

# When More is Less: Aiding Statebuilding in Afghanistan



Astri Suhrke

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# When More is Less: Aiding Statebuilding in Afghanistan

Astri Suhrke

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Astri Suhrke is a political scientist (Ph.D.) and Senior Research Fellow at the Chr. Michelsen Institute in Bergen, Norway. Currently, she is working on strategies of post-war reconstruction and, more widely, peacebuilding, with particular reference to Afghanistan and East Timor. She is leading a multi-year project funded by the Research Council of Norway on violence in the post-conflict State. Her most recent books (co-authored) are *Roads to Reconciliation* (2005), *Eroding Local Capacity. International Humanitarian Action in Africa* (2003), and *The Path of a Genocide. The Rwanda Crisis from Uganda to Zaire* (1999).

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Felipe IV, 9 1º Dcha. 28014 Madrid – SPAIN

Tel.: +34 915 22 25 12 – Fax: +34 915 22 73 01

Email: [fride@fride.org](mailto:fride@fride.org)

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# Introduction Policy Perspectives

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. The focus of the US-led intervention in November 2001 was to destroy a terrorist sanctuary. Statebuilding was seen as an instrument to deny the emergence of a future sanctuary. With previous state structures destroyed or neglected as a result of 25 years of war, general upheavals and intermittent international sanctions, the reconstruction programme launched after the intervention placed statebuilding at its core.

This chapter examines the nature of international economic and military assistance to this statebuilding. The central argument is that this assistance has had negative as well as positive effects that combine to create severe internal tensions in the statebuilding project itself. For all the achievements cited in removing the Taliban and launching an ambitious policy of reconstruction and modernisation, the intervention in 2001 and subsequent aid strategies have also created a *rentier state* that is totally dependent upon foreign funds and military forces for its survival. Furthermore, this state has weak legitimacy and limited capacity to utilise aid effectively, and it faces a mounting insurgency. In this situation, the premises and structure of the statebuilding project invite critical examination. This perspective differs from much of the present policy-oriented literature on Afghanistan, which is either project-oriented or recommends policy adjustments within the established framework of the post-Taliban international engagement in the country. Existing policy recognises there are mounting problems, but generally operates on the premise that international assistance has predominantly positive effects and – once it reaches a “critical mass” – can turn things around.

By mid-2006, in policy circles as well as much of the policy-related literature, there was recognition of a paradox in the Afghanistan reconstruction effort. Violence associated with the insurgency and counter-insurgency operations had worsened significantly since mid-2004. Issues of corruption and slow institution-building marred the aid programmes, as did regional inequities in distribution of aid funds and ostentatious display of the new riches acquired by a few, especially in Kabul, in contrast with extreme poverty of the vast majority of people. The government had failed to significantly expand its hold over the countryside, ruled by a variety of strongmen (military commanders, mullahs and tribal notables). Reports in March 2006 from the northern province of Balkh – the domain of the powerful self-styled general Abdul Rashid Dostum – claimed that the central government controlled only four official buildings in the entire province. The central government’s limited power was further demonstrated by its limited success in collecting taxes and near-total failure suppressing the poppy economy, estimated to be 60-70 % of the GDP in 2005. Violent anti-foreign demonstrations and violence gave a sharp edge to populist rhetoric about unfulfilled expectations and the belief that foreign aid organisations are “cows that drink their own milk”, as an Afghan saying goes.

The collective international response has been for more of the same – more aid, more institution-building and more foreign troops. Pledges of 4.5 billion dollars were made 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. The programmes of the Asian Development Bank and the World Bank, announced on the eve of the London conference, both emphasised more institution-building. NATO had in late 2005 decided to increase its troops with around 6000, double the announced reduction of US forces around 3000. Deployment started in early 2006 and brought the total number of foreign troops in

Afghanistan to over 30 000, a record high in the post-Taliban period. As the Taliban and their supporters fiercely attacked the new ISAF units, the British sent in an additional 900 men in July the same year.

The rationale for the steady increase in aid is that international economic assistance and military presence have not yet reached the critical turning point, whether it is to overwhelm the illegal economy, create a decisive momentum in institution-building, or defeat the militant Islamists. The Afghanistan experts among scholars and diplomats in the United States mostly endorse this view.<sup>1</sup> While recognising problems of nationalist reactions and legitimacy associated with large-scale international assistance, such aid is still seen as essential to provide the necessary capital and coercion required for statebuilding, as Barnett Rubin argues.<sup>2</sup> The vast commissioned literature of evaluation reports, for its part, rarely examines the overall effects of assistance on broader statebuilding issues, but focuses on a narrow range of impacts of particular projects or programmes. Policy recommendations typically concern issues of project design, programme coherence, coordination, monitoring, and the appropriate sequencing and targeting of aid.<sup>3</sup> In this context, recommendations that donors use different *channels* of

aid (as the World Bank long has argued),<sup>4</sup> or improve the *effectiveness* of aid by intrusive monitoring (as decided at the London conference),<sup>5</sup> appear as relatively radical proposals for reform although in reality being merely an adjustment of modalities.

This policy rationale reflects what is widely considered the main historical lesson from Afghanistan's recent past. The withdrawal of Soviet forces caused the Soviet-backed regime to crumble, the West no longer professed much of an interest in the country, and the *mujahedin* groups - aided and abetted by Afghanistan's neighbours - turned on each other in a nasty civil war. Neither the US nor the UN intervened to try to stop the fighting, and the Pakistan-supported Taliban exploited the anarchic violence to seize power, eventually controlling some 90% of the territory and giving sanctuary to international terrorists until they were overthrown by the US intervention in 2001. This narrative of international abandonment and its consequences understandably is a warning against reduction or withdrawal of international assistance at the present time. Instead, a steadfast commitment and more involvement are recommended. "International" in this discourse is typically taken to mean activities undertaken under the auspices of the UN, the Western-led donor community, NATO or the US-led coalition forces. Western analysts often contrast this involvement with "opportunistic" intervention by neighbouring states - notably Iran and Pakistan - that are seen as "ready to intervene" if "[the] international community ... reneges on its commitments to help secure and rebuild the country."<sup>6</sup>

This narrative has inhibited critical thinking about the fundamentals of the contemporary statebuilding project in Afghanistan. There is, for instance, little if any systematic comparison with failure of the Soviet

<sup>1</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 modernisation/statebuilding agenda presented to the January 2006 conference in London. Published in the Congressional Publication *The Hill*, 8 February 2006. The view is also endorsed by other Afghanistan experts. For a very strong statement of the argument for more aid, see Ahmed Rashid, "Afghanistan on the Brink", *New York Review of Books*, vol. 33, no 11 (June 22, 2006).

<sup>2</sup> "Constructing Sovereignty for Security," *Survival*, vol. 47, no 4 (Winter 2005):93-106. Rubin is arguably the most knowledgeable and influential of the US experts on Afghanistan and an articulate representative of what is here called the "critical mass" school of thought. The perspective does allow for change in the form of involvement, e.g. in more direct channelling of external funds to the Afghan government, more consultations with the Afghan government over the operations of foreign troops in the country, and in greater pressure on neighbouring Pakistan to suppress the insurgents. See e.g. Barnett R. Rubin, "Afghanistan's Uncertain Transition from Turmoil to Normalcy," *Council on Foreign Relations*, CSR no. 12, March 2006.

<sup>3</sup> 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) Antonio Donini et al (eds.), *Nation-building Unraveled? Aid, Peace and Justice in Afghanistan*, Bloomfield, CT: Kumarian Press, 2004, with contributions mostly from form aid workers and UN officials in Afghanistan, addresses both project and policy issues.

