

## **The Limits of Statebuilding: The Role of International Assistance in Afghanistan**

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Post-war reconstruction efforts sometimes – but not always – focus on what is commonly called statebuilding, i.e. establishing an effective, central state that operates under the rule of positive law and in accordance with contemporary standards of transparency and accountability. Post-war reconstruction in Afghanistan is such a case. With previous state structures destroyed or neglected as a result of 25 years of war, general upheavals and intermittent international sanctions, the internationally assisted reconstruction program launched after the American-led intervention in November 2001 placed statebuilding at its core. By design and intent, however, this program entailed much more than just reconstruction. Wrapped in a vision of modernity, it seemed to belong to a distinct genre of planned social change, typified by the ambitious modernization programs undertaken in earlier periods by Afghan and other Asian rulers. The analysis of policies for change in post-Taliban Afghanistan in this paper, therefore, starts by understanding reconstruction as modernization.

The central argument is that the tensions and conflicts involved in state *formation* are intensified when the process of change becomes state *building*, designed as the nucleus of a comprehensive program of political, economic and social modernization, compressed in time, and heavily dependent upon external economic, political and military support. The paper further examines how international aid programs in Afghanistan have affected conflicts associated with the modernization program, particularly as they concern the legitimacy, accountability and sustainability of the enterprise. The conclusion questions “the critical mass argument” implicit in the present policy response and much of the policy-related literature on Afghanistan. That argument essentially calls for more of the same – more aid flows, more international troops and stronger political commitment – in order to reach a level sufficient to effectively address the mounting problems of statebuilding and reconstruction. This logic, I conclude, is fallacious as it fails to recognize that international assistance also has negative and contradictory effects and to

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some extent is part of the problem. To reduce the conflicts associated with the modernization enterprise, therefore, a less dominant and intrusive international involvement seems appropriate.

## **Part I: Analytical and historical perspectives**

### **1. Reconstruction as modernization**

While often called *reconstruction*, establishing functioning state institutions after war typically entails a large element of new construction. Peace agreements often call for changes that require new institutions or institutionalized practices. In most countries this has involved institutional overhaul. The prominent role played by international aid agencies in statebuilding and reconstruction has reinforced this tendency. While insurers replace what has been lost with identical values, aid agencies are developers who want change. The end of a war appears to them as a splendid opportunity to establish new and better institutions. Development, which sociologically speaking is an enormously complex and long-term process, thus tends to be conflated with reconstruction, which in its contemporary bureaucratic form appears as a short-term process with measurable outputs, preferably to be assessed and completed within a 3-4 year funding cycle.

Afghanistan – a low-income country even before a long cycle of violence set it further back - is a case where a development agenda is conflated with reconstruction in the extreme. A paradigm that captures this broader process is therefore appropriate, but a development perspective does so only to a point. The policy agenda currently promoted in Afghanistan – as in many similar post-war situations – contains numerous development-related items, but it reflects the increasingly standardized model promoted by the international community in countries designated as “post-conflict”. Evolved since the early 1990s, this model of “the liberal peace” defines the appropriate goals of development ( a market-based, open economy, pro-poor growth strategies, liberal, pluralist democracy and respect for human rights), as well as the necessary policy instruments (above all, institution-building to ensure transparency, accountability, predictability and the rule of law in public life). The implementation of this agenda is typically sequenced to fit external funding commitments. To view this process as “development” catches only the narrow sense of the term, i.e. the introduction of certain policies expected to produce “the good life”. A broader understanding of development, by contrast, sees its essence as an open-ended and self-determined process, as expressed, for instance, in the world of UN general principles (e.g. the 1986 Declaration on the Right to Development), or autonomous choice as the ultimate objective - “development as freedom” in Amartya Sen’s words.<sup>2</sup>

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<sup>2</sup> Amartya Sen, *Development as Freedom*. London: Oxford University Press, 1999. The 1986 UN Declaration defines development only in terms of the right of all individuals to participate in, and benefit from, “it.”

Contemporary post-conflict reconstruction programs do not have an open-ended design. In this they are more akin to modernization programs familiar from the non-colonized states of Asia in the 20<sup>th</sup> and late 19<sup>th</sup> century. Although the nature of some (but not all) of the reforms differ from the present, post-conflict “liberal peace” model, the process is strikingly similar. The agenda then, as now, was typically comprehensive, compressed in time, and the model for change was external – borrowed from what were considered the more advanced, or “modern”, states. The instruments were identified and the resources mobilized accordingly, usually with the aid of foreign experts. Overall, the process of change was approached in the spirit of social engineering. Turkey, Thailand and Japan, among others, all had such programs. The main difference with the present post-conflict enterprise is that the earlier reforms were undertaken as endogenous initiatives and the policy process largely remained under national control. Indeed, the main rationale for modernization was to selectively imitate the West in order to ward off threats of imperialism. Nationalism was the ideological driving force behind the import of “modern” institutions designed to strengthen the state and the economy, as well as regulating public life.

Afghanistan also had modernization programs of this kind.<sup>3</sup> The first was the well-known, ambitious attempts by King Amanullah in the 1920s. Fifty years later, Mohammed Daoud, a tribal notable turned republican, launched an ambitious reform agenda designed to strengthen the state (including the army), the economy (including land reform and large infrastructure projects), and reforming political life (abolishing the monarchy). The communists (the People’s Democratic Party of Afghanistan, PDPA) were the next and much more radical agents of change. The revolution proclaimed in April 1978 announced fundamental change in rural property relations, the social role of women, and the role of Islam in public life. As the resistance to the program and its accompanying violence generated widespread resistance, the revolutionary agenda was toned down to a much milder platform of reform.

The post-Taliban reconstruction agenda likewise entails comprehensive social, economic and political change. The process was launched during the initial, four-year transition phase laid out in the Bonn Agreement of December 2001 (and known as “the Bonn period”), and followed by a five-year plan for economic, political and social development adopted at the 2006 London conference (known as the London Compact). Assessing this program in modernization perspective is useful for several reasons. While oddly old-fashioned,<sup>4</sup> the term captures the essence of planned change and externally derived models that characterized earlier modernization programs. It gives due recognition to

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<sup>3</sup> Useful general sources are Vartan Gregorian, *The Emergence of Modern Afghanistan: Politics of Reform and Modernization, 1880-1946*, Stanford: Stanford University Press, 1969, Barnett, R. Rubin, *The Fragmentation of Afghanistan*. New Haven: Yale University Press, 1995 (2<sup>nd</sup> ed. 2002), Amin Saikal, *Modern Afghanistan, A History of Struggle and Survival*, London: I.B. Tarius, 2005

<sup>4</sup> The term “modernization” recalls the literature in the 1960s-70s on nation-building, above all the influential series sponsored by the U.S. Social Science Research Council Committee on Comparative Politics, see Leonard Binder et.al., *Crisis and Sequences in Political Development*, Princeton: Princeton University Press, 1971. The term remains central in literature on the historical and sociological conditions that gave rise to the modern state, above all its spread from Europe to the rest of the world.

conflict, tension and contradiction as an inherent part of the process of change. Finally, it facilitates comparison with previous modernization efforts in Afghanistan's history. The main common feature is the effort to strengthen the central state and liberalize parts of society. The main difference lies in the comparatively much greater role of external forces in launching and sustaining the present modernization project. These aspects will be considered in turn.

## 2. Modernization as conflict

What are the conflicts usually associated with statebuilding *cum* modernization programs?<sup>5</sup> As numerous historical studies have demonstrated, state formation in many parts of the world has been fueled by war and violence. The new state has to contend with existing power holders as well as reluctant subjects; effective penetration of the realm typically reduces the power of the first and increases the demands on the latter in the form of taxes, regulation and conscription). If the demands of change are upfront but the benefits are deferred, and, in addition, unequally divided, the legitimacy of the enterprise is undermined. Moreover, strengthening the power of the central state increases the stakes linked to control over the state and heightens political contestation. Changing the rules of political participation is statistically speaking associated with instability. Educational opportunities, the introduction of new values, social and geographic mobility, etc. create aspirations and new social identities. When a complex process of change of this kind is packaged into a comprehensive program with benchmarks for demonstrated achievements it is likely to generate very considerable contestation as opponents, rebels, resisters and claimants enter the fray to protect or enhance their interests.

Some tensions are closely linked to the imported dimension of modernization, as Bertrand Badie points out in his study of the Westernization of the political order in colonial and non-colonized societies.<sup>6</sup> Imported institutions tend to develop a logic of their own that produce unanticipated or dysfunctional results. Importation in itself can be a flashpoint in a nationalist perspective. In the present Afghan case, international forces and aid programs have been extraordinarily important in getting the enterprise off the ground. By 2005 little had changed in this respect. Military security and the national budget – the two pillars of both statebuilding and the wider modernization agenda – were almost totally dependent on foreign forces and foreign funds. The degree of military dependence is well illustrated by President Hamid Karzai's amazing admission of the regime's weakness in May 2005. If foreign forces – at the time almost 30,000 - were to

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<sup>5</sup> Central works in this literature are Charles Tilly, *Coercion, Capital and European States*, Oxford: Blackwell, 1990, on state formation; Charles Tilly, *Economic and Political Contention in Comparative Perspective*, Paradigm Press 2005 (co-authored and co-edited with Maria Koussis), on political contestation; Joel S. Migdal, *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World*, Princeton: Princeton University Press, 1988 and James C. Scott, *Weapons of the Weak: Everyday form of Peasant Resistance*. New Haven: Yale University Press, 1985 on state-societal relations; Edward D. Mansfield and Jack Snyder, "Democratic Transitions, Institution Strength, and War," *International Organization*, 56,2 (Spring 2002):297-337.

<sup>6</sup> Bertrand Badie, *The Imported State. The Westernization of the Political Order*. Stanford: Stanford University Press, 2000.

leave, he warned, Afghanistan would “go back immediately to chaos.....Afghanistan will not make it as a sovereign, independent national able to stand on its own feet.”<sup>7</sup> As for economic dependence, an astounding 92% of the total budget for 2004-2005 came from external funds.<sup>8</sup> The militant Islamists had declared war against the entire statebuilding project, including the foreign presence and the government. But the prominent foreign role generated tensions well beyond the militants as well, at times expressed in violent demonstrations against both the government and foreign targets. Nevertheless there was some reluctance in the international community to critically examine the implications of its own presence.

