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WHO DARES WINS: AFGHANISTAN'S TRIPLE CHALLENGE

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Whoever is the winner of the Afghanistan Presidential elections, the new President will have his work cut out to meet the very considerable political and development challenges facing his country - in addition to coping with the ongoing security situation (others will talk more openly about war) - and conflict-related concerns.

The presidential challenge lies in the fact that the three issues are strongly inter-linked in a self-reinforcing vicious cycle, which represents perhaps the most important single barrier to change for the new incumbent to tackle. Without development benefits that reach the bulk of the population, there is little incentive to move away from revenue-generating activities linked to the conflict economy, including war. Without a stable, legal economic base at community level, and unless there is an extension of the writ of authority of the central government to the entire country, levels of conflict and violence will not decrease.

Governance, Geography and Social Groupings: A Challenging Juxtaposition

To understand this triple-pronged challenge, it is necessary to first understand how vested interests contribute to the

initiation and continuation of political, economic, social and ideological conflict. It then requires the will - and the capability - to act upon them. In this regard, it is important to recognise that governance in Afghanistan is not "just" a tech-

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nical issue, because it is deeply rooted in both the economic structure of the country, and in how local and international interests are furthered or impeded by the way government or physical structures are delivered and supported.

The complexities of Afghanistan's geopolitical position between Central and South Asia have long shaped its political realities, and bring particular constraints for governance, state building, security, and economic and social development. Its historic role as a trade route which bridges South and Central Asia and the Middle East is one that many today seek to revive. However, its inaccessible, land-locked terrain (despite the notable advantages of this in past historic conflicts) presents considerable challenges in terms of access to cross-border opportunities that would benefit the Afghan economy, and to contribute to achieving increased economic

stability and growth. Infrastructure provision, agreement on transit costs and a regulatory framework have to involve several countries with very different approaches to these issues. Furthermore, Afghanistan's notoriously porous borders (including that with China) allow smuggling and the rise of illegal armed groups to thrive.

The modern Afghan state came into being as a consequence of British colonialism and empire, which viewed Afghanistan in terms of its role as a buffer state, with the critical component of keeping it reliant on foreign subsidies. The succession of centralizing state elites which characterized previous regimes before the Karzai government came into power in late 2001 - (the monarchy, the constitutional and the communist regimes) - all had limited outreach beyond the centre and were thus able to bring about only limited national-level reform. In Afghanistan today, given its predominantly rural nature and the presence of prevailing power blocks, traditional norms frequently have more impact than legal and governmental policy. Indeed, the period

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of insecurity and upheaval that culminated in the formation of the Karzai government in late 2001 had played out in such a way as to cancel out any formal gains achieved in these areas. As noted by Ahmed Rashid in 2006, and as still applies today, attempts to resurrect the Afghan state have been dependent on four sets of players. On the Afghan side there are the President and his ministers, the warlords, and struggling human rights workers. On the other, there is the "international community", or what is left of it.

The political situation in Afghanistan has been further complicated by the power of the *ulema* (Muslim clergy), who have historically resented the encroachment of the state on what they considered to be their legitimate territory. It was in fact the alliances between the *ulema* and the tribes which led to the overthrow of King Amanullah's rule (1919-29), and illustrates their ability to come together to act as a power block (as did the *ulema* and the merchants of the *bazaar* in the Iranian revolution). The rise of Islamist and communist social forces under King Zahir Shah (who ruled from 1933-73), and the subsequent victory of the *mujahidin* over the Soviet Army culminated in the Taliban's taking over of power (1996-2001).

However, since the fall of the Taliban and the Bonn Agreement in 2001, whilst the extremist views of radical Islam are by no means shared by many of those in Afghanistan's complex kaleidoscope of social groupings, it is this ideology and its proponents which have none the less dominated the post-2001 period - though primarily for economic, rather than for religious, reasons. Retention of control over local revenues, and the ability to extend protection and patronage in their respective power bases are in fact the two key factors which link the political arena to the economic, and governance spheres.

Since 2001, four critical areas of weakness in the development of a stronger, more stable state have emerged: (i) poor fiscal management, (ii) the challenge of maintaining internal security, (iii) low institutional capacity and (iv) low economic growth. These four areas are further overlaid by continuing high levels of donor-dependency; and are complicated by the fact that traditional norms continue to have as much or more impact on all four areas, than do the laws of the Constitution.

Human Development

In Afghanistan, development indicators are some of the lowest in the world. Its population of between 21 and 31 million people (an estimate in the absence of a census) is predominantly rural, and youthful. The median age (2008) is 15 (compared to 23 in Iran and India and 20 in Pakistan), demonstrating a demographic "bulge" with a large number of children, rapid population growth and a low proportion of the elderly. This has important implications for economic development, in the urgent need for the provision of economic opportunities for this youthful, growing population. It is particularly relevant given the country's recent history of the fragmentation of livelihoods, social structures and governance - and the resulting low levels of living - which were not been sufficiently addressed under Karzai's government (2002-09).