<sup>4</sup> The Bank has consistently called for more aid to be channelled through the government budget via the Bank-administered trust fund. The point is emphasised in its 2005 report. [http://siteresources.worldbank.org/AFGHANISTANEXTN/Resources/305984-1137783774207/afghanistan\\_pfm.pdf](http://siteresources.worldbank.org/AFGHANISTANEXTN/Resources/305984-1137783774207/afghanistan_pfm.pdf)

<sup>5</sup> A joint monitoring board is to be established. *The Afghanistan Compact*. <http://www.reliefweb.int/rw/RWB.NSF/db900SID/KHII-6LK3GU?OpenDocument>

<sup>6</sup> Marvin G. Weinbaum, *Afghanistan and Its Neighbors*, US Institute of Peace, Special Report. June 2006.

intervention, although the escalating insurgency in spring 2006 makes for instructive comparisons (and is a subject of black humour among Afghans).<sup>7</sup> The agenda and the policy dilemmas that Moscow was facing during a decade of direct intervention (1979-89) resemble in many respects those that the international coalition has to grapple with today. These arise in part from underlying similarities in the policy objectives. Possible imperial ambitions, the Soviet government also sought to defeat Islamic militants, modernise Afghan society and build a strong central state that would create a Soviet-friendly order and stability in the country.<sup>8</sup>

The framework for the present statebuilding enterprise - the Bonn Agreement of 2001 and related resolutions - is designed to establish an effective central state, characterised by "competence and integrity", as the Agreement notes, served by a single army and legitimised through democratic elections. Only a few scholars initially questioned the principal strategies or premises of the statebuilding project. Those who did argued that the Weberian model could not be realised in the Afghan context; the entire project was fundamentally unrealistic. International actors should instead work with existing power holders on the local level ("the warlords") and attempt only modest change.<sup>9</sup> As the aid programme got underway and foreign troops continued offensive operations against the militant Taliban and their foreign supporters, more critics appeared. Waging war while trying to build peace was fundamentally contradictory, it was argued, as the former objective undermined the latter. The reconstruction programme had structural flaws that were likely to produce new conflict as the magnitude of aid greatly exceeded local capacity to use it effectively,

<sup>7</sup> One goes like this: "Question: What is the difference between the Russians and the Americans? Answer: The Americans are better paid."

<sup>8</sup> From the perspective of officials on the ground, the comparison can seem compelling. An official in the present UN mission in Afghanistan (UNAMA), who in the 1980s worked in the Soviet embassy in Kabul, described part of his present work as "the same as I did then - monitoring efforts to defeat the militant Islamists, promoting education, reducing poverty, and helping to liberate the women". Interview with author, Kandahar, November 2003.

<sup>9</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)

produced large-scale and visible corruption, and was distributed in ways that encouraged social and regional inequalities.<sup>10</sup> Altogether, the Afghan case seemed to provide evidence for critical theories of "the liberal peace", which claimed its agenda was unrealistic and its structure likely to generate new conflict.<sup>11</sup>

The present analysis builds in part on these critiques, but focuses more narrowly on the dependent nature of the statebuilding project. The rest of this paper will examine, first, the structures of economic and military dependence on foreign assistance, and then assess the implications with respect to the legitimacy and sustainability of the Afghanistan statebuilding project.

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## Structures of Dependence and their Implications

International efforts were essential in getting the post-Taliban statebuilding enterprise off the ground. Initially organised through the UN in an extraordinary show of unity, the states and aid agencies engaged in Afghanistan were generally referred to as "the international community". Each had, of course, distinct interests. Over time, these emerged more clearly as divergent or rival concerns. The major players included the UN mission (UNAMA) and the

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<sup>10</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 programme 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>11</sup> See respectively Oliver Richmond, *The Liberal Peace*, London: Palgrave-Macmillan, 2005, and Roland Paris, *At War's End*. Cambridge: Cambridge University Press, 2004.

UN agencies. NATO as an organisation underwrote the international peacekeeping and stabilisation presence through ISAF (International Security Assistance Force). The international financial institutions (especially the World Bank), the European Union and Japan from the beginning provided much assistance for economic reconstruction and governance. Russia and India reformulated their aid and policy agendas in relation to the post-Taliban order, as did Iran and Pakistan, although Pakistan was handicapped by its past support for the Taliban. Gradually, the new government in Kabul also expanded relations with the smaller republics to the north that had emerged from the disintegration of the Soviet Union. But the United States clearly remained the single most important foreign actor. Initially content to let the UN take the diplomatic lead, in mid-2003, Washington adopted a more active policy of “nation-building” that entailed a more politically intrusive role. The US continued to set the ground rules for the international military involvement by virtue of its own combat forces on the ground (in Operation Enduring Freedom) and as the pre-eminent member of NATO. The US was a major actor in the economic assistance field as well. By mid-2005 there were signs that the US was toning down its political involvement, and in mid-2006 transferred more of the military functions to NATO.<sup>12</sup>

For Afghanistan, the dependence on these components of the international community was a fundamental and visible fact of life. Some five years after the new government was installed in Kabul, military security and the national budget – the two pillars of the statebuilding agenda – continued to be almost totally dependent on foreign forces and foreign funding. The degree of military dependence is illustrated by President Karzai’s amazing public admission of weakness in May 2005. If foreign forces were to leave, he warned, Afghanistan would “go back immediately to chaos....Afghanistan will not make it as a sovereign,

independent nation able to stand on its own feet.”<sup>13</sup> As for the budget, over 90 % of the total for 2004-2005 came from external funds, with no significant change in this ratio in sight.<sup>14</sup>

## A: Economic Dependence

Foreign donors initially prioritised humanitarian aid assistance and the government collected very little tax revenue in 2002, equivalent to less than 10% of the national budget. Three years later, 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 critically noted.<sup>15</sup> The overall expenditure level had also increased, with the result that domestic revenues were expected to cover only 8% of the total national budget for 2004-2005. The rest was to come from donor funding.<sup>16</sup> In other words, the ratio of domestic to foreign sources of funding was almost exactly the same as in 2002. The pattern was expected to continue for at least the next 5-year period, according to the IMF and President Karzai.<sup>17</sup>

The extreme dependence was underscored by a change in budgetary structures starting in 2004. 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 in

<sup>13</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>14</sup> The World Bank, *Afghanistan. Managing Public Finances for Development*. Washington, D.C.: The World Bank, December 22, 2005, pp.vii-viii.

<sup>15</sup> World Bank (2005), p. viii.

<sup>16</sup> Figures for 2002-3 from Ministry of Finance as cited in the HDR, Afghanistan (note 24).

<sup>17</sup> Daniel Cooney, “Afghanistan Hails Debt Cancellation,” *Washington Post*, 8 February 2006, citing Karzai and the IMF’s representative in Kabul.

<sup>12</sup> A change in ambassador signalled a less intrusive political role, and plans for a reduction of some 3,000 of the 16,000 strong US force in Afghanistan were announced. At the same time, work was going ahead to significantly expand and upgrade the major air bases used by the US in Kandahar and at Bagram, which suggested a long-term presence.

2004/05) was 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 programmes like the National Solidarity Programme and the cost of elections. From the Afghan government's perspective, these sectors were beyond its financial control, as the IMF pointed out,<sup>18</sup> and were listed as "off budget" items in major planning documents, including the Afghan National Development Strategy for 2006-2010.

How does this revenue ratio compare with the record of previous modernising regimes in the country? Afghan rulers have long been dependent upon foreign funding, but especially so in two recent periods – during the presidency of Mohammad Daoud (1973-77), and the communist regime (1978-1992). These periods

therefore are useful points of comparison. As shown in table I below, the comparison is unfavourable for the Karzai government. At both the beginning and end of Daoud's presidency, domestic revenue collection accounted for slightly over 60 % of total expenditure, even though Daoud had launched grand development schemes that were heavily financed by the US and the USSR. The figures for the early years of the communist regime are in the same range (52-71%), even though the government's dependence on the Soviet Union had increased enormously as a result of the invasion and escalating war with the Western-supported *mujahedin*.<sup>19</sup> By comparison, after four years the post-Taliban government only collected enough domestic revenue to pay for 8% of the total budget, and some 30% of the much smaller core budget. The latter mostly covered salaries for government officials on the central level, increasingly also provincial-level officials, but no development project of significance.<sup>20</sup>

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

	Total mil afs	Operating exp (%)	Development (%)	Domestic revenues % of total 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 11=48

Sources: Rubin (1995), p. 113, 297; World Bank (2005), pp. 7-8.

