The Exclusion of Society

The Problem of Post-Conflict Statebuilding
and the Case of Afghanistan

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Acronyms

AACA	Afghan Assistance Coordination Authority
ACBAR	Agency Coordinating Body for Afghan Relief
ACCESS	Access to Clinical and Community Maternal, Neonatal and Women's Health Services
ADB	Asian Development Bank
ADF	Afghanistan Development Forum
AED	Academy for Educational Development
AIA	Afghan Interim Authority/ Administration
AIAF	Afghan Interim Authority Fund
ANA	Afghan National Army
ANDS	Afghanistan National Development Strategy
ARIES	Agriculture, Rural Investment and Enterprise Strengthening Program
ARTF	Afghanistan Reconstruction Trust Fund
ATA	Afghan Transition Authority
AWEC	Afghan Women's Education Council
BPHS	Basic Package of Health Services
CAII	Creative Associates International Inc.
CDC	Community Development Council
CG	Consultative Group
CIDA	Canadian International Development Agency
CSIS	Centre for Strategic and International Studies
CSO	Civil Society Organisation
DAI	Development Alternatives, Inc.
DFID	Department for International Development
DOD	Department of Defence
EC	European Commission
EGPSS	Economic Governance and Private Sector Strengthening Program
EIDHR	European Instrument for Democracy and Human Rights
FCCS	Foundation for Culture and Civil Society
GAO	Government Accountability Office
GDP	Gross Domestic Product
GNI	Gross National Income
GNP	Gross National Product
GoA	Government of Afghanistan
GTZ	Gesellschaft für Technische Zusammenarbeit
HDI	Human Development Index
HPCR	Program on Humanitarian Policy and Conflict Research
ICG	International Crisis Group

ICISS	International Commission on Intervention and State Sovereignty
ICRC	International Committee of the Red Cross
IFI	International Finance Institutions
IMF	International Monetary Fund
ISAF	International Security Assistance Force
ITAP	Immediate and Transitional Assistance Programme to the Afghan People
LBG	Louis Berger Group
LFA	Logical Framework Analysis
LOTFA	Law and Order Trust Fund
LSE	London School of Economics
MANPAD	Man-Portable Air Defence Systems
MDGs	Millennium Development Goals
MIT	Massachusetts Institute of Technology
MMR	Maternal Mortality Ratio
MoF	Ministry of Finance
MoPH	Ministry of Public Health
MOWA	Ministry of Women's Affairs
MSH	Management Systems for Health
MRRD	Ministry of Rural Rehabilitation and Development
NA	Northern Alliance
NABDP	National Area Based Development Programme
NATO	North Atlantic Treaty Organisation
NDB	National Development Budget
NDCS	National Drug Control Strategy
NDF	National Development Framework
NEEP	National Emergency Employment Programme
NGO	Non-governmental organisation
NSP	National Solidarity Programme
OECD	Organisation for Economic Cooperation and Development
OECD DAC	Development Assistance Committee of the Organisation for Economic Cooperation and Development
OIG	Oversight Inspector General
RAMP	Revitalising Agricultural Markets Program
REACH	Rural Extension of Afghanistan's Community-Based Health Care Program
REFS	Rehabilitation of Economic Facilities and Services Program
TA	Technical Assistance
TLC	Tribal Liaison Office
UN	United Nations
UNDEF	United Nations Democracy Fund
UNDP	United Nations Development Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNODC	United Nations Office on Drugs and Crime
UNTAET	United Nations Transitional Administration in East Timor
USAID	United States Agency for International Development
WB	World Bank
WFP	World Food Programme

CHAPTER 1
INTRODUCTION: THE FAILURE OF STATEBUILDING

1.1 Statebuilding in Post-Bonn Afghanistan – The Exclusion of Society

For obvious reasons, the idea of introducing democracy to a country by excluding its society from all relevant decision-making processes seems absurd. So does the idea of building a state by taking over its responsibilities. Nevertheless, this is exactly what has been happening in Afghanistan over the last years. Not, as I claim, because of corrupt or colonial intentions on the part of international actors, but because it seemed the only possible way to move ahead with the reconstruction and statebuilding agenda at all. It is the concern of this study to describe and explain this paradox.

The impetus for my research has come from a repeated observation made during a two-year placement (2002-2004) as a development professional in post-Bonn Afghanistan, where, starting in the beginning of 2002, a massive international effort was geared up to stabilise the war-torn country by transforming it into a liberal market democracy. The observation was that at all levels of interaction between the international aid community and local actors, there was a strong tendency to marginalise and substitute local actors in order to move faster on the road of reconstruction, political reform, economic recovery and poverty alleviation. What I mean by marginalisation and substitution becomes quite visible in the following – by no means unique – anecdote that to me is symbolic of much of the aid effort in Afghanistan.

In spring 2004, the Afghan government convened an international counter-narcotics conference, in which international donors were highly involved. The British government took a lead role in the organisation of the conference and held a number of preparatory meetings, to which representatives of the government, the involved donors and civil society organisations were invited. Being one of the invitees, I looked around the table and found myself in the company of about fifteen other expatriates – the government's counter-narcotics bureau was represented by two UK funded British senior advisors to the Afghan government, and the civil society organisations present were all international NGOs that received UK funding for various development projects linked to providing economic alternatives to opium production. Members of the international development community had thus taken on the roles of their Afghan counterparts. A meeting supposed to bring together quite different sectors and interests thus effectively ended up as a rather intimate round of acquaintances, who were all part of or dependent on a single institution, and who were able to agree smoothly on issues of the agenda and organisation of the conference. It hardly comes as a surprise then, that the conference was a success in appearance only.

I maintain that much of the aid effort in Afghanistan follows this pattern of insulation. The net result of this tendency has been the *de facto* exclusion of Afghan society from important decision-making and implementation processes – starting at the level of defining the humanitarian and developmental needs of the population as well as the vision of the future state and its relationship with society, down to the actual formulation of policies and the design and implementation of aid to the country. The cumulative outcome of this dynamic is that international efforts to build a sustainable state in the country remain largely sterile.

This sterility is manifest in the deepening crisis of legitimacy that the Afghan state and its international supporters have been facing despite an impressive record of visible achievements in the fields of human security, and the provision of social and economic infrastructure and services.[1] This crisis can not only be deducted from the increasingly critical media coverage of the international statebuilding effort. The government's aid dependency has remained extremely high with donors financing over ninety percent of government spending (Suhrke 2006: 5).[2] This financial dependency is aggravated by a strong reliance on imported human capacity for policy formulation and implementation that continues to absorb over twenty percent of the overall aid flow (World Bank 2007: 28-29). The dependence on international technical and managerial staff extends beyond the civil administration, with much of the government's development budget implemented by international non-governmental service-providers, both private businesses and NGOs.

At the same time, the public perception of the government system is that of a predatory state. Corruption cascades through the fabric of the whole administration, at national, provincial and municipal levels, and has become the most important factor of public discontent. The Transparency International 'Corruption Perception Index' shows a constant decline of Afghanistan's ranking from medium in the early years of the statebuilding effort down to the second last place in 2009 (Transparency International 2009). A survey conducted by Integrity Watch Afghanistan in 2007 found that:

> '[Sixty percent of respondents] perceived President Hamid Karzai's administration to be more corrupt than that of the Taleban, Mujahiddin or the Communist periods. While under previous governments ethnic ties or political leanings enabled corruption, today money has become all-important, and those with access to ready cash can buy government appointments, bypass justice or evade police.'   (Integrity Watch Afghanistan 2007: 7)

The amounts involved are substantial. The Integrity Watch survey found that in 2006 over sixty percent of the households surveyed had paid more than 100 USD in bribes, and over twelve percent had paid over 400 USD (Integrity Watch 2007: 45).[3]

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[1] Parallel to the orchestration of a complex political process leading to the establishment of a regular and democratically legitimized government in accordance with the stipulations of the Bonn Agreement, many

[2] In 2006 aid accounted for approximately 36% of Afghanistan's Gross National Income (GNI). And for 2006-2007, the volume of aid stood at almost twice the level of central government expenditure (OECD DAC 2008: 3).

[3] These figures need to be seen against an average monthly civil servant income of 50 USD, and an estimated 30% of the population unable to meet their minimum dietary energy requirements (WFP et al. 2004).

High levels of corruption and a continuing and nearly complete dependence on international aid resources are indicators for the fact that the state that is being built has weak ties to its own society and little chances of survival beyond the massive international involvement. I argue that part of this development is owing to the international aid community's inability to fruitfully interact with the domestic Afghan environment. A result of this segregation of two worlds is that the visible successes of the aid effort have not contributed to the legitimisation of the Afghan state.

In a situation characterised by a domestic political and socio-cultural environment that could hardly be more contrasting to the international vision, combined with complete aid dependency, international aid actors have favoured the creation of a secluded parallel reality compatible with the international vision postulated for Afghanistan. Tendencies for seclusion are observable in all areas of interaction between development actors and Afghan society, and entail a systematic - albeit generally unintentional - marginalisation and substitution of local actors. While much of the aid money avoids any institutional integration with domestic actors altogether, those aid actors who directly aim to build Afghan state and civil society institutions have effectively created internationalised enclaves, which are firmly integrated into the international aid system and protected from domestic interests.

Rather than overcoming existing domestic factors of exclusion, this dynamic reinforces them; enables a high degree of self-reference; produces circular systems of knowledge generation and decision-making; and ultimately results in problem analyses, programme designs and implementation, which are detached from the social, political and economic reality on the ground. Instead of sowing the seeds for a broad-based democratic change in the country, international efforts therefore carry a high risk of remaining sterile and their impact dependent on continuously high levels of international involvement.

Recognising this problem and understanding its roots is, I believe, of fundamental importance not only for the ongoing international effort in Afghanistan, but also for other contexts in which the international community has taken, or will have to take over, responsibilities in so-called failed states. Afghanistan has, in many ways, become a test case for a new developmental interventionism which has been heralded globally as an appropriate response to instability and poverty.

1.2 Statebuilding – The New Paradigm

Since the end of the Cold War, our perceptions of the root causes of conflict, of the interconnectedness of development, human rights and security factors in either exacerbating or overcoming violent conflict, and of the global dangers resulting from local or regional conflicts have changed fundamentally. The failed state, which is unable to maintain its monopoly over violence, regulate its economy and provide security and opportunities to the populations under its jurisdiction, has emerged as the source of many of the problems on the international agenda. In the wake of 9/11, the US government came to the conclusion that 'America is now less threatened by conquering states than […] by failing ones' (US Government 2002: 1). 'Weak or failed states are the source of many of the world's most serious problems, from poverty to AIDS to drugs to terrorism' asserts Fukuyama (2005: xvii). Similarly, Ghani and Lockhart (2008: 4) identify the failed state as being 'at the heart of a worldwide systemic crisis that constitutes the most serious challenge to global stability in the new millennium.'

Statebuilding is the logical international response to this analysis and has consequently become a chief goal upon which security, human rights and development agendas converge. Broadly speaking, statebuilding can be defined as the attempt to turn a weak or failed state into a functioning state able to fulfil its responsibilities towards its citizens as well as towards the international community. While there is not complete conformity as to the best approaches to statebuilding, there is a general consensus of what constitutes a functioning state. The vision is that of a liberal market democracy, with a state that defines its core functions to ensure security and rule of law; to guarantee human rights and civil liberties; to provide social and economic infrastructure; to underwrite a market based economy, and, generally, to provide an enabling environment for its citizens to pursue economic and social opportunities. The functioning state has strong, effective, transparent and efficient institutions and demonstrates a high degree of accountability to its citizens (Ghani and Lockhart 2008: chapter 7).

This new reference framework does away with the clear cut distinction between national and international concerns and has lead to the realisation that existing concepts of sovereignty and rules of non-intervention might be counterproductive in a world in which the causes and repercussions of crisis are as globalised as the economy. This was first formulated in 1992 by UN Secretary Boutros Boutros Ghali in his often quoted speech 'An Agenda for Peace' (UN 1992), which defines a very broad and holistic role for the UN in fostering peace, including addressing economic, social, and political injustices in affected countries, in addition to the traditional instruments of preventative diplomacy, peace-keeping and peace-building. In consequence, the responsibilities and expectations put on international actors have expanded dramatically. Since the early 1990s, the international community, mostly under the leadership of the United Nations, has assumed major statebuilding responsibilities in a range of countries, including such diverse contexts as Cambodia, Mozambique, East Timor, Kosovo, Afghanistan and Iraq.

Given the centrality of the topic, it is not surprising that the literature on statebuilding abounds. Since all major statebuilding projects undertaken by the international community so far have struggled, there is also no lack of critical documentation. There has, however, been surprisingly little interest in the functionings of the international development sector as a potential cause for the problems of statebuilding in post-conflict settings, despite the fact that the multiple actors of the sector are charged with translating the normative concepts of international responsibilities into actual statebuilding strategies, and have a major impact on how problems and solutions are defined, on how strategies are devised, on how projects are implemented, and on how experiences are documented.

This study wants to contribute to closing this research gap through, on the one hand an empirical examination of the international statebuilding project in post-Bonn Afghanistan, and on the other hand a discussion of possible explanations for the insulation of aid from its local context.

1 . 3   M e t h o d o l o g y   a n d   S t r u c t u r e   o f   t h e   S t u d y

The study conceptually divides into two parts. The first constitutes an empirical study of the aid effort in Afghanistan. It provides a detailed analysis of the structures of the international aid system, of the approaches the various actors apply in order to realise the goals of the statebuilding agenda, and of how these interact with the specific domestic context and the aim to build a state legitimised by democratic representation. The main purpose of the empirical study is not to paint a complete picture of the aid effort, but to visualise and trace the processes of insulation that drive international aid activities, and to demonstrate that the aid system effectively acts as a closed system that functions by insulating itself from the local context. Chapter Two thus contains an overview of the architecture of aid and the major aid flow patterns to the country, followed by three detailed case studies that analyse aid strategies and practices at different levels of the statebuilding project. First, at the level of strengthening the state apparatus itself through institutional reform, restructuring and capacity building; second, at the level of direct service provision to the population; and third, at the level of civil society promotion. A fourth study discusses the National Solidarity Programme (NSP), a programme, which stands out for having been able to break through the isolating practices of the overall aid effort and establish a meaningful partnership with Afghan citizens on a national scale.

The empirical part of the study draws on various sources. It is partly based on my own experiences in-country between July 2002 and September 2004, on discussions with expatriate and Afghan colleagues, and on informal documentation of that time. It also uses official documentation and statistics of the Afghan government and international institutions, as well as programme and progress reports of various agencies, generally covering the years 2002 up to 2007.[4] The empirical study also draws substantially on a constantly growing body of applied research and critical analysis of aid in Afghanistan.

The second part of the study challenges the idea of statebuilding by exploring the root causes for the inability of aid actors to interact fruitfully with the domestic Afghan environment. In search for possible explanations of a phenomenon that unfolds in a very complex and multifaceted environment I have groped my way through different disciplines including political science, economics, sociology, social anthropology, psychology and history. Unsurprisingly, I have not found that a single theoretical approach can fully explain the mechanisms and dynamics that produce the paradox of exclusion in the name of statebuilding and democratisation. I have settled for three explanatory perspectives that complement each other.

The first one is context specific and finds an answer in the specific Afghan history of state-society relationships, the history of conflict and aid in the country, and the political economy of the post-Bonn context. Chapter Three shows that these factors combine into a difficult environment, which effectively excludes international actors and the central state from integrating with Afghan society, and which makes strategies of insulation rather than integration of statebuilding and aid activities seem inevitable.

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[4]   One effect of the dominance of international actors that has made access to information substantially easier is the fact that all relevant policy and budget documents of the Afghan government have been produced in English language and are accessible on Government of Afghanistan, World Bank and UNDP websites.

Chapters Four and Five focus on more generic explanations for the phenomenon of insulation that can be found in the dynamics and incentive structures which are inherent to the aid system itself. These explanations are therefore also of relevance beyond the specific Afghan context. Chapter Four deals with the ideological foundations of the statebuilding effort and with international actors' attempts to translate abstract norms into strategies and practices. From a constructivist perspective, it traces the emergence of the contemporary interventionist paradigm in the post-Cold War era. It specifically focuses on how international security concerns, an increased acceptance of cosmopolitan ethics, and a changed definition of development combine into the establishment of liberal market democracy as a new standard of 'civilisation', which claims universal applicability and competes with Cold War norms of nation-state sovereignty and the right to self-determination of peoples. A number of contradictions emerge in the attempt to operationalise this new normative framework for intervention, which prevent international actors from fruitfully interacting with their beneficiary environment.

Chapter Five focuses on the institutional structure of the aid effort. Drawing predominantly on an institutional economics perspective, it discusses in how far institutional incentive structures can explain the insulation of the international effort from the local context. The analysis focuses on two interrelated areas: On the one hand, the specific nature of the task that development agencies have to carry out and its interaction with the organisational environment in which they have to operate. On the other hand, it looks at the organisational complexity of the aid system, and the impact that the relationships between the multiple aid actors have on the outcomes of development aid.

Chapter Six presents the findings of the book and discusses how the three different explanations for the exclusion of Afghan society from the statebuilding and development process relate to each other. It also explores in how far my findings are transferable to other statebuilding contexts and whether there is any way out of the current impasse.

PART A:
EMPIRICAL EVIDENCE

CHAPTER 2
STATEBUILDING AND THE EXCLUSION OF SOCIETY:
ANALYSIS OF AID TO AFGHANISTAN

The task of rebuilding Afghanistan was first stipulated through the 'Agreement on Provisional Arrangements in Afghanistan, Pending the Re-Establishment of Permanent Government Institutions' (UN 2001, signed on 5th December 2001), commonly known as the 'Bonn Agreement', which represents the official starting point of contemporary aid efforts in Afghanistan. The Bonn Agreement set out a three-pronged strategy for the stabilisation of the country, which consisted of a political process that was to ensure the institutionalisation of a liberal market democracy within a three year timeframe;[5] international security guarantees to provide a minimum of law and order during the transition phase until the disarmament of the various warring factions and the build up of an Afghan National Army was completed;[6] and a large-scale aid effort, which had the immediate aim to enable the new government to function and gain legitimacy and a longer term goal of building an effective state.

At the beginning of the international aid effort in Afghanistan in early 2002, the country lay in ruins – not only physically, but also socially and psychologically. Of a total population of approximately twenty million people, over a million had been killed, and at the end of 2001 there were over five million refugees in neighbouring Iran and Pakistan, as well as over one million internally displaced persons (UN 2002a: 8). The killings, social disruptions, threats and insecurities, which people had been subjected to for most of their lives had left a population deeply traumatised.[7] Social indicators were among the worst of the world,[8] and by 2001 the destruction of productive assets had made nearly half of the population reliant on food assistance for their survival (UN 2002a: 8). The central state had not functioned in rural Afghanistan for over two decades, and had also broken down in the few urban centres over a decade ago. The tiny educated elite, which had once run the country, had all but vanished. The task of stabilising and rebuilding Afghanistan as a modern, liberal, and democratic state and society was therefore daunting.

