Upside-down state-building:
The contradictions of the international project in Afghanistan

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Whit Mason and Martin Krygier (School of Law, University of New South Wales)
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By Astri Suhrke

In the contemporary writing on state-building in post-conflict situations, remarkably little attention is paid to what it takes to build a state. There is much advice on policy priorities and sequencing – security, rule of law, humanitarian assistance, fast pay-out of a peace dividend, demobilisation, elections, and so on – but much less attention to the basic ingredients that are required for the enterprise.

Historical experience and the political science literature suggest four necessary components: coercion, capital, legitimacy and leadership. In Europe, as Charles Tilly [1990] tells us, the modern state developed as local rulers marshalled revenues to pay for armies to fight other rulers; protection and increasingly other services were provided to their subjects to ensure continued flows of resources, and the state became a going concern.

Time is commonly also added in recognition of the fact that most contemporary states are the product of a long historical process of state-*formation*. Yet even these cases typically have some periods of more active state-*building*, when leaders mobilise arms, capital and legitimacy in ways that decisively strengthen the state. Given the internationalised nature of current state-building, arguably the most central, but also the least addressed, question is therefore to what extent the four components of state-building can be effectively provided by international actors, as opposed to being mobilised through an endogenous process. The present chapter explores this question with reference to post-2001 Afghanistan, first by reviewing the features of successful non-European state-building processes, and then by contrasting these with the tension-filled experience in Afghanistan.

The four components of state-building

As one of the most internationalised cases of state-building since the 1990s, Afghanistan is a good place to start, and an article by Barnett R Rubin [2005] is of particular relevance. Rubin, a close observer of Afghan affairs, discusses the role of coercion, capital and legitimacy in UN-assisted state-building with special reference to Afghanistan after 2001. Overall, Rubin advocates a prominent international role in what he calls 'constructing sovereignty for security'. International peacekeepers can assist in the critical task of managing violence by providing initial security, he notes. Robust mandates are necessary in situations where many well-armed local groups operate, as in Afghanistan. International donors can provide capital for reconstruction and critical state functions. As for legitimacy, international recognition and a UN operation help to legitimate the post-conflict government at the outset. 'Legitimacy begins with that of the international operation … International legitimacy of such operations appears to increase domestic legitimacy [Rubin 2005: 103].' Standard UN-supported procedures of constitution-writing and elections will further legitimise the government.

However, Rubin [2005: 100] notes some caveats. The international actors must coordinate their actions, aid should be channelled through the host government so as to permit national decisions about its use, and international economic support should be transitional. This is particularly important for the coercive element of state-building. 'States must eventually develop an economic and fiscal capacity to pay for their security forces.'

Rubin's analysis merits reflection in several respects. First, there is no consideration of the well-known tendency of deeply entrenched support structures to create a self-sustaining momentum towards continuous dependence. In part, it comes down to an incentives problem. In Afghanistan, the post-2001 government was installed by the international community, and has been economically and militarily maintained by the same external powers since. In this situation, what incentives do national leaders have to create state structures that can effectively mobilise local revenues to pay for a national army and other state functions? What incentives do factional leaders have to eliminate the coercive potential of other leaders and create a state with a monopoly of legitimate force? As a recent study prepared for the OECD [NORAD 2009] concluded, regimes in so-called fragile states may find that preservation of their power depends not on strengthening the state, but on maintaining existing patronage structures; the result is to undermine the institutionalisation of state in society. International actors, for their part, can only compel local leaders to take on state-building tasks that conflict with existing sources of revenue if they pay more (thus deepening dependence) or threaten to pay less (and thus risk loss of influence over local developments).

Second, Rubin flags the concept of 'dual legitimacy ' – a state or government can be legitimate by virtue of servicing 'nationally determined goals', as distinct from gaining international legitimacy 'as agents of externally defined interests' [2005: 97]. In his analysis, the two kinds of legitimacy form a seamless whole, where international operations and UN presence provide both international and domestic legitimacy to a government. Rubin does not acknowledge that that the two forms of legitimacy can be deeply contradictory, although this is a well-known historical phenomenon. Recent analysis of intrusive international peace operations emphasises the problem of weak domestic legitimacy of externally imposed structures [Chesterman 2004; Caplan 2002]. The history of state-formation in Europe, and later of the anti-colonial struggle, shows that internal legitimacy is typically forged in opposition to 'the other', whether that is a foreign state, a different nation or an external agent. In the case of Afghanistan, the fact that the transitional government was installed by an international military intervention, which favoured the losing side in a long-running civil war, suggested at the outset that dual legitimacy might be a problem rather than a seamless entity.

Third, there is no discussion at all in the article of the fourth component of state-building – national leadership. Strong leaders or distinct national leadership have figured in all the major cases of state-building in modern history, as in Germany and Italy in the late nineteenth century, Japan and Thailand about the same time, and Turkey after World War I. National leaders who seek to strengthen central state structures face an array of opponents, hostility from vested interests, and often a wall of inertia. Moving ahead therefore requires mobilisation of the other components of state-building – revenues, force and legitimacy. National leaders who are installed and heavily dependent on foreign forces and international aid – as were many Afghan leaders after the US intervention removed the Taliban – typically have to walk a tightrope. External support provides leverage for national action, but uncertain legitimacy and heavy dependence on foreign resources beyond their control also limits their capacity to undertake reform.