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

<sup>18</sup> *Islamic State of Afghanistan: Selected Issues and Appendix*. IMF Country report no. 05/34, February 2005, pp.17-21.

<sup>19</sup> The sale of natural gas was a major source of revenue for both Daoud and the PDPA.

<sup>20</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

Against this background, the intense discussion within the international aid community about the choice of channel for aid transfers becomes less interesting. Channelling more aid through the core budget – as the World Bank and the Afghan government are recommending – would only reduce the government’s secondary dependence on the donors.<sup>21</sup> As such, it would go only a small way to close “the sovereignty gap”, as the former Afghan Finance Minister has called for.<sup>22</sup> As long as aid money continues to be the main source of revenue, primary dependence on the donors would remain and conditions of quasi-sovereignty – to paraphrase Robert Jackson – would prevail.<sup>23</sup>

The implications of such extreme dependence on external resources for state survival have been much discussed in the literature on state formation in Africa, e.g. in the concept of “extraversion” developed by Jean-Francois Bayart. Extreme dependence is also part of a broader category of political phenomena called the rentier state. As commonly understood, the rentier state is the exact opposite of what might be said to be the goal of a statebuilding process and, in the case of Afghanistan, as expressed in the formal policy objectives formulated in the Bonn Agreement and related instruments.

### *The Rentier State*

As indicated above, the rentier state is a familiar concept in Afghan history. Daoud’s presidency is usually singled out as the prototypical rentier state, but other modernisers received substantial foreign funding as well, or subventions in the language of British imperial officers who supplied Afghan rulers with

funds 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>24</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 Afghan regimes that were heavily dependent on external funding. In his seminal study of Afghan political development, Barnett Rubin concludes that Daoud’s rentier income from foreign aid and revenue from sales of natural gas had dysfunctional political effects. “Renewed external revenues relieved Daoud of whatever incentives he might have had to make his government accountable [to the population]. He did little to transform the mode of governing to match the means by which he had taken power.”<sup>25</sup>

When rebuilding a new order in Afghanistan after the Taliban, most donors insisted on including democratic

<sup>21</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.

<sup>22</sup> Ashraf Ghani et al., “Closing the Sovereignty Gap: an Approach to State-Building,” London, ODI September 2005.

<sup>23</sup> Robert Jackson and Carl G. Rosberg, “Why Africa’s Weak States Persist: The Empirical and the Juridical in Statehood,” *World Politics*, vol. 35, no 1 (1982); 1-24.

<sup>24</sup> The finding holds across disciplines and research areas. Among the vast literature and the variety of types of rentier states, the following should be noted: the early formulation by Hazem Beblawi, “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 modernisation and democratisation, 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>25</sup> Rubin (1995), p. 75.

reforms. Democratic accountability was expected in the long-run to contribute to stability, legitimacy and order, and was the reason why the Bonn Agreement and the new Constitution (2003) both provided for a parliament. The parliament elected in 2005 started immediately to flex its muscles. Yet it is unclear what would be its sources of strength if it lacks the power of the purse that historically has forced kings to subject themselves to the scrutiny of the propertied and productive classes. In this context, large aid flows – particularly if they are in the range of 90% of the total budget - would tend to marginalize the parliament by giving the donors a more important voice, at least de facto, in setting policy and in holding the government accountable for its use of the funds. The power of the donors in this respect was underlined by the contract-like provisions with the Afghan government in the Afghanistan Compact agreed to at the London conference in 2006. Efficient use of large aid inflows may of course produce some economic development gains, and to that extent also stability. But it is clearly at odds with the long-run goal of promoting a democratic government in Afghanistan - which is also central to the statebuilding agenda – and does little to strengthen the authority and legitimacy of the present government.

To understand the impact of large aid flows on the legitimacy of the government two factors are critically important: the poppy economy and the extreme fragmentation of political power. When the new Karzai Administration was installed, the central state appeared as only one of several armed factions. The government controlled the capital but was itself severely factionalised (especially in the first two years), and had only a tenuous hold on the official provincial administration that, almost miraculously, had survived the years of war and turmoil. And while the Karzai government had the enormous advantage of being the internationally recognised party and the formal recipient of aid, some other factions also had external supporters and the additional advantage of exercising control on the ground and having access to significant capital through the opium economy. As the production and trade of poppy rapidly increased and spread to new areas, it underwrote a set of parallel structures of

power and authority. This limited the potency of foreign aid in garnering support for the central government. While the government could use aid resources to provide services and obtain political support, so could rival factions who had other sources of capital. In bargaining for support and political alignment, the fact that the government was dependent on foreign monies undoubtedly was a weakness in two respects. The foreign element was a liability in a political climate increasingly characterised by anti-government and anti-foreign protests, as we shall see below. It was also problematic if viewed from a rational actor perspective. Dependence on foreign aid exposed the weakness of the government as an autonomous actor. This increased the uncertainty and risks for other actors of aligning with the government, thus introducing a marked hedging effect in the bargaining between the centre and the local power holders.

It is not difficult to find evidence of hedging. Afghans are acutely aware that in their recent history, external patrons have often proved fickle or acted contrary to local interests. Politics traditionally has been based on flexible alignments and shifting alliances. The early Karzai Administration was no exception. Both on the central and local level, frequently asked questions were how long the US would support Karzai, and with how much. If Karzai makes a deal and the foreigners break it, the other local party to the agreement has little recourse. The anti-government factions exploit the same logic by capitalising on the lack of development and sustained presence by government forces in areas that they themselves have made insecure. Hedging adds to the manifest unwillingness to pay taxes and the widespread disregard for the official ban on cultivation and trading of poppy.<sup>26</sup> When the government does obtain compliance, it is typically transitory and in the nature of a spot contract.

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<sup>26</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 record 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).

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>27</sup> Production fell by an estimated astounding 96%, and made a significant dent in national statistics as well since Nangarhar was a major growing area. After 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, claimed that the provincial population had entertained unrealistic expectations. Aid at any rate needed to go through proper preparation and project cycles. Karzai was publicly silent. He had entered into a contract and 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, while aid provides resources that permit some of the government functions to be undertaken, extreme financial dependence on foreign aid creates a measure of political weakness that cuts against the statebuilding project. As the government in effect plays the role of an agent, rather than one of an owner-patron, to use the language of institutional economics, its credibility to honour 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. Yet it certainly differs from the development of stable rules and predictable relationships that are the essence of institution-building and associated with the development of an effective state marked by “competence and integrity”, as envisaged in the Bonn Agreement.

## *Sustainability*

Even rentier states financed by resources controlled by the state have an element of unsustainability, but domestic natural resources such as oil and diamonds are likely to last longer and have more predictable return than foreign assistance, which is shaped by strategic and therefore inherently shifting interests. Recognising this as a recurrent feature of their history, the Afghans sought to maximise aid in the short run. This strategy was especially pronounced in the immediate aftermath of the Bonn Agreement, when the government hoped to capitalise on the newsworthiness of the peace. The then Finance Minister, Ashraf Ghani, argued forcefully that massive aid was necessary for reconstruction and, above all, to drown out the illegal economy. Absent sufficient aid, he warned, Afghanistan would become a “narco-mafia state”. His 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, and framed the London 2006 conference as well. Billed as a meeting to lay down a political, economic and social strategy for the next 5-year period, the conference produced pledges of over 10 billion dollars for the planning period.