In policy circles as well as much of the policy-related literature there is a certain paradox in the assessment of developments in post-Taliban Afghanistan. There is widespread and frank recognition of the problems. Security problems have worsened significantly since mid-2004. Issues of corruption and slow institution building mar the aid programs, as do apparent inequities in distribution and sharp inequalities in the evident benefits of peacetime economic growth. Kabul has failed to significantly expand its hold over the countryside, where a variety of military commanders and tribal notables rule. The central government’s modest power is demonstrated by its limited success in raising taxes and the near-total failure to control the poppy economy, the value of which was estimated to the equivalent of 60-70 % of the official GDP in 2005. Anti-foreign demonstrations and violence give a sharp edge to populist rhetoric about unfulfilled expectations and claims that foreign aid organizations are like “cows that drink their own milk”, as some Afghans say.

Yet, the international policy response in one international conference after another has been to call for more of the same— more aid,<sup>9</sup> more institution building,<sup>10</sup> and more foreign troops.<sup>11</sup> The evident rationale is that international aid and military presence has not yet reached the critical mass to tackle the problems, whether it is to overwhelm the illegal economy, create a decisive momentum in institution-building, or suppress the militants. The community of Afghan experts among scholars and diplomats in the United States mostly endorses this view.<sup>12</sup> The vast policy-oriented literature typically addresses particular projects or policy decisions without questioning the broader structure of the enterprise. This applies particularly to the numerous commissioned reports that evaluate projects or sectoral policies and recommend improvements through better design, greater coherence in policies/projects, more effective coordination and monitoring, and

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<sup>7</sup> Karzai on Voice of America (in Pashto). VOA, 5/15/2005,

<http://www.globalsecurity.org/military/library/news/2005/05/mil-050515-2c7d9c7d.htm>

<sup>8</sup> The World Bank, *Afghanistan. Managing Public Finances for Development*. Washington, D.C.: The World Bank, December 22, 2005, pp.vii-viii.

<sup>9</sup> 4.5 billion dollars were pledged at the Tokyo conference in 2002, 8.2 billion in Berlin in 2004, and 10.4 billion in London in 2006, which was not even cast as a pledging conference.

<sup>10</sup> See e.g. the programs of the ADB and the World Bank, announced on the eve of the London 2006 conference.

<sup>11</sup> NATO decided in late 2005 to increase the numbers of troops with around 6 000, more than making up for the announced reduction of US forces around 3000.

<sup>12</sup> For instance, 22 Afghan specialists and former US diplomats signed a letter calling on the U.S. government to provide additional aid in support of the modernization/statebuilding agenda presented to the January 2006 conference in London. Published in the Congressional Publication *The Hill*, 8 February 2006.

appropriate sequencing and targeting of aid.<sup>13</sup> In this context, radical reform proposals consist of recommending different *channels* of aid (as the World Bank long has done),<sup>14</sup> or to improve the *effectiveness* of aid by intrusive monitoring (as decided at the London conference).<sup>15</sup>

Only a minority of scholars have questioned the modernization enterprise from the perspective of critical analysis. Some concluded early on that it was fundamentally unrealistic and could not be achieved. Instead of building up a modern, central state, international aid programs should work with existing power holders on the local level (“the warlords”) and attempt only modest change.<sup>16</sup> Other analysts concluded that the reconstruction program had structural flaws that were likely to produce conflict, above all relating to the magnitude of aid which greatly exceeded local capacity and was distributed in a framework that encouraged regional inequalities. Yet the possibility for corrective policy adjustments within the existing framework was recognized.<sup>17</sup>

Both schools of thought – the unrealistic peace agenda and the possibility of reforming a structurally flawed agenda - have their counterparts within the general literature on the weaknesses of “the liberal peace.”<sup>18</sup> The present analysis draws on insight from both, but will focus more closely on the nature and consequences of international assistance. Before turning to this, a closer look at the agents and the agenda of the present modernization project is appropriate.

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<sup>13</sup> See e.g. Barnett R. Rubin et al., *Afghanistan 2005 and Beyond. Prospects for Improved Stability Reference Document*, prepared for the Netherlands Institute of International Relations, April 2005; Barnett R. Rubin et al., *Through the Fog of Peacebuilding. Evaluating the Reconstruction of Afghanistan*, New York: CIC, June 2003, and “The Challenge of State-building in Afghanistan,” in Charles Call (ed.), *State-building and Peacebuilding After War*. New York: The International Peace Academy, forthcoming. For a review of EU- supported project evaluations, see Strand, Arne and Gunnar Olesen, *Humanitarian and Reconstruction Assistance to Afghanistan, 2001-2005*. Copenhagen: Ministry of Foreign Affairs, Danida Evaluation Series, 2005:05. [www.cmi.no/pubs](http://www.cmi.no/pubs)

<sup>14</sup> The Bank has consistently called for more aid to be channeled through the government budget via the Bank-administered trust fund. The point is emphasized in its latest report, World Bank (2005). [http://siteresources.worldbank.org/AFGHANISTANEXTN/Resources/305984-1137783774207/afghanistan\\_pfm.pdf](http://siteresources.worldbank.org/AFGHANISTANEXTN/Resources/305984-1137783774207/afghanistan_pfm.pdf)

<sup>15</sup> A joint monitoring board is to be established. *The Afghanistan Compact*. <http://www.reliefweb.int/rw/RWB.NSF/db900SID/KHII-6LK3GU?OpenDocument>

<sup>16</sup> Marina Ottaway and Anatol Lieven, *Rebuilding Afghanistan: Fantasy versus Reality*. Washington, D.C.: Carnegie Endowment for International Peace, January 2002. [www.ceip.org/pubs](http://www.ceip.org/pubs)

<sup>17</sup> Work by this author in collaboration with others fall in this category. See Astri Suhrke and Susan L. Woodward, “Make Haste Slowly in Assistance for Afghanistan,” *International Herald Tribune*, 21 January 2002 and Astri Suhrke, Arne Strand and Kristian Berg Harpviken, *Conflictual Peacebuilding: Afghanistan Two Years After Bonn*. Bergen: Chr. Michelsen Institute, 2004. [www.cmi.no/pubs](http://www.cmi.no/pubs) Chris Johnson and Jolyon Leslie, *Afghanistan: The Mirage of Peace*, London: Zed 2004 is broadly critical of the consequences of the dominant, interventionist aid program in its early post-Taliban phase, as well as the unwillingness to deal with the Taliban with political rather than military means. See also the critical analysis of the relationship between statebuilding, conflict and poppy production in Nangarhar by Jan Koehler, *Conflict processing and the Opium Economy in Jalalabad*, GTZ/PAL, 2005 <http://www.arc-berlin.com/pages/downloads.htm>

<sup>18</sup> See respectively Oliver Richmond, *The Liberal Peace*, London: Palgrave-Macmillan, 2005, and Roland Paris, *At War's End*. Cambridge: Cambridge University Press, 2004.

### 3. The modernizing agents

Modernization of what used to be called the developing world has historically involved both exporting and importing agents, as Bertrand Badie points out. While operating in a context of structural constraints and opportunities, the agents themselves merit particular attention when modernization is conceived as a comprehensive policy program for change. Some agents have been unusual leaders, for instance Kemal Ataturk in early 20<sup>th</sup> century Turkey, or King Chulalongkorn in late 19<sup>th</sup> century Thailand. The present modernization project in Afghanistan has no single leader of such stature, or even a singularly important individual. Rather, the modernizing agent appears as a grand, transnational coalition of Afghan and international actors.

The coalition is ritually affirmed at high-level international political conferences that approve the objectives of the project and mobilize funds (Bonn 2001, Tokyo 2002, Berlin 2004, London 2006). Progressively formalized over time, the aid regime was at the London conference expressed in a “compact” which specified goals, means, mutual obligations and monitoring devices for implementation. On the operational level, the coalition works through numerous channels, including multilateral institutions designed to this end (e.g. Afghan Development Forum, the Afghan Trust Fund for Reconstruction), ad hoc fora, and bilateral venues. On the international side – the representatives of the export agents, in Badie’s terms – we find the development agents familiar from other, post-conflict situations since the early 1990s (the IFIs, the bilateral aid agencies and the international NGOs). The cast of political agents is more unusual by virtue of its size and diversity. After an initial phase where the UN mission (UNAMA) took the lead, the US assumed a dominant role,<sup>19</sup> supplemented by EU and NATO, but the regional states are also part of the coalition, as are numerous smaller states and countries with no previous interest in Afghanistan. The London conference in January 2006, for example, had delegations from the three Baltic states, Luxembourg, Cyprus, Iceland, Slovakia, Slovenia, Argentina, and Mexico, among others. Their presence reflected their bilateral relationship with the U.S. as well as Washington’s request for wide contributions to “the war on terror”, in which Afghanistan was a major front.<sup>20</sup>

On the Afghan side, the main members of the grand, modernizing coalition are high-level officials in government ministries, agencies, and commissions. Positioned more

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<sup>19</sup> The UN took the lead when Lakhdar Brahimi was SRSG and head of UNAMA; the end of his tenure almost coincided with the appointment in mid-2003 of Zalmay Khalilzad as US ambassador and who accentuated the dominant economic and political role of the US. Khalilzad was in mid-2005 followed by Ronald Neumann, who announced a more indirect role, seen by some as signaling a reduced US engagement. “U.S. Cedes Duties in Rebuilding Afghanistan,” *Washington Post*, 3 January 2006.

<sup>20</sup> Iceland, for instance, which has no military forces of its own but hosts a large US military base, contributed a small contingent to provide technical services at Kabul airport. Placed under command of the international peacekeeping force (ISAF), the Icelanders, having no army, borrowed military uniforms from the Norwegian ISAF contingent.

marginally are unofficial actors, notably the growing number of Afghan NGOs in the development, humanitarian and the rights sector as well as professional associations. Like international NGOs, they are sometimes allowed to observe high-level conferences, but typically participate in lower-level institutions such as the Consultative Group structure established in Kabul for aid coordination.

As in previous modernization initiatives in Afghanistan in the 20<sup>th</sup> century, the modernists are drawn almost exclusively from the educated classes and especially from the urban areas. Unlike their predecessors, however, the present modernizers have collectively spent long periods in exile brought on by the general upheavals of the past 25 years. Most of the high-level government officials have higher education and work experience from modern industrialized countries, primarily in Europe and North America. This applies to political appointees in the government administration and their advisors as well as high-level civil servants recruited under the preferential salary system (PRR), established to attract skilled Afghans to build a merit-based cadre of civil servants at the head of the state bureaucracy. The modernizers in the Transitional Administration formed in December 2001 initially had to share political space with military and religious leaders who with Western and Arab assistance had built their political base during the war against the communists – a diverse group sometimes collectively referred to as the *jihadis*. Over time, however, the modernizers gradually increased their representation in the Cabinet and their hold on the state apparatus

The presidential elections in 2004 affirmed Karzai's status as the chosen US candidate and gave him a measure of domestic legitimacy. Earlier political alliances could now be jettisoned, and the modernizers dominated the top government positions. The Cabinet formed after the 2004 elections had an extraordinarily strong Western, technocratic profile.<sup>21</sup> Of 31 members, slightly over half (17) had been educated lived or worked in the United States, including 15 who had university degrees from the U.S. Almost all the rest had a professional or academic background with university degrees, mainly from Europe and to a lesser extent India, Iran or Afghanistan. Altogether, a total of 23 of 31 members had academic degrees in secular or technical subjects (science, medicine, law, engineering, humanities). Only three had an Islamic education, a strikingly low number in a society where Islam is deeply rooted. Of these three, one had also studied Western law in the United States, the other (who was given the Justice portfolio) was considered a modernist, and the third was a woman assigned to the politically insignificant Ministry of Martyrs and Disabled Affairs (and later dropped).