However, urban centers have experienced considerable population growth since the mid to late 1990s due to internal migration, the return of refugees as well as natural population growth, but Kabul dominates the urban demography, with some 3-4 million people (World Bank estimates, 2005).

Overall, Afghanistan's Human Development Index (HDI) for 2007 is 0.345, placing it at 174th out of 178 countries, with a ranking in the UN's Gender Development Index (GDI) of 0.310 - the second lowest in the world. Access to basic services such as health and education, which impact at all levels (household, community and state) include lack of physical accessibility, poor quality, high cost of provision, corruption, and poor service provider practices.

There is considerable diversity in the extent of access to public services in different areas of the country (including between and within provinces), among different socio-cultural groups and across ages and income groups. Prevailing cultural norms play a significant role in determining access to public services, which is frequently brokered by "gatekeepers" at both the community and the state levels. To take one critical area for development and growth - education - while enrolment for both girls and boys has increased significantly since the collapse of Taliban rule, none the less, almost half of school age children still remain out of school, and drop out rates are high. There is also considerable regional disparity within the country, with girls' enrolment being less than 15% of the total in many provinces.

Community, Power Structures and Change

In terms of organization, Afghanistan's rural society remains dominated by adherence to the *qawm*, or community. This "community" whilst being primarily a local-level, social entity, extends to include family and tribe, and is strongly ethnically-rooted. Many of Afghanistan's warlords have maintained single-ethnicity militias, though they have frequently come together in the face of a common enemy (as was demonstrated in the anti-Soviet *jihad*). The main tribal groupings in the population include the Pashtuns (44%), Tajiks (25%), Hazara (10%), Uzbeks (8%) and others (13%). In addition to ethnicity, Islam (in its local interpretations which are neither rigid nor uniformly-applied) is undoubtedly a powerful force. The country is predominantly (80%) Sunni, with the remainder Shi'a, but which allows for both Sufi tradition and interpretations of Islam, as well as the revivalist groups such as the *Tablighis*, *Deobandis*; what has been termed "pro-government" Islam (clerics who are paid by and in turn, support the government; and "political" Islam, put forward by groups (eg the *Jamiat-e-Islami*) who seek to incorporate Islamic precepts in varying degrees into the state apparatus.

At the community level, Afghanistan has seen a systematic erosion of infrastructure and livelihoods, massive displacement through vast refugee flows and a process of informal decentralization of governance due to the failure of the writ of the central state. One consequence of this is the way in which semi-feudal commanders and strongmen have filled the vacuum, as leaders of effective "fiefdoms", with access to the means of surplus extraction and coercion. At the individual level, the growth of a predominantly informal, extensively criminalized economy in Afghanistan has reinforced networks of recruitment and patronage. At the same time, the country has embarked upon a strategy for private sector-led growth, which has not benefited the majority of the population. This leaves the bulk of the country's citizens with a stark choice in terms of engagement in (notably absent) legal economic opportunity, or in (notably available) illegal activities.

This choice has been exacerbated by changes in landholding patterns - (at times through violent asset stripping via land grabbing), the control of markets by the elites - as well as by global changes such as rises in food prices. Here, it is important to understand that systems of land ownership, sharecropping and land mortgaging in Afghanistan are interwoven within a complicated web of negotiated relationships. These relationships in conjunction with economic factors combine to contribute to the gradual erosion of livelihoods. Even a state in which institutions and structures are well established and rooted - which is not yet the case in Afghanistan - would have difficulty in successfully addressing these problems. In Afghanistan, they both result in the creation or perpetuation of poverty, and are a force behind continued conflict.

Public Conflict, Private Violence

Prevailing tensions between ethnic groups, political groups, socio-economic groups and others tends to impact most on households, and particularly on women. The presence of strongly conservative elements in state institutions does not help in addressing the related institutional challenges around women's human rights.

The rise of the conflict economy has exacerbated both public and private violence against women and created new forms of security-related vulnerability, including around coercive marriage (often employed by households as part of livelihoods strategies). Women are also further "commoditised" when they are traded in exchange for family drug-related debts (where a drug "mule" is killed, and the delivery does not reach its intended target, with the consequence that the "mule"'s household has to pay).

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In terms of women seeking access to rights and justice, the picture is a complicated one. There are numerous codes of law (penal, legal, customary, and religious) that women have to conform to in each tribe or ethnic group. The question of women's rights is rarely, if ever, raised. If women do not obey orders, or resist being abused, the men in their lives can have them arrested. As in many Muslim countries there is no specific law against rape: an Afghan woman who reports being raped is usually charged with adultery. Despite the new Constitution that guarantees women's rights, many judges are barely literate and know only *shari'a* law. The recent widely-publicised controversy (2009) over a legal amendment considered by many to be discriminatory to women's rights, which would particularly affect and seriously disadvantage *Shi'a* women, is an illustration of the need to pander to the most conservative right wing religious elements in the state government.