The international aid effort in Afghanistan unfolded within a politically volatile climate, which conveyed a sense of extreme urgency to all actors involved. The general consensus of the time was that the only chance of the new Afghan government to gain sufficient legitimacy within the population and survive politically, was to assert itself immediately and demonstrate substantial and, above all, visible impact across the country. This view is also reflected in the following quote from the National Development Framework (NDF), which was issued by the newly appointed Afghan Interim Administration (AIA) in April 2002:

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[5] The Bonn Agreement installed, with immediate effect, an Afghan Interim Administration (AIA), and laid out the political process that would lead to a democratically legitimized Afghan government within a three-year timeframe. The 'Bonn process' entailed: The convening of an Emergency Loya Jirga in June 2002 that legitimized the AIA; the creation of a Constitutional Commission and the promulgation of a new constitution by a constitutional Loya Jirga in December 2003/January 2004; and the holding of elections at presidential (October 2004, resulted in the formal establishment of a permanent government of the Islamic Republic of Afghanistan by December 2004), parliamentary, and provincial level (September 2005).

[6] The first International Security Assistance Force (ISAF) troops under UN command started operating on 1st January 2002, initially in Kabul only. In August 2003, NATO took over the mandate that was geographically expanded to cover all of Afghanistan in October the same year (UN 2003).

[7] WHO estimates that large portions of the Afghan population, particularly women and children, suffer from depression and anxiety disorders (Ventevogel et al. 2006).

[8] The following are UNDP estimates: Literacy rate: 43% (50% for men and 18% for women); maternal mortality ratio (MMR): 1600 deaths per 100,000 live births; infant mortality rate per 1,000 live births: 135; under-5 mortality rate per 1,000 live births: 257; and the probability at birth of not surviving to age 40: 43% (UNDP 2007: 19).

'For us to capitalise on the current consensus, […] we must deliver, and deliver soon; as words become deeds, belief in the possibility of a safe and prosperous future will grow. Delivering rapidly, however, does not mean delivering unwisely. We must internalise the lessons of 50 years of experience of international assistance. Afghanistan offers a unique opportunity to prove to the sceptics that the aid system is relevant in a post-conflict context and that difficult challenges can be met with determination, partnership and vision.'   (Afghan Assistance Coordination Authority 2002: 5)

This context made clear from the beginning, that in order to move Afghanistan towards the vision of a stable, peaceful, liberal, and democratic country, a heavy-handed involvement of the international community would be necessary, not only in financial terms, but spanning the entire range from policy formulation and the establishment of administrative systems, down to the actual delivery of government programmes and services. Effectively, international actors would have to carry out many government functions, while at the same time helping to build up domestic capacity. Nevertheless, the international engagement in Afghanistan was labelled a 'light footprint approach' - a concept developed by the then UN Secretary General's Special Envoy for Afghanistan, Lakhdar Brahimi, because of the decision to abstain from a full take-over of government through the international community and to aim at a maximum involvement of local actors (Brahimi 2002). The objective of giving the Afghan government and other local actors a central role in the reconstruction of the country was thus formulated early on.

This chapter sets out to provide an overview of the scale of the aid effort, an understanding of the overall architecture of aid in Afghanistan, and of the way aid has been flowing through different institutions. In subsequent sections, it analyses aid implementation strategies of key aid actors in more detail. It aims to demonstrate that the objective of placing Afghans at the centre of the reconstruction effort has not been pursued in practice. Instead, the aid system has tended to insulate its activities from the domestic Afghan context, either through the set up of its own operational structures in-country, or through the creation of ring-fenced and sterile implementation cells within the existing Afghan state and civil society structures. Finally, the chapter discusses an exception from the rule: The National Solidarity Programme (NSP), which has, with some success, managed on a large scale to transfer ownership rights in the implementation of aid to Afghan communities.

2.1.   Scale and Scope of Civilian Aid to Afghanistan

The initial estimates of the overall amounts of aid necessary to stabilise post-Bonn Afghanistan were based on a Preliminary Needs Assessment carried out jointly by the Asian Development Bank, the United Nations Development Programme, and the World Bank (ADB et al. 2002) and presented at the first donor conference for Afghanistan in January 2002 in Tokyo.[9] Due to time pressures, the assessment had to be carried out as a desk study. In a situation characterised by extremely complex and dynamic political constellations on the ground and the absence of reliable data and statistics, the needs assessment inevitably was more a reflection of the aims, processes, and financial requirements deemed acceptable to the international donor community than of Afghan realities. It set very ambitious goals:

Within a five to ten year time frame, international support was envisioned to enable the Afghan government to move towards: Political stability and security; universal access to basic services; an adequate standard of living for its people; economic growth; and independence from foreign aid (ADB et al. 2002: 3). The indicative financial needs (excluding humanitarian assistance needs) were calculated at between 4.2bn USD and 6.5bn USD for the two and a half year transitional phase, and between 11.4bn USD and 18.1bn USD for a ten-year timeframe. The government was envisaged to be able to meet its entire recurrent costs after five years (ADB et. al. 2002: 47).

The Tokyo conference resulted in initial donor pledges amounting to 4.5 bn USD. Further pledges have been made at subsequent donor conferences in Berlin (April 2004; 8.2bn USD), London (January 2006; 10.4bn USD), and Paris (June 2008; 20bn USD).[10] Since pledges are legally unbinding statements, they generally do not match exactly with the actual amounts of money committed or disbursed. Apart from bureaucratic delays and absorption problems at the receiver's end, differences in actual contributions versus pledged contributions also reflect the unstandardised way different donors count actual aid commitments against pledges. While some donors only include development assistance in the narrower sense in their pledge statistics, others include contributions to humanitarian assistance or aid to the security sector (Cosgrave and Anderson 2004: 4-5). Pledges have also been made for different timeframes, making it difficult to assess how much has actually been pledged for a particular year, and how much of the pledge is actually new money or carried over from a previous pledge. The absence of a central point, which registers all aid flows in a standardised way makes it impossible to provide an exact figure of the overall assistance that has been disbursed to Afghanistan. According to OECD DAC statistics, donors have reported total commitments of 17.2bn USD from 2002 through to 2007, and actual disbursements of 14.8bn USD for the same period.[11] Government of Afghanistan

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[9]   More than sixty countries and twenty international organizations took part in the Afghanistan Recovery and Reconstruction Conference co-chaired by Japan, the United States, Saudi Arabia, and the European Union. These countries, together with the World Bank, were also the major donors, pledging together over $2bn of the total amount. This included 100% of the government's recurrent costs for the first year (UNDP website, http://undp.org.af, last accessed 20th October 2008).

[10]   UNDP website, http://undp.org.af, last accessed 20th October 2008; MoF (2008: 3).

[11]   The figures include all official aid reported by OECD DAC member states, non-member states and multilateral organisations. It includes grants and loans on concessional terms directed toward development. It excludes assistance for military purposes (OECD DAC International Development Statistics http://stats.oecd.org/qwids/).

figures for the same period add up to about 13.3bn USD excluding security related spending and 18.5bn USD, if support to the Afghan National Army (ANA) and police is included (table 1).[12]

How did this aid actually flow through the aid system into Afghanistan? And do actual aid flow patterns reflect the objective of strengthening the legitimacy and role of the Afghan state?

A multitude of international aid actors has strategised, allocated, and implemented this funding. From 2002 onwards, over fifty bilateral and multilateral donors and sixteen UN agencies set up offices in Kabul. Around 270 international NGOs and private service providers joined them.[13] In 2002, practically the entire aid, apart from the money that covered the recurrent costs of government, was channelled through the UN system, which had an established infrastructure and had coordinated aid activities in Afghanistan during the 1990s (UN 2002a). Following a redefinition of the UN's role and structure in line with the objectives of the Bonn Agreement (UN March 2002), the UN's role in the management and coordination of aid flows into Afghanistan has, however, declined rapidly and was in subsequent years reduced to the humanitarian aid sector.[14]

The National Development Budget (NDB), which is prepared jointly by the Afghan government and donors, has become the main instrument for coordinating aid flows into Afghanistan. The NDB aims to operationalise the concept of a responsibility for governing, which is shared between the Afghan government and its international donors. All donor funding is expected to contribute towards the NDB, either through direct funding to government or by funding programmes included in the budget.[15] This has resulted in a budget structure consisting of a core, government executed budget and an external budget outside direct government control. Major areas of government responsibility are thus only coordinated with line ministries but fully externally managed. This includes the Afghan National Army and the police reform, which together account for about 27 percent of the entire external budget (table 1), as well as the bulk of the provision of basic social services or infrastructure. Mostly, national programmes are partly government managed and partly externally managed.

The instrument of the National Development Budget was to provide the government with a certain degree of at least moral authority over a large part of the aid flow into the country, as the money is officially spent in the name of the government and generally in support of nationally defined government programmes. The stated aim of government and donors is to continuously decrease the share of the externally managed budget in favour of the government executed share of the NDB (GoA 2005a: 170-171; GoA 2008: 4)). A look at the figures illustrates how uneven the sharing of responsibilities remains (table 1).

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[12] Different amounts recorded by OECD DAC and GoA can be due to different annual budget cycles used by donors (normally Jan – Dec) and GoA (Apr – Mar); different exchange rates used; time laps between donors registering funds as disbursed and these funds actually arriving in Afghanistan; and to incomplete or inconsistent donor reporting.

[13] Department of NGOs, Ministry of Economy, quoted from ACBAR (2006). In 2004, there were over 2,400 national and international aid agencies and other non-governmental organisations registered in the country (BBC News, February 2006).

[14] UN management of international aid flows into Afghanistan decreased from 156% of the external budget in 2002 (i.e., substantially more than the official aid statistic of the GoA) to only 6% in 2006 (Figures from the UN's humanitarian assistance online Financial Tracking System (FTS), accessed on 26 March 2009).

[15] The NDB does not capture, however, the entire aid flow. Donors allocate substantial amounts outside the NDB, particularly in the humanitarian sector. Also private donations, generally flowing through NGOs, do not generally contribute to NDB listed projects.

Table 1: **National Development Budget figures (actual expenditures)**[16]

	Budget year	*1381*	*1382*	*1383*	*1384*	*1385*	1381-85
		2002/3	**2003/4**	**2004/5**	**2005/6**	**2006/7**	**2002-2007**
		million USD	*million USD*	*million USD*	*million USD*	*million USD*	*million USD*
A.	**Core Budget**						
A.1.	Operating expenses	346	452,00	552,00	659,00	869,00	2878,00
A.2.	Development expenses	0	189,70	316,00	459,00	704,00	1668,70
	Total expenses GoA	**346,00**	**641,70**	**868,00**	**1.118,00**	**1.573,00**	**4.546,70**
	of which domestic revenue	130,9	208,1	268	466	576	1649,00
	donor funded	215,10	433,60	600,00	652,00	997,00	2.897,70
B.	**External Budget** (incl. ANA and police)	**1.044,00**	**4.222**	**4.582**	**3.005**	**2.714**	**15.567**
C.	**Total NDB spending**	**1.390,00**	**4.863,70**	**5.450,00**	**4.123,00**	**4.287,00**	**20.113,70**
	of which donor funded	1.259,10	4.655,60	5.182,00	3.657,00	3.711,00	18.464,70
	% Donor funding of NDB	90,58%	95,72%	95,08%	88,70%	86,56%	91,80%
	% NDB spending GoA controlled	24,89%	13,19%	15,93%	27,12%	36,69%	22,60%
	% Aid spending under GoA control	**17,08%**	**9,31%**	**11,58%**	**17,83%**	**26,87%**	**15,69%**
	% NDB spending donor controlled	75,11%	86,81%	84,07%	72,88%	63,31%	77,40%

Of the total National Development Budget between 2002 and 2007, approximately 92 percent have been aid funded, less than 25 percent have actually been implemented through government, while over 75 percent have been spent outside of government control. Effectively, less than 3bn USD, or 16 percent of the total aid spent in Afghanistan, have gone through the government's treasury, and only about 1.7bn USD of this amount, or less than 10 percent of total aid, have funded the government executed development budget. It is likely that the percentage of funding through government is even lower, as there has been substantial underreporting by donors to the external budget, particularly concerning expenditures for the security sector (GoA 2008: 8).

The low percentage of aid in direct support of government is in part a reflection of the government's low absorption capacity. Despite a massive buy-in of international capacity, government has continuously underspent on its development budget. Overall execution of the core development budget was only 31 percent in 2004. The percentage increased to about 54 percent in 2007 and is expected to improve further, but many ministries continue to only spend 30-40 percent of their allocated development budget (GoA 2009: 15). The main reason for spending about 85 percent of aid outside government is therefore linked to the need to secure the functions of government where government lacks the capacity to carry them out itself.

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[16] Figures compiled from AACA (2002), GoA National Development Budget decrees 1383-1386, and MoF: Donors Financial Review, June 2008.

Over eighty percent of the external budget is managed by US government agencies, which constitute by far the most important aid actor in the country. Within the security sector, the US are responsible for building up the Afghan National Army, and are, among others, involved in the restructuring and training of the Afghan police force. US non-security related aid predominantly supports large-scale infrastructure rehabilitation and social service provision through implementation mechanisms that are independent of the Afghan government (see US aid case study).

The actual implementation of development programmes (both from the core and the external budget), particularly in the areas of infrastructure and service provision, is contracted to international and domestic companies and non-governmental organisations (NGOs). The latter have remained the main providers of social services, humanitarian aid, and rural extension services. The complexity of funding arrangements and the number of actors involved make it impossible to track the exact flow of funds to NGOs.[17] A study conducted on behalf of the NGO coordination body, ACBAR, in 2006 provides an indication of the overall scale of NGO activities. It estimates that for the Afghan financial year 1384 (April 2005 - March 2006), NGOs received approximately 450m USD, or 13 percent of the entire development spending (core and external development budget) of that year. 'If unexpended funds, as well as those disbursed to the Army, demining and the 2005 Parliamentary elections are discounted, the percentage rises to 27 percent of what might be regarded as true development aid' (Pounds 2006: 4). Thus, one can expect that roughly a quarter of the overall development aid flow to Afghanistan has gone to NGOs.

The structure of aid flows discussed above reflects an operational understanding of statebuilding that is broader than the common definition of statebuilding, which is generally described as the attempt by external actors to build effective public institutions in fragile, failed or post-conflict states (Suhrke et. al. 2007c: 3; Fukuyama 2005: xvii). The practice of the National Development Budget stands for an understanding of statebuilding, which involves more than the build up of public institutions. It effectively appropriates the entire civilian aid effort by subordinating it to the political imperative of lending legitimacy to a fragile, and in the initial years politically not legitimised, government. The NDB, with its division into a government-controlled and an externally executed budget, aims to secure government legitimacy not only by strengthening government's ability to perform these functions, but also by international actors performing them on behalf of government. Following this argumentation, the provision of direct services to the Afghan population through the international aid system has not only been justified on humanitarian or developmental, but also on political grounds.[18]

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[17] Generally, donor statistics (when publicly accessible) only list the direct contractual partner, and most NGOs have their funding relationship with the recipient agency rather than directly with the donor. The implementation chain often continues with contracted NGOs further contracting to smaller NGOs. There is therefore no comprehensive statistic on NGO funding, and compiling figures from various sources carries the risk of substantial double-counting and omissions (Pounds 2006: 6; see also Cosgrave and Anderson 2004).

[18] This view was widely shared amongst major donors and NGOs and is documented in initial country strategy papers, position papers, etc. See, for example, EC 2003a.

A third notion of statebuilding present in Afghanistan is the attempt to ideologically integrate the state with society by transforming society at large and making it more compatible with the foundations of the modern, liberal state (see case study on NGOs and civil society). In practice, statebuilding strategies in Afghanistan can thus be grouped according to three logics:

a) *The build up of effective public institutions*. This includes executive and administrative structures, particularly the reform and strengthening of the civil services apparatus.

b) *The warranting of government functions.* International actors take responsibility for ensuring that government functions are fulfilled. Most of the responsibilities of the state are actually carried out by various aid actors on behalf of, but outside the control, of the government. This includes practically the entire civilian aid effort from humanitarian assistance to the provision of basic social services, infrastructure development, and so on.

c) *The ideological integration of the new state within society*. The international intervention carries with it a set of norms and values that it promotes within Afghan society, sometimes explicitly and sometimes implicitly, but with the ultimate aim to achieve a transformation of society towards greater compatibility with the modern, liberal state.

Each of the following case studies covers one of these practical aspects of statebuilding in the post-Bonn era.

2.2. Attempts to Rebuild the State Apparatus: Statebuilding through Insulation

Statebuilding in the sense of reforming and strengthening the government's executive and administrative institutions has predominantly been represented by a group of reformers within the Afghan government[19] and by the International Finance Institutions, with the World Bank taking a lead position. Support for this approach has also come from the European Commission (EC) and a variety of other bilateral donors (the UK, Netherlands, and Norway), who have, however, only channelled part of their funding through government (Lockhart 2007: 13).

These actors had to operate within a domestic environment that was characterised by a low political legitimacy of the new government, combined with an existing state apparatus, which had only survived as a skeleton, had never been sufficient in scale, and was based on a dirigiste state model incompatible with the requirements of a modern, liberal state apparatus. In addition, they were faced with a dearth of human capital at all levels within the administration, and a complete financial dependency of the Afghan state on international funding.

The Afghan Interim Administration (AIA) that was appointed through the Bonn Agreement was a result of intense negotiations between various Afghan factions, regional, US and other international interests. The major purpose in Bonn had been to reach agreement on a process of transition to civilian rule, which would keep all major potential spoilers from opting out (Dobbins 2008: chapter 6).[20] The composition and size of the AIA reflected the overwhelming claim to

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[19] The lead individual of the reform strategies within the Afghan government was Ashraf Ghani, an expatriate Afghan who had held a senior position within the World Bank and was initially seconded to the AIA by the World Bank as a special advisor to Hamid Karzai. He later became Afghanistan's Finance Minister.

[20] This was not fully achieved. The Taleban, a major party to the conflict who had controlled approximately 98% of the country prior to the US intervention, had not been invited. Gulbuddin Hekmatyar, one of the important Mujaheddin of the 1980s and once a key ally of Pakistan and the US against the Soviet occupation, refused to participate and his

power of the predominantly non-Pashtun factions aligned under the Northern Alliance.[21] The Bonn agreement, however, had to also guarantee a prospect for meaningful participation to other ethnic and political groups if it was to function as a viable platform for transition to civilian rule.[22] The AIA therefore included members of the major resistance groups that had operated from abroad and that enjoyed some representational legitimacy among the Pashtun populations.[23] The climate within the AIA was characterised by factional and personal rivalries and distrust. The assassination of two Pashtun members of the AIA in 2002,[24] assassination attempts on the chairman Karsai and the defence minister, and the open rejection of the AIA's authority by major regional strongmen[25] underlined the fragility of the political deal obtained in Bonn.

Although quite a few members of the AIA had served in various positions under the Mujaheddin regime in the early 1990s, government at the time had been dysfunctional. Effectively, none of the AIA members had substantial experience with a civilian administration. A more serious problem, however, was the fact that most of the individuals appointed to the AIA had no interest in strengthening the *de jure* state as they did not derive their substantial wealth and power from their official positions but from sources and connections that had developed in the course of the war: from the war and opium economy, through patron-client networks and the related command over military resources (Giustozzi 2007: 79; Starr 2003: 45). Linked to this background they also enjoyed little legitimacy within the population. With the fight against illegitimate economic, political and military structures at the centre of government and international rhetoric, these individuals faced an immediate conflict of interests between their *de facto* position and their official role, which was aggravated by the dire situation of government.

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party, *Hisb-e-Islami*, has since supported the insurgency. Ismail Khan, another important Mujahed of the 1980s and in control of the Herat region, walked out of the Bonn talks, and refused to cooperate with the Kabul government until 2004.