Its limitations notwithstanding, Rubin's article is of interest for several reasons. As a recognised scholar of Afghan affairs, Rubin has been much cited; he has also been deeply involved in post-2001 policymaking towards Afghanistan on both the UN and the US side. His views at the time of writing were broadly consonant with the prevailing perspectives on state-building and peace-building in policy and academic circles concerned with these issues. Yet the underlying problems with the analysis have become all the more evident over time. There are many reasons why the internationally supported state-building project in Afghanistan after 2001 has floundered to the point that by 2010 the ambitions were being scaled back. A unifying theme of the process, however, is the extreme internationalisation of the process. A heavy foreign hand has been visibly present in the provision of all the main ingredients – coercion, capital, legitimacy and leadership.

The central argument of this chapter is that the heavy internationalisation of the state-building process has generated its own contradictions. Four main tensions are discussed below related to control versus ownership; dependency versus sustainability; effective versus legitimate state; and cross-cutting tensions associated with the rapid build-up of coercive forces (the Afghan police and national army). The greater the international role, the stronger these internal tensions in the project are likely to be. This casts the current effort to recreate Afghan political life in a very different light from what international and Afghan supporters of the state-building enterprise envisaged in the early years after the regime change in 2001.

Lessons from other national state-building projects

The recent emphasis on internationally assisted state-building reversed the dominant assumption of the post-1945 period that 'state-building could *not* be accomplished by external powers, but depended on state sovereignty and political solutions decided by local actors,' as David Chandler [2007: 71, italics added] writes. That assumption rested on the antithetical legacy of colonialism and the force of the nationalism it provoked. State-building of a limited kind had occurred in some of the areas colonised by the Western powers, even if mainly to serve colonial purposes of maintaining social order and an extractive economic structure, and some colonial powers left very little when they had to withdraw. At independence in ex-Belgian Congo there were reportedly fewer than a dozen Congolese with secondary education. However, by the end of the twentieth century, after the Cold War, the international environment favoured the recasting of assumptions. Northern interests in political stability and an open and globalised economy seemed to require more direct intervention in conflicted areas in the South. The result was a growing number of interventions to create stable and effective states in the South, especially in 'failed states' – recently and more diplomatically renamed 'states in fragile situations' [NORAD 2009] – or in the form of a peace-building operation in a 'post-conflict' situation.

As the growing literature on contemporary state-building shows [Call and Wyeth 2008; Chesterman, Ignatieff *et al* 2005; Chandler 2006; Paris and Sisk 2009] , the task is extraordinarily difficult. In this context, it is useful to consider some of the earlier, endogenously driven non-European state-building efforts that were successful in terms of their stated objective, that is, to reform a relatively weak or fragmented central authority so as to create a stronger and more effective state capable of taking on the functions associated at the time with 'the modern state'. Outside Europe, some of the most successful cases of state-building of this kind, that resonated among the peoples of Asia as well as beyond, were the

Meiji Restoration in Japan (1867), the Kemalist 'revolution' in Turkey after World War I, and, another world war later, the revolution in China. Less well known and more modest were the achievements of Abdul Rahman Khan in Afghanistan in the late nineteenth century. As nationally driven state-building projects in what the Europeans, Russians and North Americans at the time considered weak or backward states, or subject to semi-colonial systems of unequal rights, these cases form a counterpoint to contemporary projects of internationally driven state-building in weak states. Leaving aside China, which is particularly complicated and *sui generis*, let us look at these other early cases of state-building. What incentives made the leaders embark on radical change? How did they marshal the necessary coercive force and capital? How did they address the problems of legitimacy – both external and internal?

The Meiji Restoration

The Meiji Restoration marked the transition of weak, isolated feudal Japan into an industrialised, modern state under the slogan of 'strong army, rich country'. The transformation took place under the legitimising banner of the restoration of the young emperor to his rightful place, out from the shadow of the Tokugawa shogunate that had ruled for generations in the emperor's name. The young emperor took the name of Meiji, which means 'enlightened rule'. The main forces of the transformation, however, lay elsewhere. Interpretations that stress internal factors point to the developing stress in the feudalist structures during the first half of the nineteenth century. After a series of civil wars, a period of relative peace had led to increasing trade and production, and an emerging capitalism. Capital had accumulated in the hands of merchants, who nevertheless lacked social standing. '[S]social and political power came to be divorced from wealth' [Ike 1963: 160]. At the same time, increasingly frequent peasant uprisings created schisms among feudal officials and fear among landlords. From the sea, different threats to the existing order appeared. The Western powers had shown their ambitions and capacity to penetrate China, and were pressuring Japan to open up. In this situation, the most direct threat from the West in the form of Commodore Perry's grey ships was 'more a catalyst than cause' of what became known as the Meiji Restoration [Beasley 1972: 6]. In this perspective, Japan was primed for change before Perry made his appearance.

Other interpretations give more weight to incentives for change produced by the shocks and humiliation which the 'sudden, rude intrusion of Commodore Perry' [Gibney 1985: 113] created among the samurai class and led them to seize power. Whatever the precise balance between external and internal forces, the weakness of the Tokugawa shogunate was exposed on all fronts, inviting rebellion. Smaller rulers in the south-west region that traditionally were hostile to the Tokugawa clan led the rebellion, which was financed by some of the wealthy merchant families in the cities. The rebels overthrew the Tokugawa in the name of restoring the emperor to his rightful place, and proceeded to rule as an oligarchy.