Internal rifts and divisions among the Afghan modernizers certainly occurred - over the role of the U.S, choice of channels for transferring aid funds, the handling of traditional Afghan patronage relations, the appropriate anti-narcotics strategy, etc. Karzai himself appeared as a skilled broker of conflicting interests.<sup>22</sup> Yet on the whole, the government

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<sup>21</sup> : <http://www.institute-for-afghan-studies.org/Documents/1stCabinet.html>

<sup>22</sup> Some modernists found his compromises were too inclusive. One, the Afghan-American Minister of Interior, resigned in protest in September 2005. The Minister of for Counterarcotic Affairs, Habibullah Qadier, complained openly to the foreign press that the government he served was corrupted by the drug trade.

firmly positioned itself as a cooperative partner in the grand coalition. This was particularly the case in socio-economic affairs, where the government demonstrated what the OECD has called the “political will” to undertake required reforms.<sup>23</sup> Cooperation was partly anchored in self-interest - the first, post-Taliban regime headed by Karzai had been installed as a result of the US military intervention and approved by the UN, and the government continued to be dependent upon the international community for its survival. The alliance of interest was further cemented by the social background of the Afghan modernizers who spoke the same political and developmental language as the international members of the grand coalition, and were broadly speaking in agreement on the nature and importance of the modernizing agenda.

The sociological distance between the modernizers and much of the rest of the population, on the other hand, is vast. “The rest” includes first of all the vast majority of the population, which remain predominantly rural and after 25 years of war possibly even poorer and less educated than before.<sup>24</sup> While many had high expectations for the benefits of peace and what promises of massive foreign aid would bring, the Afghan rural population - notables as well as the peasantry and rural workforce - has historically also been culturally and socially conservative. During previous modernization schemes, they have mobilized, or been mobilized, to challenge the central government for a variety of reasons, typically in the name of Islam or *jihad*, and, during the Soviet invasion, also against the foreign occupants.<sup>25</sup> Elite contestants have included tribal notables, members of the *ulama*, and, after the 1978 Revolution, political parties and military commanders who grew powerful during the war against the communists. At the present time, the range of contestants, rivals or resisters of the expanding central state include these groups, as well as a virtual class of traders and middlemen involved in the burgeoning opium economy, and the militant Islamists and their foreign allies.

Underlying the pattern of political alignment are powerful ethnic and clan identities, some of which continue to have a strong territorial dimension. The main divide immediately after the Bonn Agreement was between the Northern Alliance and the Pashtun. The Northern Alliance was led militarily by Tajik from the Pansjir valley, had positioned their armed forces in the Kabul area, and controlled key ministries in the transitional administration. The majority Pashtun population had traditionally supplied the country’s rulers but was politically weakened in 2001, partly because the Pashtun had also been the main recruiting ground for the Taliban. By 2004, the Pashtun grip on the central state had strengthened somewhat, while major military leaders whose position was eroding came from other ethnic groups and had a regional base: Rashid Dostum

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<sup>23</sup> OECD, *Principles for Good International Engagement in Fragile States*, Paris, April 2005, DCD(2005)8/REV2

<sup>24</sup> Statistical estimates for 2002-2 showed literacy rates of 43.2 for males and 14.1% for women, 70 % of the population lived on less than US\$2 per day, 60% were without sustainable access to improved water, and life expectancy was 44.5. Only 5 countries ranked below Afghanistan on UNDP’s Human Development Index. *Security with a Human Face: Challenges and Responses*, Human Development Report for Afghanistan, 2004. <http://www.undp.org/dpa/nhdr/af/AfghanHDR2004.htm>

<sup>25</sup> See Saikal (2005), pp.80-92 for an analysis of the link between Kabul and the Afghan “micro-societies” during the first modernization project.

(Uzbek from the North), Ismael Khan (Tajik from Herat) and Mohammad Mohaqiq (Hazara from North-Central), and Marshal Fahim (Tajik from Pansjir).

The introduction of a comprehensive modernization agenda and promises of billions of aid dollars onto this scene not unexpectedly intensified the political contestation about the purpose of the agenda, the control of the means, and the rules of the game. Given the close association of the Afghan modernizers with the international members of the grand alliance, and the importance of returned exiles into top positions, the modernizers were easily tarred with two brushes in the political contest – the anti-foreign sentiment increasingly employed in the political rhetoric, and the “dogwasher” label to deride their exile experience.<sup>26</sup>

#### **4: The Agenda**

The modernization/statebuilding agenda has evolved since December 2001 in a complex process. In retrospect it nevertheless shows a coherence that reflects the model of post-conflict reconstruction promoted by the international aid community since the early 1990s.

The key elements were laid down in the Bonn Agreement of December 2001.<sup>27</sup> Starting from the guiding principles of “Islam, democracy, pluralism and social justice”, the Bonn document was basically a script for transition to a liberal, constitutional democracy, served by an effective state apparatus (“competence and integrity”) and a single army, committed to “social justice”, respect for human rights, and “sensitive” to the rights of women. The script contained all the main elements of “modernity as commonly understood at present – from the Weberian-type state to more recent additions of social justice and women’s rights.

The economic agenda also emphasized state-building, although in the context of a broader, market-driven development. The agenda was developed principally by the Ministry of Finance in cooperation with the international financial institutions (IFIs), the UN agencies, and the donor-recipient forum called the Afghan Development Forum. The first key document, the National Development Framework (NDF), prepared in March-

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<sup>26</sup>On the dogwasher issue, see Scott Baldauf, “Mounting concern over Afghanistan,” *Christian Science Monitor*, 14 February 2006. Actually, the term is used widely as an expression of contempt also for local commanders whose only exile has been in Pakistan.

<sup>27</sup> <http://www.afghangovernment.com/AfghanAgreementBonn.htm> Specifically, the Agreement called for a new constitution and “free and fair elections” to be held within two years, giving due space for civil society organizations and working towards a “gender-sensitive” government. Existing armed groups would be reorganized into a national army to serve the state. A new national banking and currency system was to be established and operate “through transparent and accountable procedures”. A Civil Service commission would start to reorganize the civil service according to criteria of “competence and integrity”; a judicial commission would “rebuild the domestic justice system”, and an Afghan human rights commission would monitor and investigate human rights violations. The Afghan transitional government (Interim Authority) constituted at Bonn committed itself to “abide by a Code of Conduct elaborated in accordance with international standards.”

April 2002 outlined the main principles.<sup>28</sup> First, the development agenda must be “owned domestically”, with the Afghans “in the driver’s seat”.<sup>29</sup> The point was reiterated with the insistence that donor-funded projects must be fitted with government programs. Second, the market rather than the state was viewed as the more effective and therefore chosen instrument of growth. Third, building human capital and the rule of law, and creating “systems of accountability and transparency” – the latter capturing what is often referred to as institution-building – was essential for both private sector growth and development. Within this framework, three “pillars of development” were identified: (i) humanitarian and human and social capital, (ii) physical reconstruction and natural resources, and private sector development.

The next major document, “Safeguarding Afghanistan’s Future”(SAF), reaffirmed the minimalist role of the state in economic and social affairs was reaffirmed in.<sup>30</sup> Developed as a background document for the large international pledging conference scheduled in Berlin in March 2004, SAF also identified short and medium-term goals of development in all sectors, with cost estimates. The voluminous and detailed document prepared by Afghan and international aid officials resembled an old-fashioned, national planning document and came with a price tag of 28 billion US dollars over a 7-year period. For a market-driven economy, it was a hefty sum and almost twice, it turned out, what the donors were willing to finance.

For the high-level London meeting on 30-31 January 2006, a document called “The Afghanistan Compact” was prepared.<sup>31</sup> Smaller and more focused on principles, the document was likewise tied to quantitative goals (including the MDG) in the manner of state planning. More importantly, the compact served as a constitutive text for the reconstruction of Afghanistan after the four-year Bonn period had expired. As the name suggested, it was presented as a contract that enumerated joint principles as well as separate obligations of the Afghan government and the international partners of the coalition.

Some changes in the policy agenda had occurred between the Bonn and the London events. By the time of the London meeting, the counter-narcotics program had moved to the top, so had the principle of “balanced and fair” allocation of resources throughout the country, reflecting fears that lack of reconstruction in the southern and eastern provinces were fuelling insecurity in these areas. Another new note was the emphasis on “fiscal sustainability”, a code word for concern over the low rate of domestic revenue collection. In general, however, the agenda of the modernization enterprise had remained remarkably stable over the five year period. The core statebuilding activities included strengthening the power of the central state over the provinces (especially in taxation matters); improving the effectiveness and integrity of public administration system at

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<sup>28</sup> <http://unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN016262.pdf>

<sup>29</sup> Perhaps ironically, the draft NDF was prepared by the Minister of Finance, Ashraf Ghani, a long-time staff member of the World Bank, with the assistance of international experts seconded from the UN mission in Kabul.

<sup>30</sup> [www.af/resources/mof/recosting/ SECURING%20AFGHNAISTANS%20FUTURE.pdf](http://www.af/resources/mof/recosting/SECURING%20AFGHNAISTANS%20FUTURE.pdf)

<sup>31</sup> <http://www.reliefweb.int/rw/RWB.NSF/db900SID/KHII-6LK3GU?OpenDocument>

both the center and in the provinces; developing institutions to promote the rule of positive law (including the rights of women), and building a national army in support of the state. Popularly elected institutions were to provide legitimacy for the state and ensure democratic accountability. In the social services sector, education – above all education for girls - was a continuing, high-profile item.

The agenda has some striking similarities with previous modernization programs in the 20<sup>th</sup> century (see Table I). All previous modernizers sought to strengthen the central state. All realized this required rebuilding and modernizing the army (although Amanullah appeared less committed and the implementation was a near-disaster). In other respects, the methods varied significantly (from taxation reform to dispensing with the parliament and establishing state intelligence agencies). All stressed education, and – strikingly - the role, rights and visibility of women were in all cases appropriated as a central symbol of modernity. Only one regime (the communists) explicitly downgraded the role of Islam in public life, but the understanding of modernity in all cases meant promoting change based on secular knowledge and institutions. Perhaps the most striking difference between the earlier modernizers and the present ones lies in the role assigned to the state in the economy, and specifically land reform. Amanullah asserted the state's right to intervene in the economy by promulgating the beginnings of a major land reform. Land reform was the centerpiece of Daoud's reform program as president, and, above all, the communists when they seized power. Agricultural reform, by contrast, is conspicuously absent from the last program of modernization, not because reform was implemented (the two previous efforts were aborted), but for reasons of ideology and political prudence.