War-devastated and fragmented Afghanistan clearly lacked capacity to absorb aid of this magnitude. Instead of taking a long-haul approach based on a modest inflow of aid that could be equilibrated with the build-up of local capacity, the Ministry of Finance decided to increase absorption levels by importing 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 late as August 2004, a total of 224 advisors 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>28</sup> A European delegation

<sup>27</sup> See Koehler (2005), and Afghan press reports, distributed by [AFGHANDEV@lists.mcqill.ca](mailto:AFGHANDEV@lists.mcqill.ca)

<sup>28</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).

visiting in April 2006 noted that the ministries continued to be “full of external advisors”; many were Afghans from abroad on short-term contracts and with insufficient knowledge of conditions in the country.<sup>29</sup> The scheme was effective in absorbing aid money, but lacked programmes 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 programmes were instituted, but progressed slowly. By mid-2005 development spending was “substantially below budget expectations, 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>30</sup> Some European donors that wanted to shift more funds from international NGOs or UN agencies to the government observed that lack of government capacity was a significant constraint.<sup>31</sup> Some donors increasingly favoured channelling aid directly to local authorities or NGOs in areas where their national Provincial Reconstruction Teams (PRTs) were deployed. But capacity constraint was evident on all levels. Even USAID, which mostly worked directly with US contractors and their subcontractors in the field, managed to spend only half of the money appropriated for 2004-2005. The U.S. Government Accountability Office reported that many AID projects were initiated in haste in preparation for the 2004 presidential election in Afghanistan and that much of the funding was wasted.<sup>32</sup>

This aid dynamic has had dysfunctional effects in the short run, and seems unsustainable in the longer run. Calls for massive inflows and generous promises generated huge expectations which, unsurprisingly, were not met. The aid discourse contrasted with the reality of slow implementation, visible and widespread corruption, ostentatious displays of new riches, and grinding poverty in large parts of the country,

especially in the outlying and insecure areas. Criticism and populist rhetoric mounted. The ubiquitous presence of foreign aid experts on high salaries further fuelled political dissatisfaction and unrest, while aid experts pointed to the cost-ineffectiveness of employing foreign consultants or international NGOs rather than using local capacity.<sup>33</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>34</sup>

## B: Military Dependence

The government’s 5-year plan for 2006-10, the Afghanistan National Development Strategy (ANDS), 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...*” The military 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 (ANA) was built up slowly, reaching only 22 000 men by mid-2005, as against the international force level which at that time had stabilised around 30 000.<sup>35</sup> In the meantime, both the US-led combat forces (OEF), and the UN-authorized and NATO-commanded stabilisation force (ISAF) sought to achieve three central objectives of statebuilding: disarming opponents, deterring rivals, and defeating the militant opposition to the central state.

<sup>33</sup> These critics now included the former Finance Minister, Ashraf Ghani, who had turned a formidable critic of his own previous strategy. See “The Battle to Rebuild Afghanistan,” <http://212.58.226.50/2/hi/business/4714116.stm>

<sup>34</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 it 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.

<sup>35</sup> By early 2006, the Coalition Forces (OEF) had around 19 000 troops (with a scheduled reduction of 3 000), and ISAF had 9 000, with a planned increase of another 6 000.

<sup>29</sup> Confidential report, on file with author.

<sup>30</sup> IMF, *Country report 05/2005*, July 2005, p.6.

<sup>31</sup> Strand and Olesen (2005).

<sup>32</sup> GAO (2005).

ISAF's main task was to deter rivals and encourage opponents to disarm. By securing the capital soon after the fall of the Taliban, ISAF effectively pre-empted renewed military rivalry among the Afghan factions for the capital (over which they had fought 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 additionally undertook civil affairs projects in a "hearts-and-minds" strategy. Formally this was called "extending the authority of the central government in the provinces". ISAF's deterrence effect was reinforced by the much more powerful US military presence. Using "B-52 diplomacy", US military personnel appeared at strategic points of conflict to communicate that potentially much larger force could be brought to bear. 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 Defence Minister, Marshal Fahim in 2003-04.<sup>36</sup> Although not specifically mandated to assist the UN-supervised programme to demobilise the various military factions, the presence of ISAF and OEF likewise helped bring Phase I of the programme 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.

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<sup>36</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 rumours 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?>

The contribution made by international forces to protect the capital and enforce the new rules for control over the central state helped preserve a large measure of peace – in the sense of no war – in the capital and initially two-thirds of the country. As a result, people expressed considerable tolerance for their presence despite the legendary Afghan resistance to foreign troops in the past, whether they issued from the Soviet Union or the British imperial army. One widely cited poll conducted in 2005 found that two-thirds 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>37</sup>

Yet the welcome seemed to be wearing down over time, as expressed in mounting protests over the conduct of foreign, especially US military forces, and the growing strength of the insurgency. The primary mission of the US forces – to destroy al-Qaeda bases in Afghanistan and defeat the remnants of the Taliban – had by mid-2006 produced inconclusive or negative results. The militants responded to the US-led offensives by attacking foreign troops regardless of mission and command, as well as "soft targets", such as foreign aid personnel and Afghans working with them. Suicide attacks became more common. The tactic had previously not been used in Afghanistan and was attributed to the presence of foreign Islamic fighters. Violent events in the country as a whole increased markedly from 2003 onwards. In the southern and the eastern provinces, the number killed in 2005 was higher than at any time since 2001.<sup>38</sup> Violence intensified further during the first half of 2006 as ISAF forces

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<sup>37</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 programme 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 population as a whole had access to grid power supplies. World Bank (2005), p. 80.

<sup>38</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>.

were preparing to take over from US forces in the southern provinces. Some 300 persons (civilians and military) were reported killed in May and early June alone, and rising to around 600 in July as US-led forces mounted a massive offensive in the southeast designed to root out the insurgents once and for all.<sup>39</sup> Nevertheless, reports indicated that the Taliban controlled large swaths of territory in the southeast, particularly at night.<sup>40</sup> Fresh recruits were mobilised locally and from sanctuaries on the Pakistan side of the border, reinforced by foreign *jihadi* fighters. The decision in late 2005 to increase NATO force levels, as well as the unprecedented scale of the US-led offensive in May-June the following year, amounted to an admission that the insurgents were gaining in strength.

At the village level, it appeared that “the Americans bomb the wrong kind of people and imprison innocent people”, as an elder Pashtun in the central Logar province told a foreign visitor.<sup>41</sup> Foreign troops on search and destroy operations were especially likely to cause local concern, but the distinction between OEF units with a search and destroy combat mission and ISAF units with primarily a stabilisation mission was not always clear to outsiders.<sup>42</sup> Concerns among Afghans ranged from issues of improper social behaviour of foreign soldiers to the widespread disruption, death and other “collateral damage” caused by the counter-insurgency campaign. Major offensives like the May-June 2006 campaign – which involved dense air strikes and use of 500-pound bombs in rural areas believed to house insurgents – were certain to produce negative reactions regardless of the

villagers’ initial attitude towards the Taliban. In a case where US air strikes killed 35 villagers in Kandahar province, the elders asked Karzai to tell foreign troops to leave.<sup>43</sup> The southeast, moreover, was the stronghold of tradition-bound Pashtun tribes and the home region of the Taliban. Almost regardless of their actions, foreign forces were handicapped by the very fact of being foreigners and outsiders in a tribal social order. In the poll commissioned by a US television company in December 2005 cited above, one-third of the respondents said that attacks on US forces were justified. In subgroups of “socially conservative” respondents and those who were “dissatisfied with the benefits of peace”, the figure rose to 60%.

Dependence on foreign military force thus had contradictory effects on the statebuilding process. Fighting the insurgency with foreign troops provided coercive force that the central state lacked, but by virtue of their actions and identity foreign troops also undermined popular support for the government. US forces also collaborated with local powerholders by paying for manpower and intelligence for use in military operations. Widely reported soon after the Karzai government was formed, the practice evidently continued.<sup>44</sup> The result was to empower local groups that were actual or potential opponents of a stronger central state. Finally, the highly unequal nature of the relationship undermined the authority of the Karzai government by demonstrating its 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 regulates troop deployments among sovereign states. When incidents involving US forces caused public embarrassment and popular anger, Karzai deplored the events and requested his main ally to change behaviour, but with little effect.

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<sup>39</sup> *Washington Post*, June 18, 2006.