[21] A number of individuals from the Northern Alliance (NA) had served in the last internationally recognized Afghan government in the 1990s under president Rabbani and had continued to represent Afghanistan abroad. The NA had also been the only substantial resistance force in country against the Taleban, suffering heavy casualties among its fighters and supportive civilian populations, and had – under US aircover – pushed them back to the Pakistani border in November 2001. At the time of the Bonn conference, the NA had already created facts and reoccupied government buildings in Kabul.

[22] For a detailed insider's account of the negotiations at Bonn see Dobbins (2008).

[23] In its final composition, the AIA comprised of twenty-nine ministries. Eighteen were headed by NA members, nine belonged to the Rome Group, which was close to the former king Zahir Shah, one to the Peshawar Group and one independent member (UN 200: annex). The chairman Karsai was not officially associated with a particular group, but had strong linkages to the Pashtun elite. Although the NA obtained the majority of ministries, it cannot be seen as one monolithic bloc as it consisted of various independent groups, which all demanded a share in the final distribution of power.

[24] Abdul Rahman, Minister for Air Transport and Tourism, was killed in February 2002 at Kabul airport. Allegedly, his murder was arranged by senior figures of the Northern Alliance, as he had switched his support from the Northern Alliance to former King Zahir Shah (UN Wire, 21 February 2002; http://www.unwire.org/unwire/20020221/24049_story.asp, accessed October 2008). Haji Abdul Qadeer, Minister of Urban Development, was killed in Kabul in July 2002. He was a Pashtun leader from Nangahar province and deeply involved in the opium economy.

[25] Herat province, and with it the important customs income from trade with Iran, was under the control of Ismail Khan who continued to govern the area as a quasi independent Emirate until September 2004 when he was forced with US military support to give up his position. He has since joined the central government in Kabul. Similarly, General Rashid Dostum was in control of Mazar-e-Sharif and the economically vital boarder crossing to Uzbekistan. Although not officially in opposition to the AIA, he frequently withheld customs income, maintained a large militia army, and continued to bargain for a powerful position within the central government.

The Afghan Interim Authority practically had no means at its disposal. The fleeing Taleban had taken whatever had remained in the treasury with them. Government buildings were partly destroyed and generally dilapidated with even the most basic furniture missing. There was no secure access to electricity or water in the ministry buildings, no means of communications or transport, and no information flow between the provinces and the centre. The government was therefore entirely dependent on foreign support. The immediate costs of the AIA were met by the donor funded and UNDP managed Afghanistan Interim Authority Fund (AIAF), which was established in December 2001 and covered the recurrent costs of the AIA's essential responsibilities.[26] A skeleton of the civil administration infrastructure of the country, de jure one of the most centralised systems of the world (Evans et. al. 2004: 12), had survived throughout the conflict years, and in March 2002, the AIA estimated that it had some 240,000 civil servants on its pay-roll (UN 2002b: 5).[27] De facto, however, the civil service outside of Kabul had been out of the direct control of the centre since the early 1980s, and was firmly controlled by local power holders, often with patrons in central government (Evans et. al. 2004: chapter 1).

The desire of many civil servants at all levels of the administration in Kabul and the provinces to wrest power from patronage networks and local strongmen and strengthen the de jure state has been well documented (Evans et al. 2004: 21). Many civil servants were, however, in general in support of a more interventionist state model in line with the dirigiste state ideologies, that had provided the underpinnings of the Afghan state in the 1970s and were thus at odds with the liberal state model promoted by the international intervention (AACA 2002: 26). In addition, educational levels within the administration were extremely low, as the majority of Afghans had not had access to any form of formal education, vocational or professional training for over a decade.[28]

Within this hostile and difficult environment, the main operational strategy, which the group of statebuilders has pursued, was to create space for a modern, liberal and meritocratic state by, on the one hand, ring-fencing developmental islands within the Afghan administration, and on the other hand, pressurising the aid community to channel their resources into these islands. The goal has been to maximise the legitimising effect which the aid influx could bring to the new government; to protect the reformers within government from powerful patronage networks and the post-war political economy of the country; and to marginalise those within the existing civil service who held different views on the role of the state. This approach has been partially successful in that about a quarter of all international assistance to the country has been channelled through government (see section 2.2). It has, however, also created dynamics which have turned these developmental islands within the Afghan government into international enclaves. These concentrate decision-making power and are firmly integrated into the international aid system, but separated from the domestic context.

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[26] This included civil servants' salary payments, repairs of government ministry offices and support costs for the Emergency Loya Jirga Commission (UN 2002b: 4; AREU 2002: 10).

[27] Apart from the actual government representatives and administrators in Kabul, the provinces and at the district level, this included teachers, health facility staff, police, and employees of state-owned enterprises (Evans 2004).

[28] In 2003, it was estimated that 8% of civil servants in Kabul had less than a high school diploma, 67% had a high school diploma, 20% were university graduates, and 5% had Masters degrees or above. Educational levels at the provincial level were much lower still. Educational levels in the private sector and civil society were considerably lower (Lister 2007: 8).

The following analysis tries to highlight the insulating chain reactions which this statebuilding strategy has triggered. The first instrument that was created within the AIA to gain some control over the myriad of projects that started to be planned and executed by a daily increasing number of agencies, and over the relationships between government entities and aid agencies, was the Afghan Assistance Coordination Authority (AACA), headed by the former World Bank employee Ashraf Ghani (see note 19). By decree, all contracts between government ministries and foreign countries or international agencies had to be approved by the AACA. It was to monitor aid flows into Afghanistan, and to ensure their compatibility with government priorities. It was also the agency in charge of defining these priorities through its mandate to lead the development of the government's National Development Framework (NDF), which was the first strategic blueprint for development to guide international assistance (Ministry of Finance 2003).[29] The aim was to establish a single interlocutor between the international community and the government, which was firmly in control of the reformers. The distribution of available aid between the various ministries could then be used to marginalise non-reformers and to reward reform-willing entities.

With the presentation of the NDF in April 2002, the AACA tried to assert government leadership over the development strategy early on, well before any of the major donors had formulated their own country strategies. This put considerable moral pressure on donors, UN agencies and NGOs to align their funding allocations and projects with the priorities and programmes identified in the NDF, and to position themselves as contributors to a government-led strategic roadmap to development, rather than as individual players.

This pressure was necessary as the acceptance of the domestic government as the key coordinator of resource flows into the country was not as straightforward as international rhetoric on placing Afghans 'in the driver's seat' might have suggested. Particularly the humanitarian agencies of the UN found it initially difficult to adjust to the new situation and entered into a fierce competition with government over control and access of aid moneys,[30] arguing that they were more capable of managing the aid effectively (Costy 2004: 151). The establishment of the AACA and the publication of the National Development Framework (NDF) as the guiding document for the allocation of aid resources under government leadership was a direct reaction to this situation. The AIA accused the UN of undermining the government by establishing parallel systems out of institutional interests. Claire Lockhart, at the time senior advisor to the Minister of Finance, recalls:

> '[The UN Consolidated Appeal] was developed entirely outside the government's budget, and was not shown to President Karzai or Cabinet members who were preparing national policies, despite requests. In April 2003 the UN then wrote to the Minister of Finance, asking him not to run a process whereby Afghan ministers would prioritize their own projects (i.e. the budget process), as this might prejudice the UN's ability to raise money for its projects.'   (Lockhart 2007: 13)

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[29] The NDF grouped all humanitarian and developmental goals into three pillars: 1) Human capital and social protection; 2) physical infrastructure; and 3) Private Sector Development, Security and Rule of Law. Under these, twelve priority national development programmes and three national security programmes were identified to which donors were expected to direct their funding either through government or directly (National Development Framework 2002).

[30] The 2002 UN consolidated appeal, the Immediate and Transitional Assistance Programme to the Afghan People (ITAP), was presented in Tokyo in January 2002 and effectively suggested to channel all international funding for Afghanistan through the UN system, which would also retain responsibility for needs assessment and strategic direction. (UN January 2002).

The then Minister of Finance, Ashraf Ghani, states:

> 'In Afghanistan we reviewed more than four hundred projects – costing $1.8bn – that the UN had handed to the donors for funding in the spring of 2002 and found most of them ill organized. Between 2002 and 2004 the Afghan government and citizens continuously and publicly requested disclosure of the management of funds provided to UN agencies and the outcomes they had achieved. The UN agencies refused to comply with the request. Estimates were that up to 70 percent of this funding had been spent on the internal costs – for international salaries, white Land Cruisers, satellite communications, and specially chartered airlines – to set up a UN agency presence.'   (Ghani and Lockhart 2008: 93)

The government was thus fighting hard to be recognised as the legitimate recipient and manager of aid funding even in an environment that was rhetorically dominated by a statebuilding agenda. Within a situation, in which government was not able to function at all without access to foreign funding, the only possible strategy was to demonstrate an ability to be an effective and efficient funnel for aid moneys into the country.

The government's claim for leadership was thus complemented with strong signals to the aid system that the reformers in government were ensuring the full compatibility of government policy formulation with current international development standards. To this end, various mechanisms were established, in order to convince donors to channel their aid through government, or at least into government programmes. Following World Bank practice, for each of the priority programmes identified in the NDF, Consultative Groups (CGs) were organised. These groups brought together respective lead ministries, major donors, UN agencies, and NGOs tasked with developing the details of each programme and monitoring aid flows and implementation (Government of Afghanistan 2005a: 186). The Consultative Group process culminates each year in the government organised Afghanistan Development Forum (ADF), which serves as the formal hearing of the National Development Budget.

But policy formulation was only the first step, since government also needed to demonstrate its ability to operationalise these policies. This necessitated the protection of aid money from corruption and the insulation of the reform agenda from deviating domestic interests. The NDF alludes to this need and presents a strategy for neutralising internal opposition from within the administration:

> 'The technocrats in the ministries were hoping to resume their relations with development institutions that would promote a state-led model of growth. To build the capacity of the ministries for policy-level interventions, the Cabinet has decided to create implementation cells in ministries. These cells will be composed of 10-40 staff selected on the basis of a clear definition of functions and delineation of specific competencies. Members of these cells will be paid at the market level for the duration of the Interim Administration.'
>
> (AACA 2002: 26)

The AACA was mandated with the introduction of mechanisms for financial control, procurement, contracting and audit for the government. International companies were given contracts for the design and implementation of these mechanisms (Ministry of Finance 2003).

A second security for donors has been the Afghanistan Reconstruction Trust Fund (ARTF), which was established by major multilateral donors in March 2002 (Scanteam 2005: 1).[31] Managed by the World Bank, the Trust Fund's principle role is to provide a coordinated financing mechanism for the government's budget, as well as its priority sector and investment programmes. As the administrator of the Trust Fund, the World Bank also acts as a guarantor for the transparent and accountable use of donor funding to government (Scanteam 2005: 5).[32]

The Emergency Loya Jirga held in June 2002, which confirmed Karzai as the chairman of the administration provided an opportunity for a cabinet reshuffle. Lockhart (2007), then senior advisor to the Minister of Finance, has described how the occasion was used to place a number of technocrats with no ties to the war economy at the top of key ministries. Politically, this reshuffle was justified through the need to address the disproportionate number of cabinet members from the Northern Alliance – all of the new ministers were ethnic Pashtuns. Practically, it was possible to attract highly qualified Afghans into government by putting them on the pay-roll of international donors, which allowed them to remain on internationally competitive salaries.[33] They were supported by a second range of technocrats at the deputy level (Lockhart 2007: 9). All these individuals had substantial knowledge of and excellent relationships within the international aid system.

Below the ministerial level, technical capacity for policy formulation, the drafting of new legislation, programme design, contracting and monitoring, had to be bought in at a massive scale. In 2002, 226m USD were spent on technical assistance to government. By 2006, this amount had increased to about half a billion USD annually or twenty percent of total donor assistance to the country (World Bank 2007: 28). Michailoff points out that this amount also roughly equals the entire tax receipts of the Government of Afghanistan (Michailoff 2007: 5), a fact that highlights the unsustainable nature of the scale of technical assistance provided to the country. Initially planned to only bridge the capacity gap for a few years, it now seems likely that major functions of the Afghan bureaucracy will continue to rely on maintaining this high level of technical assistance for decades (Michailoff 2007: 11).

The approaches towards creating government capacity have varied depending on the subject area, the donor and the ministry that received the technical assistance. The following examples are meant to give a general sense of the main types of technical assistance provided.

Legislative and administrative reform as well as the build up of regulatory capacity within government has generally been supported through the placement of external advisers within the existing administrative system. Expatriates are mostly sourced from consultancy companies, which enter into a direct contract with the donor, but often have no contractual relationship with the ministry or department they are allocated to. Typically, donors would place a relatively small number of expatriates in various ministries, either in the function of senior external advisor to the

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[31] The ARTF was finalised by the World Bank, the Asian Development Bank, the Islamic Development Bank and UNDP.

[32] A second Trust Fund, the Law and Order Trust Fund for Afghanistan (LOTFA) is managed by UNDP with a special focus on supporting police reform, including the payment of police salaries. This component could not be included in the ARTF, because of World Bank mandate restrictions to work in the security sector.

[33] Ashraf Ghani (see also note 19) became Minister of Finance; Juma Mohamad Mohamedi, also a former World Bank employee, became Minister of Mines and Industry; Massoom Stanekzai, head of a reputable large Afghan NGO, was appointed Minister of Telecommunications; and Haneef Atmar, former deputy head of the International Red Cross/ Red Crescent in Afghanistan, became the head of the Ministry of Rural Rehabilitation and Development (Lockhart 2007: 9).

minister, or in a technical capacity. But technical assistance can also assume considerable scale as is shown by the US government's support to the reform and restructuring of the regulatory and administrative governance framework for the private sector. The US Agency for International Development (USAID) contracted the US based finance company Bearing Point for the implementation of its 'Economic Governance and Private Sector Strengthening Program' (EGPSS). Under a multi-year 170 million USD contract, Bearing Point provided technical staff, primarily to the Ministry of Finance and the Central Bank, and in smaller numbers also to the Ministries of Telecommunications, Economy, and Commerce, as well as to Parliament (after the elections in 2005) and the office of the President. Deliverables included bank licensing and supervision, creation of the capital notes market, monetary policy to limit inflation, privatisation of the telecom sector, creation of a telecom independent regulator, modernisation of customs and taxes, and the introduction of the commercial framework and laws.[34] In 2004, Bearing Point had 224 foreign advisors working in the Ministry of Finance (MoF), who were carrying out managerial and operational day-to-day functions of the ministry (US GAO 2005: 26-28). In this case, the technical assistance was integrated into the regular structure of the MoF. While this approach enabled the government to move fast on a number of important reform initiatives, it effectively also meant that the upper tier of managerial and operational staff within the ministry were foreign employees of a foreign for-profit company, which reported to a donor (USAID) and not to the minister.[35]

Enabling government to ensure rapid service delivery to the population produced much more complex and cascading structures of technical assistance. The Ministry of Rural Rehabilitation and Development (MRRD) was the first to proactively embrace the new definition of the state's role as a facilitator, guarantor, and regulator of service provision. The MRRD had been established only as recently as 1988, at a time when government was already to a large extent dysfunctional, which made it relatively easy to radically redefine its structure and functions.[36] The ministry managed to attract substantial donor funding by turning itself into a vessel for a number of National Priority Programmes identified in the National Development Framework. These were designed as discreet projects, formally under the authority of the MRRD or governed by a board of ministries, and physically located within ministry buildings, but managed by international organisations or companies. The contractors were responsible for overseeing the implementation of the programmes, and had often also been leading the process of project formulation and design. The actual implementation of activities on the ground was then further subcontracted to international and local NGOs and companies.[37] This has created a complex web of contractual relationships which has been further complicated by the multiple funding mechanisms each

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[34] USAID Afghanistan website, EGPSS program, http://afghanistan.usaid.gov/en/Activity.33.aspx; accessed October 2008.

[35] The potential conflict of interests became obvious in 2004, when USAID and the MoF disagreed on the performance of Bearing Point. The MoF asked for an immediate termination of the contract, as they were dissatisfied with the costs and quality of the programme. This was refused by USAID (US GAO 2005: 26).

[36] See MRRD history on www.mrrd.gov.af, accessed June 2009.

[37] Initially, the MRRD housed three National Priority Programmes: (i) The National Emergency Employment Programme (NEEP), which aimed to provide cash incomes to the poor through labour intensive public works, and which was implemented by UNOPS; (ii) the National Area Based Development Programme (NABDP) which was developed and implemented by UNDP and aimed to enable provincial and district level institutions to implement national level priorities and programmes; and (iii) the National Solidarity Programme (NSP), the government's flagship programme which established a direct funding channel from central government to rural communities for community-identified infrastructure projects (see NSP case study, chapter 2.6). Retrieved from the individual programme websites, accessible through www.mrrd.gov.af, last accessed in June 2009.

programme relies on. Most programmes only receive part of their funding through the Afghanistan Reconstruction Trust Fund. Donor funding has also flown directly to the programmes or directly to the implementing agencies.

A good example for this fragmented funding situation is the Ministry of Public Health (MoPH)'s Basic Package for Health Services (BPHS), which is generally seen as a very successful attempt to increase access to basic health services across the country. The BPHS aims to ensure access to basic health services for the entire population, to unify the health service delivery, and to bring the existing fragmented health activities back under government control. BPHS sets standardised norms of basic health service delivery. In line with the principle that government is a steward and owner of the public health system, but not directly involved in delivering basic health services, the package is contracted out and implemented by ten national and seventeen international NGOs (MoPH 2004). In 2007, only the World Bank channelled its funds for the contracting of NGOs through the MoPH. A specialised grant and contract management unit within the ministry is charged with the coordination and oversight of the Performance Based Partnership Agreements signed with NGOs that are delivering the BPHS. Only eight out of the country's 32 provinces are covered by government controlled contracts with NGOs, and an additional three provinces are served directly through MoPH under the also World Bank financed MOPH Strengthening Mechanism. The remaining 21 provinces are serviced through direct donor – NGO contracts (World Bank 2005: 65).[38]

This has resulted in limited control of the MoPH over the actual delivery of the BPHS, although it politically carries full responsibility for making basic public health services available to the population. This problem is also reflected in the 2005/2006 national health strategy which only sets clear targets for the expansion of BPHS services to the entire population in the eleven provinces under MoPH control (MoPH 2004). Different systems of awarding contracts to service providers have also resulted in widely differing delivery unit costs of BPHS, ranging from an average delivery cost of the MoPH managed contracts of 3.8 USD per capita to 6.7 USD for the same package under USAID funded and managed contracts (World Bank 2005: 66).

The compatibility between donor policies and systems of accountability and Afghan government policies and operations has become a key condition for the flow of international funding to the Afghan government. As a result, government policy and programme design, financial control, the contracting and supervision of service providers, the day-to-day interaction with donors, international NGOs and contractors, and the evaluation of programmes are all to a large extent carried out by foreigners. Although nominally working for the Afghan government, they are mostly paid by the same donor, who also funds the overall sector or programme they are allocated to, and are from the same nationality or institutional culture. Their institutional linkages and their own career incentives are entirely orientated towards the international aid sector, while Afghanistan itself remains a hazy image.

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[38] USAID and ADB have contracted an international NGO to manage the contractual relationships with service providers. Until 2007, the EC used to directly contract NGOs for the delivery of BPHS, but has since moved to channelling its funding through the MoPH's grant and contract management unit.