Previous modernization programs, it will be recalled, were sharply contested. A modest number of objectives were achieved, although the long-term social consequences – intended or unintended - were significant. All modernizing regimes were violently deposed, with their leaders killed or in exile. The PDPA's program of social transformation in addition opened the door for invasion and prolonged wars. With such an inauspicious past, a brief review of the reasons for past failures is useful to place the prospects for the present project in a historical perspective.

## **5. The outcome: a comparative perspective**

The reasons for failure are somewhat similar across cases. As for Amanullah, the ambitious scope and pace of the program contrasted with the young King's own "impatience and experience", above all the failure to muster a broad political alliance that could neutralize the resistance from a wide range of power holders - "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."<sup>32</sup> Daoud's short-lived reform period ended with the coup that ushered in the Saur Revolution in 1978. Some analysts likewise attribute the course of Daoud's

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<sup>32</sup> Saikal (2005), p. 80.

presidency to a failure of agency: Daoud “repeated Amanullah’s mistake of pushing through changes without first building and maintaining a potent reform coalition....[H]e

**Fig I: Modernization programs**

	political	economic	Legal	Social-cultural	Military
Amanullah Khan (King:1919-1929)	Constitutional monarchy ( a Constitution &and Legislative Council)  Public admin reform (incl local level)	Reorganizing taxation and fiscal systems  Communication infrastructure  Land reform	Independent judiciary (General Law on Courts)  New legal code(Napoleonic code), role of secular law expanded	Expanded public education  Education and unveiling of women	Plans to reduce and modernize the arm (lesser priority)
Mohammed Daoud (President:1973-1978)	Abolished the monarchy  New constitution w/one-party system  state intell.agency	Land reform  7-year Dev. Plan ; Increasing state control over the economy; Comm.infras-structure, large-scale agricultural and industrial projects, iron ore mine		Rights of women and national minorities; education, social services	Modernized armed forces,mainly w/ Soviet equipment and training
PDPA (1978-1992)	state intelligence agencies	Land and credit reform  Production cooperatives		Women’s rights: age restr on marriage, polygami, dowry, signed CEDAW  Secularized national rituals and education	Expanded army, training&equipment from the Soviet bloc
Karzai (chairman/ president 2001-)	New constitution&, parliament; Modified multiparty-system; Public admin reform	Reform of: Banking &currency , Taxation&fiscal system; Private-sector driven econ growth	Comprehensive legal reform; Strengthening of secular legal system (courts, judges, revising laws); Human rights	Education; Educ of females; Women’s rights; Public health	Rebuilding and expanding national army, training and finances mainly from the US

Sources: Saikal (2005), Rubin (1995).

failed to codify his program in a way acceptable to the predominantly traditional and Islamic society.”<sup>33</sup> Other scholars emphasize secular trends in social change originating in the expansion of the economic sector from the 1950s and onwards, and accelerated by Daoud in his capacity as both prime minister and later as president.<sup>34</sup> Developmental change weakened traditional society while creating new social groups with collective political consciousness, while the inflexible political system was unable to absorb new demands. The process culminated in the communist putsch in 1978, which thus ended the Daoud reforms. The PDPA, in turn, proclaimed a revolution rather than reform and set about transforming society with reckless speed and ruthless violence. Arguably, the violence of the state rather than the reforms proved their undoing.<sup>35</sup> The PDPA’s modernization agenda was at any rate soon swallowed by civil war and the Soviet invasion.

Meanwhile, the armed forces of Afghanistan had entered the political stage. Considered a pre-eminent institution of modernity and critical instrument of the state, the army had been strengthened during both of Daoud’s periods. As it developed professional strength, the army also aspired to a political role. Some factions first served Daoud’s coup against the King, while radical factions subsequently turned against him to support the communist coup.<sup>36</sup>

In this past lie some intriguing parallels with the present modernization enterprise. One “lesson” stands out in particular: a radical and comprehensive modernization program requires a broad domestic political coalition, and, in the last instance, a strong national army. In this respect, a strength of the present modernization program is that, although comprehensive, it is not overtly radical. It does not threaten existing property relations (although privatization of some remaining state enterprises has alienated certain urban vested interests). Nor does it downgrade religious symbols, as the PDPA did in its most radical early phase. The present context, on the other hand, is unfavorable in some respects that also apply to the PDPA experiment. The post-Taliban reforms are undertaken in the context of a growing insurgency in the southern and eastern provinces, although the counter-insurgency operations conducted by US forces are quite limited compared to the campaign pursued by the much larger Soviet forces in the 1980s. A thriving illegal economy based on opium production sustains parallel power structures on the local level and is interlinked with both the militant opposition and national-level politics. The international context is polarized in ways that have a direct bearing on the Afghan scene, both in its strategic dimensions (the US led ‘war on terror’) and ideological/religious aspect (Muslims vs. non-Muslims). The reforms themselves are inspired by standardized, imported formulas for social change, and the modernizing

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<sup>33</sup> Ibid, p. 184.

<sup>34</sup> Rubin (2000) chp.3 and 4, Giles Dorransoro, *Revolution Unending*. New York: Columbia University Press, 2005, pp.65-76.

<sup>35</sup> Dorransoro (2005), p.96.

<sup>36</sup> In Thailand, similarly, the social changes set in train by the modernization program launched by King Chulalongkorn in the late 19<sup>th</sup> century culminated in a civilian-military coup group that seized power 1932. For the Chakri dynasty reforms, see David K. Wyatt, *The Politics of Reform in Thailand*. New Haven: Yale University Press, 1969.

regime by its own admission is totally dependent upon foreign economic and military support.

Compared to previous modernizers of all kinds, the international support for the post-Taliban regime is extraordinarily broad, committed and significant - the grand coalition is indeed grand. This very support, however, has created structures of dependence, whose overt sign is a widespread and visible foreign presence in much of the country, and with results that are distinctly contradictory in terms of the goals of the modernization enterprise itself. In the following, the broad outlines of these contradictions will be discussed.

## **PART II: Structures of dependence and their implications**

### **A: Financial dependence**

Budget figures show that the post-Taliban state is much more dependent upon foreign funds than Daoud's modernizing regimes, as well as the first phase of the PDPA regime for which data is available (Table II). In the first year of the Karzai Administration humanitarian funding dominated, and the central government collected very little tax. By 2005, domestic tax collection had approximately doubled to around 280 million, but was still quite modest. The revenue-to-GDP ratio was only 5%, which was "well below the level even in other very poor countries," the World Bank noted critically.<sup>37</sup> As the overall expenditure level had increased equally fast, domestic revenues were expected to cover only 8% of the total national budget for 2004-2005. The rest was dependent upon donor

**Table II: Domestic revenues and national expenditures**

	Total mill afs	operating exp (%)	develop- ment(%)	domestic revenues % of totl exp	external budget mill afs	domestic revenues % of total budget
1973	11,318	58	42	63	n.a.	
1977	24,326	49	51	61	n.a.	
1979	30,173	56	44	52	n.a.	
1982	42,112	69	31	71	n.a.	
2004/05	41,952	64	36	31	120,144	8

For 2004/05, converted from US dollar at rate of 1=48

Sources: Rubin (1995), p113, 297; World Bank(2005), pp.7-8.

Note: An additional "external budget" controlled directly by the donors was established in 2004.

<sup>37</sup> World Bank (2005), p. viii.

funding. These figures are almost identical to the domestic/foreign ratio of sources of national expenditures in 2002/3.<sup>38</sup> The pattern was expected to continue for at least the next 5-year period, according to the IMF and President Karzai.<sup>39</sup>

The extreme dependence was underscored by a changed in budgetary structures. For 2004/05, instead of an operating and a development budget, as had been the practice before, there was now a core budget, which was handled by the Afghan Ministry of Finance, and an external budget, which was developed in consultation with the Afghan authorities but controlled by the donors. The external budget (2.5 billion dollars) was very much larger than the Afghan-controlled budget (865 million dollars for both operating and development expenditures). The external budget included both development and some operating expenses for the army, the police, the health services, education, special national programs like the National Solidarity Program and the cost of elections. From the Afghan government's perspective, these sectors were beyond its financial control, as the IMF pointed out,<sup>40</sup> and were listed as "off budget" items in major planning documents, including the Afghan National Development Strategy for 2006-2010.

From a self-sufficiency perspective, the present domestic revenue ratio compares quite unfavorably with earlier modernizing regimes. During the first and penultimate year of Daoud's presidency (1973 and 1977), domestic revenue collection accounted for slightly over 60 % of total expenditure, even though Daoud's budget included grand development schemes that were heavily financed by both the US and the USSR. We find roughly comparable figures during the early years of the communist regime, which received significant revenues from natural gas sales. By comparison, after four years of rule the post-Taliban government could only muster enough domestic revenue to pay for some 30% of its core budget, mostly for operating expenses of the state government on the central, and increasingly, local level, and no major development project.<sup>41</sup>

Against this background, the intense discussion within the grand coalition about the appropriate channel of aid transfers becomes less interesting. Channeling more aid to the core budget – as the World Bank and the Afghan government are calling for - would only reduce the government's secondary dependence on the donors.<sup>42</sup> Primary dependence would remain in that the sources of funding are external and donor-controlled. This

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<sup>38</sup> Figures for 2002-3 from Ministry of Finance as cited in the HDR, Afghanistan (note 24).

<sup>39</sup> Daniel Cooney, "Afghanistan Hails Debt Cancellation," *Washington Post*, 8 February 2006, citing Karzai and the IMF's representative in Kabul.

<sup>40</sup> *Islamic State of Afghanistan: Selected Issues and Appendix*. IMF Country report no. 05/34, February 2005, pp.17-21.