<sup>40</sup> *Le Monde*, 9 June, 2006, *Helmand at War*. The Senlis Council, London, June 2006.

<sup>41</sup> Donini et al. (2005), p. 32.

<sup>42</sup> ISAF had originally a more restricted mandate, but additional units deployed to the south in early 2006 were expected to operate under more “robust” rules of engagement. The deployment provoked a sharp increase in attack on ISAF units, suggesting an escalation was underway. The command chain and tasks of ISAF and OEF seemed increasingly unclear to outside Western observers as well. In addition, private security contractors dressed in camouflage uniforms participated in highly visible and controversial poppy eradication campaigns in the south. Thus, the Afghan who attacked a Canadian soldier with an axe when he was on a civic affairs mission in Kandahar in March 2006 might have acted out of misunderstanding or generalised anger against foreign troops.

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<sup>43</sup> *New York Times*, 26 May, 2006.

<sup>44</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.

A series of incidents in the spring of 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>45</sup> US military 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 demanded 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>46</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 the US as well as NATO forces "freedom of action" to conduct military operations, although based on unspecified "consultations and pre-approved procedures". Yet the strategic partnership was just a mutual declaration, not a treaty, and the formulations were vague. Pressed on the meaning of "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>47</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 seemed to indicate that power relations

had not fundamentally changed since US forces invaded the country and installed the new government, despite the fact that Karzai had subsequently been legitimised by traditional means (the Emergency Loya Jirga in 2002), and through presidential elections (in 2004). Dependence again appeared as weakness. If the Karzai government by its own admission was so dependent on foreign forces, and, by the demonstrated heavy-handedness of the US, so unable to influence its larger ally, aligning with the government carried a high risk. The point was underscored by the Taliban, which increasingly targeted both officials and ordinary persons working for the government and its foreign supporters.

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

The most obvious way out of the predicament posed by reliance on foreign troops was to build up a national Afghan army. This would also address the problematic fact that the head of the government and the key personal ally of the United States – Hamid Karzai – unlike the other contenders for power did not have his own group of armed followers. Karzai's initial reliance on private US security contractors for bodyguards was a stark reminder of this weakness.

US Special Forces started training and equipping the ANA in early 2002, almost immediately after the invasion.<sup>48</sup> The programme was accelerated after the Bush Administration in mid-2003 changed its Afghanistan policy to stress state- and nation-building. Although British, French, and later Canadian forces assisted, building the ANA was above all a US project. American military trainers were embedded with their Afghan counterparts, equipment was airlifted from the US, and salaries and construction costs were paid by the US. At the US Bagram Air Field base, new sections were established in the Office of Security Cooperation-Afghanistan to oversee the programme.

<sup>45</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 of law teaching in the United States. [http://www.law.depaul.edu/institutes\\_centers/ihrli/pdf/Bassiouni\\_Afghanistan\\_Final\\_05.pdf](http://www.law.depaul.edu/institutes_centers/ihrli/pdf/Bassiouni_Afghanistan_Final_05.pdf)

<sup>46</sup> Agence France Press, 1 May 2005.

<sup>47</sup> Transcript of press conference, 23 May, 2005.

<sup>48</sup> Ali A. Jalali, "Rebuilding Afghanistan's National Army," *Parameters*, Autumn 2002, <http://carlisle-www.army.mil/usawc/Parameters/02autumn/jalali.htm>

The development of the ANA was almost entirely financed by the United States through the external budget of the Afghan government, that is, the part beyond Kabul's control. For fiscal year 2003/2004, the US funded 618.3 million dollars of a planned budget of 904 million, and the following year contributed over 550 million towards a planned budget of 904 million.<sup>49</sup> Funds came primarily from the Foreign Military Financing (FMF) budget, a long-standing Department of Defence programme 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 was 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 far less than the allocation for the ANA.<sup>50</sup> The Pentagon funds covered 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). The largest single item was the formation of the central Army Corps of three infantry brigades in Kabul. US funds also supported the development of the ANA Air Corps.

The Afghan government and its Ministry of Defence controlled only a small part of the overall defence budget. A mere 114 million dollars in 2004/05 was channelled through the core budget, mainly for salaries, including ministry staff. The marginalization of the ministry implied by this budgetary structure was related to other post-war developments. It was

originally part of a broader policy to demobilise the remnants of the mujahedin factions – the so-called factional armies that had fought first the communists and subsequently each other in the civil war in the 1990s – and specifically to weaken the power of Marshal Fahim, the Minister of Defence. Fahim commanded a large factional army and was stalling the demobilisation programme. By early 2004, however, his position had eroded. His lack of cooperation on demobilisation and reform of the Ministry of Defence, as well as his identity as an ethnic minority (Tajik from Pansjir) but leader of a militarily powerful faction (Northern Alliance), had attracted a growing number of critics from among modernists, human rights activists and Pashtun leaders, as well as the US and other donors.

The US-led policy of forming a new, national army, funded and directed by donors, was intended to weaken Fahim and speed up the demobilisation programme. The strategy also served US interests more directly. An army built, trained, equipped and financed by Washington would be subject to American influence in numerous direct and indirect ways, from ideological formation to budgetary controls and supply of spare parts. If successful, it would give the US a proxy army to defeat "terrorists" in Afghanistan and support US interests elsewhere in Central Asia. US interests in the region did not necessarily coincide with those of the Afghan government, however. From the perspective of Afghan interests, the arrangement would constrain the pursuit of an independent foreign policy and could make the country vulnerable to enmity in US relations with states in the region. The issue surfaced when Washington in May 2005 announced it would institutionalise 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 Organisation 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

<sup>49</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\\_mil-assist.pdf](http://www.fas.org/asmp/profiles/aid/fy2005/CBJ05_mil-assist.pdf) and <http://www.fas.org/asmp/profiles/aid/fy2006/CBJMilAss.pdf>

<sup>50</sup> External Development Budget, Funded Programmes, National Budget 1384, MYR. [www.af.mof/budget](http://www.af.mof/budget)

there was a declining need for combat operations against the Taliban. Deteriorating relations between the US and Iran caused fears in the western province of Herat that a military confrontation between the two powers might involve the border region as well.<sup>51</sup> Iran's possible membership in the Shanghai group, as discussed in early 2006, further underlined the potential difficulties that continued military dependence on the US might cause in Afghanistan's relations with its neighbours.

After three years of intense efforts, the formation of an effective Afghan military force was by mid-2006 still very much a work in-progress. Initial problems of recruitment, retention, training and reliability were reduced, but questions remained about the reliability and effectiveness of the ANA as a fighting force against the Taliban and other enemies of the central government.<sup>52</sup> The ANA remained still highly dependent upon its American mentors, symbolically expressed by the use of English rather than Afghan names for its missions and bases when operating in the field.

In another perspective, the ANA was seen as a relatively privileged institution that raised issues of imbalanced development. The World Bank drew attention to the disproportionately large expenditures for defence, concluding that the policy was clearly unsustainable.<sup>53</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>54</sup> The failure to invest equally in

developing civilian institutions of the state and governance, including the sidelining of political parties in the 2004 parliamentary elections, accentuated the comparatively favoured position of the armed forces and, in the longer run, the possibility that the statebuilding project might culminate in a military coup, or at least heavy military domination of the government. The historical precedent was certainly there: the Afghan army has twice in recent history (1973 and 1978) been instrumental in bringing about regime change.

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## Legitimacy

By originating in a foreign military intervention, the statebuilding project in post-Taliban Afghanistan became closely tied to the power of foreign troops and capital in ways that affected the legitimacy of the state. One element of legitimacy is the utilitarian or instrumental dimension, which stems from ability to provide material goods. The impact of the dependence on foreign power in this respect is contradictory. On the one hand, the state has become an important point for transmission of valued funds and services. On the other hand, its extreme dependence on outside sources underscores the government's position as a mere link in the larger transmission belt, and therefore as an unreliable agent.