In contemporary Afghanistan, the pursuit of western-style government so strongly supported by the international community has neglected to address external opposition by important, well-armed, stakeholders. Any coalitions of stakeholders that have been created have been remarkably closed to any spirit of compromise. This has frequently resulted in a descent into violence. The picture has been further complicated by foreign aid dependency (empire revisited, with the recreation of a *rentier* state?). The result is that the need to generate local revenues to be exchanged for state-provided services and protection, has been pushed to one side.

Further complicating the picture is the fact that the perceived ideological-cultural threat from proposed development changes (including those around gender equality) as

they are seen by the more traditional ethnic, religious and community leaders, should not be under-estimated. Culturally-rooted expectations and perceptions - challenging to deliver on for weak government structures with low levels of legitimacy - present a complex, layered picture, which results what are effectively a multiplicity of micro political economies, rather than a single national economy. These micro-level economies both feed on, and are fed by, the conflict situation, due to state weakness, poor governance, poverty, and the availability of external (currently aid donor) financing, which has made successive governments put a low priority on the interests and expressed needs of their citizens.

From a Conflict Economy to Economic Development

Successive waves of conflict in Afghanistan have therefore created economies that have become dependent on conflict, with high levels of autonomy held by local leaders. Growing corruption has negatively affected the government's credibility and effectiveness, as well as similarly impacting on potential foreign direct investment opportunities. This situation has been made worse by the state's near-total inability to mobilize revenue. By late 2008 the Afghan gov-

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ernment's revenue-to-GDP ratio was estimated to have returned to where it was in the 1940s, at around 7.5% per cent of GDP – insufficient for more than about two-thirds of very low level government operating expenditures.

A recent survey of corruption in Afghanistan has suggested that informal networks operate in a highly coordinated manner and lead to preferential treatment by customs and other government officials (Gardizi, 2007). The 2005 World Bank Investment Climate Assessment has ranked corruption as the third largest barrier to business in the country (after electricity and access to land). While initially seen as a traditional form of network-building and as a facilitator of institutional operations, corruption has now become an end within itself. Traditional forms of corruption based on patronage networks and tribal linkages as well as new forms of corruption are increasingly being institutionalized, as bribe-extracting mafias connected by corruption networks known as *band-bazi*.

In Rubin's view (2000), Afghans have commonly seen control of a centralised state as "war booty belonging to the victor" – a view which appears to be rooted in much of the politics of the region. The Karzai government's apparent

inability (or unwillingness) to take a hard stand on corruption has both undermined its legitimacy, and has resulted in a crisis of confidence in the public sector. Paradoxically, one positive achievement of the Taliban period was to reduce corruption, through frequent redeployment of civil servants across institutions, to minimize the opportunity for rent-seeking as well as via the all-too-real prospect of brutal punishment following a public trial for those caught out.

To break this vicious cycle of rent-seeking, revenue-raising and dependency, the new government will need to reduce corruption; simultaneously mobilize state revenues; and brave the very real likelihood of the withdrawal of international donor funds which would result from engaging politically with the insurgency.

If president Karzai's fails to gain re-election it may well be a result of this legitimacy trap. He has clearly struggled to strike a middle ground between the debt to the Northern Alliance, hostility to the Taliban and opposition from their Pashtun supporters, further complicated by the north-south ethnic divide within the country. The erosion of his domestic and international credibility over time has resulted in his inability to mobilize support from those opposing him, whilst keeping the international community at

bay, to achieve re-election. However, it is clear that the security and governance challenges faced by Afghanistan are not down to him alone.

More concerted attention to addressing development needs in agriculture, infrastructure, and the informal economy are however three

key challenges which can – and should - be addressed. Agriculture (both legal and illegal cultivation) accounts for a major proportion of the country's exports – about half, almost half of which is thought to be from (illegal) poppy cultivation. The informal economy itself, consisting of opium production and processing, subsistence agriculture and illegal trade, may account for between 80-90% of recorded GDP. It also employs the major part of the population. Development of infrastructure including transit and storage will be critical for the country's long-term development. However, insufficient, unreliable, costly electricity supply remains a considerable development challenge that will need to be overcome to address infrastructure and competitiveness needs. Building human capital will be an important step towards increased Afghanisation of enterprise management.

But all this is only foreseeable in a scenario of diminishing violence and, whoever is elected new president in the upcoming elections, he would desperately need a sound legitimacy to try to deal with the intricate internal factors that are making life in Afghanistan so difficult for all concerned, both citizens and foreign troops stationed in the country, who are more and more convinced that they are facing "mission impossible" and clearly would like to be sent back home - the sooner the better.

Mr. President - to end where we started, with talk of state-building and empire, here is a motto for your consideration. It was reportedly first used in modern times by the British special forces, and may resonate in the militarily, politically, economically and societally complex environment which represents your personal challenge - "*Qui audet adipiscitur*" (*Who dares, wins*).

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