The defining features of the radical change that the new rulers introduced was 'modernisation' designed to strengthen Japan in the face of Western imperialism by borrowing technology, tools and ideas from the West. The oligarchy set in motion a rapid-pace and top-down revolution that hastened the demise of feudal, isolated Japan. Abolition of the feudal domains and land tax reform enabled the state to collect revenues for the modernisation projects and increased its independence from the pre-Meiji social structure. A conscript army was raised, which was useful for suppressing unrest and rivals, and involved the people in the national

project. Educational reforms were introduced to instil civic virtues and provide technical skills required by the state. There were a range of other reforms familiar from contemporary state-building: the administration was centralised (with prefectures replacing feudal principalities); a unified currency and a modern banking system were established; the internal market was liberalised to facilitate trade; a civil service based largely on a merit system was introduced; and the justice sector was reformed. The reform process sparked demands for political inclusion as well, leading to the rapid introduction of a parliament (1881) and a constitution (1889).

Many of these reforms were inspired by Western systems and practices. Western advisers were invited to Japan, and Japanese students were sent abroad to study. This was in line with the underlying premise of the state-building project that Japan needed to import from the West in order to stand up to the West. But the importing agent, in Bertrand Badie [2000]'s term, was the Japanese state and Japanese elites. The indisputably national agency in the reform process created what in contemporary state-building jargon would be called 'local ownership'.

The Meiji state-builders were remarkably successful. The rising power of Japan was demonstrated in the Japanese victory over China in the 1894-95 war, and more dramatically in the victory over Russia in the 1904-05 war, when the rising nation defeated an established and at least semi-Western empire. The impact in the Muslim world, where the onslaught of Russian imperial expansion had been directly felt, was particularly dramatic. 'Egyptian, Turkish and Persian poets wrote odes to the Japanese nation and the emperor [Esenbel 2004: 1].' But it was not only Japan's military might that inspired. The model of state-building by modernisation was keenly followed, and became a reference points for reformers in much of the Muslim world, including constitutionalists in the Middle East and Afghanistan. The leading Afghan reformer in the early nineteenth century, Mahmud Tarzi, the mentor of Afghanistan's modernising king Amanullah, asked the Afghans to look to Japan as well as Persia and the Ottoman empire.

The Ottoman empire and the successor state

Further west, reforms had started somewhat earlier in the Ottoman empire under Sultan Mahmud II in the first half of the nineteenth century, culminating after World War I in the transformation of the rump empire into the modern Turkish state under the leadership of Kemal Ataturk.

The Kemalist state-building venture was preceded by two previous but in many ways similar phases of state-building and reform in what was then the Ottoman Empire. In the middle of the nineteenth century, Sultan Abdulmecid introduced sweeping reforms that gave its name to the period (*tanzimat*, or 'reorganisation'). The process officially began in 1839 with the Imperial Rescript of the Rose Chamber, declaring Muslim and non-Muslim citizens equal before the law. The evident purpose, as Bernard Lewis [1968: 106] writes, was to 'demonstrate to Europe that the Sultan's government … could produce a liberal and modern regime'. The Sultan modernised the army and revenue collection system, built railroads and a telegraph that enabled him to collect taxes and conscript his army more effectively, and introduced changes in the legal and educational system. Tax reforms were introduced. The administrative apparatus of the state was reformed in the spirit of Weberian rationality and specialisation, 'whereby a complete set of ministries and boards on the European pattern was

gradually established [Zurcher 1994: 60]. European expertise was enlisted in other areas as well. French advisers were invited to help with educational reforms and a new commercial code, in both cases introducing elements of secularisation. There was nothing mysterious about the reasons for these changes. Foreign powers – Russia, Great Britain and France in particular – were pressing the Sultan to give equal rights and treatment to the Christian minorities living in the empire (mainly Greeks and Armenians), and the Sultan rightly feared that the empire was vulnerable to the kind of colonial economic and political penetration that characterised the period. As in Japan a little later, reforms patterned on Western 'modern' models were introduced to strengthen the state, or in this case empire, so as to ward off Western intrusions. It was not, it should be stressed, a policy of isolation or introspection. The reforms entailed a deliberate and selective importation of Western ideas, but the Sultan and his advisers defined the terms and sent out the invitations.

The second wave of modernisation took place in the early twentieth century. Mostly led by a group of constitutionalists (the Unionists) serving in the cabinet of a much weakened sultan, the reforms were undertaken in the same spirit and followed the same pattern. By now, the Ottoman empire had been reduced to a semi-colonial status. Most crippling was the right of foreign powers to determine tariff policy, establish trading monopolies and administer revenue collection to ensure that the empire's foreign debt was serviced. Foreign wars (especially with Russia) and modernisation had been costly, and when the Sultan in 1875 defaulted on the external debt, the foreign creditors established a debt collection administration (*Caisse de la Dette Publique Ottoman*) where they dominated the board. The Caisse created a modern bureaucracy that administered important sources of revenue (such as salt and tobacco monopolies) and collected taxes that it used to pay off foreign creditors. At one point, the *Caisse* had 5000 employees and controlled roughly a third of the regular state income [Zurcher 1994: 88]. In the present age of internationally assisted state-building, it would have been called 'shared sovereignty'[Krasner 2004]. In the weakened Ottoman empire at the time, the economic rights of the foreign powers were known, tellingly, as 'the capitulations'; they were the principal impetus for the early twentieth century reforms that sought to modernise and strengthen the state so as to secure for itself a measure of independence.