<sup>41</sup> In this context, it is misleading to cite only the ratio of domestic revenue to expenditures in the core budget as an indication of growing self-sufficiency, as a recent conference report does. *Post-Conflict Transitions: National Experience and International Reform*. New York: IPA/CIC, March 2005, p.3

<sup>42</sup> The World Bank and the then-Minister of Finance, Ashraf Ghani, early on took the lead in calling for transferring funds through fiduciary or Afghan government channels. By late 2005, more donors were doing so, particularly the European states. The Bank-administered trust fund (ARTF) financed most of the civilian recurrent budget for 2004/5, including around 90% of the payroll for the civil servants. World Bank (2005), p.6, 56.

funding structure has several important implications for the modernization project. First, it points to an extreme version of the rentier state.

a) *The rentier state*

The rentier state is a familiar concept from Afghan history. Daoud's presidency is usually singled out as the prototypical rentier state, but other modernizers likewise received substantial foreign funding, or subventions in the language of British imperial officers who supplied the funds to Afghan rulers in the late 19<sup>th</sup> century. The rentier state as it has manifested itself in Afghanistan and elsewhere has been closely studied and produced a clear conclusion: it is not conducive to either economic development or the evolution of a democratically accountable government.<sup>43</sup>

The main argument regarding democratic development 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 is towards the donors, rather than its own people. The same observation has been made of earlier modernizers who likewise benefited from external funding. In his seminal study of Afghan political development, Barnett Rubin concludes that President 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]. He did little to transform the mode of governing to match the means by which he had taken power."<sup>44</sup>

At the present time, donors have insisted that formal democratic institutions must be part of the modernization package, thereby hoping to moderate the dysfunctional accountability consequences of heavy foreign aid inflows. A strong parliament might work in this direction, although it begs the question of what would constitute its sources

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<sup>43</sup> The finding holds across disciplines and research areas. Among the vast literature here should be noted the early formulation by Hazem Beblaw, "The Rentier State in the Arab World," in Giacomo Luciani (ed.), *The Arab State*, London: Routledge, 1990, pp. 85-80, and more recent work on the rentier effects of the "resource curse" in the Middle East and Africa as inhibiting both modernization and democratization, especially Michael Ross, "Does Oil Hinder Democracy?" *World Politics*, 53:3 3, April 2001, pp. 325-361. The reverse dynamic - the bootstrap logic - is identified in a recent study that seeks to document the origins of the developmental state in Asia. Richard F. Doner et.al., "Systemic Vulnerability and the Origins of Developmental States: Northeast and Southeast Asia in Comparative Perspective," *International Organization*, 59, Spring 2005:327-361 Economists of both a rationalist and institutionalist orientation come to similar conclusions, e.g. Douglass C. North, *Institutions, Institutional Change and Economic Performance*, Cambridge University Press., 1990, supports the conclusion that the fiscal crisis of the English state (the King) "led to the development of some form of representation on the part of constituents" as there was no rentier income (p.113); Robert H. Bates confirms this dynamic by observing its opposite among "the third world" governments during the Cold War: "supported by transfers of aid from abroad, [they] did...[not] need to bargain with their citizens to secure public revenues. They therefore did not need to be responsive to their people or democratic in their politics...." *Prosperity and Violence*, New York: Norton, 2001 (p.82).

<sup>44</sup> Rubin (1995), p. 75.

of strength if it does not in real terms have the power of the purse that historically has forced kings to subject themselves to the scrutiny of the productive classes. In the Afghan case, the role of the parliament as a potential instrument of domestic accountability was further aborted by the voting system introduced in the first post-Taliban parliamentary elections in September 2005. Although political parties had been legalized, they were not allowed to field candidates during the elections. Instead, a little used voting system (single-non-transferable vote) was adopted, largely due to US wishes to strengthen the power of the president relative to the parliament. Absent significant democratic countervailing structures, large external aid flows further accentuated the importance of the donors in setting policy goals and holding the government accountable. This might produce some economic development gains, but is clearly at odds with the goal in the long-run of promoting democratic government in Afghanistan, which is also a central part of the modernization agenda.

In the short-run, large external aid flows have another contradictory effect. They enable the government to provide services and obtain political support, but large-scale aid also exposes the weakness of the government as an autonomous actor. In a rational actor perspective, the central government's manifest dependence upon external patrons would introduce a hedging effect by increasing the uncertainty and risk of aligning with the central state.

It is not difficult to find evidence of the hedging effect in Afghanistan. Afghans are acutely aware of their recent history, in which external patrons have proved fickle or acted contrary to the interests of peaceful development in the country as whole. Politics traditionally has meant flexible alignment and shifting alliances. After 2001, people on the village level frequently asked how long Karzai will last. More recently, they ask, how much can he do for us?<sup>45</sup> If the foreigners decide on something else, of course, they have little recourse. On the project level, the hedging effect to projects such as the National Solidarity Program, introduced precisely to strengthen the link between the central government and the village level, thereby bypassing potentially uncooperative mid-level power holders. But the project was introduced and financed by donors (with the World Bank in a lead role), and requires their continued support. In relations between the center and the provinces, hedging contributes to the manifest unwillingness to pay taxes and the widespread violation of the official ban on cultivating and trading of poppy.<sup>46</sup> When the state obtains compliance, it is typically a transitory agreement in the nature of a spot

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<sup>45</sup> E.g. anecdotal information from fieldwork, CMI research team during 2002,2003,20205, where villagers readily expressed doubt about how long Karzai would last, noting his dependence on the Americans. Over time, Karzai has strengthened his position. He won the elections with a large margin, he has demonstrated his ability to unite adversaries and balance conflicting pressures on the government, and he has shed some of the most visible symbols of dependence, notably having American contract-soldiers as his bodyguards.

<sup>46</sup> Similarly during the PDPA rule, payment or withholding of taxes was considered a sign of support for, or opposition to, the government. See Antonio Giustozzi, *War, Politics and Society in Afghanistan, 1978-1992*, Washington, DC: Georgetown University Press, 2000, p.167 et passim. This is not to say that Afghans have a recording of willingly paying taxes even to strong central leaders. Abdul Rahman Khan, the "Iron Amir" of the late 19<sup>th</sup> century, used to complain that he collected with ease only one-fourth of the taxes due to him, most he had to struggle to get, and for the rest he had to send in the cavalry. Cited in Gregorian (1969).

contract. The case of the halt in poppy production in Nangarhar province in early 2005 is illustrative.

Strong pressure from the central government and promises of generous aid made the governor of Nangarhar (appointed by Kabul) and the local military strongman (self-appointed) impose a temporary ban on poppy production.<sup>47</sup> Production fell by an astounding 96%, and made a significant dent in national statistics as well since Nangarhar was a major growing area. After passing over one growing season, however, farmers resumed cultivation. The precise reasons are unclear, but a major argument was that the promised aid had not been forthcoming. Donor spokesmen, in turn, said the provincial population had entertained unrealistic expectations. Aid at rate needed to go through proper preparation and project cycles. Karzai remained publicly silent. He had entered into a contract, but could not deliver, and the role of the foreigners overshadowed the deal. Farmers further reported that “the other side” advised them not to cooperate with the foreigners by observing the cultivation ban.

In the short run, then, extreme financial dependence on foreign aid creates a measure of political weakness. As the government moves into the role of an agent, rather than owner-patron, to use the language of institutional economics, its credibility to honor long-term political contracts with potential rivals, contesters and supporters is questioned. Instead, spot contracts – ad hoc alignments subject to sudden shift - dominate. Such alignments may well be characteristic of traditional Afghan politics, as is often argued. However, it certainly differs from development of stable rules and predictable relationships of the kind that is the essence of institution building and integral to the modernizing agenda.

### *b) Sustainability*

The Afghan government recognizes that donor commitments may not be stable and that the aid flows are likely to taper off over time. In the early phase after December 2001 there was a pronounced tendency to capitalize on the newsworthiness of the post-war settlement and maximize short-term inflows. The then Finance Minister, Ashraf Ghani, was particularly insistent in arguing that a massive inflow of aid was necessary for reconstruction and to drown out the illegal economy. Absent sufficient aid, he warned, Afghanistan would become a “narco-mafia state”. This argument underpinned the planning document prepared for the second donor conference in Berlin in March 2004, which called for 28 billion dollars in aid over a 7-year period. The London 2006 conference was not even called as a pledging conference, but the donors nevertheless came forth with pledges of over 10 billion for the next 5-year period.

War-devastated Afghanistan clearly lacked local capacity to absorb this magnitude of aid. The solution adopted by the Ministry of Finance was to import capacity in the form of international consultants, including expatriate Afghans on international contracts. The consultants took over much of the regular work in the ministries selected for reform (first and foremost the Ministry of Finance). As of late as August 2004, a total of 224 advisors

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<sup>47</sup> See Koehler (2005), and Afghan press reports, distributed by [AFGHANDEV@lists.mcgill.ca](mailto:AFGHANDEV@lists.mcgill.ca)

of this kind were working within the Ministry of Finance, contracted through the international consulting firm Bearing Point under a 95.8 million dollar USAID contract.<sup>48</sup> The scheme was effective in absorbing aid money, but lacked programs for transferring skills (consultants initially worked in office quarters separate from those of the regular Afghan employees, for instance), and raised serious questions about sustainability. Efforts to link imported capacity to training programs were instituted, but progressed slowly. By mid- 2005 development spending was “substantially below budget project implementation, essentially due to lack of security and the low capacity of line ministries and implementing agencies to develop and implement projects,” the IMF reported.<sup>49</sup> Some European donors that wanted to shift more funds from international NGOs or UN agencies to the government likewise observed that lack of government capacity was a significant constraint.<sup>50</sup> Even USAID, which worked directly with their chosen contractors and NGOs in the field, managed to spend only half of the money appropriated for 2004-2005. Many projects initiated in haste in preparation for the 2004 presidential election in Afghanistan (and in the US), moreover, were wasted, according to a report from the U.S. Government Accountability Office.<sup>51</sup>

Overall, this aid dynamic had evident dysfunctional effects in the short run, and seemed unsustainable in the longer run. As calls for massive inflows and responses of generous promises contrasted with the reality of slow implementation, criticism mounted. In Afghanistan, populist rhetoric focused on donor failure to heed pledges and on rising expectations of post-war reconstruction that had not been met. Aid experts noted the cost-ineffectiveness of employing foreign consultants or international NGOs rather than using local capacity.<sup>52</sup> By early 2006, there were some signs of self-correction in the donor community, as evident in the tougher language on implementation and domestic revenue collection at the London meeting.<sup>53</sup>

## **B. Military dependence**

The government’s 5-year plan for 2006-10 – the Afghanistan National Development Strategy - is prefaced with a poem by the ninth century Islamic scholar Ibn Qutayba. It begins as follows: “*There can be no government without an army...*” Military force

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<sup>48</sup> United States Government Accountability Office. Afghanistan Reconstruction. GAO-05-742, July 2005.p, 26 <http://www.gao.gov/new.items/d05742.pdf> See also CMI (2004).

<sup>49</sup> IMF (2005), p.5.

<sup>50</sup> Strand and Olesen (2005).

<sup>51</sup> GAO (2005).