The reality of being part of the international aid system rather than of the national government is well captured by the following observation:

> '[…] while TA [Technical Assistance] staff should focus on training their counterparts and other local personnel, they seem completely absorbed in their own short term output driven objectives. They are seen busy writing memos, reports, action plans and strategies and other lengthy documents in English that most likely only donors will read. As a result, while technical assistance's key objective should be capacity building – this objective remains largely an empty concept.' (Michailoff 2007: 6; brackets inserted)

To a lesser extent, this also holds true for the majority of the reformers in government. Those who had an international professional background before 2002 have now all left Afghanistan - the project of building a liberal state in their home country has been a step on their international career ladder – similar to many of the foreigners who have come and gone over the last years.[39]

These examples demonstrate that the reformers' attempts to gain control over the assistance streams into the country and thereby increase their perceived legitimacy among the population have not only produced a concentration and internationalisation of the decision-making and key operational positions within the central administration, but also a problematic fragmentation of government functions. Given the lack of capacity within government, this was a conscious strategy of both the reformers within government and those international actors with an interest in building the institutions of a liberal state. Chesterman quotes a senior UN official on this issue: 'We are supporting the creation of the *appearance* of authority in the hope that it leads to the creation of *actual* authority' (quote from Chesterman 2002: 41).

Decisions on government policies and the connected aid flows to government programmes are therefore the result of negotiation processes between the small circle of the mostly internationally orientated reformers within government on the one hand, and the donors willing to support government on the other. This constitutes an ideologically homogenous group, which is also reflected in the high degree of compatibility of language and substance of official government documents with current international development thinking – a fact that is not surprising given that all major policy and budget documents, as well as all National Priority Programmes have been produced by foreigners in English language, and have often not been translated into national languages before they became the object of binding contracts between the government, donors and implementing agencies.[40]

Within this context of an insulation of decision-making, management and operational structures from the domestic context and an integration of these functions into the international aid system, it is not surprising that the group of 'institutionalists' has also shown a reflex to detach and protect the processes governing aid flows to Afghanistan from being influenced by Afghan

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[39] The most prominent example is Ashraf Ghani who has founded the US based Institute for State Effectiveness together with his close advisor Claire Lockhart. The institute advises donors and governments in situations of state fragility (www.effectivestates.org).

[40] Important examples for this practice include the 'National Development Framework' (AACA 2002) and 'Securing Afghanistan's Future' (GoA 2005a). The NDF was shared with donors in April 2002. It was largely written by Ashraf Ghani and his team of foreign advisors and never translated into Dari or Pashtoo. 'Securing Afghanistan's Future' was presented at the Berlin donor conference in April 2004. It was the combined work of over 100 international experts, and formed the basis upon which donors made pledges at the conference. The cabinet had to approve the document in English as there had been no time to translate it into national languages before the start of the conference.

institutions. Provincial and district level administration has been deliberately kept out of any policy or budget formulation (Evans 2004: 34), and mostly has not been attributed a clear or substantial role in the implementation or management of major programmes either. As late as 2007, the competencies of sub-national administration remained largely undefined and hazy (World Bank 2007b: v).

Until 2005, there was no parliament, but since its election, the cabinet and the aid system have gone through great effort to avoid being subjected to parliamentary control. An example in case is the Afghanistan Compact, which was presented to representatives of over 62 countries at the London Conference on Afghanistan in January 2006, and which has been endorsed by the UN Security Council as the central strategic framework for rebuilding Afghanistan. The Compact has been described as 'a double pact between the government and its citizens on the one hand and the international community on the other' (Lockhart 2007: 11; and Ghani and Lockhart 2008: 193). However, as the International Crisis Group has pointed out, the newly elected, legitimate representative institution of the citizens *vis-à-vis* their government, the parliament, was carefully kept out of the process: The term 'compact' rather than 'treaty' was deliberately chosen in order to avoid the need for parliamentary ratification, although the Compact has become the major document guiding international resource flow into Afghanistan [International Crisis Group (ICG) 2007: 4-5]. Neither the Afghanistan Compact nor the Afghanistan National Development Strategy (ANDS) (GoA 2005b), which forms the basis for the national budget and sector specific programming, have been put before parliament for discussion (Byrd 2007: 18).

Various reports and studies provide detailed evidence that international aid actors systematically neglect and refuse to cooperate with the democratic institutions of the country (ICG 2003a, b, c, 2007; Ruttig 2008). Particularly parliament has been marginalised and excluded from the negotiations of the terms of aid, *de facto* neutralising its political control function in a situation, in which over ninety percent of the government's budget are externally funded. Suhrke sees this as an inevitable result of the extreme aid dependency of the Afghan state:

> 'In a stroke of irony, the international community has promoted democratization but simultaneously created a state so dependent on external support that it deprives the critical institution of liberal democracy – the legislature – of its meaning. The logical response of the assembly has been to mostly engage in politics that have symbolic or nuisance value. The compromises and often heavy-handed foreign involvement in the political reforms, moreover, conflict with the promise of autonomy, representation and fair process held out by the democratization agenda. By implicitly devaluing the institutions it sought to promote, the democratization process has also had potentially counterproductive effects.'   (Suhrke 2007a: 15)

Consultation outside the relatively narrow circle of aid actors within and outside of government has been entirely through informal meetings with individuals or thematic groups without any decision-making authority. As a report of the Centre for Strategic and International Studies (CSIS) notes:

> 'Governance remains largely a product of a few people at the top as opposed to processes, political parties, institutions, and capable administrative and management teams.'
>   (CSIS 2007: 41)

In a similar vein, Zakhilwal states:

> 'A major weakness of the current state-building/ reconstruction process is its lack of emphasis on Afghan ownership. So far, external influence and engagement have been dominant, both in policy design and policy implementation. To this point, policy has been made behind closed doors, and there is no transparency in communicating subsequent policies to the Afghan public.'
>   (Zakhilwal 2005: 3)

In a context of weak political legitimacy within the population, an incompatible existing state structure, and a constant risk of being undermined by stronger non-state actors, the state builders have had to protect their reform programme from domestic interests through creating developmental islands within the administration. At the same time, these islands have had to compete over access to international resources with international service providers. They can only access these resources by demonstrating that the state's claim over the control of international finance flows is legitimate. And legitimacy, in the eyes of the international donor community, is achieved by showing effectiveness and efficiency in the use of funds. This logic has triggered a chain reaction of ensuring the compatibility of the Afghan state with its international donors that has effectively lead to a full control and integration of relevant parts of the state into the international aid system, starting with policy formulation down to the day-to-day management of aid funds. While this strategy has separated the process of policy formulation and implementation from the newly created democratic political institutions of the country, its selective focus on creating technically functional islands in an otherwise dysfunctional state system has neither been able to prevent large-scale corruption and waste of funds nor has it achieved a higher degree of overall state legitimacy within Afghan society.

2.3   Securing State Functions through Parallel Systems: Self-centred Aid Delivery through the US Government

The US government has been by far the largest donor to Afghanistan. Between 2001 and 2007, the actual US contribution to Afghanistan was nearly 22bn USD. About two thirds of these funds, approximately 14.9bn USD, were appropriated by the Department of Defence (DOD) to cover security related costs, particularly the build up of the Afghan National Army, police training, and counter narcotics activities (US government 2008: 12).[41] Actually disbursed, non-security related US aid amounted to about 7bn USD between 2001 and 2007, or 32 percent of total US assistance to the country (US government 2008: 12). This still leaves the US government the biggest donor of development assistance[42] providing over fifty percent of the entire non-security related development assistance that was spent in the country during this period. Very little of this money, about 84m USD in total, went to support the core budget of the Government of Afghanistan in the form of bilateral debt relief, direct budget support, and contributions to the ARTF (see table 2).

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[41] These expenditures fall under the funding objective 'Peace and Security'. They also include the costs of the Presidential Protection Services, Demobilization, Detainee Operations, the destruction of Man-Portable Air-Defence Systems (MANPAD), Small Arms Control, the Terrorist Interdiction Program, Counterterrorism Finance and Border Control (US government 2008: 21).

[42] The second largest donor, the EC, had disbursed around $1.5bn for the same period, followed by Japan with just under $1.4bn and the UK with $1.3bn (Ministry of Finance 2008: 3).

Table 2: **US government spending 2001-2007 (in USD millions)** [43]

Programmes	FY2001	FY2002	FY2003	FY2004	FY2005	FY 2006	FY 2007	TOTAL	% of total	% total non-security
Security	0,00	186,54	390,98	1.074,60	3.082,71	2.408,66	7.786,09	14.929,58	68,0%	
Democracy/ Governance	0,00	109,55	96,94	262,18	243,72	109,81	148,00	970,20	4,4%	13,8%
Reconstruction	0,00	124,11	295,50	854,74	1.239,85	706,35	650,00	3.870,55	17,6%	55,0%
Humanitarian	192,15	489,66	166,53	183,46	186,90	159,92	46,00	1.424,62	6,5%	20,2%
Programme Support/ Operations	0,38	160,49	36,14	203,02	142,84	142,42	88,70	773,99	3,5%	11,0%
TOTAL	**192,53**	**1.070,35**	**986,09**	**2.578,00**	**4.896,02**	**3.527,16**	**8.718,79**	**21.968,94**	100,0%	
Total non-security	**192,53**	**883,81**	**595,11**	**1.503,40**	**1.813,31**	**1.118,50**	**932,70**	**7.039,36**	32,0%	100,0%
Support to GoA*	0,00	0,00	0,00	0,00	0,00	59,55	24,83	84,38		1,2%

*includes bilateral debt relief, direct budgetary support, and contributions to the ARTF.

This has made the US the dominant donor to the external development budget, covering on average 67 percent of the non-security related spending, and close to eighty percent of the entire external budget, when the security spending reported to the Government of Afghanistan is included.[44] It can therefore be argued that the orientation and performance of US aid to Afghanistan has been defining for the overall aid effort.

Although US aid programmes have been clearly couched in terms of statebuilding and are an integral part of the NDB, US aid policy has been characterised by an effort to maintain the highest possible degree of autonomy from both, other aid actors as well as the Afghan government. The decision to keep direct control over the aid budget has had strategic as well as ideological reasons. As the biggest military and reconstruction actor in Afghanistan, US institutions can yield influence and demonstrate impact without subordinating themselves to formal coordination mechanisms, such as the Afghanistan Reconstruction Trust Fund, the consultative group processes, or demands of the Afghan government. In many ways, the political influence of the US administration on the Afghan government has been so high, and the issue of legitimacy of the new regime so intertwined with the perceived legitimacy of the US presence, that it seemed difficult to respect the Afghan side as an independent player.[45] The continued war waged by US forces has also created strong pressures to integrate aid strategies into the 'winning hearts and minds' objective of the military by giving the American presence in-country a beneficial face.[46] Visibility of American aid has been much higher when delivered directly through US government agencies, rather than, in a more diluted way, through the Afghan government. Using aid as an instrument to increase the legitimacy of the US presence has therefore often taken precedence over using aid to increase the legitimacy of the Afghan government.

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[43] Data retrieved from US government 2008: 12 and 21.

[44] These percentages have been derived by comparing figures from table 2 with table 1 (page 20). Similar percentages are calculated by the GoA donor financial review 2008. As always, these should be taken as approximates.

[45] It was a common joke to refer to Zalmay Khalilzad, then US Ambassador to Afghanistan, as the 'real president' of Afghanistan, while Hamid Karzai was said not to be able to leave his living room without the permission of the Americans.

[46] Personal communications with US agency staff.

Through ring fencing the allocation and implementation of its funds, the US government was also more flexible to align its spending patterns to short term domestic policy requirements. A case in point is the alignment of the Afghan with the US presidential election calendar.[47] A successful election of Karzai as Afghanistan's first democratically legitimised president was to demonstrate the success of the administration's 'Freedom Support Program', and to thus contribute to President Bush's own re-election. US aid was integrated into this strategy through the 'Accelerating Success Initiative' that was announced by the US government in September 2003. The initiative provided an additional one billion USD for reconstruction activities and put substantial pressure on US aid agencies and their contractors to show visible impact by mid 2004, with the stated aim to secure a victory for Hamid Karzai at the presidential elections (US GAO 2005: 16-17).

Although US aid has often been instrumentalised by short-term political and military interests, its main characteristic is not the exploitation of aid for self-interested political motifs. The United States Agency for International Development (USAID)[48] model of aid delivery is shaped by neo-liberal thinking that sees the core role of government as providing the political and legal framework and the managerial oversight for government programmes. The actual implementation of these programmes should be left to private sector actors, who are subjected to the forces of the market and therefore more effective and efficient than the public sector. In line with this approach, the US administration has moved worldwide towards a corporate model of aid implementation. This has involved the cut back of US government institution personnel[49] and the contracting out of large sectoral programmes to mostly US American companies.

Following this line, US aid in Afghanistan has predominantly been disbursed through large sectoral programmes which have been contracted to private companies and few large NGOs.[50] The main contradiction that has emerged at the point of operationalising this approach, has been the inability of USAID to cede control of the design and the managerial oversight of government programmes to the Afghan government, thereby depriving the latter largely of its raison d'être. While US aid programmes have been coordinated with the Afghan government and are reflected in the National Development Budget, the actual formulation and design of programmes, the contracting of implementation partners and their oversight has remained the responsibility of US agencies. This is partly due to accountability regulations of the US government that limit the

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[47] Afghan presidential elections were held in September 2004, just in time for the results to influence US public opinion in the run-up to the American presidential elections in November 2004.

[48] USAID carries responsibility for about 80% of the non-security development assistance (US GAO reports 2004 and 2005). A number of smaller programmes are carried out by the State Department and a variety of other Departments (for a full list see US Government 2008: 20).

[49] USAID 'Strategic Management of Human Capital' (http://www.usaid.gov/about_usaid/bus_trans/smhc/; last accessed in January 2009).

[50] The major corporate contractors of USAID include the Louis Berger Group (LBG) that was awarded the heavy infrastructure programme, encompassing the Kabul-Kandahar highway, other major roads, and the construction of schools and clinics. Under the 'Rehabilitation of Economic Facilities and Services Program' (REFS), LBG secured contracts totalling some $730m between 2002 and 2007 (USAID OIG 2004 and 2006a). Chemonics was awarded a $153.4m contract for the three-year 'Revitalising Agricultural Markets Program' (RAMP) – and a follow up contract of $102m. The 'Economic Governance Program' was implemented by Bearing Point on a $170m contract. The 'Primary Education Program' was implemented by Creative Associates International Inc. (CAII) on a $87.9m contract (USAID OIG 2005). The 'Agriculture, Rural Investment and Enterprise Strengthening Program' (ARIES) was contracted to the Academy for Educational Development (AED), for $80m.The largest non-profit contractor has been Management Systems for Health (MSH) which is implementing the 'Basic Health Program', REACH/ACCESS, on a $139m contract (USAID OIG 2006b).

possibilities of USAID to transfer the control of the use of US public funds to a foreign government (Ghani, Callahan and Lockhart 2005a: unpaginated). Another main argument has been the lack of capacity within the Afghan government to design, monitor and enforce complex contracts with implementing partners.

Contractual arrangements have been complex indeed. Apart from technical assistance programmes, the USAID contractors themselves have not directly been implementing the programmes but have subcontracted programme implementation to local and international companies and NGOs, who often subcontract elements of their contracts again. This has produced complex cascading contractual chains including up to five parties by the time activities on the ground are actually carried out ((Ghani, Callahan and Lockhart 2005a: unpaginated). The main reason for these complex arrangements has been USAID's own limited oversight capacity that effectively forced the agency to contract out design, management and control functions of its aid programme to private actors (USAID OIG 2003). The former Afghan Finance Minister, Ashraf Ghani, reports in an assessment of USAID that:

> 'Sometimes a contract was reported as passing through five nested layers of American contracting firms – each of whom charged a substantial fee – before reaching an Afghan sub-contractor who actually built a structure. A school costing USAID $250,000, for instance, would be built by an Afghan sub-contractor at a cost of $35,000 - 50,000. As complaints about lack of progress and poor quality increased, USAID reportedly hired even more organizations to oversee those organizations already hired to monitor and report to it. The net result: replacement of trust by scepticism, if not outright cynicism, among segments of the Afghan population regarding the intentions of the United States towards Afghanistan.'   (Ghani, Callahan and Lockhart 2005a: unpaginated)

The size of the American aid effort, coupled with high and often unrealistic political expectations of quick delivery, created substantial management and efficiency problems in the early years of reconstruction. Relationships between the different US agencies have been tense and often mired by personal or institutional rivalries and conflicting political cultures, which has led to weak inter-agency coordination and sometimes contradictory information provided to the Afghan government or other donors.[51] High security restrictions have limited the ability of US government staff to interact with other aid actors, the Afghan government or to personally monitor programmes outside Kabul.[52] The US mission has also suffered from systematic understaffing. In 2003, USAID in Afghanistan had the largest budget of any USAID country office, but the smallest staff size. On average, worldwide one USAID staff member manages an annual budget of 700,000 USD. In Afghanistan, in 2004, one staff member had to manage a budget of 13 million USD (US GAO 2004: 45). The Government Accountability Office (GAO) as well as the USAID Oversight Inspector General (OIG) have continuously censured that US agencies have not been able to adequately monitor their contractors (US GAO 2004, 2005 and 2008; and USAID OIG audit reports). Understaffing and security restrictions are also responsible for a frustrating work environment and have resulted in high staff turnover with hardly any staff staying in Afghanistan

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[51] Personal communications with US agency staff (2004).

[52] US government staff has generally not been allowed to leave the militarily secured US compound in Kabul without written security clearance. Participation in coordination meetings or meetings with partner organisations outside the US compound have therefore often not been possible. Furthermore, obtaining security clearance for project visits outside Kabul has been extremely difficult, which has made it practically impossible for US staff to monitor projects. (USAID OIG 2003: 4).

for more than six to twelve months.[53] It is therefore difficult to find people within the US aid administration in Kabul that have developed a sound understanding of the situation on the ground and that have good personal relationships with individuals in other donor agencies or in the Afghan government.

US development programmes have been accused of being subjected to short-term political interests, bad planning, sub-standard quality of implementation, high unit costs, the loss of large amounts of development aid to corporate profits, and uncontrolled corruption (Ghani, Carnahan and Lockhart 2005a; Delesguez 2007). Given the weight of US aid in relation to the overall aid effort, this has had a serious impact on Afghan perceptions of the international aid sector. The *de facto* exclusion of other actors from decision-making processes has also been a constant source of tension between the US agencies, the Afghan government and other donors.

The number of US government agencies involved in delivering aid and the political expectations put on them has meant that much attention has been inward orientated with higher-level staff being preoccupied with the management of relationships and inter-agency coordination. US agency staff, practically unable to leave their compound, and rarely in country for more than twelve months, rely almost entirely on their international contractors for information. But these, too, face similar problems of high international staff turnover, security restrictions and capacity constraints in the monitoring of their subcontractors. This situation, in combination with the fact that the contractors' prime concern is to manage their relationship with US agencies, creates a largely circular information flow.

The US government has thus created a system of aid delivery in Afghanistan that is to a large extent shielded from domestic influences, but highly integrated into short-term US political and military strategies. The near complete investment of civilian aid towards direct service delivery has partly been necessitated by the US government's own struggle for legitimacy in the country. US aid patterns also reflect a neo-liberal understanding of the state. In this line, the state only needs to ensure that service provision is happening, while it does not need to be, or rather, should not be, involved in direct service delivery as non-state actors will be more efficient in the provision of services to the end users. Assigning also the design and management of service delivery to the private sector has been justified with the lack of capacity and the risk of corruption within government.