As for the normative element of legitimacy, the consequences of the foreign-initiated and foreign-dependent statebuilding process are also mixed. The new order had been welcomed by many as a relief from war and the oppressive rule of the Taliban, and as a promise of peace and prosperity to come. Yet the dependence on foreigners carries negative connotations in three major ideological perspectives. First, 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 in rebuilding their state, society and economy, "the Afghans must be in the driver's seat". But, Afghan

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<sup>51</sup> Personal communication with Kristian Berg Harpviken, PRIO, who did fieldwork in Herat in May 2006.

<sup>52</sup> The Soviet Union had also sought to build up the Afghan Army as a reliable ally during the 1970s and subsequently as an effective fighting force to defeat the militant Islamist insurgents during the 1980s. Although starting from an army that at the outset was reasonably strong, the policy failed in the 1980s as units increasingly disintegrated or defected to the insurgents.

<sup>53</sup> World Bank (2005).

<sup>54</sup> *The situation in Afghanistan and its implications for international peace and security*. S/2005/183, 18 March 2005, p.14.

critics asked, 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 now are doing back-seat driving? Secondly, Afghan nationalism, however diffuse, has a distinct core defined by pride in a country that was never colonised 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. In an international context where the US-led "war on terror", invasion of Iraq and support for Israel's warfare against Lebanon have created perceptions of a Western crusade against Islam, the Afghan government's deep support base in the Western Christian powers is a liability.

Critical views of the Western alliance of this kind, ultimately rooted in nationalism and Islam, resonate far beyond the number who actively supports the militants. They are powerful tools for focusing and justifying criticism of the government and its foreign supporters. While specific incidents may catalyse protests, the underlying grievances are the driving force, whether related to the failed promises of peace, the direction and pace of the statebuilding project – which has created losers as well as winners - or multiple concerns with the visible and powerful foreign presence in itself. By being so obviously and deeply dependent on the West, the government lays itself open to attack. The expressions are varied and numerous. For instance:

*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 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 Herat 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>55</sup>*

*Violent riots, including arson and looting, in Kabul sparked by an accident caused by American military vehicles. Around 20 persons were killed and 160 injured, mostly by gunshot wounds as Afghan and US forces opened fire. (May 2006).*

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

To avoid being tarred by the anti-foreign brush, the government sought to establish its own sources of normative legitimacy. In part, this was done through Western-modern rituals, notably the 2004 presidential elections, and partly by projecting the traditional image of the central state as a broker of services that enhances the status and power of local authorities, as

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<sup>55</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 Herat, where Ismael Khan's infrastructure of power remained at least partially intact. In Kabul, which used to be the stronghold of Bismillah Khan, the main commander of Fahim and present 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)

Olivier Roy notes.<sup>56</sup> Karzai has been increasingly engaged in bargaining with local strongmen and pursuing promotional policies to establish his legitimacy and usefulness as a traditional facilitator of this kind. The practice runs counter to the notion of a strong central state that was at the core of the Bonn Agreement agenda, as well as the interests of many donors who suspect Karzai's bargaining partners are linked with the drug trade, are incompetent in relation to the needs of a modern state, or have bad human rights records.<sup>57</sup> The conflicting nature of traditional and modern sources of legitimacy thus limits the possibility of Karzai – or any head of government in his position – strengthening his own authority and by implication that of the state. Parliamentary elections (2005) probably had a more straightforward positive legitimising effect on the state. By widening the political arena at the central level, it also enhanced the power, saliency and to that extent the legitimacy of politics at the central, as distinct from the local, level.

## The Insurgency

Five years after the fall of the Taliban, the greatest threat to both the legitimacy and the power of the Karzai government was the fast expanding insurgency. Attacks on schools are a useful indicator of militancy (as it was during the communist period, when the *mujahedin* burnt down schools and killed teachers). In the first half of 2006, school burnings and related incidents increased six-fold compared to the similar period in 2005.<sup>58</sup> In part, the growing militant and military opposition reflected the recovery of a movement that had not been fully defeated in December 2001 and – importantly – had not been

recognised as a party in the deliberations at Bonn. As the chief UN negotiator, Lakhdar Brahimi, later noted, one of the major mistakes of the Bonn Agreement was not to negotiate with the Taliban and in some fashion to include them in the agreement. Instead, Bonn expressed a victor's peace. As this peace took shape, the Taliban seemed to fragment. Many supporters melted back into their villages; others regrouped in remote areas and across the border in Pakistan. Some had made formal peace with the government, accepted the offer of amnesty and even ran for parliament in the 2005 elections. Others – long-time analysts expected – had made only apparent peace and bided their time while their relatives and followers were organising for action.<sup>59</sup>

In analysing the insurgency and the Taliban's role, it is customary to make a distinction in the leadership between a hard core of militants – the *talib* who are products of the *madrassa* and who bring a militant ideology to bear on the movement – and those who might be called the "networkers". The latter are local leaders of various kinds (mullahs, tribal chiefs, ex-*mujahedin* and local commanders) who practice flexible alignment politics depending upon the balance of threats, rewards and solidarity factors. During the 1990s many of them – particularly in the Pashtun population – progressively lined up with the Taliban as the latter swept to power. This "bandwagon effect" explains why the Taliban as a whole could justifiably claim to control some 90% of the territory of Afghanistan at the time when they were violently ousted by overwhelming American air power. While the hard core apparently has survived and strengthened their position, the growing force of the insurgency from 2005 and onwards also reflects their ability to attract a number of "networkers". In between the hard core and the "networkers" is a third type of leaders who play an important bridging role between the two groups. One of them is Jalaluddin Haqqani – the old *mujahedin* commander and veteran of the power

<sup>56</sup> "Development and political legitimacy: the cases of Iraq and Afghanistan," *Conflict, Security & Development*, 4:2, August 2004:167-179.

<sup>57</sup> By June 2006, Western officials were making their complaints public. See Pamela Constable, "Afghan Leader Losing Support," *Washington Post*, 26 June 2006.

<sup>58</sup> UNICEF press release, Kabul/Geneva 4 August 2006, Lessons in Terror. *Attacks on Education in Afghanistan*. Human Rights Watch, July 2006, vol. 8, no 6(c.).

<sup>59</sup> When resistance reaches a certain level, "the main person goes back to his region to dig out his arms cache and then joins with the resistance." General Hamid Gul, previous head of Pakistan's military intelligence service (ISI), cited in "The Battle Spreads in Afghanistan," Syed Saleem Shahzad, *Asia Times on Line*, 26 May 2006.

struggle among the *mujahedin* in the early 1990s. He is also a man of religion (as his second name indicates), a tribal leader and an ex-Taliban minister. Reports that Jalaluddin Haqqani had joined the insurgency in 2004, and two years later risen to become a central commander, suggest that the Taliban movement again is emerging as a broadly based coalition of diverse groups.<sup>60</sup>

What explains the growing momentum of the Taliban? The interpretation often advanced in the aid community is based on a concept of social contract: people will support a state that provides a certain level of economic opportunities, social services and good governance. Hence, the slow speed of reconstruction, widespread corruption, generally poor governance and insecurity in Afghanistan would explain why the Taliban finds numerous recruits on the village level, it is claimed. A closely related view is that the drug eradication programme spearheaded by foreign “private security contractors” and ANA has a powerful mobilising effect on poor farmers and rich middlemen who depended on the illegal economy. These explanations no doubt have some merit. Villagers openly complain to foreign reporters and others who want to listen that the Taliban at least had provided some order, and that the drug eradication programme is totally misplaced and riddled with corruption.<sup>61</sup> But other explanations have a greater historical resonance. During the 1980s, it will be recalled, a very large number of Afghans fought fiercely against the communist government, above all its foreign supporter which had installed two of three Afghan presidents. Like the present government, the communist regimes sought to modernise and develop Afghan society, but they worked in the shadow of an escalating war fought by foreign troops and an overpowering Soviet presence. The war against the communists was fought in the name of religion, nationalism and tradition. Not surprisingly, the present militant opposition is invoking

similar symbols. With the tensions generated by the statebuilding enterprise - including those discussed above regarding dependence on foreign monies, troops, and models of modernisation - these symbols readily appear as a salient, powerful force for mobilising social protest.