The reforms covered all major public policy areas. The army was reorganised and strengthened under the leadership of general Enver Pasha with German assistance. Secularisation of the educational and the legal system was accelerated. The *sharia* courts were brought under the jurisdiction of the (secular) ministry of justice, and *madrasa* were placed under the ministry of education. The provincial administration was reorganised and decentralised. Addressing the underlying economic weaknesses of the state was more difficult. The Unionists liberalised foreign trade and balanced the budget in the hope that it would generate economic surplus and also impress the European powers sufficiently to induce them to modify the system of unequal economic rights. When this did not happen, the government took advantage of the outbreak of World War I to unilaterally renounce 'the capitulations'. It was a late and token victory. Four years later, the Ottoman Empire was dismembered by the victorious Entente powers. The rump state was subsequently occupied in parts by the victors or their client, Greece, which led to renewed war (1920-22).

The main task of the nationalists who came to power in the early 1920s was to create a new state out of the ashes. In this respect, the state-building project of the Kemalists differed fundamentally from the reforms of the imperial period. Moreover, the disastrous defeat that topped the gradual weakening of the Ottoman empire now invited a near total rejection of the

past that was associated with the Islamic and Ottoman cultures. History was rewritten, secularisation was brought forward, Westernisation was required on a broad scale (from dress to the calendar and Latinisation of the language). In other respects, there were similarities with previous reforms, above all in the recognition that a strong, modern state apparatus, centralised leadership and economic independence were necessary to ensure the existence of the community, now redefined as the Turkish nation.

The transformation undertaken by the Kemalists over the next two decades stands out as one of the most remarkable state-building projects in modern history. The project had five interlocking components, as Necla Tschirgi [2009] writes: first, establishing national sovereignty by renegotiating the punitive Treaty of Sèvres (1920) imposed after the defeat in World War I; second, achieving internal security; third, consolidating political authority; fourth, implementing educational, legal and cultural reforms; and fifth, economic development. As in earlier European state-building processes, the task required coercion, capital, legitimacy and leadership. A strong army succeeded in restoring sovereignty and squashing internal rebels. Strong personal leadership and a one-party state were critical instruments throughout.

Kemal Ataturk established and led a one-party state that brooked no dissent, eliminated political opposition, and imposed draconian punishments on opponents and rebels. Firm party control was established over the state administration (for example, the party provincial leader was appointed provincial governor), and over the range of social, economic and cultural reforms. Capital was required to finance the infrastructure of the new nation-state, above all the ambitious educational expansion and legal reforms, and to erase the Ottoman and quasi-colonial legacies in the economic sector. The state bought out the foreign-owned railroad companies and trading monopolies, and gave the state a significant role in economic development through banking, state enterprises and the like. Determined to avoid foreign borrowing, the Kemalist state secured enough capital through economic *étatism*, a cautious fiscal policy and tax reform to finance the reforms and encourage economic growth, despite the very unhelpful impact of the Great Depression. A strident, state-promoted nationalism gave legitimacy to the transformation. The Kemalist nationalism was a mixture – a total rejection of the Ottoman past was coupled with the reconstruction of a near mythological distant past where the Turkish people and language appeared as the source of all ancient civilisations. As for the West, the Kemalists defied anything that looked like Western controls and *diktat*, but eagerly embraced European models in matters of state and society.

A nationally owned state-building process does not guarantee success. Elsewhere in Asia, Thailand's reforms led by King Rama V in the late nineteenth century succeeded, but similar efforts in neighbouring Burma were overtaken by British colonialism. Afghanistan's own experience includes both successes and failures.

Early Afghan state-builders

The success story is that of Abdul Rahman Khan, who in the late nineteenth century appears as the country's first serious state-builder. The 'Iron Emir' came to power at a time when Afghanistan was organised in semi-feudal fiefdoms, divided by tribal wars and weakened by foreign invasions. He established a markedly stronger central state framework than any previous ruler, and is credited with creating a nascent modern Afghan state. As elsewhere in Asia, Russian and British imperialism provided the incentives. The Russian empire was

pressing down from the North and the British in India were pushing his eastern borders. Abdul Rahman exploited the Anglo-Russian rivalry, but also recognised that he had to strengthen the Afghan state. His skilful political tactics and demonstration of coercive power at home enabled him to mobilise resources and armed men. By creating a standing Afghan Army, modelled after the Anglo-Indian army and paid in cash, the emir was the first Afghan ruler to reduce his dependence on tribal *lashkars*, although he still had to tap tribal resources to raise militias and a cavalry. To finance the expanding state structure, he established small state industries, built infrastructure to promote trade, and introduced tax and currency reforms. Revenue collection was a continuous problem, however. 'One quarter of the money, which is rightly mine, I get without trouble; one quarter I get by fighting for it; one quarter I do not get at all; and those who ought to pay the fourth quarter do not know into whose hands they should place it [cited in Gregorian 1969: 142].' Limited revenue collection forced him to accept liberal subventions from the arch enemy, the British, who twice had invaded Afghanistan earlier in the nineteenth century.

Importantly, Abdul Rahman invoked Islam not only as a source of legitimacy, but – unlike previous Pasthun rulers whose authority had been conferred by tribal assemblies (*jirga*) – he claimed a divine right to rule and deftly combined this with nationalism against foreign threats:

> As God wished to relieve Afghanistan from foreign aggression and internal disturbances, He honoured this, His humble servant, by placing him in this responsible position, and He caused him to become absorbed in thoughts of the welfare of the nation and inspired him to be devoted to the progress of this people … for the welfare and true faith of the Holy Prophet Mohammed [cited in Gregorian 1969: 129-30].