So far, the result of this strategy seems to have been a successful protection of aid activities from being controlled or influenced by the Afghan government, other Afghan constituencies, or other international aid actors. From the perspective of a statebuilding agenda, the US aid delivery system, responsible for over fifty percent of total development aid to the country, can be considered dysfunctional and even counterproductive as it rests on a parallel US government authority that effectively sidelines the Afghan government. The failure to establish the necessary internal control mechanisms, that would ensure an acceptable quality of aid, also questions the success of parts of the programme from a pure service delivery perspective.

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[53]   Personal communication with USAID staff in 2004.

2.4. Aid Implementation as Civil Society Promotion: The Role of NGOs and the Exclusion of Afghan Civil Society

Non-governmental organisations (NGOs) have remained the main providers of social services, humanitarian aid and rural extension services, and form an important part of the aid delivery infrastructure. Within the aid community, NGOs are generally seen as those most grounded in Afghan realities. As implementers they are forced to 'face reality', and the strong focus on poverty reduction that most international NGOs have, naturally positions them as intercessors for Afghan communities. In this position, they have been accorded another important role – that of civil society actors who can provide the missing link between the international aid system and local society and who can thus contribute to a better integration of the statebuilding project within Afghan society.

International NGOs thus routinely occupy the place of civil society representatives in meetings with donors and government (again, the latter often being represented by international staff). For example, civil society representation in the eight sectoral consultative groups which function as the main official sectoral policy making and coordination forums has been nearly entirely through international NGOs.[54] The same holds true for the majority of informal meetings that are convened by donors to gather the views of civil society on specific issues or programmes.

This sub-chapter explores whether NGOs can fulfil this function as civil society actors and thus strengthen the position of Afghan society *vis-à-vis* their government and international actors, or whether they effectively contribute to the exclusion of society from the statebuilding project.

In order to understand better the relationship between international NGOs and the Afghan population, it is worth looking at the roots of the NGO sector in Afghanistan. Although NGOs, both international and Afghan, have provided much life-saving support to Afghan communities during the conflict years and afterwards, they do not have a particularly good track record in allowing Afghans to participate in their decision-making (Newberg 1999: 12). The partisan role that humanitarian assistance played as non-lethal support to the anti-communist resistance in the 1980s and its impact on local power structures will be discussed later on (section 3.4). While the 1990s saw a professionalisation of assistance to Afghan communities, international NGOs predominantly continued to operate from outside Afghanistan and as late as 1999, Newberg notes that:

> 'Afghan participation, for the moment, is restricted to employment by aid organisations, recruitment for temporary rehabilitation shura, and, on rare occasion, community organisations. Despite almost two decades of international humanitarian assistance, the roots of aid in Afghan communities remain shallow.'   (Newberg 1999: 12)

Practically all established Afghan NGOs are direct creations of international actors. The first wave of Afghan NGOs emerged as a result of a UN agency demand for aid implementing agencies after the signing of the Geneva Accords in April 1988. In order to become less dependent on international NGOs, the UN encouraged the establishment of large numbers of small Afghan NGOs, most of which were mere sub-contractors to the UN and only operational for the period of

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[54] Government of Afghanistan (web-based information): Consultative Group draft working group structure. http://www.ands.gov.af/ands/jcmb/ January 2007. Last accessed in November 2008.

their implementation contracts (Nicholds and Borton 1994: 63). More successful was the creation – also under UN tutelage – of a few large Afghan demining NGOs that, over the years, managed to establish themselves as professional NGOs at par with the larger international NGOs working in the country (Donini 1996: 44). A second wave of Afghan NGOs appeared after the Bonn Agreement as a direct result of the influx of aid moneys and the need for implementing agencies. Afghan NGOs are operating as sub-contractors to donors, international NGOs and the government (Padamsey 2004). Similar to the international NGOs, their legitimacy does not derive from their roots in Afghan society and their accountability towards the people they deliver services to, but from their ability to deliver on their contracts with their financiers.

NGOs nevertheless actively position themselves as civil society actors.[55] The reason for this can be found in a corporate strategy that NGOs have adopted within a context of increased competition for aid moneys from the for-profit sector, as the following excerpt from an article of Paul O'Brien (2004), at the time director of CARE International in Afghanistan, illustrates:

> '[…] aid politicization in Afghanistan has left much of the field of political debate to NGOs. As so many other actors chose to align themselves 'with' rather than 'against' the political orthodoxy in Kabul, the potential stature and importance of nongovernmental organizations has grown. Those donors, who believe Afghanistan needs civic debate, transparent governance, and public accountability, are increasingly likely to look to NGOs that challenge the body politic to live up to its best aspirations.
> […]The nature of NGO work in Afghanistan is changing and demands political acumen. Emergency response is being replaced by peace strengthening as a donor priority. Donors need organizations with ground presence to mobilize war-weary communities to resist the short-term false promises of warlords.' (O'Brien 2004: 200)

These quotes are fairly representative of the debates held within the NGO community at the time on how to strategically reposition itself *vis-à-vis* other aid actors. Furthermore, they are revealing in two aspects: First, they equal organisational relevance with an ability to match donor concerns. Second, they reveal a rather paternalistic role *vis-à-vis* the Afghan population. Accordingly, local actors only feature as beneficiaries, while the – as they portray themselves – politically enlightened NGOs will safeguard seemingly helpless and naïve communities from falling prey to the false promises of warlords and drug barons.

Most actors of the aid system choose to ignore the fundamental difference between the civil society of the aid system and a genuinely Afghan civil society. The former includes both, international NGOs and Afghan NGOs which have been set up by the aid system. This civil society represents the interests and concerns of non-governmental actors of the aid system *vis-à-vis* donor agencies and the Afghan government. By contrast, an Afghan civil society would actually represent the interests of Afghan citizens *vis-à-vis* their government and its financiers.

The following sections discuss the reasons for this substitution of the real with the 'fake' and its implications. They start with a discussion of social transformation as an important cornerstone of the statebuilding project, and of civil society promotion as one instrument for promoting the ideological integration of state and society. Subsequently, the study examines the two main avenues for promoting liberal values within Afghan society through NGOs, and how these

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[55] See, for example, the preamble of the 2005 NGO Code of Conduct, in which international NGOs explicitly claim to be part of Afghan civil society (http://www.acbar.org/downloads/Code%20of%20Conduct_English%20Version.pdf)

marginalise local actors. This includes, on the one hand, the direct promotion of social transformation through support to a liberal, democratic civil society infrastructure, and on the other hand, the indirect promotion of liberal values through development projects, which link access to material benefits to the adherence to liberal norms.

2.4.1 Civil society promotion – attempts to transform society

The modern state system that international state builders envision for Afghanistan can only be realised in conjunction with the successful transplantation of a set of values and norms that provide the societal fundament for a state, which would otherwise be built on shifting sands. The enforcement of values such as human rights, civil liberties and gender equality is therefore non-negotiable for international actors. So is the subscription to private property, capitalism and meritocracy as the main drivers of wealth creation. The argument equally holds the other way round in that the modern, liberal state is seen as the best guarantor and promoter of the above values.[56] The inseparability of values and their institutional manifestations thus forces aid actors to get involved in a project of social transformation – with the ultimate aim to catapult Afghan society from a stage, often compared to the 'Dark Ages', into modernity (Sunder 2004).

International norms have been formally integrated into the institutional set up of the new Afghan state. The text of the Bonn Agreement already provided a clear normative framework for the AIA, committing the new Afghan state to respect for human rights, democracy, pluralism, social justice, and gender sensitivity (UN 2001). It also included the establishment of an independent Human Rights Commission with responsibilities for 'human rights monitoring, investigation of violations of human rights, and development of domestic human rights institutions' (UN 2001: 5). This framework was adopted in the new Afghan constitution that was promulgated in January 2004.[57] Due to the limited existence of the new *de jure* state, these values exist mainly on paper. Nevertheless, the formal acceptance of this normative framework within the institutional setup of the new state provides domestic and international actors with the legitimacy to pursue its realisation within Afghan society.[58] The promotion of a liberal and democratically orientated civil society infrastructure in the country has been one instrument for this pursuit.

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[56] See Chapter Four for a detailed development of this argument.

[57] In its preamble, the constitution commits the people of Afghanistan to create a 'civil society void of oppression, atrocity, discrimination as well as violence, based on rule of law, social justice, protecting integrity and human rights, and attaining peoples' freedoms and fundamental rights'(GoA 2004: preamble). Article 10 commits the state to pursuing economic policies compatible with a market economy and guarantees the protection of private capital investments and enterprises, and Article 34 guarantees the inviolability of the freedom of expression. The constitution also enshrines gender equality and introduces a quota for female parliamentarians in the lower and upper houses of parliament (Chapter 5, Article 84).

[58] A good example for this approach is European funding provided through the European Instrument for Democracy and Human Rights (EIDHR). It supports civil society groups that promote democracy and human rights with a specific focus on 'monitoring domestic implementation of international commitments signed by Afghanistan in the field of human rights and international humanitarian law, e.g. Geneva conventions; Convention Against Torture and other Cruel Inhuman or Degrading Treatment; Convention on the Elimination of All Forms of Discrimination Against Women; International Criminal Court, etc.' (EuropeAid 2007: 5).

What is civil society and why is it important for statebuilding in Afghanistan? The concept of 'civil society' is of European origin and has changed meaning throughout time, context and user. Its interpretation has meandered between a 'civilised society' governed by the rule of law; a sector distinct from state and family, in which individuals become public persons through their membership in institutions; to being defined as civic engagement and a key driver for democratisation; and, more recently, as the 'third sector' between state and market (HPCR 2008; DFID undated).[59]

The international development debate has mainly been enthused by civil society's potential to drive social and political change, as was powerfully displayed during the breakdown of the Soviet Union in the late 1980s. In the 1990s, the support to civil society therefore emerged as a key instrument for the promotion of democracy in transition countries. USAID's 'Democracy and Governance Program' states in 1996 that:

> 'Interest in civil society, in USAID and among other donors, reflects a growing realization that sustaining newly emerging democracies will depend on building autonomous centers of social and economic power that promote accountable and participatory governance.'
>
> (USAID 1996: 3)

Although initially derived from experiences in states with a history of strong and often totalitarian governments, the idea of a liberal, pro-democratic civil society as an effective instrument for holding governments accountable and nurturing domestic pressure for democratisation quickly found its way into more general concepts of how to promote 'good governance', also in contexts of weak, failing or failed states. For example, in 2003, the European Commission included civil society in its definitions of 'good governance':

> 'As the concepts of human rights, democratisation and democracy, the rule of law, civil society, decentralised power sharing, and sound public administration gain importance and relevance as a society develops into a more sophisticated political system, governance evolves into good governance.'
>
> (EC 2003b: §4)

While general definitions of civil society as such encompass public action of all kinds, including those with illiberal, anti-democratic and 'traditional' leanings, the use of the term by the aid community is narrower in that it is interested only in those elements within society with the potential to contribute to the creation of a liberal, democratic and modern governance system and society. This focus clearly positions civil society as a positive social change agent that defines itself in relation to the state. In this role it potentially performs a number of functions: First, providing control of government in addition to the formal, constitutional control mechanisms; second, enhancing the understanding of and support for liberal and democratic values among the population through civic education; third, providing a social safety net through charity and social service provision; and fourth, fostering unity, social and political equality through advocating the

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[59] The London School of Economics' Centre for Civil Society defines the term as follows: 'Civil society refers to the arena of uncoerced collective action around shared interests, purposes and values. In theory, its institutional forms are distinct from those of the state, family and market, though in practice, the boundaries between state, civil society, family and market are often complex, blurred and negotiated. Civil society commonly embraces a diversity of spaces, actors and institutional forms, varying in their degree of formality, autonomy and power. Civil societies are often populated by organisations such as registered charities, development non-governmental organisations, community groups, women's organisations, faith-based organisations, professional associations, trades unions, self-help groups, social movements, business associations, coalitions and advocacy groups.' (LSE Centre for Civil Society website, http://www.lse.ac.uk/collections/CCS/introduction/what_is_civil_society.htm; accessed May 2009)

interests of marginalised groups.[60] The idea is that a well organised and differentiated civil society that fulfils all the above functions enables the state to live up to its democratic potential, serve all its citizens, and gain their ideological support.

In theory, thus, the various institutions that constitute the civil society sector represent the political, social and cultural interests of the population. By achieving a critical level of organisational sophistication they can influence and shape government behaviour and policies, which embeds the state within society and ensures that the state actually represents the interests of society at large.

In Afghanistan, the role of the central state as a coercive actor, counterpart and target of civil society as envisaged by the above concept had been limited to a small urban sector before the war, and became fairly meaningless during the twenty-five years of civil war (see Chapter Three). Also in the post-Taleban period, coercive actions as well as most forms of social security predominantly do not originate from the central state, but from localised non-state actors. Consequently, struggles for justice, influence, change, etc. do not primarily happen between the central state and its citizens, but among various non-state groups. The state, simply, has never been a relevant actor in the survival strategies and wellbeing of large parts of the population. As a result, the organisational capacity of non-state actors, particularly the strength of informal executive and legislative structures and norms, are not complementing the modern state system, but competing with it. Indigenous regulatory systems are rival power structures that challenge the modern state as they not only do not subscribe to its values, but also prevent the central state from expanding its power across the entire territory of Afghanistan.

Within this context of a weak state whose normative foundations are not well understood and supported within Afghan society, one important focus of civil society promotion becomes the ideological integration of the statebuilding process (Schmeidl 2006: 31) and the opening up of society for the modern state. The logic here is therefore reversed: it is not society that shapes the state, but the state and its international supporters that aim to shape society.

The key issue for international donors has been how to identify suitable organisations to support. The inherently non-liberal orientation and clientelistic nature of indigenous groups, which tend to organise along family and wider clan structures, disqualifies them as potential drivers of a modern civil society (Schmeidl 2006: 7). What are often coined 'traditional civil society organisations' include *shuras*, *jirgas*, councils of elders, peace committees, community councils, and informal professional associations (Pakistan Centre for Philanthropy 2007: 3).[61] These are generally not the product of the aid influx of the last twenty years, enjoy a certain degree of legitimacy within the communities they represent, and are directly accountable to them, but have practically no access to and influence over the debates of the international aid effort (Pakistan Centre for Philanthropy 2007). Domestic forms of organisational capacity are generally not aware of the development discourse, and their structures and values are on the

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[60] London School of Economics (LSE) Centre for Civil Society,
http://www.lse.ac.uk/collections/CCS/introduction/what_is_civil_society.htm; last accessed May 2009.

[61] *Jirgas* are the traditional localised governance bodies in Pashtun areas in Afghanistan. A *jirga* is a tribal assembly of elders which takes decisions by consensus. The Arab term *shura* became prominent in Afghanistan only in the course of the conflict. *Shuras* were initially set up as local and regional decision-making bodies by the armed resistance, reflecting the Islamization of political relations as part of the *jihad* movement . NGOs working with Afghan communities in the 1980s and 1990s adopted the term for setting up decision-making bodies for the distribution of aid at the community-level (Rubin 1992b: 229).

whole considered incompatible with the concepts of civil society promoted by international actors. In order to qualify as civil society, Afghan organisations are expected not only to be independent of the government and not-for-profit, but also to share the values of the modern state and operate along democratic structures. For example, the Afghan Women's Education Council (AWEC) defines Civil Society Organisations (CSOs) as 'organisations that are independent of the government with a democratic structure and that work for the benefit of the people' (AWEC 2007: 2). There is a great interest in formal structures of governance, such as whether the leadership of a group is democratically chosen, whether membership is open to women, youth or other marginalised groups, whether an organisation has a board, whether it is registered with government, whether it issues an annual report, etc. [Foundation for Culture and Civil Society (FCCS), 2006: 11]. The lack of organisations that fit this definition has led to a widespread belief that civil society in Afghanistan is very weak or even non-existent. In 1999, an Amnesty International report came to the conclusion that civil society had been entirely destroyed during the civil war (Amnesty International 1999). From the same perspective, Schlagintweit notes in 2001 that:

> 'Afghanistan is a country without an elite. Practically the whole of its civil society lives abroad. In several waves – 1974, 1978, during the Soviet occupation and even in the 1990s – nearly all academics, intellectuals, high officials and leading businessmen left Kabul, the city where most of them lived. The great families in the provinces and many tribal chiefs followed. This was more than blood-letting, this was bleeding to death, the complete loss of that part of the population which normally produces political, administrative, cultural and economic leaders.'   (Schlagintweit 2001: 168)

This interpretation demonstrates well the predominant interpretation of civil society as a pro-modern, liberal elite that is closely linked to the modern state. Other, non-elite or non-modern forms of social capital, organisational or self-regulatory capacity are mostly not recognised as legitimate and useful expressions of civil society. Civil Society promotion through international actors therefore also takes a very specific direction. In its 2003 Country Strategy Paper, the European Commission states that:

> 'Civil society plays a key part in conflict prevention, democratisation and general socioeconomic development but has been sorely neglected in Afghanistan's recent history. The EC will continue its support to facilitate the emergence of an independent media while also financing projects for cultural expression, human rights and advocacy for women and for specific disadvantaged or minority groups. Such initiatives may also be used to raise awareness of the 2004 election process.'   (EC 2003a: 25)

Analogous to the strategy for building up state institutions, international actors have followed a path of creating externally controlled 'germ cells' for modern civil society, which are expected to expand the societal space for a modern state. Afghan organisations that are today accepted and financed as part of Afghan civil society have practically entirely been created by international aid actors and have no genuine roots in locally existing forms of social organisation (Schmeidl 2006: 14). This includes a range of relatively large Afghan NGOs as well as village-level organisations that emerged already in the 1990s as part of the aid delivery infrastructure, and an ever increasing number of organisations created since 2002. A USAID funded survey of the civil society landscape in Afghanistan estimated in 2005 that up to 20,000 village-level civil society organisations would

have been created through the international aid system by the end of that year (Counterpart International 2005: 19).[62]

However, despite the ideological justification of civil society promotion, only a tiny fraction of these carry out civic education, political advocacy or cultural activities, while the vast majority is engaged in service delivery and forms part of the aid delivery infrastructure (FCCS 2006: 9).

2.4.2 Efficient Aid Delivery: Cooperation rather than Representation

The need for an institutional infrastructure to implement aid funded programmes drives a more functional understanding of civil society in development practice. Civil society is equated with developmental NGOs, the main direct non-governmental partners of donor agencies and governments (ADB 2003:1). This widespread overwriting of the concept of civil society with the NGO label has two main consequences. First, it does not differentiate between international non-governmental actors and domestic civil society. And second, it shifts the focus of the nature of civil society away from a representation of citizen's values and interests towards the definition of the NGO sector, which is primarily seen as serving the purpose of pro-poor development with a strong emphasis on service delivery and effective aid implementation (ADB 2003: 2). The role of civil society in this interpretation is predominantly to ensure a more effective aid delivery as envisaged by donors and government, not the representation of interests of local communities *vis-à-vis* government and donors. Civil society is hence used as a tool for better top-down defined service delivery. In Afghanistan, the lack of capacity and reach of central government has turned the NGO sector into the main provider of services to the population, which, since 2002, has been acting officially on behalf of government (Harpgiven 2008). For example, the FCCS civil society survey estimates that over seventy percent of the activities of CSOs in Afghanistan consist of service delivery activities that would normally be under the responsibility of government (FCCS 2006: 9). What is labelled civil society is therefore not clearly distinct from government. On the contrary, it is expected to contribute to an increased legitimacy of government by demonstrating that government can, albeit indirectly, deliver important services to the population.