In this context, combat operations carried out by foreign troops have a particularly incendiary effect. The large-scale offensive operation by US-led forces in 2006, Operation Mountain Thrust, caused so many casualties that it moved Karzai to make a rare, public protest.<sup>62</sup> But the deployment of additional ISAF forces in early 2006 produced a new escalation in violence as well. While the ISAF units were billed as “security assistance” rather than straight combat forces, their function was to support the government, and the Taliban with their supporters went on the offensive.

As part of the escalatory dynamic, the insurgents were receiving significant external support. By mid-2006 they were operating in larger units than before, had better equipment and used more sophisticated tactics.<sup>63</sup> The border region with Pakistan was the most obvious area for recruitment, mobilisation and channelling of external support - just as it had been during the war against the Soviet-supported regime. But the resistance at that time rested on important respects on local solidarity networks that were

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<sup>62</sup> “It is not acceptable that in all this fighting, Afghans are dying. In the past three to four weeks, 500 to 600 Afghans were killed. Even if they are Taliban, they are sons of this land.” President Karzai at a press conference, Kabul 22 June 2006.

<sup>63</sup> A widely circulated assessment by retired US general, Barry McCaffrey based on a field mission in May 2006 gives Taliban high marks for proficiency. He found that the Taliban were operating in larger formations than before. Three years ago they had small, squad sized units, now they operate in battalion sized units of 400 men and more. They have “excellent weapons, new IED technology, commercial communications gear and new field equipment.” They appear to have received “excellent tactical, camouflage and marksmanship training. They are very aggressive and smart in their tactics. Their base areas in Pakistan are secure.” (p.4). In sum, the US forces are facing “thousands of heavily armed Taliban”, as well as pervasive criminal and warlord forces (p.5). Memorandum from General Barry R. McCaffrey (Ret.) to Colonel Mike Meese, Department Head, Department of Social Sciences, United States Military Academy, June 3, 2006, “Academic Report - Trip to Afghanistan and Pakistan, Friday 19 May through Friday 26 May”. British units newly deployed to Helmand province in the south expressed similar sentiments to journalists. See Christina Lamb, “Have you ever used a pistol?” *Sunday Times*, July 2006.

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<sup>60</sup> Syed Saleem Shahzad, “Besieged in Shawal,” and “Taliban’s new commander ready for a fight,” *Asia Times Online*, 2004 ([www.atimes.com/atimes](http://www.atimes.com/atimes)), and 20 May 2006.

<sup>61</sup> See Declan Walsh, “We’ll beat you again, Britons, Afghans war,” *The Guardian* 26 June 2006, and *Helmand at War*. The Senlis Council, London, June 2006.

mobilised in the name of grievances as well as opportunities for power, and the force of traditional ties, nationalism and religion. This seems to be the case now as well. In the assessment of the UN mission in Afghanistan, Taliban is “a grassroots movement.”<sup>64</sup> Heavy losses incurred by Taliban mean little because the movement’s reservoir of fighters “is practically limitless”, as the head of the mission, the UN Special Representative for Afghanistan, Tom Koenigs concluded.<sup>65</sup>

If this analysis is correct, it follows that military force – above all foreign military forces – is a blunt instrument for dealing with the insurgency. The point was in one sense recognised by NATO as the alliance launched the concept of Provincial Reconstruction Teams (PRTs). Designed as the central component of “security assistance”, the PRTs were civilian-military units that would have a dual security and development function.

The concept of PRT is inspired by the “hearts-and-minds” strategy developed by the CIA during the war in Vietnam and exhibits some of the limitations of that profoundly failed policy.<sup>66</sup> Most importantly, the PRTs are not premised on reaching a political understanding with “the enemy”, but on the assumption that “the enemy” will be defeated (by regular military forces), or marginalised (by the power of “development”). As operationalised in Afghanistan, the premise has several weak points. The development component of the PRT is quite weak, typically consisting of small projects that are poorly integrated with local and national development plans, let alone the other of the 36 PRT teams spread around the country. Worked in tandem with the military gives the enterprise a military face that has many meanings – security to some, insecurity and provocation to others. Moreover, since Taliban and

its supporters and “networkers” constitute a significant part of the local population in the contested areas, the possibilities for development work here have shrunk drastically. As a result, the PRTs have been forced to operate in small fortified zones (the inkspot strategy announced by the commander of the British forces in southern Afghanistan), or to concentrate on relatively safe areas (as most of the other PRTs in the country do).

## Conclusions

The present statebuilding project in Afghanistan is carried out under conditions that exacerbate the historical legacy of a weak central state located in a strategically contested part of the work. The project originated in a military intervention that installed a new regime and launched an ambitious agenda of reconstruction and reform. The process remains externally driven. Two key elements of statebuilding – capital and armed force – are provided by foreign powers. This created a series of problems, above all in a third area required for statebuilding, namely legitimacy. The project unfolds against a growing international polarisation between political Islam and the Western power. As one of the first battlefronts in the US-designated “war on terror”, Afghanistan has become embedded in a worsening global conflict.

The statebuilding process consequently has been difficult, plagued by a rapidly expanding insurgency and beset with dilemmas. One of the basic dilemmas stems from the tight embrace of external powers. While also encountered by the Soviets in Afghanistan in the 1980s, the dilemma does not simply reflect the centrality of self-determination in the postcolonial world. The British experienced it as well in their Afghan ventures in the mid-19<sup>th</sup> century. Having installed Shah Shuja as ruler in Kabul in 1838, the British subsequently wanted to withdraw their troops so as not to incur the cost of a permanent occupation. That gave

<sup>64</sup> Tom Koenigs, Head of UNAMA and UN SRSR for Afghanistan, in interview with *Der Spiegel*, 10 August, 2006.

<sup>65</sup> *Ibid.*

<sup>66</sup> For mixed reviews, see: Michael J. McNerney, “Stabilization and Reconstruction in Afghanistan: Are PRTs a Model or a Muddle?” *Parameters*, vol. 35, no.1 (2005-06), 32-46, and Andrew M. Roe, “To create a Stable Afghanistan: Provisional Reconstruction Teams, Good Governance and a Splash of History,” *Military Review*, Nov-Dec 2005:2-26.

rise to a dilemma, as a commentator later noted.<sup>67</sup> The British feared that Shah Shuja would not last long if deprived of the support of British bayonets; at the same time, they recognised that as long as the troops remained, the Shah would be considered a puppet of “infidel foreigners”.

The contradictions of the externally-driven statebuilding project create policy dilemmas for both donor and recipients. In the Afghan case, foreign troops provided critical coercive power in the initial phase of statebuilding and remained a guarantee for political security in the capital. Economic and technical assistance made it possible to distribute large-scale relief and launch an ambitious reconstruction and modernisation programme. The negative consequences of heavy foreign dependence are also evident. Unlike some patterns of dependence that historically have been associated with strong states (e.g. in “national security regimes” in South America in the second half of the 20<sup>th</sup> century), dependent state formation in post-Taliban Afghanistan has produced weaknesses at the central level of government that may ultimately prove fatal to the whole project.

The signs of weakness are numerous. Accountability structures were established to accommodate external donors rather than domestic constituencies. Dependence was self-perpetuating by favouring imported capacity rather than the slower process of building local capacity. The government’s reliance on foreign troops and funding signalled its own weaknesses, thereby encouraging potential supporters to hedge their commitments or enter into “spot contracts” that inhibit institutional development. In a nationalist perspective, the power of foreign troops and money undermined the legitimacy of the government and made it an easy target for genuine and manipulated protest. Representatives of foreign power – whether troops, diplomats or aid workers – were targeted by the militants, as were government “collaborators”. By mid-2006, almost five years into

the post-Taliban order, the attacks had grown into a formidable insurgency spearheaded by a revived Taliban that again received external support.