In terms of early Islamic understanding of the relationship between the ruler and the law, Abdul Rahman's pronouncement harmonised with the idea of the ruler as the upholder of sacred law [Olesen 1995]. In this understanding, the ruler is granted the right to issue decrees that are in the public good, provided the laws are not in violation of Islamic principles. The power to interpret these principles and resolve disputes arising from the meaning of the law rests with the *ulema* – the clergy. In this tradition, the *ulema* and the ruler are mutually dependent but also rivals. The state needs the guidance and legitimising force of the *ulema*, but the role of the latter is circumscribed by the power of the state. Recognising the legitimising force of Islam and the *ulema*, Abdul Rahman moved cautiously. While trying to alter the competitive balance in his favour by establishing a centralised, state-controlled *sharia*-based legal system, he did not interfere with the informal justice system represented by the *ulema* and the tribal elders, and, encouraged the *ulema* to believe that they, rather than the state, were the ultimate earthly authority of Islamic legal principles. The *ulema* consequently welcomed Abdul Rahman's legal reforms as an affirmation of the *sharia* [Tarzi 2006: 10].

The next great reformer, Amir Amanullah (reigned 1919-29) was inspired by Turkey's Kemal Ataturk in his efforts to strengthen and modernise the Afghan state so as to ward off the pressures from British India. Amanullah adopted the standard program – secularisation reforms in the educational and legal sector, Westernisation of dress and behaviour codes, reform of the army and the national administration. This state-building process was endogenous and driven by nationalism, key ingredients in successful processes elsewhere, yet failed. Amanullah's nationalist defiance of British imperial demands, and his victory over British forces in the third Anglo-Afghan war, were insufficient to stem the tide of internal opposition to his reformist program. His reforms alienated a wide range of 'religious, ethnic-

tribal, military, administrative and professional notables, who grasped the reforms' objectives and found them threatening to their individual interests in one way or another', Amin Saikal writes [2004: 80]. With limited experience and patience, the King failed to build a political coalition to sustain his ambitious program. Deprived of religious legitimacy when the *ulema* turned against him, the King was dependent on a small army, which he had failed to reorganise and strengthen, and a dwindling coalition of modernists. The British were smarting from the defeat in 1919, and possibly helped deliver the *coup de grace* by aiding eastern tribes that rose in revolt four years later and marked the beginning of the end of Amanullah's brief rule.

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What common features can we identify in these early cases of reform? First, the cases constitute state-*building* that is concentrated in time and radical in design. While occurring in a particular historical period that can be more or less favourable to innovation, at the core is a policy process that in theory could be imitated elsewhere. As such, it can contribute to, but is distinct from, a longer historical process of state-*formation.* Second, the state-building cases examined here were nationalist processes, driven endogenously in response to foreign threats or demonstrations of advanced power. This situation provided the principal incentives to change. The state-builders certainly imported foreign ideas and advisors – the importation of change was at the heart of all these state-building ventures – but national agencies and individuals made the selection and set the terms. Foreign intrusions or demonstrations of power provided the incentives to change, and also helped legitimise the state-building project as a whole.

The introduction of radical and concentrated change places strong demands on the project's legitimacy, leadership, coercive power and capital, something all the state-builders experienced. In Japan, the continuity of the legitimising institution of the emperor was important. The Kemalists developed a new nationalism on the back of successfully repelling an international effort to dismember their country. In Afghanistan, the Iron Emir invoked the legitimising power of both nationalism and Islam. The failure of Amanullah was a failure partly of legitimacy, and partly to mobilise sufficient coercive force to compensate for his flagging authority when his enemies mobilised in the name of Islam. Coercive force was in all cases central to the project. As Kemal Ataturk had advised Amanullah: 'First, build an army' [cited in Saikal 2004: 86]. Capital was critical as well and mostly raised locally, which helps explain why state-builders typically are desperately short of funds. Finally, all cases demonstrated the importance of effective national leadership.

Afghanistan post-2001

This endogenous process stands in sharp contrast to events in Afghanistan after 2001, which is an extreme case of internationalised state-building. Foreign aid has become the principal source of capital to build the post-Taliban Afghan state and finance its operations. The coercive capacity of the state – the Afghan national army, police and auxiliary armed forces – is totally dependent on foreign training, funding, and weapons. Legitimacy claims have shifted from traditional Afghan criteria rooted in Islam to criteria central to Western liberal thought that stress utilitarian functions and a social contract whereby popular support is rendered in return for good governance and provision of basic social services. National leadership has been undermined by extreme dependence on external support. Hamid Karzai

was selected by the intervening powers to lead the post-2001 transitional administration, and anointed by the Western coalition as their preferred candidate in the 2004 presidential elections. While the relationship has since deteriorated, the result was the development of a rentier state with uncertain legitimacy where national leaders had few incentives to undertake major reforms for state-building purposes.

We can now turn to some of the quandaries and contradictions that this internationalisation has created.

Control versus ownership

The first principal contradiction is between ownership and control: 'We' (the international aid community as loosely constituted) want to exercise control over the reconstruction process, yet 'they' (the Afghans generally speaking) want to determine the direction of the process and the distribution of benefits – in a word, they want ownership.