Research confirms the separateness of what are considered civil society organisations from local populations:

> 'Local registered organizations are seen, by client and shura participants, as external to the communities and their primary contact is with shuras. According to the responses of the NGO participants very little interaction with community beneficiaries is envisioned by registered organizations. Clients were concerned that organizations - even local Afghan organizations – should respect local religious and cultural traditions. One client focus group stated that they need support to oversee organizations so that the organizations' work is for the public good.
> The focus groups revealed that in general clients work with shuras in identifying needs, supplying material, financial or in kind assistance, supporting the goals of the projects and protecting or maintaining the projects following completion. Only one group of clients mentioned their right to choose their councils or shuras, and therefore exert more

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[62] Two major civil society mapping attempts have been financed by donors since 2002: The USAID commissioned Counterpart study, and the EC funded Afghan Civil Society Baseline Survey Report, carried out by the Foundation for Culture and Civil Society (FCCS) between 2004 and 2006.

influence over the larger process, while nearly all shuras and organizations said it was the
role of the clients to cooperate.'   (Counterpart International 2005: 35)

What becomes clear is that cooperation rather than entitlement is the main objective of building up a dense infrastructure of civil society organisations that are linked through funding to policy objectives defined by government and donors. Activities are therefore inevitably supply driven. As a study conducted by the Afghan Women Education Council (AWEC) found, most CSOs working in rural areas across the country have offices or partners in Kabul, where projects are identified and designed according to funding opportunities, while their local offices have the task to implement these projects without having to interact with the local population, apart from securing their cooperation for implementation (AWEC 2007: 55).

This practice stands in clear contrast to the general assumption that NGOs or CSOs by definition respond to people's needs and represent their interests. The only power local populations have to influence the activities of the development apparatus is to refuse to cooperate. This, however, generally only happens when envisaged activities clearly clash with local interests, as the following observation by AWEC illustrates:

> 'Due to poverty and lack of facilities the people of Afghanistan are satisfied with any project that CSOs implement in their area. They believe that having an unnecessary thing is better than the lack of it. For example, people in our community discussions often stated the famous expression [that] […] even snake poison is useful when it is possessed.'
>
> (AWEC 2007: 12)

The modern civil society sector that is being built is thus essentially a services industry with the population featuring in the role of client rather than owner. It nevertheless has an agenda for social transformation that it aims to achieve through approaches based on conditional access to aid resources and participatory development.

In Afghanistan, all public services provided to the population come in the form of aid, delivered in general through the international and Afghan civil society infrastructure or private for-profit contractors. Apart from large-scale infrastructure or humanitarian assistance, all aid tends to be attached to certain conditionalities for the beneficiaries. These can take various forms depending on the objectives pursued. However, they generally have in common that they aim to improve the effectiveness and efficiency of aid, particularly with regard to its impact on poverty, through maximising beneficiary participation.[63] Involving beneficiaries directly in the design, implementation and evaluation of development programmes increases the match between implemented projects and actual needs, the sustainability of the projects, their impact on poverty, and often reduces the unit costs of development aid. It potentially also strengthens the capacity for joint action, organisation and management at the local level, thus creating pro-developmental synergies beyond the individual project. Normative conditionalities within participatory development approaches, such as the inclusion of women and other marginalised

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[63] Given the overwhelming problems with the opium economy, aid in opium production areas has often been made conditional on communities agreeing to stop growing opium poppy on their lands. Due to the relatively small amounts of aid, the temporary nature of development projects and the lack of any enforcement power of implementing agencies, these types of conditionalities aimed at promoting law and order have generally not worked. First and foremost, these opium clauses act as a legal safeguard for donors and implementing agencies that operate in an environment governed by illegal economic activities (unpublished discussion papers of David Mansfield and Anthony Fitzherbert for the 4th Alternative Livelihoods Working Group meeting, 15th June 2003, Kabul).

groups in decision-making processes are an instrument for improving the poverty reducing impact of aid programmes. Typical conditionalities would, for example, demand that the community forms a body with the authority to represent the community *vis-à-vis* the implementing agency and to organise community contributions, and that this body would have to be elected or selected from the entire community and include women, youth or other marginalised members. With this conditional approach to aid delivery, thousands of village-level community groups have been formed since 2002.

This approach of participation in a top-down defined development agenda, rather than representation in a bottom-up defined civil society infrastructure, hollows out the very concept of civil society as an instrument to achieve a greater integration of state and society. The idea that a strong civil society manages to successfully communicate societal interests to the state, which then responds to them and thereby gains a higher degree of legitimacy, is lost in this constellation. The following observation confirms this problem. It describes the perceptions that parts of the traditional civil society, such as religious actors and *shuras* have of their relationship to the development apparatus:

> 'The relationship between religious leaders, the government and other development actors seems to go in one direction only. Government and other development actors seek to use the voice of the clergy to legitimize their policies and programmes, and to gain access to project beneficiaries. However, little effort goes into either creating space for an autonomous role on the part of religious actors or establishing genuine dialogue. Religious leaders express frustration about a situation in which their advice is only sought when the government needs it to support its policies.'   (Borchgrevink 2007: 7)

As a result, Afghans tend to recognise civil society organisations as outsiders with the potential to bring resources to the community, be it in the form of training, access to micro-credit, health or education facilities, physical infrastructure, and so on. Communities are generally careful to identify their needs strategically to match the perceived ability of the service provider to deliver on them.[64] This very comprehensible strategy to maximise access to resources on offer even if they are of secondary interest to the community reinforces the preconceived notions of need of the development apparatus.[65] Although this problem is most obvious among the large number of organisations delivering services to the population, it similarly applies to organisations that are set up to pursue the more political objectives of civil society, i.e., civic education and advocacy. Here again, agenda and funding originate from the top.

The strategy of grounding the statebuilding process in Afghan society through the promotion and establishment of a strong civil society sector thus remains similarly sterile and self-referential as the statebuilding strategies discussed in the previous sections 2.2 and 2.3. This is on the one hand due to the lack of compatibility of existing patterns of Afghan civil society with the normative framework and objectives of the statebuilding project. This discrepancy creates strong pressures for aid actors to create their own 'Afghan Civil Society Organisations', which remain a dependent and integrated part of the international aid complex. On the other hand, the

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[64] In practice, for example, no-one would explain to an NGO, which offers to support and implement water and sanitation interventions, that the major problem of the community was with land disputes. The NGO would not only not be able to respond adequately to this problem, but it might even come to the conclusion that it should better implement its water and sanitation projects in communities that clearly identified these as their priority problem, thus leaving the community empty-handed.

[65] This dynamic has also been observed in other development contexts (Quarles van Ufford 1993; and Mosse 2001).

overwhelming reliance on non-governmental actors for government service delivery blurs the lines between government and civil society and positions the sector as a mere service delivery arm of government and international aid actors. The programmatic and financial dependence of civil society organisations on aid actors cancels out the expected control function of civil society that was supposed to produce better accountability and curtail corruption. As a beneficiary of aid, the civil society sector in Afghanistan has been predefined in its form and objectives. This external determination hollows out the very definition of civil society as a sector that represents societal interests *vis-à-vis* the state and ensures a greater normative compatibility of state and society. Instead, the inability of the aid system to open up to a genuine dialogue with indigenous civil society can accentuate the segregation of state and society, as both continue to perceive each other as 'the other'.

2.5 The Exception to the Rule: Transfer of Ownership Rights over Aid through the National Solidarity Programme (NSP)

There have been exceptions to the rule of insulation, which indicate that things can be done differently. The National Solidarity Programme (NSP) is one such exception, and its scale makes it a particularly interesting case. As one of the government's national priority programmes it is implemented country-wide with the objective to reach every single village in rural Afghanistan.[66] The main feature that sets the programme apart from the above discussed approaches to aid implementation in Afghanistan is, that it has dared to transfer substantial ownership rights over the aid implementation process from donors and implementing aid agencies to Afghan communities.

The NSP was designed with two major, interlinked objectives: first, to provide a fast and efficient channel for the transfer of reconstruction funds directly from central government to rural communities; and second, to implant democratic governance structures at the community level that could possibly become the formal link between state institutions and communities at some point in the future. Both objectives, it was hoped, would contribute to statebuilding by legitimising the state as an effective channel for development funding and by creating a direct relationship between the central state and its citizens, based on democratic principles and procedures.

Every rural community in Afghanistan is in principle eligible for NSP funding, on the condition that communities elect Community Development Councils (CDCs) in secret ballot elections with universal suffrage. Through the CDCs, communities are directly responsible for coordinating and overseeing the process of project identification and implementation, and are in control of the project funds that are directly transferred to their community accounts (NSP 2003). Communities are supported in this process by NGOs, who are contracted as facilitating partners by the Ministry of Rural Rehabilitation and Development (MRRD).

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[66] Other experiments of aid actors to enter into a meaningful dialogue with Afghan structures have generally been small-scale, experimental pilot projects. Worth mentioning here is the Tribal Liaison Office (TLC) in Loya Paktia, which has tried to engage traditional governance structures into the peace and reconstruction process of the country (Karokhail and Schmeidl 2006).

The NSP was rolled out in autumn 2003. By 2009, it was present in 359 out of a total of 364 districts across all provinces of the country, and had transferred over 600m USD to some 20,000 communities.[67] The NSP is today lauded as 'the most successful community development programme ever worldwide', and as the 'central policy instrument for Afghan state building and development' (Barakat 2006: 2). This success has attracted much attention and the programme is currently undoubtedly the best researched one in the country (see, for example, Boesen 2004; Kakar 2005; Barakat 2006; Noelle-Karimi 2006; ActionAid Afghanistan 2007; Torabi 2007; Zakhilwal 2007; Selvarajan 2008; Beath 2010).

So why, then, has the programme been such a success? When the NSP was announced by the Government of Afghanistan and the World Bank in late 2002, the programme design was based on a World Bank supported community development programme in East Timor that had been transcribed to the Afghan context by UN Habitat. Before its actual launch in autumn 2003, it was substantially fine-tuned through intense negotiations between the executing MRRD, the World Bank, and the potential facilitating partners from the NGO community.[68] The individuals responsible for the programme at the political and managerial level at the time[69] all had a very good understanding of Afghan realities. Their positions within their respective institutions and their reputation within the development community enabled them to take risks and to experiment with innovative approaches.

A major reason for the success of the programme has been the determination to transfer ownership rights to communities despite major anticipated risks. Before the launch of the programme many development actors expressed fears that the direct transfer of money to communities in the absence of a functioning banking system[70] might result in large-scale corruption, theft by local strongmen or criminals, and the waste of money by inexperienced communities. There were also worries that rural communities would lack the capacity to comply with accountability regulations as demanded by donor agencies. These fears have not materialised, partly because much time was spent thinking through the specific support the facilitating partners would have to provide to communities, and partly because international development actors had tended to underestimate the capacities of rural communities. The need for thousands of rural communities to open bank accounts has in fact facilitated the expansion of the official banking system across the country, and has enabled the central bank to open branches in all provincial capitals (Barakat 2006:127). For most Afghans, NSP has been the first aid programme ever that has given them some decision-making authority and responsibility for the use of assistance funding – a fact that in itself partly explains the positive reception the programme has had among the Afghan public.

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[67] NSP website, www.nspafghanistan.org, accessed 17 October 2009.

[68] I participated personally in the 8 months long negotiations. The following observations are therefore based on my own notes and recollections.

[69] These were Asger Christensen from the World Bank, who had spent considerable time in Afghanistan, and had a good knowledge of community development work in the country; Haneef Atmar, then Minister of MRRD, who had previously been deputy of the ICRC in Afghanistan, and Ashraf Ghani, Minister of Finance.

[70] Until 2004, there was no functioning formal banking system in Afghanistan. Much of the development money was therefore carried around in cash, or was transferred through private money traders (*hawalas*).

A second important feature of the programme has been its flexibility and willingness to respond to communities' views, despite fears that this might undermine its agenda of social transformation and democratisation. The willingness of the programme to respond flexibly to communities' reactions to its normative conditionalities has maximised the number of communities interested in participating and prevented the outreach from being interpreted as an act of cultural imperialism. Women's participation has been the main issue where local customs have prevented NSP to apply uniform conditionalities across the country. While some form of female representation has been realised in most NSP communities, be it through mixed gender councils or, more often, through two separate gender-segregated councils, in some communities female participation has not been possible. The programme has allowed for flexibility on this matter and has tried to ensure that women derive some direct benefits from the project even if they are not included in the overall decision-making process by earmarking a certain percentage of the overall community grant towards women's projects.

A third factor of success has been the programme's focus on building government capacity. Like many other aid funded programmes, the NSP's operational structure has been complex. The NSP is one of the National Priority Programmes of the central government, with the MRRD as the executing ministry. Its main donor has been the World Bank, but it also receives substantial funding from other donors, who channel their contributions through the World Bank managed Afghanistan Reconstruction Trust Fund. The programme therefore has to comply with World Bank reporting and financial audit requirements. Since the MRRD did not have the management capacity in Kabul, and even less so in the provinces, to run the programme itself, up to 2006 an international oversight consultant was contracted, who managed the NSP on behalf of MRRD and whose offices were located within the ministry's buildings. The direct contact and work with communities has been carried out by twenty-eight international and Afghan NGOs, which act as facilitating partners of the MRRD. Unlike many other aid programmes though, the NSP has focused from the beginning on building capacity within the ministry, both at central and at provincial level. All contracts with international consultants and the facilitating partners have been directly with the MRRD rather than with the donor institutions. By consistently using government structures for the management and oversight of the project, the NSP is one of few projects that have managed to build up meaningful domestic capacity within government and has thus contributed to statebuilding in the sense of strengthening the governing capacity of the state. Since 2006, the NSP is directly run by the MRRD without an international oversight consultant. The MRRD is today also the only ministry that has been awarded the right to conduct its own procurement (Barakat 2006).[71]

The NSP has clearly established itself as an effective way to channel development resources to rural areas in Afghanistan and has also contributed to building sustainable government capacity within the institutions charged with its execution. Its impact on the democratisation of state-society relationships is, however, more difficult to assess. This aspect of the NSP was initially mainly seen as an exposure exercise that would give communities a tangible introduction to concepts of universal suffrage, the involvement – in principle – of women in public decisions, secret ballot voting, decision-making through majority vote rather than the customary decision-making by consensus and the introduction of public accountability rules for those mandated with

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[71] Since procurement is an area particularly vulnerable to corruption, ministries that have not put acceptable control mechanisms in place have to contract their procurement out to international companies.

public offices. In how far the NSP initiated Community Development Councils could play a permanent role and assume communal governance functions in a more general and officially recognised way was and remains unclear and contentious. The NSP is a development project run by a single ministry, the MRRD, and in the initial years, the large amounts of donor funding that this ministry was able to attract through the programme were jealously watched by other ministries, which were less fortunate in attracting funding. Moreover, even though the Afghan constitution foresees the election of representative bodies at provincial, district and village level, the CDCs were established outside a constitutional process and do not have any legal or constitutional rights. This basically reduced the official role of the Community Development Councils to an implementation mechanism of a particular project, and put the vision for a formal role of these bodies, as it was formulated by the MRRD and the Ministry of Finance, in a somewhat conspiratorial light. Other ministries, NGOs, and private contractors working in rural areas initially continued to use their own communications channels with communities, including the creation of separate community level decision-making groups for their projects.

In how far the programme has actually influenced decision-making structures towards a more democratic culture in rural communities remains unclear. Experiences vary from communities, where the NSP elected community development councils are entirely separate in their composition from customary forums and do not include local commanders, to CDCs that include all customary local decision-makers and commanders. Both compositions have been problematised – the former as the *de facto* power holders might act as spoilers when they feel politically marginalised (Kakar 2005: 20). The latter because the integration of anti-democratic and abusive elements into democratically legitimised governance structures might facilitate elite-capture and hollow out the egalitarian intent of the new institutions (Noelle-Karimi 2008: 9).

A recent study that examines the impact of NSP on a variety of socio-economic indicators finds that the programme has overall achieved some transfer of decision-making power from customary decision-making fora onto the representative CDCs, and that it has also improved the overall appreciation of women's needs within communities. While it has substantially improved the interaction between participating rural communities and government representatives from the MRRD, it has not contributed to a higher overall legitimacy of the central government.[72] The programme remains an isolated, albeit large-scale, effort that has to date not managed to impact on the overall aid and governance dynamics discussed in this chapter.

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[72] The impact evaluation of the NSP is a multiyear randomized control trial designed to assess the effects of the program across a broad range of economic, political, and social indicators. It is carried out by MIT in cooperation with World Bank and MRRD (Andrew Beath 2010).

2.6   S u m m a r y

Chapter Two has analysed the structure of aid flows to post-Bonn Afghanistan and the implementation strategies of three main groups of aid actors, with a focus on how international actors have interacted with domestic structures and whether these interactions have actually been conducive to advance the goal of building a liberal democratic state and society.

The main instrument for coordinating aid flows into the country, the National Development Budget, is based on an understanding that the responsibility for governing is shared between the Afghan government and its international supporters. The latter retain sole control over approximately three quarters of the entire resource flow into the country, while also the remaining quarter that is officially channelled through the Afghan state treasury has multiple conditionalities attached to its release, in order to ensure an acceptable level of compatibility with international aims and efficiency in its expenditure. From the structure of the aid flow into the country, I have deducted an operational understanding of statebuilding that includes three elements: First, the build up of effective public institutions; second, the direct provision of government services through international actors where government cannot warrant them; and third, the ideological integration of the new state within society through the promotion of a normative and structural transformation of society towards greater compatibility with the modern, liberal state.

Four exemplary case studies have analysed how international actors have tried to realise these strategies. The classical statebuilding agenda, the strengthening of the state apparatus, has been pursued under the leadership of the World Bank. This agenda has faced external pressures from two directions. On the one hand, it had to operate within an extremely difficult domestic environment that was in many ways incompatible with its own technocratic good governance approach. On the other hand, it faced strong competition from within the aid system as government leadership of the coordination of resource flows into the country was not readily accepted by the established aid actors. The Afghan government, effectively, has had to compete with international actors for access to international resources in a situation, in which it has been entirely dependent on these resources. The main operational strategy that resulted from this context was to create space for a modern, liberal and meritocratic state by, on the one hand, ring-fencing developmental islands within the Afghan administration, and on the other hand, pressurising the aid community to channel their resources into these islands. It was hoped that these would act as germ cells for a modern and sustainable central state administration. This approach, however, has triggered a chain reaction, which has turned these developmental islands within the Afghan government into international enclaves that concentrate decision-making power and are firmly integrated into the international aid system but shielded from domestic accountability mechanisms.

The second case study has looked at aid provided through the US government that contributes over fifty percent of the total civilian aid to the country, and that therefore constitutes by far the most important international development actor. Practically the entire US aid effort has been delivered outside government control. The case study has shown that the US government has created a system of aid delivery in Afghanistan that is to a large extent shielded from domestic influences, but highly integrated into short-term US political and military strategies. The near complete investment of civilian aid towards direct service delivery has partly been necessitated by the US government's own struggle for legitimacy in the country. US aid

patterns also reflect a neo-liberal understanding of the state that favours private sector contractors over government. The insufficient design, management and oversight capacity within US aid agencies have, however, produced complex and inefficient contracting chains and made US aid vulnerable to claims of mismanagement, wastage and corruption. The main result of US aid strategies seems to have been a successful protection of aid activities from being controlled or influenced by the Afghan government, other Afghan constituencies or international aid actors, without, however, contributing to the aim of legitimising the overall US military presence in-country. From the perspective of a statebuilding agenda, the US aid delivery system can be considered dysfunctional and even counterproductive as it rests on a parallel US government authority that effectively sidelines the Afghan government.

