacity breeds patronage, heightened suspicion, poor management, and often corruption.

Rooted in preexisting local accountability systems, community-based accountability can be established from the first years after the war's end. In many cases, in fact, communities could adapt a number of the survival mechanisms that they used during the conflict to serve as local accountability mechanisms in reconstruction. Building on local resources and competencies in distinctive ways in each country will enable the rapid implementation of accountability from the ground up.

Knowledge on both sides is a key to successful reconstruction. Familiarity with the country, its laws, traditions, and culture is crucial for the external actors, while an understanding of the dynamics of the international-donor world and its mechanisms is useful to the beneficiaries. It is often only after postwar aid has been pledged, however, that local community and government leaders have their first interactions with foreign donors and the aid process, and vice versa. As a result, national resources and skills are rarely fully exploited.

Employing resident competencies, however, can enable the identification of local accountability mechanisms that often elude the eye of aid practitioners, and lay the foundations for a sustainable, locally owned process from the very beginning of reconstruction. Many reconstruction errors in Afghanistan and the PA, in fact, could have been avoided had donors been more knowledgeable about local conditions and drawn on local talent.

Infrastructure built with local skills is more sustainable, in part because the technology that it employs will be more familiar to a larger number of people. After the war in Kosovo in 1999, the Community Development Fund invested in projects identified and cofinanced by local communities. Independent evaluations found that user satisfaction with these projects was high and that they were indeed more manageable in the long term.

The first step in such a strategy is a commitment to use domestic skills and resources. If military forces in Afghanistan purchased food and other items locally, the country's economy would expand by roughly a billion dollars a year. Moreover, such a policy not only injects cash into the economy but also capitalizes on local expertise.

The second step is to bridge the knowledge gap. Thousands of aid workers spend short periods in volatile locations such as Afghanistan, Lebanon, and the PA, but lack rudimentary knowledge of the country

that they are meant to assist. Only a few major agencies provide basic training to their own staff, yet it could easily be done. Rapid-learning clinics could provide training designed to help aid workers identify local skills and competencies in the recipient country. At the same time, these clinics could provide training to nationals on working with foreigners. Short courses for national civil servants, particularly those working directly with international donors, community leaders, and local NGOs, would focus on the practices, reporting requirements, standards, and political constraints of key international donors. This approach should encourage skilled individuals to come to the fore.

Community-driven accountability helps to restore trust in war-torn societies and to lay the groundwork for a transparent, accountable reconstruction process. Combined with targeted local-government reforms, such a collaborative process can balance citizens' expectations with states' constrained ability to deliver needed services. An anticorruption approach that emphasizes local accountability in the earliest postwar stages and builds on local resources and competencies in distinctive ways will not only see greater success in stemming corruption but will also increase participation and trust in the reconstruction process.

Distributed approaches to enforcement should selectively target the areas where the risk of corruption would be most destabilizing. Whether the aid system on which postwar countries rely is able to identify and embrace these informal mechanisms—and do so early in the reconstruction process—will in part determine the success of such a strategy. Ultimately, however, for this approach to succeed, improved transparency and information sharing on both sides are essential.

## NOTES

We gratefully acknowledge extensive comments from Sultan Barakat, Thomas Carothers, Jeremy Carver, Nick Duncan, Madalene O'Donnell, Barnett Rubin, Claire Schouten, Ornit Shani, and Clare Short. All errors are our own.

1. Centro de Integridade Publica (Mozambique); Independent Bureau for Humanitarian Issues (Bosnia and Herzegovina); Integrity Watch Afghanistan; Kosovar Stability Initiative (Kosovo); Lebanese Center for Policy Studies; Lebanese Transparency Association; National Accountability Group (Sierra Leone); Coalition for Accountability and Integrity-AMAN (Palestinian Authority); Timorese Institute for Development Studies (Timor-Leste).

2. Catalina Smulovitz and Enrique Peruzzotti, "Societal Accountability in Latin America," *Journal of Democracy* 11 (October 2000): 147–58.

3. Interview with Lorenzo Deleagues in Kabul, Afghanistan, January 2008.

4. Anonymous contractor interviewed for the purposes of the "Beneficiary Assessment" of the Community Development Fund projects for 2003–2005.

5. Wolfgang Fengler, Ahya Ihsan, and Kai Kaiser, "Managing Post-Disaster Reconstruction Finance: International Experience in Public Financial Management," World Bank Policy Research Working Paper No. 4475, January 2008.