Some policy decisions lead only to bad choices, and there seem to have been several such junctures in Afghanistan. At present there are no easy choices or clear win-win policy alternatives. Either way one looks, there are high risks and costs. Nevertheless, the analysis in this paper suggests that the dominant response to date – a policy of “more of the same” in terms of international assistance – is *not* the answer. Rather, as aid contains its own seeds of negative reactions, increasing it will likely intensify rather than solve the contradictions. In theory, very high levels of money, troops and a rock-solid political commitment might overwhelm the opposition and outweigh the negative consequences of intrusive assistance. Yet the task would be formidable and probably entail a degree of international commitment, presence and control – in effect a new colonialism – that seems unrealistic in both a normative and power political perspective. In the wake of the US intervention in Iraq, a sustained policy of deep Western involvement of this kind in Afghanistan seems particularly questionable.

This leaves us with five guiding principles for exploring alternative policy options:

*As a long-term process, the statebuilding project cannot be an instrument to deal with “international terrorism” – the two policy objectives must be separated.*

The statebuilding project was from the beginning bedevilled by divergent and partially contradictory aims. For the US, the Afghan intervention was primarily about eliminating al-Qaida. This barebones policy soon developed into a broader state- and nation-building agenda and the two objectives were merged in the notion that a new, democratic, Western-friendly Afghanistan would deny sanctuary to “international terrorists”. Even under the best of circumstances, however, a statebuilding project can only come to fruition as part of a long historical process. Dealing

<sup>67</sup> Patrick Maccrory, ed. *A Journal of the First Afghan War by Lady Florentia Sale*. Oxford UP, 1969, p. xvi.

with “international terrorists”, presumably is a more immediate priority.

The statebuilding project requires dealing with the insurgency, but the same does not necessarily apply to defeating the “international terrorists”. Taliban and its network supporters have always been a home-grown movement with a distinctive Afghan dynamic. In the past, the Taliban collaborated tactically with the international militants and al- Qaida (collectively called “the Arabs” by the Afghans); evidently they are doing so again. But to lump them all into one and designate them as a military target can only hasten the fusion, as Michael Mann argued in a plea for a distinction between national and trans-national movements and grievances soon after the September 11 attacks in the US.<sup>68</sup> Yet this is the new tendency in NATO. A version of the domino theory is articulated by high NATO officials whereby defeating the Taliban in Afghanistan will prevent future terrorist attacks in London (as the British general in command of troops in the southern provinces put it). Defeating the insurgency thus becomes a short-cut to both statebuilding and the elimination of international terrorism.

It is unclear if “international terrorism” by mid-2006 still has support bases in Afghanistan. But if the objective is to neutralise its presumed sanctuaries in remote areas of the country, the most direct, short term strategy would be to enter into a dialogue with those Afghans who provide sanctuary. A policy of isolating “the Arabs” would be more appropriate than large-scale military attacks targeted against suspected villages and militant Afghans as well, and which generates a widening circle of fear, anger and hostility.

*To be effective, the statebuilding project must rest on a political rather than military foundation*

The revived Taliban movement and its “networkers” have since 2003 become the most direct challenge to the statebuilding project. The strategy of the

government and its foreign supporters – to combine military force, development projects and a declared policy of reconciliation – has had limited results. In fact, military force and the presence of foreign troops appear to have been counterproductive by generating a more powerful resistance movement over time. The alternative strategy would be to reduce the military component of the equation, particularly by ceasing foreign combat operations and withdrawing foreign military forces to a few major towns where they can serve other functions of “security assistance”. Most important, international forces would be an assurance against a repeat of the international abandonment of the 1990s by preventing renewed military struggle among Afghan factions over the capital (which was the dynamic of the devastating civil war in the early 1990s). Providing a security guarantee for Kabul as neutral territory was indeed the rationale for the original deployment of ISAF.

Reducing the role of foreign military force, in turn, requires that the political alternative is strengthened, which leads to the third principle:

*To be attractive, reconciliation must be qualitatively different from an invitation to surrender and entail compromises on both sides, including a measure of power-sharing*

Until now, “reconciliation” has meant amnesty on the terms of the government. This offer has attracted only a few, moderate Taliban, and those who have taken advantage of it risk retaliation from hard core militants. A genuine reconciliation that might be attractive to a larger group of militants would entail a dialogue about power-sharing, aid and other conditions for governing on the local level and in localities where Taliban and their “networkers” enjoy de facto control or much influence. The role of the PRTs could be adjusted accordingly to work with, rather than against, local militants.

This strategy suggests a different framework for statebuilding than the liberal-democratic, central state laid out in Bonn. Yet, as noted above, the failure to

<sup>68</sup> Michael Mann, *Incoherent Empire*, London: Verso, 2003.

include Taliban in Bonn has in hindsight been recognised as one of the weak points of that Agreement.

*The rentier state can be modified by matching levels and types of foreign aid with a long-term policy of building institutional capacity, and a more decentralisation in the approach*

As the notion of “local ownership” suggests, conventional wisdom in the aid community is that aid transfers should be equilibrated with a strategy of building local capacity, even if this means less aid. An excess of aid over capacity typically produces large-scale corruption and inequalities, both of which are evident in Afghanistan. The focus on large dollar figures in the early years - and comparative studies purporting to show that Afghanistan was short-changed compared with other “post-conflict” situations - was probably counterproductive by raising unrealistic expectations. At the same time, considerations of absorptive capacity do not necessarily favour the central state. Channelling aid directly to actors on the provincial or district level may be equally or more effective, although the strategy is not unproblematic in other respects (e.g. by creating regional inequalities and enabling local elites to “capture” aid).

*Afghanistan’s neighbours must be involved in a regional framework for conflict management and cooperation*

A reduction in the military component of policy calls for greater emphasis on international diplomacy to

support the objectives of statebuilding and managing the conflicts associated with it. Although the major powers have historically been mostly responsible for creating or exacerbating conflicts in Afghanistan, neighbouring states in the region have also contributed. The time of the Bonn Agreement was a rare moment where the governments most concerned about the future of Afghanistan and their own interests in this respect were ready to cooperate. The consensus has since eroded by the force of other conflicts in the region and beyond. Recreating such a consensus requires, in the first instance, a common institutional framework for cooperation, which at present no longer exists. One likely model is the “6+2” forum which during the Taliban period brought together at the UN the representatives of the US and Russia together with Afghanistan’s six neighbours – Pakistan, Iran, three central Asian republics and China.

At this time, it may be too late to adopt a more inclusive policy towards the militants, and the foreign-supported militarisation of the statebuilding project may be irreversible. This, after all, was the realisation of the Soviet government when President Mikhail Gorbachev in 1986 prepared to withdraw Soviet troops and announced a policy of national reconciliation. Similarly, recent conflicts involving Afghanistan’s neighbours and the major powers have made it more difficult to reconstruct a productive 6+2 forum, especially against the background of a more general confrontation between Islam and Western powers. Yet principles for alternatives to policies that manifestly do not work well can serve as signposts if or when more fortuitous conditions arise, and, in the meantime, as an inspiration to change the enabling conditions in themselves.

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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. The focus of the US-led intervention in November 2001 was to destroy a terrorist sanctuary. Statebuilding was seen as an instrument to deny the emergence of a future sanctuary. With previous state structures destroyed or neglected as a result of 25 years of war, general upheavals and intermittent international sanctions, the reconstruction programme launched after the intervention placed statebuilding at its core.

This document examines the nature of international economic and military assistance to this statebuilding. The central argument is that this assistance has had negative as well as positive effects that combine to create severe internal tensions in the statebuilding project itself. For all the achievements cited in removing the Taliban and launching an ambitious policy of reconstruction and modernisation, the intervention in 2001 and subsequent aid strategies have also created a rentier state that is totally dependent upon foreign funds and military forces for its survival. Furthermore, this state has weak legitimacy and limited capacity to utilise aid effectively, and it faces a mounting insurgency. In this situation, the premises and structure of the statebuilding project invite critical examination.

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