<sup>52</sup> These critics now included the former Finance Minister, Ashraf Ghani. See “The Battle to Rebuild Afghanistan,” <http://212.58.226.50/2/hi/business/4714116.stm> `

<sup>53</sup> Some signs of corrective tendencies are difficult to assess. The 10 billion dollar pledge in London represents a somewhat lower annual rate than the Berlin conference pledges, but the two pledging periods overlap and makes comparison difficult. The Afghan government, for its part, drastically reduced the estimated need of foreign financing in its development plan for 2006/7-2010/11. The Afghan National Development Strategy (ANDS) projected a financing gap of around 900 million dollars annually. ([www.reliefweb.nt/library/documents/2006/unama-afg-30jan2.pdf](http://www.reliefweb.nt/library/documents/2006/unama-afg-30jan2.pdf)). Given that the external budget for 2004/5 alone was 2.5 billion dollars, however, the budgetary estimates seem seriously disconnected.

indeed played a critical role in statebuilding in the early post-Taliban period, although the troops were international rather than national. The new Afghan National Army was built up slowly, reaching only 22 000 men by mid-2005, as against the international force level which at that time had stabilized around 30 000.<sup>54</sup> In the meantime, both the US-led forces (Operation Enduring Freedom (OEF), and the UN-authorized and later NATO commanded International Stabilization Force (ISAF) sought to secure three central objectives of statebuilding – disarming opponents, deterring rivals, and defeating the militant opposition to the central state.

The main task of ISAF was to deter rivals and encourage opponents to disarm. By securing the capital soon after the fall of the Taliban regime, ISAF effectively preempted renewed military rivalry among the Afghans factions for the capital (which they had fought over with such devastating consequences in the civil war of 1992-96). Smaller ISAF teams were deployed outside the capital to remind local power holders that Kabul had important external patrons, and additional undertook civil affairs projects in a hearts-and-minds strategy. ISAF's deterrence effect was reinforced by the much more powerful US military presence. Using "B-52 diplomacy", US military personnel appeared as strategic points of conflict to communicate that potentially much larger force could be brought to bear on the issues. The threat of international force was the backdrop for Kabul's progress in standing down regional strongmen, especially Dostum in the North and Ismael Khan in the West, and for the gradual marginalization of the powerful Defense Minister, Marshal Fahim in 2003-2004.<sup>55</sup> Although not specifically mandated to assist the UN-supervised program to demobilize various the military factions, the presence of ISAF and OEF likewise helped bring Phase I of the program to a completion in September 2005. International military force also helped enforce the new rules of political competition. In the run-up to the elections in 2004 and 2005, ISAF troops were deployed to protect ballot places, and US forces on so-called "full-spectrum missions" encouraged villagers to vote.

Defeating the militants was another matter. The primary mission of the US forces – to destroy al-Qaeda bases in Afghanistan and defeat remnants of the Taliban – produced inconclusive results. The militants responded to OEF offensives by attacking not only the coalition forces and ISAF, but also "soft targets", including foreign aid personnel and Afghans working with them, and by increasingly launched suicide attack – a tactic previously not used in Afghanistan and attributed to foreign Islamic fighters. Violent

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<sup>54</sup> By early 2006, the Coalition Forces (OEF) had around 19 000 troops (with a scheduled reductions of 3 000), and ISAF had 9 000, with a planned increased of another 6 000.

<sup>55</sup> ISAF "rolled out tanks to protect the presidential palace" when pressures to disarm the factions and remove Northern Alliance leader Marshal Fahim in 2003 led to rumors of a coup in September, at the time of Karzai's visit to the United States. Scott Baldauf, "Afghan campaign trail barely trod by Karzai," *The Christian Science Monitor*, 31 October 2003. Military coups, it will be recalled, brought about two regime changes in the 1970s, the coup by Daoud against the King, and by the PDPA against Daoud. In the confrontation between Kabul and Ismael Khan, US forces played a more direct role. The US had in 2003 established a PRT in Herat. Although newly minted ANA forces were fronting the operation to dislodge Ismael Khan in August the following year, they were flown into Herat in US planes, US forces brought in supplies, and a US Army major accompanied the international press to cover the operation. See "Deploying to Shindand with the Afghan National Army," *Defend America News*. <http://www.defendamerica.mil/cgi-bin/prfriendly.cgi?>

events in the country as a whole increased markedly from 2003 and onwards. In the southern and the eastern provinces, the number of victims killed in 2005 was higher than at any time since 2001.<sup>56</sup> The parallel increase in US forces since they had first been deployed in November 2001 clearly had not broken the back of the insurgency, and locally-based al Qaeda units seemed to have relocated to remote, tribally controlled areas along the Afghan-Pakistan border.

On balance, however, the international force presence made an essential contribution during the early statebuilding phase by providing the coercive power necessary to protect the capital, establish the apparatus of the central state, and enforce the new political rules for control of the state. The security guarantee succeeded in preserving a large measure of peace – in the sense of no war - in the capital and roughly two-thirds of the country. As a result, Afghans generally showed a high degree of tolerance for the presence of ISAF and OEF despite their legendary resistance to foreign troops in the past, whether from the Soviet Union or the British imperial army. One widely cited poll conducted in 2005 found that two-third of the respondents wanted U.S. forces to remain in the country “until security is restored.” If foreign troops stood between them and renewed civil war or a Taliban-style rule, they were welcome.<sup>57</sup>

The same poll also showed that about one-third of the respondents thought attacks on US forces were justified. Among Afghans who were dissatisfied with the benefits brought by peace or considered socially conservative the figure was 60%. The findings reflected two aspects of the operations of foreign forces. First, the international forces did not undertake law enforcement in a general sense, and hence were irrelevant to the most pressing security concerns felt by a large number of Afghans. In the rural areas, in particular, there was widespread fear of threats, violence, or willful action from local armed political groups and the drug networks, with the police often colluding with these elements or failing to provide protection.<sup>58</sup> Second, the heavy-handed patrolling routines of OEF forces created strong reactions in socially conservative circles.

US troops were in a special position by embodying the commitment of the US to strengthen and build the government; they also created significant difficulties for the very central state they were supposed to support. The problems were rooted in the combat mission of the OEF – as distinct from the more restricted stabilization mandate of ISAF –

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<sup>56</sup> The government’s Afghan National Development Strategy noted that 2005 was “the deadliest twelve-month period for coalition and ISAF forces since 1380 (2001).” (ANDS (2006), pp.34-35). The BBC on 8 December 2005 reported 1400 victims killed in the south and the east in 2005. <http://newsvote.bbc.co.uk>.

<sup>57</sup> The poll was conducted on behalf of the ABC (US) and released on 7 December 2005. <http://abcnews.go.com/International/PollVault/story?id=1363276>. A survey undertaken by a Washington-based program at the same time produced similar results. <http://www.ipsnews.net/news.asp?idnews=31737>. However, the ABC poll also reported that 42% of the respondents had electricity in their homes, of which 19% said they were connected to power lines, which suggests that either the sample had a strong urban bias or the answers were untruthful. The World Bank estimated at the same time that only 10% of the populations as a whole had access to grid power supply. World Bank (2005), p. 80.

<sup>58</sup> See for instance surveys by Dayan Mazurana et al., *Human Security and Livelihoods of Rural Afghans, 2002-2003*, June 2004, and Antonio Donini et al., *Mapping the Security Environment*, June 2005, both undertaken for the Feinstein International Famine Center, Tufts University, Boston.

but were also the result of the way the US forces executed their mandated with respect to strategic priorities, their procedures of operations, and tactics on the ground. In pursuing their mandate, OEF forces chose to work with local military commanders and local drug networks in order to obtain intelligence and other forms of assistance in the war on “the terrorists”. Widely reported soon after the new Karzai-regime was installed, the practice evidently continued.<sup>59</sup> The effect was to empowering local groups that were actual or potential opponents of a stronger central state. The operational procedures of US forces undermined the authority of the Karzai government in other ways by demonstrating Kabul’s subordination to US military priorities. In legal terms, the point was expressed by the absence of the kind of status of forces agreement (SOFA), that normally regulations troop deployments among sovereign states. When incidents involving US forces caused public embarrassment and popular anger, Karzai deplored and requested the violence, but with little effect.

A series of incidents in spring 2005 proved particularly embarrassing as they came at the time when Washington and Kabul were launching closer military, economic and political cooperation in the form of a “strategic partnership.” A UN report had documented illegal arrests, torture and death of Afghans held by US forces in Afghanistan.<sup>60</sup> US “counterterrorist operations” had (again) claimed children among its civilian victims. Coincidentally, reports that US forces had desecrated the Koran while interrogating prisoners at Guantanamo (where a number of Afghans were held), caused violent demonstrations in Afghanistan as elsewhere. Karzai went public to demand that US forces exercise “extreme caution”, asking that the Afghan government be consulted on OEF operations and that Afghan detainees held by US forces in the country be handed over to Afghan authorities.<sup>61</sup> The concessions from the US were mostly symbolic. Some detainees were released, but the government’s position of powerlessness was confirmed in both legal and political terms. The terms of the new “strategic partnership” gave US as well as NATO forces “freedom of action” to conduct military operations, although based on unspecified “consultations and pre-approved procedure”. But the strategic partnership was just a mutual declaration, not a treaty, and the formulations were vague. Pressed on the meaning of the “consultations”, President Bush pointedly avoided a commitment by saying “we’ll consult with them in terms of how to achieve mutual goals....[The United States] will consult with Afghanistan if it perceives its territorial integrity, independence or security is at risk.”<sup>62</sup>

The precise damage done to the Karzai government’s authority by such heavy handed military tactics and diplomacy is difficult to assess, but was probably considerable. It

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<sup>59</sup> On Nangarhar in this respect, see ‘*Killing You is a Very Easy thing for Us.*’ *Human Rights Abuse in Afghanistan*. Human Rights Watch, vol. 15, no 5, July 2003, p. 19.

<http://www.hrw.org/reports/2003/afghanistan0703> and on Helmand, see Declan Walsh, “Welcome to Helmand,” *Guardian Weekly Review*, February 10-16, 2006.

<sup>60</sup> *Report of the independent expert on the situation of human rights in Afghanistan, M. Cherif Bassiouni*. UN E/CN.4/2005/122, 11 March 2005. When the report was published the Bush Administration successfully pressured the UN to sack its author, a prominent professor law teaching in the United States. [http://www.law.depaul.edu/institutes\\_centers/ihri/pdf/Bassiouni\\_Afghanistan\\_Final\\_05.pdf](http://www.law.depaul.edu/institutes_centers/ihri/pdf/Bassiouni_Afghanistan_Final_05.pdf)

<sup>61</sup> Agence France Press, 1 May 2005.