The imperative of foreign control permeates the international engagement in Afghanistan. It is expressed in the creation of a web of consultative mechanisms that oversee the reconstruction agenda, procurement and accountability procedures, and the assignment of technical consultants to the central ministries as well as the sub-national administration. Major donors exercise control over funding and related policy agendas by channelling their assistance through international organisations or national subcontractors rather than through the Afghan government or the multilateral Afghanistan Reconstruction Trust Fund. Foreign donors seek to influence appointments on the sub-national level, including appointment of governors and police chiefs. For example, key donors established a joint process for vetting police appointments in 2006, and were instrumental in the establishment the next year of an Independent Directorate of Local Governance (IDLG) that was given responsibility for sub-national administration from the ministry of interior.

Likewise, British and Dutch authorities demanded change of provincial governors as a condition for deploying their forces to respectively Helmand and Uruzgan to fight insurgents. In the military sector, NATO and the US decide on strategy and operations, a not unreasonable practice given that their forces have taken main responsibility for both anti-terrorist operations and more recently counterinsurgency operations. The US has been the principal actor in changing policies and assessments with regard to establishing auxiliary police and militias. The donors also decide on the size and training of the Afghan armed forces and police insofar as they provided the funds and the trainers.

The Afghans, of course, have reacted to the growing international presence in myriad ways, depending on collective and individual fortunes, solidarity ties, experience and normative stance. When disagreements arise, as inevitably happens, the Afghans have a ready and unassailable framework for presenting their demands, that is, 'local ownership'. Local ownership has become a central principle in the international development discourse, and is widely invoked by the aid community in Afghanistan as elsewhere. It is in line with the democratic ideology of a post-colonial era based on the principle of national self-determination, as well as the understanding of the impact of aid, which holds that development must be locally owned in order to be effective and sustainable. Whatever the nature of Afghan demands – whether for participation, influence, benefits or protection – they can legitimately be expressed in terms of one form or other of local ownership, thus

sharpening the tension between control and ownership. While coalitions often form across nationality lines, all coalitions have to deal with the potential tension between the principle of local ownership and the reality of foreign concern to exert control. In a symbolic but pointed reminder of the ownership principle, the first major international gathering of donors on Afghanistan was scheduled to be held within the country, in Kabul, in late 2010. The Afghan organiser, ex-Foreign Minister Ashraf Ghani, announced that the working language of the conference would be Pasthto and Dari, with English translators for those who did not command the locally spoken languages.

The control versus ownership contradiction has been expressed in a militant way in the insurgency, and has generated continual tension and friction within the sphere of non-violent political competition as well. Examples are legion, ranging from the early tug of war in 2003-04 between the ministry of finance and donors over the channelling of aid funds, to the near-continuous tension over sub-national administration, legal reforms, the role of *sharia*, the electoral process, corruption issues, military strategy and civilian casualties [Suhrke 2007; Suhrke and Borchgrevink 2009]. The level of tension and conflict rose when the initial euphoria that in many parts followed the fall of Taliban in 2001 was replaced by the messy reality of state- and peace-building, and again when the growing insurgency undermined both processes. The growing recognition that the NATO presence had a limited time horizon, and that some accommodation with the insurgents was probable, further deepened the division between the Afghans and the internationals. The internationals had the option of leaving, while most Afghans do not and had to make the best of the situation. The steadily deteriorating relationship between President Karzai and his major Western backers from 2008 onwards seemed symptomatic of the difficult situation.

Given the enormous stakes that the Afghans have in the attempted transformation of their state and society after 2001, the demands for ownership have been sweeping and persistent. They are promoted openly or through evasion, opposition, manipulation or resistance to the international agenda. The consequent tension with parallel demands for international control has worked like sand in the machinery of the state-building project. By early 2010, major donors, including the US, were expressing doubts about its level of ambition and feasibility.

Dependence versus sustainability

External aid has totally overwhelmed national revenues. By 2009, foreign assistance accounted for some 90 to 95 per cent of the entire state budget and development expenditures, and nearly 70 per cent of all recurrent state expenditures (2007-08). This extreme dependence on foreign aid is unprecedented in Afghan history, including the communist period and the presidential rule of Daoud, which are usually considered periods of extreme foreign dependence. As shown in the table below, domestic revenues, which accounted for just over 60 per cent of the total state budget under Daoud (1973-1977) and about half during the first year after the communist coup (1979), had risen to 70 per cent in the middle three years after the Soviet invasion. By comparison, domestic revenues three years after the American intervention accounted for only 31 per cent of the budget. That does not include an additional, fully foreign-financed and controlled 'external budget' that was established in 2004 to channel more funds for development purposes. Nor does it include the budget lines of NATO military commanders for 'force protection' and local development. US commanders alone collectively disposed of around $1.4 billion for this purpose in 2010.

Year	Total (m afs)	Domestic revenues (% of total expenditure)	External budget (m afs)	Domestic revenues (% of total budget)
1973	11,318	63	na	
1977	24,326	61	na	
1979	30,173	52	na	
1982	42,112	71	na	
2004-05	41,952	31	120,144	8

Note: For 2004-05, converted from $US at rate of 1:48. The additional 'external budget' controlled by the donors was established in 2004.
Source: Rubin 1995, World Bank 2005.

External assistance of this magnitude clearly is unsustainable, as the international financial institutions have repeatedly stressed. Consequent efforts to raise national revenues have produced some results. Domestic revenue as a ratio of GDP nearly doubled between 2002-03 and 2006-07, from 3.2 to 7.7 per cent, and enabled Afghanistan to cover the government civilian payroll from its own revenues. Yet the progress was fragile and limited. Revenue collection remained 'substantially lower' than other low-income countries, and increased military expenditures required by the security situation put additional pressure on the budget [World Bank 2009: 6].