The third case study has examined the role of NGOs and Civil Society Organisations, both as an integral part of the aid delivery infrastructure and as potential change agents that can catalyse a normative transformation of society towards greater compatibility with the underlying values of a modern, liberal state system. Rather than looking for possible linkages and dialogues between existing forms of social organisation and the state, international efforts have focused – quite similar to the attempts to build an effective state apparatus – on creating externally induced germ cells for a modern, liberal civil society infrastructure that is compatible with the international vision of a modern Afghan state. The promotion of civil society, in theory conceived as a strategy for the empowerment of society *vis-à-vis* the state, has effectively been operationalised as a strategy for achieving a maximum of cooperation of the population *with* the state. The case study has shown that the newly created 'civil society' effectively represents an important part of a top-down defined aid delivery infrastructure, which is integrated in its orientation and financial structure into the international aid system and effectively shielded from domestic influences. Rather than providing a channel to feed the needs and aspirations of the 'common people' upwards to the central state and international decision-makers, non-governmental aid actors mostly offer predefined services to a population that is conceived as clients rather than as citizens. Within this logic, concepts of participatory development are used as mere tools to improve the quality of individual aid interventions, without leading to more transparency, responsiveness, and accountability of the state and international actors towards citizens. Measured against the objective of fostering a greater and sustainable integration of society and state, the work of many NGOs thus remains similarly sterile as the efforts to build up an effective state apparatus.

Finally, the fourth case study has discussed the National Solidarity Programme, which presents a positive exception from the general tendency of aid delivery, and proves that the exclusion of Afghans from the aid process is not inevitable. The programme's main achievement is that it has transferred substantial ownership rights over its implementation process directly to Afghan communities, and that it has been willing to adjust its mechanisms to local conditions and needs. The NSP is also one of the few large-scale programmes that have systematically built government capacity for programme management, and has thus visibly contributed to a better relationship between citizens and the executing ministry. Its overall impact on governance and government legitimacy has, however, been limited as it remains an isolated project within overall aid delivery practices that foster the exclusion of Afghan citizens and institutions from decision-making processes rather than their participation in these processes.

PART B: CHALLENGING THE IDEA OF STATEBUILDING

CHAPTER 3
CHALLENGING STATEBUILDING
FROM A LOCAL PERSPECTIVE:

THE AFGHAN CONTEXT

In how far can context-specific factors explain the failure of the international aid system to successfully link up with Afghan structures? The international vision for a modern, liberal and democratic Afghan state and society collides with a domestic context that could hardly be more contrasting to the goals of the statebuilders. A recurrent theme of the empirical study in Chapter Two has been the fact that international aid actors perceive Afghan realities as alien and hostile towards their mission – at points even as fundamentally incompatible with it. The scale of destruction and humanitarian need; the difficulties in accessing information; the dearth of human capital in all spheres of society; the patronage networks and clientelism that characterise the socio-political arena; the strength of anti-state and criminal elements and their entanglement with the post-Bonn political elite of the country; and the illiberal socio-cultural identity of society all combine into a picture that suggests that in order to achieve progress, this hostile and incompatible reality has to be shut out of decision-making processes - it has to be acted upon rather than interacted with. This view suggests that it is not the international aid effort that excludes its beneficiaries from its activities, but rather the other way round that the beneficiary environment does not provide the promoters of a modern, developmental state with sufficient entry points to anchor their mission.

This chapter discusses this perspective by exploring some of the key contextual challenges for the statebuilding project that are rooted in the history of state, conflict and aid in twentieth century Afghanistan. Based on an understanding that statebuilding cannot simply be about the transfer of a particular set of public institutions but that its success depends critically on how these institutions are embedded within the domestic context, the key analytical focus of this chapter is on the relationship between state and society and on how the preconditions for this relationship have changed as a result of the prolonged conflict. The chapter divides into three parts. It first looks at the emergence of the Afghan central state and its position within Afghan society before the outbreak of the conflict, and discusses the reasons for the escalation of violence between state and society in the course of the 1970s. The chapter then moves on to provide a brief overview of the different actors and stages of the conflict that spanned two decades; and of the implications of the conflict for both, the central state and rural society. Finally it discusses in how far the disruptions and dynamics of the conflict have changed the preconditions for a positive relationship between a central state and Afghan society.

3.1 Insulation as a Statebuilding Strategy in 20th Century Afghanistan

In order to understand the precarious place that the central state occupies within Afghan society, it is necessary to look back at its historical evolution. The beginnings of an Afghan state are generally dated 1747, when at Kandahar the Abdali Pashtun, Ahmad Shah Durrani, was elected as the leader of the Afghan tribes (Singh 1959: chapter III).[73] The event is equated with the foundation of an Afghan Empire at the Hindukush, on territory, which for centuries had been disputed between the Safavid and Mughal Empires, and which formed the second largest Islamic empire next to the Ottoman Empire. Until the late 19th century, this empire remained, however, dependent on being able to pay local power holders for their allegiance, which resulted in frequently changing boundaries and an ephemeral presence of the central state in the various provinces.[74] As Grevemeyer argues, the political and social fragmentation within the Afghan Empire also prevented the colonisation of the country by the British Empire, which twice in the course of the 19th century (the First British-Afghan War, 1838-42, and the Second British-Afghan War, 1878-80) attempted to extend its influence into Afghanistan (Grevemeyer 1987: 11).

In the larger picture, the two British invasions had as their background the so-called 'Great Game' between the advancing Russian and British colonial empires, struggling for influence southern and central Asia.[75] In the late nineteenth century, the European powers reached a mutual agreement to avoid a direct common border, thus accepting a neutral Afghanistan as a buffer state between them. And so in the end it was colonial interests which determined the external borders of the modern Afghan state, rather than internal consolidation of power by Afghan rulers.

What followed the Second British-Afghan War was a period of political isolation and the emergence of modern central state structures.[76] On their withdrawal in 1880, the British desired to deal with a predictable ruler and seated Abdur Rahman (1880-1901) on the Afghan throne. The Amir agreed to a status of curtailed autonomy, whereby Afghanistan was not allowed to have any external relations except with British India and whereby its borders were effectively drawn in negotiation between Britain and Russia. In exchange, the Amir received substantial financial support from Britain to consolidate his power internally. Insurgencies were frequent, and brutal campaigns to unify Afghanistan territorially as well as the subjugation of the traditional political and religious elite allowed him to establish an absolute monarchy. This form of 'internal imperialism' (Dupree 1973: 417) earned Abdur Rahman the title 'Iron Amir'.[77]

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[73] Singh (1959) provides a detailed biography of the life of Ahmad Shah Durrani.

[74] For a detailed study of the relationship between state and tribe in 19th century Afghanistan see Noelle 1997.

[75] For an in-depth historical account of the 'Great Game' see, for example, Hopkirk (1992).

[76] Gregorian's 'The Emergence of Modern Afghanistan' from 1969 remains the most comprehensive overview of the emergence of modern Afghanistan (Gregorian 1969).

[77] For a detailed account of Abdur Rahman's rise to power and his internal politics of consolidation, see, for example, Kakar (1971 and 1979); and Gregorian (1969: chapter 5). Also of interest is the alleged autobiography of Abdur Rahman, edited by Sultan Mohammad (1900).

Abdur Rahman's expansion of power throughout the now fixed territory of Afghanistan made the development of a centralised state system possible, which he pursued predominantly for the purpose of taxation and conscription. His rule thus marks the beginning of a rudimentary central state, with the claim of more or less direct control over the populations within its borders. But it was only in the 20th century that 'the state became not only the motor of political change, but also endeavoured to transform the economy and society in general' (Grevemeyer 1987: 344).

The modernisation of the Afghan state and society became a more forceful agenda in Afghan politics during the reign of Habibullah (1901-1919) in the 1910s. The social and political transformation of the country was promoted by the movement of Young Afghans, which included members of the royal family and their entourage, lead by the charismatic reformer Mahmud Tarzi. The Young Afghans referenced themselves to similar movements in other parts of the Islamic world, particularly to the Young Turks in the Ottoman Empire (Gregorian 1969: chapter 6). When Amanullah, grandson of Abdur Rahman, and a sympathizer of the Young Afghans movement, became Amir in 1919, he made the modernisation agenda the centrepiece of his politics. Upon his ascension, Amanullah had gained full independence from the British in a short war, which is generally referred to as the Third British-Afghan War (1919). This initially secured him a high degree of popularity within the population. His radical reform agenda, however, combined with the decline in external state resources that went along with independence from the British Empire, quickly eroded this support.[78]

Amanullah changed the governance system – at least on paper - to a constitutional monarchy. The first Afghan constitution was promulgated in 1923. It introduced civil rights, state protection for religious minorities, the abolition of slavery, compulsory education, and the establishment of a parliament.[79] But the constitution also laid, for the first time, the foundations for a country-wide bureaucracy, judicial system and legislation applicable to all areas of public life. This also included the establishment of a modern administration with fixed rules and hierarchies and civil servants (Grevemeyer 1987: 351). Amanullah's agenda of modernisation went as far as to prescribe a western dress code for Kabul and to abolish female veiling and polygamy. His vision radicalised when he first travelled abroad during his famous trip to Europe in 1927/28,[80] but on his return, he found much of the Afghan population, particularly in the countryside, outraged over his reforms. Although Amanullah attempted to regain public support by moderating his reform measures, he was eventually overthrown in 1929.

It is widely accepted that the crude cultural reform agenda produced the rallying cry for the spreading revolt of 1929. However, the root cause for the rebellion was as much the new claim of the state to actually govern the affairs of its citizens throughout the country, as well as Amanullah's attempt to reform the taxation system and by-pass the local elites (Rubin 1988: p. 1196).

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[78] On the period of radical modernization under Amanullah and its failure, see, for example, Gregorian (1969: chapter 9) and Poullada (1973).

[79] The Afghan Constitution of 1923 is accessible on the internet: http://www.afghangovernment.com/Constitution1923.htm; last accessed September 2010.

[80] For a detailed account of Amanullah's trip to Europe see d'Afghanistan (2005).

These local elites played a central part in the relationship between the urban-based central state and its predominantly rural citizens. Grevemeyer (1987: 344) shows that the gradual political disempowerment of the rural elites by an expanding state had led to their reorientation to the village level already at the time of Abdur Rahman. Here, they developed strong power bases, which built on hierarchical patron-client structures and which were based on economic coercion. The local elites were able to consolidate their power through their positions as middlemen between the state apparatus and local populations, as the state continued to rely on them for the collection of taxes and the recruitment of soldiers. Whenever the state attempted to challenge their position, these local elites organised resistance:

> 'Not a peasantry as a class, but rather hierarchical rural collectives in their entirety resisted the threat to their existential base in a "country" versus "court" pattern. This set-up did not change to our days, until the recent Soviet intervention. But continuity did not imply stagnation. These collectives were forced by the context of the modern world with its colonialisms, capitalisms and imperialisms, to change their structures and remain flexibly operative. They indeed adapted the "traditional", "feudal" rural social system, together with its religious milieu, to the internal as well as external fight against the imperialism enshrined in the overbearing power of a centralised state.' (Grevemeyer 1987: 344)

From the 1930s onwards, all Afghan rulers[81] took great care not to touch the delicate coexistence between the central state and rural society. Until the mid 1970s, their main statebuilding strategy was to decrease their vulnerability *vis-à-vis* the rural elites by developing the central state as an expanding modern enclave with the least possible links into Afghan society. From the 1950s onwards, this strategy increasingly rested on access to foreign funding through military and development aid, while the percentage of domestic revenue derived from direct taxation of the population fell from 62.5 percent in 1926 to 0.7 percent in 1975 (Rubin 1988: 1200).

The below table, reproduced from Rubin, demonstrates the increasing insulation of the state from society. It shows the changing composition of the resource base of the state in Afghanistan between 1926 and 1975.The figures illustrate the strategy of the Afghan rulers to delink state and society by increasingly deriving state income from a small state owned industrial sector that was proactively developed over the decades; taxes on foreign trade which did not affect the rural population; and foreign aid.[82] The latter came predominantly from the Soviet Union and the USA who were competing for strategic influence in Afghanistan in the 1950s and 1960s.

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[81] Nader Shah was installed as king in 1929 by the forces that had led the rebellion against Amanullah. His family, the Musahiban, remained in power until the communist coup in 1978. Nader Shah was assassinated in 1933. He was followed by his son, Zaher Shah, who however entrusted first his uncles Mohammed Hashem Khan (1933-46) and Shah Mahmud Khan (1946-53) and later his cousin Daoud Khan (1953-63) with the task of governing the country. Zaher Shah only took over the reign in 1963 and was removed again by Daoud Khan in a coup d'etat in 1973 after which he remained in exile in Italy (Schetter 2004). He returned to Afghanistan in 2002.

[82] The argument of Rubin is in so far misleading as it suggests a higher integration of state and society in the early 20th century than later on. As has been discussed for Abdur Rahman, and as is also true in the case of his successor Habibullah, the Afghan government, or better court, relied substantially on foreign, i.e. British subsidies (for state revenue during the time of Abdur Rahman see Clarke 1908: 40. For the history of earlier subsidization see Hanifi 2008: chapter 4). Also, attempts to derive state income through taxes on foreign trade (see, for example, Hamilton 1906: 286-287) and state owned industries (Hanifi 2008: chapter 4) have a long tradition in Afghanistan. In fact, the 1920s and 1930s presented an exception to the rule, as foreign subsidies dried up after Afghanistan gained full independence from the British in 1919, which forced the government to access more domestic sources of revenue.

Table 3: **Resource Base of the State in Afghanistan: Selected Years** (Rubin 1988: 1202)

year	Shares of Domestic Revenue (%)				Development Expenditure as % of Total Expenditure	Foreign Aid as % of Development Expenditure
	taxes on land and livestock	taxes on foreign trade	profits of government enterprises	sales of natural gas		
1926	62,5	-	-	-	-	-
1953	18,1	39,7	9,8	-	20,5	-
1957	7	57,6	4,6	0	61,7	84,8
1963	5,7	49,9	18,4	0	71,3	70,9
1968	2,2	45,5	22,6	9,6	48,9	80,3
1972	1,3	45,7	15,1	11,8	44,8	81,6
1975	0,7	40	7,8	15,5	40,1	66,0

Rubin (1988) has convincingly argued that this segregated peaceful coexistence of a rural society governed by local elites and customs, and a modern rentier-state enclave also made political participation in the central state irrelevant for rural populations. The parliament, which represented dominantly rural interests, supported the ever growing insulation of the state from rural society by ensuring the least possible state interference in rural society, including the gradual lowering and abolition of taxes on landholdings and livestock (Rubin 1988: 1206). This relationship between state and rural society as two entities quasi independent from each other also explains the high degree of centralisation of the Afghan state's administrative system, where state representatives down to the district level are directly appointed by the president and report to central government with no local participation (Evans 2004: 7). Similar to diplomats, civil servants of the central state in rural areas represented the state interest in 'foreign territory'. Barfield's case study on the relationship between rural communities in northern Afghanistan and the provincial state administration in the 1970s paints a graphic picture of this stand-off between state and society:

> 'The psychological gap between government officials and the village people was based on urban/rural differences. Officials were urban people who disliked service in the provinces and who constantly schemed to be transferred to Kabul or at least a bigger town. They dressed in western suits, which set them off from the turban-wearing residents of rural Afghanistan. Indeed, with few exceptions, government officials were embarrassed by rural Afghanistan, stating that it was a backward place full of backward people. Such contempt was fully reciprocated by the local population, which found the officials overweight and overbearing and declared them to be congenitally corrupt. Moreover, villagers expressed doubts about the religiosity of the officials, particularly over such matters as drinking alcohol and making regular prayers. Each group viewed the other as a tricky adversary. Like oil and water, the two never mixed unless shaken together by some conflict or dispute.'
>
> (Barfield 1984: 173)

The general distrust of government enabled the unchallenged survival of local governance forms as people generally sought out the advice and judgement of local notables for dispute resolution and other problems, while the officially installed middlemen of the government at the village level were not well respected and only consulted in criminal cases where their connection to government was used to channel the necessary bribe to the relevant officials (Barfield 1984).

> 'The weakest link in the government chain of command was between the sub-provincial administration and the villages, where the government was faced with indigenous political structures and where its own agents were not well respected. Under such conditions the government was effective only when it had a specific target for punitive action. Its intermediaries were useless as enforcers of general policy. […] The defects in the weakest link were not critical under the Musahiban dynasty because it required provincial officials only to keep the peace, administer justice, see that conscription went smoothly, and collect small amounts of taxes. They were not expected to engage in social action projects that might require greater local cooperation than the government was able to muster. By the time of Daoud's republic the national government was not dependent on the political, financial or ideological support of the provincial population to carry out its policies. Local government officials were charged with maintaining the status quo with as little effort as possible. National politics and programs were largely divorced from rural areas.'
>
> (Barfield 1984: 177)

These accounts illustrate quite well the separateness of the sphere of the modern state that was limited to the few urban centres of the country and rural Afghanistan in which over eighty percent of the population lived.

The destabilisation of this coexistence in the 1970s was initially not the result of a challenge of state legitimacy by rural society, but grew out of an internal dynamic that unfolded in the process of the expansion of the state enclave. The latter's rapid expansion was kick-started under Daoud Khan, (1953-1963; see note 81). Through his skilful exploitation of the US-Soviet competition for allies, development aid increased dramatically, and between 1950 and 1970, Afghanistan received over one billion USD in aid, half of which was in the form of credits. Foreign expertise was increasingly sought, and in the late 1960s, there were over 2,200 foreign experts and advisors working in the country (Grevemeyer 1987: 104). The aim to penetrate and transform rural society was, however, not achieved. Instead, the accumulated foreign debt increasingly limited the freedom of action of the central state, and the fast growing educated urban intelligentsia became in itself a cause for political instability.

Rubin (1992a) has shown that the pressures for political participation, which eventually led to the collapse of political stability in the 1970s, emerged exclusively from an urban intelligentsia that was the product of the growing state enclave. The promotion of higher education, starting from the 1950s, resulted in an exponential increase in the educated population.[83] The state bureaucracy and the state-owned industrial sector were the only potential employers for the growing numbers of graduates, and from the mid 1960s onwards, the state system found it more and more difficult to accommodate them. The leaders of the revolutionary groups that became increasingly active in the 1970s had all been educated in the state sponsored system and were effectively part of the state enclave. None of them had their basis in rural society. Their ideas

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[83] Within just fifteen years, from 1959 to 1974, the number of students in institutions of higher education increased from a mere 500 per year in Afghan institutions and 20 to 30 sent abroad to over 11,000 in Afghanistan and 1,500 per year sent abroad (Rubin 1992a: 80).

were borrowed either from western political thought (Marxism) or from pan-Islamism (1992a). The radicalisation of the urban elite culminated in the Saur revolution in 1978.[84] The Afghan communists, and later the Soviets that came to their aid, were the first government since Amanullah that aimed to overcome the segregation of the state enclave and rural society, and to radically modernise Afghanistan by force. Also the key reforms chosen were reminiscent of Amanullah's agenda: female emancipation; the secularisation and modernisation of the state; and land reform. This revocation of the acceptance of the relative autonomy of rural society from the state triggered the fast spreading revolt in the country-side and led the country into a protracted civil war.