<sup>62</sup> Transcript of press conference, 23 May 2005.

seemed to indicate that power relations had not fundamentally changed since US forces invaded the country and permitted the Karzai government to be installed in Kabul. This in turn had two implications. First, by showing dependence as weakness, it encouraged calculations favoring spot contracts and hedging among potential supporters, as noted above. If the Karzai regime by its own admission was so dependent on the foreign forces, and, by the demonstrated heavy-handedness of the US, so unable to influence its larger ally, it might not be safe to throw in one's lot with Karzai. On the local level, it might be better to play safe by maintaining relations with assorted other power holders, including the militants.

The second implication relates to the nationalist sentiments and related judgments of legitimacy and acceptability. International forces, *qua* foreigners, are especially likely to attract criticism and protests, whether linked to genuine expressions of concern about their activities, or because they constitute a politically convenient target for other conflicts generated by social change. The Afghan government is simultaneously targeted by association, proximity and its demonstrably junior role in a dependent relationship. Negative attention in Afghanistan has mostly been linked to US rather than ISAF forces, and seems widespread. "The Americans", as an elder Pashtun in the central Logar province told a foreign visitor, "bomb the wrong kind of people and imprison innocent people."<sup>63</sup> The violent reaction to the Newsweek story in April 2005 over the alleged desecration of the Koran by US military forces at Guantanamo also expressed mounting concern over abuse of force by US troops in Afghanistan as well. Few commentators accepted Karzai's claim that the violence was merely due to Iranian and Pakistani instigators.

ISAF's more restricted mandate made them less of a target in the political debate, although the forces in 2005 increasingly were targeted by militant attacks. The political vulnerability of ISAF may likewise increase in the future if, as seems likely, the mandate expands beyond present stabilization operations in support of statebuilding. Thus, the mission of the new British forces deployed to the southern Helmand provinces in early 2006 appeared to include counter-narcotics operations, and NATO was discussing a more robust mandate for new ISAF forces moving in the Kandahar area and the eastern provinces.

The obvious alternative to heavy dependence on foreign forces and its two-edged consequences is to build up a national Afghan army. As pursued in post-Taliban Afghanistan, however, this strategy also has contradictory effects.

### *Building the Afghan National Army(ANA)*

US special forces started training and equipping the ANA in early 2002, almost immediately after the invasion.<sup>64</sup> The program was accelerated after the Bush

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<sup>63</sup> Donini et al. (2005), p. 32.

<sup>64</sup> Ali A. Jalali, "Rebuilding Afghanistan's National Army," Parameters, Autumn 2002, <http://carlisle-www.army.mil/usawc/Parameters/02autumn/jalali.htm>

administration in mid-2003 changed its Afghanistan policy to stress state-and nation building. Although British and French, and later Canadian forces assisted, building the ANA was above all a US led, financed and implemented enterprise. US military trainers embedded with their Afghan counterparts, equipment was airlifted from the US, and salaries and construction were paid by the US. At the US Bagram Air Field base, new divisions were established in the Office of Security Cooperation-Afghanistan to oversee the program.

The development of the ANA has been almost entirely financed by the United States through the external budget. For fiscal year 2003/2004, US funded 618.3 million dollars of a planned budget of 904 million, the following year the US contributed over 550 million towards a planned budget of 904 million.<sup>65</sup> Funds came primarily from the Foreign Military Financing (FMF) budget, a long-standing Department of Defense program that in the past has provided military support to US allies in the Middle East, above all Israel, Egypt and Jordan. Unlike other Afghan development sectors financed by donors through the external budget, funding for the ANA has been steady and secure, virtually up-front at the beginning of the budget year. For 2004/2005, 80% of the planned expenditure for ANA had been funded as per the mid-year review. By comparison, only 15 % of the budget for the Livelihood and Social Protection sector had been funded, and 14% for the Education and Vocational Training, even though the dollar amount for both education and livelihood combined was less than the allocation for the ANA.<sup>66</sup> The Pentagon funds cover all aspects of ANA development including salaries, logistics, training, construction of recruiting stations, rehabilitation of hospitals, construction of garrisons in the southeast and the south, establishment and operation of the four regional commands (Kandahar, Herat, Gardez and Mazar-e-Sharif), and, the largest item - formation of the central Army Corps of three infantry brigades in Kabul. US funds also support the development of the ANA Air Corps.

The Afghan government and its Ministry of Defense control only a small part of the overall defense budget. A mere 114 million dollars in 2004/05 was channeled through the core budget, mainly for salaries, including ministry staff. The marginalization of the ministry implied by this budgetary structure is related to other post-war developments. It was part of the broader policy to demobilize the factional armies – which had fought first the communists and subsequently each other in the civil war – and specifically to weaken the power of then Minister of Defense, Marshal Fahim. Fahim commanded a large factional army and was stalling the program. By early 2004, however, his position had eroded. His lack of cooperation on demobilization and reform of the Ministry of Defense, as well as his identity as an ethnic minority (Tajik from Pansjir) but leader of a military powerful faction (Northern Alliance), had attracted a growing circle of critics from among modernists, human rights activists and Pashtun leaders, as well as the US and other donors. A policy of developing the new army along a separate, donor-funded and directed track served to weaken Fahim and speed up the demobilization program.

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<sup>65</sup> Afghan sources give 554.04 million, Ministry of Finance, [www.af.mof/budget](http://www.af.mof/budget). US sources give 558 million. “US Military Assistance”, [http://www.fas.org/asmp/profiles/aid/fy2005/CBJ05\\_milassist.pdf](http://www.fas.org/asmp/profiles/aid/fy2005/CBJ05_milassist.pdf) and <http://www.fas.org/asmp/profiles/aid/fy2006/CBJMilAss.pdf>,

<sup>66</sup> External Development Budget, Funded Programs, National Budget 1384, MYR. [www.af.mof/budget](http://www.af.mof/budget)

It also, of course, served US interests. The development strategy for the ANA gives the US a potential proxy army in Central Asia. An army that is built, trained, equipped and financed by the United States is subject to American influence in numerous direct and indirect ways, from ideological formation to budgetary controls and supply of spare parts. The Soviet Union tried to do the same, starting with assistance during the second Daoud period in the 1970s, although Moscow did not have the benefit of starting from zero and being virtually the only source of funding and training.

The preeminent US role in the development of the Afghan army is likely to produce policy distortions in regional relations. US strategic interests in the region are likely to differ from those of the Afghan government. Their pursuit may well antagonize other powerful states in the region and in the end “put Afghanistan in great danger,” as one close observer noted.<sup>67</sup> The issue surfaced when Washington in May 2005 announced it would institutionalize its military presence in Afghanistan through a new “strategic partnership”. The reaction of Russia, China and the four Central Asian states bordering on Afghanistan – members of the Shanghai Cooperation Organization formed in 2001 – signalled distrust and counter-pressure. While also triggered by Washington’s policy towards political unrest in Uzbekistan, a formal communiqué issued in July called for the United States to set a timeline for withdrawing from military bases in Central Asia and suggested there was a declining need for combat operations against the Taliban.

In domestic affairs, the privileged position of the development of the army raises the possibility of uneven institutional development in the longer run. The World Bank in a 2005 report has drawn attention to the disproportionately large expenditures for defense.<sup>68</sup> The UN mission noted in early 2005 that while most state institutions remained “extremely weak”; “[s]o far, only the Afghan National Army programme has been able to encompass the various dimensions of institution-building, from in-depth reform of the Ministry itself, to the vetting and training of officers and soldiers, to post-deployment assistance and mentoring.”<sup>69</sup> The failure to invest equal efforts in developing civilian institutions of the state and governance, including the sidelining of political parties in parliamentary elections, underscores the relatively favored position of the armed forces. This need not mean another coup is on the horizon, although the Afghan army has twice in recent history been instrumental in bringing about regime change. Nevertheless, it suggests at the very least that the army may use its privileged position by intervening in politics, whether in the name of ending civilian disorder, strengthening the state, defeating the internal enemy, promoting modernization, or other rationales that historically have framed the intervention of the military in politics.<sup>70</sup> The present strategy

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<sup>67</sup> Barnett Rubin, speaking at the conference “Afghanistan Four Years Later: Progress, Problems, and Prospects for the Future,” Center for American Progress, October 25, 2005, [www.americanprogress.org](http://www.americanprogress.org)

<sup>68</sup> World Bank (2005).

<sup>69</sup> *The situation in Afghanistan and its implications for international peace and security*. S/2005/183, 18 March 2005, p.14.

<sup>70</sup> ANA’s present training in a wide range of civil affairs project (including counter-narcotics operations), strengthens “the notion of the military as the guardian of internal order ...and its role of ‘nation-builder’,” as an analyst noted about the role of the military in different country but similar context. Wendy Hunter,

to build the ANA is in therefore in a fundamental way working at cross purpose with efforts to develop a democratic polity, which in turn is ultimate, formal goal of both the the statebuilding and the wider modernization project.

### **C: Dependence, legitimacy and contestation**

#### *The “foreign factor”*

The material benefits and security provided by the foreign presence is one thing; the ideological and political dimension of the “foreign factor” is quite another. In contemporary Afghanistan the dependence on foreigners carries negative connotations in three main ideological perspectives. The development ideology of the importance of “local ownership” is widely cited on all levels in the political discourse, often expressed in the slogan that “the Afghans must be in the driver’s seat” in the rebuilding their state, society and economy. But, Afghan critics ask, how can we be in the driver’s seat when in fact the map is produced in New York, Bonn and London, the fuel bill is paid for at pledging conferences in Tokyo and Berlin, and the foreigners here are doing back-seat driving? Secondly, Afghan nationalism, however diffuse, has a distinct core defined by pride in a country that was never colonized and a people that repeatedly has driven out foreign invaders. Thirdly and more narrowly defined, the ideology of the militant Islamists specifically attacks the Western foreign presence and development model as illegitimate.

These three ideological strands are powerful tools for focusing and justifying criticism of the government and its foreign supporters. The underlying grievances or conflicts may or may not be related to the protest at hand. By being so obviously and deeply dependent on the West, however, the government lays itself open to attack. Foreigners and the government seem easily fused as a target for a wide variety of grievances. The expressions are varied and numerous.

*Populist rhetoric targets “greedy” NGOs and UN personnel who siphon off the aid money and block traffic with their 4-wheel drive vehicles. A candidate for parliament wins a seat on this platform (September 2005). The headquarters of a European NGO in Jalalabad with a long history of working in Afghanistan is burnt down in protests triggered by news that American interrogators at Guantanamo have abused the Koran (April 2005).*

*In the parliament, political opponents of Karzai complain that the foreigners are obstructing traffic in Kabul by building security barriers in front of their embassies. The*

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*State and Soldier in Latin America*, Washington D.C.: U.S. Institute of Peace, 1996.  
<http://www.usip.org/pubs/peaceworks/pwks10.html>, p. 7.