The enormous inflow of foreign capital relative to domestic legal resources and structures has turned post-Taliban Afghanistan into a classic rentier state. Rentier states based on natural resources such as oil and diamonds or foreign aid are inherently fragile. Arguably, rentier states based on foreign aid are more fragile than those dependent on natural resources insofar as foreign assistance is shaped by strategic and therefore inherently shifting interests. Recognising this as a recurrent feature of their history, Afghans naturally have sought to maximise aid in the short run, and have extracted pledges at international conferences that exceed the country's absorptive capacity, particularly in relation to project and fiscal management. Donors have responded by channelling money outside the Afghan government through the 'external budget'. When first introduced in 2004-05, the external budget was an estimated three times as large as the state budget; by 2008-09, it had more than doubled in size. It was a 'routing of assistance that … fails to strengthen the role of the state or assure public monitoring and accountability [World Bank 2009: 2].' A vicious cycle was established that undermined local capacity-building required for sustainable state-building.

Dependence versus democratisation

The rentier state also inhibits the development of a democratic polity, a point demonstrated by authors working in different scholarly traditions and with reference to diverse cases [North 1990; Bates 2001; Ross 2001]. The main argument is that accountability follows the direction of resource flows. With the national budget mostly financed by foreign governments and institutions, the Afghan government's major responsibility in accounting for the use of these funds was towards the donors rather than its own people. The same observation has been made of earlier Afghan regimes that were heavily dependent on external funding. In his seminal study of Afghan political development, Rubin concludes that Daoud's rentier income from foreign aid and revenue from sales of natural gas had dysfunctional political effects. 'Renewed external revenues relieved Daoud of whatever incentives he might have had to make his government accountable [to the population] [Rubin 1995: 75].'

When starting to rebuild Afghanistan after the Taliban, most donors included democratic reforms. Promoting democracy was also part of the UN mandate. Democratic accountability was expected to contribute to stability, legitimacy and order in the long run. To this end, both the Bonn agreement and the new constitution (2004) provided for a parliament. The parliament elected in 2005 started immediately to flex its muscles. Yet it lacked the principal power of most parliaments – the power of the purse. With foreign aid flows accounting for some 80 to 90 per cent of official expenditures, the donors had a much more important voice than the elected parliamentarians, both in the formulation of policy priorities and in holding the government accountable for its spending. The power of the donors in this respect was underlined by their contract-like provisions with the Afghan government in the compact agreed to at the London conference in 2006. Given these financial structures, the relationship between the Afghan executive branch and the foreign donors became the central element in the state-building process. This might well produce results in regard to improving the reach and effectiveness of the Afghan state, and some progress was indeed recorded (such as in the provision of health and education and reform of some ministries). It was unlikely, however, to produce the kind of good governance and accountability that is the hoped-for result of democratisation, and by early 2010 the growing concern over maladministration on both the central and sub-national level indicated that it had not.

Effective versus legitimate state

The main justification for the heavy external hand was that international security considerations called for the quick creation of a minimally effective state, at least, from the apparent chaos caused by nearly 25 years of internal strife, revolution, invasion and civil war. An effective state that provided a measure of security, justice and basic social services was believed to create its own legitimacy. Afghan reformers joined the Western aid community and the UN in invoking the concept of the 'social contract' familiar from Western liberal thinking. The importance assigned to 'good governance' in explaining the subsequent growing popular disaffection with the government and the growing insurgency reflects a similar thinking.

This logic may well be correct. It is extraordinarily difficult to know what a population affected by decades of internal strife and in the midst of a new internationalised conflict really think, let alone are prepared to express in opinion polls. We do know, however, that Islam and nationalism have been traditional sources of government legitimacy in Afghanistan, and were particularly important to national leaders who tried to strengthen the state or bring about radical reform. Afghan state-builders and reformers in the past – Abdul Rahman Khan, Daoud, Amanullah – all invoked nationalism to support their policies. Abdul Rahman, as we have seen, prominently invoked Islam and *sharia* as well. Among those that failed, the experience of the Afghan communists is perhaps most significant for the present situation. The People's Democratic Party of Afghanistan that seized power in 1978 and worked with the Soviet Union after the 1979 invasion violated the principles of both nationalism and Islam. The multiple resistance movements to the communists were united at least in one respect – the need to restore to prominence precisely these two principles.

In post-Taliban Afghanistan, Islam was again accorded a central place in the constitution (Afghanistan is an 'Islamic Republic' and 'no law can be contrary to the sacred religion of Islam') as well as in the country's public and social institutions. Yet the constitution also

recognises potentially competing legal principles in its references to the UN Charter and the Universal Declaration of Human Rights. The uneasy balance between state and religion that has existed in most of Afghanistan's history since the early twentieth century surfaced again after the overthrow of the Taliban regime, and has been sharpened by the presence of numerous Western agencies with an implicit or explicit modernisation agenda, as well as a small but articulate group of Afghan reformers. The tension has played out over issues involving conflicts between *sharia* jurisprudence and human rights principles, including the contentious Shia Personal Status Law [Oates 2009], over much-publicised cases of individual transgressions of Islamic law (apostasy and blasphemy), and more generally in justice sector reforms that require negotiating among multiple sources of legal traditions. An international review in 2007, led by the noted international legal expert Cherif Bassiouni, commented on the slow progress and criticised Western legal experts for not engaging sufficiently with the substantive principles of Islamic law. To be legitimate and effective, legal reform has to relate to the normative basis of justice in Afghanistan, that is, Islamic law, the report concluded [Bassiouni and Rothenberg 2007].

In post-Taliban Afghanistan – with a strong Western presence, a government allied to the West, and engaged in a war against other Afghans who have declared jihad to rid the country of the infidel foreign presence – Islam can hardly serve as the principal source of legitimacy for either the government or the state-building venture. The same applies to nationalism. A state heavily dependent on international capital and foreign military forces must develop an alternative legitimising ideology, and 'good governance' has been moved to the fore as the putative central source of legitimacy. Unlike Islam and nationalism, however, 'good governance' exerts no force merely by virtue of its ideational existence; it has to deliver, and hence is a more demanding source of legitimacy.

Building national armed forces

The government's five year plan for 2006-10, the Afghanistan National Development Strategy, is prefaced by a poem by the ninth century Islamic scholar Ibn Qutayba. It begins: 'There can be no government without an army …' The military indeed had critical state-building functions in the early post-Taliban period, although the troops were international rather than national. The new Afghan national army (ANA) was built up slowly, reaching only 22,000 men by mid-2005. In the meantime, both the US-led combat forces and the UN-authorised and NATO-commanded stabilisation force sought to achieve three central objectives of state-building: disarming opponents, deterring rivals, and defeating the militant opposition to the central state.

By early 2010, international forces, now numbering over 100,000 and growing, still took primary responsibility for fighting the insurgents and other militant Islamists. The Afghan security forces were taking a more active role, however, and the training program was accelerated. In terms of numbers, the expansion of the Afghan armed forces had been extraordinarily fast. The early targets of a force of 70,000 in 2005 had quickly been met. By January 2010, Afghan national army strength stood at 92,000 and the paramilitary police (ANP) at 84,000. The London 2010 international conference on Afghanistan still deemed this insufficient, and settled for a total target of 300,000, with 171,000 in the ANA and 134,000 in the ANP by the end of 2011. American military leaders recommended even higher figures. In his report to the president in August 2009, the US/NATO commander in Afghanistan,

Lieutenant-General Stanley McChrystal, had called for a total force level of 400,000 [McChrystal 2009].

The rapid expansion of the armed forces had several implications for the state-building project. First, it drained the budget and increased dependence on foreign aid. The World Bank had already in 2004-05 warned that an Afghan army of 70,000 was not financially viable [World Bank 2005]. Subsequent expansions were severely criticised by Bank experts on the same grounds – the armed forces would either bankrupt the country or become a wholly foreign-owned subsidiary [Byrd and Guimbert 2009]. Second, to the extent that the armed forces became a strong, professional institution, it would create severe imbalance in relations between the military and civilian authorities. Given the weakness of civilian political institutions, civilian oversight would be difficult. Afghanistan's armed forces have twice staged a coup in recent history, in 1973 and 1978, both times with calamitous consequences. In principle, military leadership could boost the state-building project, as was the case in the classic state-building projects in Japan and Turkey discussed above. These models may have been one reason for the rapid expansion of Afghan armed forces. Yet the result would hardly be a state-building project legitimised by democracy. Third, the near-complete dependence on foreign, mainly US and EU, funds for salaries, training and equipment raises questions about who commands the Afghan armed forces and whose interests it serves. In this situation, the armed forces can serve as a tool of Afghan state-building only when Afghan interests coincide with the interests of the foreign patrons, but not as an instrument of autonomy.

Conclusions

The tensions in the Afghan state-building process are not static. The international community has generally responded to problems and setbacks in the state-building projects by tightening efforts at control and increasing international presence in the form of capital, technical assistance and military forces. These are critical ingredients for state-building, but their external origins gives the process an exogenous character that reduces the incentives of the national leaders to undertake change, weakens the legitimacy of the changes attempted, and intensifies the contradictions discussed above. The internationals can provide coercion and capital but cannot provide national leadership or legitimacy. Weaknesses in both respects have troubled the Afghan venture from the beginning, in large part because of the heavy external footprint.

What are the policy implications of this analysis? There are basically two courses of action. One is to add sufficient foreign capital, expertise and forces to in effect overcome the contradictions. The foreign presence would be there for the very long haul and take an overtly direct role in decision-making; in effect, institute 'shared sovereignty'. This course of action has been tried, albeit on a modest scale, for the past eight years of gradually deepening involvement, culminating in the military and civilian surge announced by President Barack Obama in December 2009. The results have not been convincing. A more radical version of the same policy, entailing resources on a scale that might bring the achievement of the intervention's stated objectives within reach, is likely to meet political resistance in the Western countries as well as in Afghanistan.

The logical alternative is to reduce the tensions and contradictions through a reduction in international presence and greater reliance on the Afghan government to provide the four – apparently essential – ingredients of state-building. By early 2010, this seemed to be the way

developments were going. This course of action also entails difficulties and conflicts. The idea of 'fixing failed states' is absurdly simplistic even as the title of a book [Ghani and Lockhart 2008]. Apart from the problems inherent in any state-building project, the Afghan situation poses problems related to the mounting insurgency, its fragmented society and the deeply complex regional context. Nevertheless, a gradual reduction in the prominent Western presence may give space for national and regional forces to explore compromises and a regional balance of power that will permit the development of a more autonomous and stronger Afghan state.

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