*barriers must be immediately removed, they say, even those in front of the United States embassy, which has practically blocked off a main street (January 2006).*

*Political opponents and independent critics question the Karzai government's eagerness to conclude a "strategic partnership" with the United States (May 2005).*

*Violent demonstrations against foreign pillars of the government: The UN offices in Heart are attacked by a mob when the central government tries to remove Ismael Khan (September 2004). Coordinated attacks on ISAF headquarters in three locations are triggered by the Danish cartoons of the Prophet, but seem connected with the agenda of military leaders who all are at odds with the modernists in the central government (February 2006).<sup>71</sup>*

*Militants attack foreign troops as well as soft targets (development and humanitarian workers), and Afghan "collaborators", including teachers (continuously).*

Anger, frustration and conflicts that are expressed in these ways are partly rooted in the nature of change introduced by the political competition generated by the new statebuilding process and the broader modernization project. In this Tilly'ean perspective, modernization and statebuilding appears as an arena of contestation.

### *Patterns of contestation*

Aside from the militants – about whom we know relatively little and who are not operating in the political arena – who are the main protagonists in this contest and around what issues do they coalesce? The statebuilding/modernization project seems to have produced several categories of contentious relations and issues.

First, there are frustrated expectations from peace. Four years of intense activity to rebuild the state and economy has generated growing, popular frustrations over unfulfilled expectations. Surveys, investigative reports and anecdotal evidence testify to a widespread sense of physical insecurity on the local level caused by the unchecked exercise of power by local strongmen, the police, armed gangs, and ordinary criminals.<sup>72</sup> Lack of economic security is an equally or more pressing concern. Peace has brought promises of massive aid and rapid reconstruction, but the market-driven strategy has

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<sup>71</sup> In Maimana, Dostum's stronghold, it was noted that a team from the TV company controlled by Dostum was at hand to film the start of the violent demonstrations against the ISAF base. Demonstrations also occurred in Heart, where Ismael Khan's infrastructure of power remained at least partially intact. In Kabul, which used to be stronghold of Bismillah Khan, the main commander of Fahim and presently chief of army, ISAF's headquarters were targeted. The demonstrations were closely coordinated in time.

[http://www.afnorth.nato.int/ISAF/Update/Press\\_Releases/speech\\_8feb06.htm](http://www.afnorth.nato.int/ISAF/Update/Press_Releases/speech_8feb06.htm)

<sup>72</sup> E.g. Feinstein center 2 studies, the ABC poll, and numerous HR reports, also recognized in the biannual reports of the UNSG to the SC.

failed to make a significant dent in poverty and, apart from education, the delivery of basic services.<sup>73</sup> A sharp inequality in the distribution of the material benefits of peace has becoming increasingly visible, especially in Kabul where shiny shopping malls, a 5-star hotel and fancy residences are being built. The common popular understanding is that the riches stem from corruption, favorable contracts for aid money, or the drug trade. There are also sharp inequalities among geographic areas. Precise figures are not available, but the general pattern is clear. Widespread insecurity in the southern and eastern provinces has meant much less aid money has gone into this area compared to the relatively more secure and donor-favored provinces of the center and the north. Within provinces the relatively more advanced and accessible areas tend to be favored by NGOs – which continue as the main providers of health services and development projects.<sup>74</sup> These inequities have ethnic as well as class implications.

Second, there are unresolved constitutive issues relating to the legal and social framework for the modernization project. This includes the sensitive issue of transitional justice, human rights, and women's rights. Afghans are deeply divided on the direction, scope and speed of proceeding in these areas, and some divisions are noticeable in the international aid community as well. Reform of the justice system poses related and equally problematic issues concerning the relative role of customary law, the *sharia*, and positive law based on the Napoleonic code, which traditionally has been the source of previous legal reform. The modernists in the grand coalition favor rapid and extensive legal reforms based on secular law, combined with rapid restoration and strengthening of the court systems to dispense justice accordingly. Afghan legal experts and clerics are deeply divided. There are modernist lawyers and a wide range of conservative-liberal views among the *ulama*. The divisions hampered the work of the Judicial Commission, established by the Bonn Agreement to lead the reforms of the country's justice system. The Supreme Court has for some time been at loggerheads with the leadership of the Ministry of Justice. In an effort to speed up the process and secure funding, the international leadership for justice reform was early on given to Italy in 2002. A comprehensive plan of action was produced at the end of 2005, but divisions among Afghans remain an obstacle to implementation.<sup>75</sup> Conservative members of the *ulama* – evidently angered and frustrated about the direction in which society was developing – has seized upon issues of women's rights and free speech to demand the strict application of the *sharia* in criminal law. A celebrated case in late 2005, for instance, resulted in the eventual release of the editor of a women's rights magazine, but almost 300 religious scholars and clerics had pointedly demanded that he repent or be hanged on the grounds of blasphemy.<sup>76</sup>

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<sup>73</sup> ANDS (2006) citing AREU research in progress; see also HDR, Afghanistan (2005).

<sup>74</sup> CMI (2005), CMI (2004). Government policy documents continue to emphasizing economic growth and market strategies, alongside targeted pro-poor policies, to achieve poverty reduction. Reducing inequality is not a policy priority. It is symptomatic that the Afghan National Development Strategy mentions the word "market" 60 times, and the word "inequality" 2 times. ANDS (2006).

<sup>75</sup> *Justice for All. A Ten-Year Strategy for Justice Reform in Afghanistan*, Ministry of Justice, Kabul, October 2005. [www.moj.gov.af/english/justice\\_for\\_all\\_hotnews.html](http://www.moj.gov.af/english/justice_for_all_hotnews.html)

<sup>76</sup> As usual, the case also had an ethnic and political dimension. The defendant, Ali Mohaqiq Nasab, was a Hazara (traditionally a low-status ethnic group) with political ambitions and had apparently offended a more

Thirdly, the process of reconstituting the central state from a condition of collapse has required clarifying the rules for the reach of state power and who would control it. In formal terms, these issues were addressed in the Constitution adopted in 2004, which had provisions for a centralized state with horizontal and vertical structures of accountability. But the Constitution was passed in a hurry to fit the transitional timetable agreed upon in Bonn, and many divisive issues were papered over. Deeply contentious power relations continue to shape political life and basic political structures were contested. This applies to the relationship between the center and the provinces, the role of the Kabul-appointed governors as against local military strongmen or tribal leaders, the role of the parliament, the courts and political parties in checking the power of the presidency. The illegal economy and the parallel power structure it supports presented a basic challenge to the writ of the state. Ethnic and language issues – while partly addressed with compromise solutions in the new Constitution – complicate the task of building the two major institutions of the modern state: a merit-based civil service and a multi-ethnic national army.

These tensions manifest themselves in many ways, but mostly in opposition to the government and the structure of dependence in which the statebuilding process is embedded.

## CONCLUSIONS

The conflicts discussed above are in a general sense inherent in the broader process of social change. They also reflect the specific forms the project has taken, and since international assistance largely determines these forms must be understood as consequences of that assistance.

By wrapping the narrower statebuilding agenda into a comprehensive modernization project, the process came to affect a wide range of groups and interests simultaneously. Existing power holders fought to retain their positions, others sought to use clan or political networks to secure access to power. The vast majority of the people were increasingly angry over what they now considered to be unacceptable levels of poverty and insecurity. Religious conservatives feared liberalization and their own marginalization; human rights activities were angered over failure to prosecute warlords, and so on. The compressed timetable aggravated the pressures and the reactions. So did the public ritual of pledging conferences with billion dollar promises of aid and the virtual invasion of foreign NGOs, all of which raised expectation levels. The economic model for reconstruction that relied on a market-based growth, but in the initial post-war

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powerful Hazara with political ambitions in Kabul. The broader reactions the case sparked nevertheless underline the profound importance of the legal issues in their own right.

phase only secondarily addressed immediate issues of poverty, probably contributed to the rising inequalities and generated popular frustrations. The political model opened for some democratic participation, but the formal limitations on political parties introduced by outside powers undermined the prospects for an effective parliament.

In this scene of widespread discontent and fears, of demands for benefits and frustrated aspirations, the Afghan political coalition that carries forward the modernization project seems rather narrow and fragile. Some would detect the shadow of Amanullah's experiment in the 1920s.

The very substantial military and financial assistance to the government has in itself contradictory effects. Foreign troops provided critical coercive power in the initial phase of statebuilding and represent a continuing security guarantee. Economic and technical assistance made it possible to distribute large-scale relief and launch the ambitious reconstruction and modernization program. The familiar negative consequences of heavy foreign dependence are also evident. Policy objectives were distorted to fit the interests of foreign states and donors.<sup>77</sup> Accountability structures were established to accommodate external donors rather than domestic constituencies. Dependence was self-perpetuating by favoring imported capacity rather than the slow process of building local capacity. In power political terms, the government's extreme dependence on foreign troops and funding also signaled its own weakness, thereby encouraging potential supporters to hedge their commitment, or the commitment only lasted as long as the quid pro quo was forthcoming. In a nationalist perspective, extreme dependence undermined the legitimacy of the government and made it an easy target for genuine or manipulated protest. Representatives of foreign power – whether troops, diplomats or aid workers – were targeted by the militants, as were government “collaborators”. By 2005, four years into the post-Taliban order, the attacks occurred with increasing frequency.

If this analysis is correct, a policy prescription of “more of the same” clearly will not do. Theoretically, a certain level of money, troops and a rock-solid political commitment might produce sufficient benefits and force to outweigh the negative consequences of intrusive assistance, which is precisely what its proponents hope. Yet the task would be formidable and probably entail a degree of international commitment, presence and control that is both unrealistic and ideologically unacceptable. The alternative to a “critical mass” approach is to explore opposite directions. This would above all mean reducing the pace and comprehensive scope of the modernization project, thereby reducing the pressures it generates. In addition, symbols and realities of dependence could be modified by change in policies, for instance, by introducing a strong SOFA agreement and limiting the functions of ISAF to core statebuilding support. On the economic side, alleviating dependence would mean reducing aid inflows to better match absorption capacity, with long-term programs for building rather than importing capacity. Addressing underlying sources of discontent in the short run would mean different approaches to deal with rising inequalities and persistent poverty. Most obvious and

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<sup>77</sup> In addition to foreign policy distortions discussed above, policy distortion is most obvious in the counter-narcotics area. See e.g. Jonathan Goodhand, “Afghanistan in Central Asia,” in Michael Pugh and Neil Cooper (eds.), *War Economies in a Regional Context*. Boulder, Colo.: Lynne Rienner, 2004.

radical would be a decision to legalize and tax poppy cultivation. To examine such changes in more detail, however, requires at the outset a more systematic, critical approach towards current policies than is presently evident in either the literature or policy circles.