This history of state-society relations has implications for contemporary statebuilding efforts in the country and tends to support the view that it is Afghan society that refuses to embrace the modern state. Peaceful times are generally associated with the segregation of state and society – a good state leaves society at peace. Current attempts to modernise, liberalise or democratise rural society are easily associated with the reform projects of the 1920s and late 1970s and produce similar tensions and divisions (Suhrke 2007). The traumatic experience of political turmoil and war triggered by the central state's attempts to subjugate rural power structures and integrate rural society into the realm of the modern state suggests that the state, even today, is best advised to continue with the pre-war tradition of maintaining independence of the society it is supposed to govern. The recreation of a modern space, protected from the 'backward' values of rural society rather than the representation of society by the state thus remains an attractive objective. The experience of history therefore favours insulating rather than integrating statebuilding strategies, even though this stands in contradiction to the state model which has been introduced to Afghanistan through the Bonn Agreement and that derives state power and legitimacy from popular representation. As has been discussed in Chapter Two, the recreation of the pre-war modern state enclave is also encouraged by the fact that the contemporary Afghan central state is more than ever before dependent on foreign ideas, finances and expertise, which firmly integrate the realm of the state into the international development sector. The state has thus little systemic incentives to reach out to its own population. In this situation the politics of insulation of the pre-war period are reproduced.

As the next section will discuss, the protracted conflict, that dragged practically every village and every family into its dynamic, not only destroyed the urban, modern state enclave, but also fundamentally changed non-state power structures. As a result, the pre-war peaceful coexistence of a relatively autonomous rural society and an internationally financed rentier-state therefore does not seem to be a viable option anymore, even if that was the aim.

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[84] The Saur Revolution is the name given to the Communist People's Democratic Party of Afghanistan (PDPA) takeover of political power on 27th April 1978, during the Afghan lunar month of *Saur*. (Rubin 1992b: 105).

3.2 The Impact of the Conflict on Governance Structures in the Country

The different phases of the Afghan war have created a complex web of domestic and international dependencies, tensions, interests and power structures, which is impossible to fully untangle, and which radiates into the post-Bonn Agreement era. Twenty-two years of violent conflict destroyed the legitimacy of the central state, hollowed out the existing state structures, and reversed whatever limited degree of penetration of society the state system had achieved until the late 1970s. The ferocity and scale of the conflict also destroyed rural based power structures – the vacuum that the disappearance of the state and rural governance systems created was filled by new non-state actors who derived their power from external sources and the growing narcotics sector, and who did not vanish after the overthrow of the Taleban. The following provides a brief review of the course of the conflict and its implications.[85]

Militant opposition to the Kabul regime had already commenced on a small scale after Daoud's coup in 1973, but escalated after the 1978 Saur Revolution, triggered massive and widespread revolt across the country, including large-scale desertions from the Afghan Army and the defection of entire military units to the resistance. The subsequent Soviet invasion in December 1979, that aimed to prevent a complete collapse of the communist regime in Kabul, was unable to reverse this dynamic (Rubin 1992b: 115ff.). As a result, as early as 1981, the Kabul government and its Soviet aids proved unable to exert any control beyond the few urban centres of the country. The central government and the Red Army responded to this loss of control with a 'scourged earth' tactic that had the aim to depopulate the countryside and thereby deprive the resistance of its economic support base (Bradsher 1983). Carpet bombings, the systematic mining of agricultural land, the destruction of irrigation systems and the large-scale shooting of livestock caused massive civilian deaths and produced the biggest refugee movement since World War II. In the mid 1980s, it was estimated that out of a population of an estimated fifteen million, every second Afghan was on the move, either within Afghanistan or seeking refuge abroad (Schetter 2004: 103).

US fears of Soviet expansionism as well as strategic interests of Afghanistan's neighbours, particularly Pakistan, quickly internationalised the conflict that developed into a full proxy war. In the mid 1980s, over 100,000 Soviet soldiers were based in Afghanistan, supported by another 20,000 that were providing operational support from military basis in neighbouring Central Asia. Apart from military aid, the Soviet Union sustained the Kabul regime through development aid and the financing of the government budget (Rubin 1992b: 125). US military support to the resistance was under cover but substantial. Nicholds and Borton (1992) estimate that until 1985, the US and Saudi Arabia channelled over 500m USD annually to various Islamist resistance (Mujaheddin) groups. During the second Reagan administration, US involvement in the conflict became more overt and increased substantially in scale to over 1bn USD in 1988 (Nicholds and Borton 1992: 21).

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[85] A sound and detailed analysis of the conflict up to 1995 is provided by Rubin (1992b). The Taleban movement is well documented by Rashid (2000).

It took up to 1988 for the UN to broker a settlement of the conflict when an agreement for Soviet troop withdrawal was signed in Geneva, known as the Geneva Accords (UN 1988). While the Geneva Accords established a withdrawal mechanism for the Soviets, they did not settle the conflict between the communist Kabul government and the Mujaheddin, and until 1991, neither external party was willing to stop support to its protégés, which resulted in the practice of 'positive symmetry' that the Soviet Union and the USA agreed on, and which basically meant that military support to all sides continued at equal levels (Rubin 1992b: 147). The proxy war of the super powers thus turned into an internal war between the Soviet supported Kabul government and the various Afghan factions, fuelled by an incessant supply of weapons to all sides involved.[86]

In 1992, the Mujaheddin eventually managed to overthrow the regime, which, however, did not result in a revival of the central state. An initially set up government based on power rotation between the different groups collapsed amongst internal power struggles and shifting alliances of major party leaders. The ferocious fighting that unfolded destroyed large parts of the capital, which had hitherto been spared. Between 1993 and 1994, up to 80,000 of Kabul's residents died in bombardments and massacres (Schetter 2004: 120), and over seventy percent of the city was reduced to rubble.

Outside Kabul, quasi state structures emerged at regional levels, where individual commanders were strong enough to establish state-like structures including taxation, conscription, the provision of some public services, and the maintenance of law and order.[87] With the rapid dwindling of external military funding sources for local commanders after 1992, the commercialised production of opium poppy for the international market developed into their main funding source.[88] The production of opium was in some areas a welcome survival strategy for farmers whose productive assets had been destroyed during the war. In other areas opium cultivation was forcefully introduced. Afghanistan had been a major opium producer since post World War II times, when global production moved from China into South West Asia. The scale of production and trafficking, however, increased significantly during the conflict. In 1982, Afghanistan produced an estimated 300 tons of opium (McCoy undated). At the beginning of 2002, Afghan opium production had multiplied eleven-fold and was estimated at 3,400mt or about seventy percent of the global production. This translated into a value of roughly 25 billion USD annually of illicit international trade in Afghan opiates (UNODC 2002: 2-3).

Where no single power holder was able to maintain a monopoly over violence, local populations became increasingly victim of competing and abusive petty warlords. This problem was particularly pronounced in the southern, Pashtun areas and, among other factors, facilitated the rise of the Taleban movement there from 1994 onwards (ICG 2003b: 6-7). The emergence of the Taleban marked a re-internationalisation of the Afghan conflict (Rubin 2000: 1793-1794; and Rashid 2000). With support from the Pakistani and Saudi governments, the Taleban emerged as a purist Islamist movement among Pashtun Afghan refugees in Pakistan who set out in 1994 with an agenda of cleansing Afghanistan of the delegitimised warlords and of re-establishing law and order. Particularly in the Pashtun areas in the South, whose cultural norms were at large

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86   In the late 1980s, Afghanistan was the world's largest recipient of personal weapons. By 1992, the country was estimated to have more such weapons than India and Pakistan combined (Rubin 1992b: 196).

87   This was, for example, the case in Herat under Ismail Khan, in the Panjsher Valley under Ahmed Shah Massoud and in the North under Rashed Dostum.

88   For an analysis of the war economy in Afghanistan, see Rubin 2000.

compatible with those promoted by the Talebs, they were initially greeted as liberators. They indeed managed to bring a sense of stability and security back to the rapidly expanding areas under their control. The ethnic bias of the movement and its narrow interpretation of Islam, however, made it less welcome in other, non-Pashtun and urban areas (ICG 2003b: 6). The Taleban had no interest in establishing a modern state, and made little use of the existing state structures and legal frameworks. They ruled by decree, and their main concern was the strict implementation of *sharia* (Newberg 1999).

In 1996, the movement captured the capital, an advance that provided an incentive for the remaining factions to unite and larger mujaheds joined forces in the Northern Alliance. The alliance could, however, not stem the military successes of the Taleban who were close to gaining full control over Afghan territory by September 2001. The turning point came when the Afghan conflict was abruptly catapulted to the centre of international attention by the 9/11 attacks. US forces joined the war on 7 October 2001 in support of the Northern Alliance. Within a month, US air-cover enabled the Northern Alliance to seize control over Kabul and most of the country.

At the point of the Bonn talks in December 2001, central state structures had not functioned in the urban centres, once been the core of the state enclave, for over ten years. In the country-side, the central state had not played a role – other than destructive – for over twenty years, and the power vacuum there had been filled by various regionally operating commanders, who had access to seemingly unlimited financial resources through their control of the opium economy.

The overwhelming strength of the opium economy is today perceived by many as a main reason for the inability of the modern state to function and expand. In 2003, the government projected that the opium economy would progressively loose weight and that opium production would stop within a ten-year timeframe.[89] These forecasts were based on the assumption that an expanding developmental state, improved law enforcement and a growing licit economy would, over time, crowd out the narcotics sector. Despite considerable international investments in counter-narcotics programmes, the opposite has happened. By 2007, total opium production had more than doubled to 8,200 tons (from 3,600 tons in 2003) with an export value of four billion USD or 53 percent of the estimated licit GDP of the country (UNODC 2007: iv). The income derived from the narcotics business is immense and provides an incessant stream of funding for the consolidation of local power holders that not only successfully challenge the monopoly of power of the state, but also increasingly highjack state institutions, thus turning the central state into a 'narco-state' (GoA 2005, annex on opium economy). Byrd describes these developments in terms of a vicious circle:

> '[…] payments from the drug industry strengthened warlords, who in turn undermined the state, while drug-related corruption also undermined the state directly. In return for payments, warlord militias helped provide the enabling environment (including often armed protection) for the opium economy to operate. The weak government was unable to provide genuine security or rule of law, and this maintained an environment in which the opium economy could continue to thrive as an illegal activity.' (Byrd 2007: 29)[90]

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[89] The National Drug Control Strategy (NDCS) adopted in May 2003 aimed at a seventy percent reduction of opium production by 2007 and the complete elimination by 2012 (Securing Afghanistan's Future, Counter Narcotics, Technical Annex).

[90] For in-depth analyses of the opium economy see also the works of Mansfield 2004 and Ward 2004.

The opium economy fuels political instability, on the one hand because it provides substantial funding to the insurgency. On the other hand, it increasingly undermines the central state through corruption at an unprecedented scale.[91]

The disintegration of the central state and the dynamics of the war economy have thus facilitated the rise of new powerful non-state actors that squeeze the space for the establishment of a modern, developmental state. This situation creates strong pressures for the aid community to protect their investments into the country from being used by criminal networks as the state and its international supporters are dwarfed by the resources, economic and military power of non-state actors.[92]

3.3 From Segregation to Exclusion? The Impact of the War on Power Structures and the Political Space

The conflict dramatically changed the fabric of rural society. Of a total population of approximately twenty million people, over a million had been killed, and at the end of 2001 there were over five million refugees in neighbouring Iran and Pakistan, as well as over one million internally displaced persons (UN 2002a: 8). By 2001 the destruction of productive assets had made nearly half of the population reliant on food assistance for their survival (UN 2002a: 8). For various reasons, it has been argued that this destruction of livelihoods during the conflict has actually opened up Afghan society for penetration by the modern state.

Before the war, local religious leaders, tribal elders and landowners (*khans*) constituted the traditional elite. Wealthy landowners had also been the main sponsors of the early uprisings against the Kabul regime (Grevemeyer 1987: 129; Rubin 1992b: 189). The Soviet military campaigns in the early 1980s destroyed this economic powerbase, and many khans were impoverished or left the country altogether. While the *khans* lost power, local religious leaders became more influential, as a result of the ideology of *jihad*, under which local solidarity networks were mobilised (Rubin 1992b: 227). However, as Grevemeyer (1987) has shown, the most incisive change in rural power structures was caused by the rapid militarisation of the country under foreign patronage. He notes the fundamental changes within the rural make-up that resulted from the intensifying military struggle against a technically superior opponent:

> 'Almost unnoticed by western observers a process of modernization from below has developed on the lee side of the war. This process is reflected in the change of military tactics, in the upcoming of new elites and by the growing importance of ideologies as means for new kinds of social and political relations. But as the success of the resistance movement hitherto is due to these changes, the same changes have also contributed to creating new internal conflicts, caused by political, religious and ethnic differences transformed into ideologies of nationalism and Islamic government. What all governments

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[91] Senior police and anti-narcotics staff at provincial level are reported to pay up to 150,000 USD for their posting (Loyd 2007) – a good indicator for the income they are considered to obtain through these positions.

[92] Paradoxically, their power, illegitimate as it is, has also turned many of these regional actors into important allies of the US military and NATO, a fact that has compromised attempts to demilitarize the country-side and to marginalise illegitimate power holders, which has severely undermined the legitimacy of the international intervention in Afghanistan in the eyes of the Afghan public (ICG August 2003; Wilder 2005; Ruttig 2008; Suhrke 2007; and Johnson et al. 2003). For critical literature on the military strategy of the US and NATO and its repercussions on the aid effort see, for example, Lara Olson (2006), Peter Schmidt (2008) and SENLIS Afghanistan (2007).

since 1919, and above all the actual regime, had attempted to enforce on the people from above, but without success, is being achieved today under the pressure of the demands made by the resistance fight.' (Grevemeyer 1987: 357)

The most important catalyst for these changes in the 1980s was the integration of rural Afghanistan into international financial and ideological networks that facilitated the professionalisation of military structures, as well as the adoption of overarching ideologies of nationalism and Islamism that had not penetrated the countryside beforehand. The Saur revolution in 1978 and the subsequent Soviet occupation lead to a redirection of western aid away from the state enclave towards rural areas that participated in the resistance. The international military aid for the resistance was distributed under the management of the government of Pakistan, which established a patronage system that largely served seven client resistance parties based in Peshawar, Pakistan (Rubin 1992b: chapters 9 and 10). These parties channelled the funding to associated local commanders that fought the jihad within Afghanistan. By 1992, when the pro-Soviet regime ultimately collapsed, every single district centre in Afghanistan was under the control of one of these local, and often competing, military commanders (Favre 2005: 17).

This development not only meant a weakening of traditional, non-militarised governance structures at the local level. The dependence of the *jihad* movement on outside funding inevitably facilitated the reproduction of rentier dynamics at the local level with most commanders deriving their legitimacy and power from outside rather than from within the populations they controlled. The latter became increasingly disempowered in the process. Whereas at the beginning of the insurgency, local commanders had depended on their support for the provision of shelter, food and money, with the destruction of rural livelihoods this relationship was turned upside down. People increasingly depended on commanders providing them with food, who in turn received both military and humanitarian aid from their patrons abroad (Rubin 1992b: 228).

Humanitarian assistance played an important part in legitimising local commanders of the resistance during the 1980s. Official aid to civilian populations in Mujahed held areas in Afghanistan was not possible, as it would have required the consent of the Kabul regime, which it did not give. This effectively barred UN organisations, the ICRC and other established professional humanitarian NGOs from operating within Afghan territory (Donini 1996: 25). Instead, various solidarity groups that had been created mainly in Western Europe in the aftermath of the Soviet invasion, and Islamic organisations opened offices in Peshawar and started to provide relief through more or less under-cover cross border operations. These groups often had clear political leanings and an open agenda in support of the Mujaheddin (Donini 1996:55; Baitenmann 1990: 71-73). Although they were in the initial years small in scale, cross-border operations became an important, non-lethal support to the resistance. By 1990, it is estimated that the volume of aid going into Afghanistan through cross-border operations matched the aid directed towards refugees in Pakistan (Nicholds and Borton 1994: 49). All actors involved in cross-border operations, whether they were politically motivated or purely humanitarian in nature had to obtain the consent of local commanders, who controlled the territories they had to cross and the territories they wanted to deliver aid to.[93] The aid was often directly delivered to trusted

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[93] This resulted in high levels of wastage of commodities and cash. Many agencies accepted wastage levels of up to 40%. There are even claims that over 50% of the aid intended for Afghans inside Afghanistan was lost as a result of corruption, looting and hijacking (Donini 1996: 47).

commanders who were thus able to consolidate their local power bases by becoming the patrons of humanitarian assistance towards local populations, who in turn became increasingly dependent on them for their survival (Donini 1996: 47; Baitenmann 1990: 73).[94]

The scale and structure of the conflict in the 1980s thus broke the autonomy of rural society and subjugated the population to the rule of externally legitimised commanders and warlords. Local power structures in rural areas in Afghanistan today are arguably more abusive and illegitimate than before the war, because the war economy has enabled the *de facto* power holders to become economically independent of the populations living in the territories they control. Local strongmen that rule over rural populations in an abusive and random manner and that marginalise both locally legitimised governance structures and the central state remain a main legacy of the conflict years (Evans et. al. 2004: 20).[95]

However, the very illegitimacy of the de facto local power holders does not only create instability. The marginalisation of traditionally legitimised governance structures in rural areas has also opened up an opportunity for the central state to establish a direct, legitimate relationship with its citizens.

This opportunity in favour of the statebuilding agenda has also arisen as a result of the fact that a third of the Afghan population became refugees in neighbouring countries, where they usually lived in urban environments under tight control of the host government. The majority of young Afghans, who have grown up in refugee camps have therefore little notion of a meaningful autonomy from the central state anymore. They have been exposed to concepts of citizenship and entitlements, such as access to social services that shape their expectations towards an Afghan state. The absence of intact family, kinship and tribal identity-giving structures has made them open to more abstract forms of identity offered by nationalism, jihad and Islamism ((Baitenmann 1990, Nicholds and Borton 1994, and Newberg 1999). Returning refugees are also much more likely to move to Kabul than to their original villages. The urban population of Afghanistan has thus been growing exponentially since 2002, which contributes to a softening of the rural-urban dichotomy of the country.[96]

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[94] In this process, different aid agencies also became closely associated with particular commanders. Many agencies were vulnerable to becoming hostages of local commanders who used them in their rivalries and effectively prevented them from serving other communities or closing down their operations in their area. Overall, this situation also led to a geographically uneven distribution of aid with most aid reaching areas close to the Pakistani border and practically no aid going to the populations north of the Hindu Kush (Nicholds and Borton 1994: 51; Donini 1996).

[95] The extent to which military commanders have assumed power and dominate or supplant traditional governance structures varies from area to area and depends on the degree to which local communities were affected by the conflict (Beath et al 2010: 13).

[96] In 2005, ADB estimated the urban population share in Afghanistan at 20.3% with an annual growth rate of 2.9%, as opposed to just 15% of the population living in urban areas in 1979 (ADB 2006). The population of Kabul alone grew from about 900,000 in 1979 and less than 200,000 in 2000, to over 4 million in 2007. However, it remains the only city in Afghanistan with more than 350,000 inhabitants (Central Statistics Office, Afghanistan, 2006).

Changes that occurred within rural society as a result of the war have therefore opened up rural populations to the concept of the modern state, based on geographic boundaries and an ideologically defined common identity of its citizens. The destruction of the pre-war rural governance structures and their replacement by often abusive and externally financed commanders, as well as the extreme destitution of large parts of the population has, for the first time in Afghan history, also created a widespread public demand for a developmental state, and the expectation to be represented and protected by this state. In contrast to the pre-war time, when the rejection of a strong central state by rural society at large forced Afghan rulers into statebuilding strategies based on insulation, the post-Bonn period was at least in the initial years characterised by a strong popular demand for a modern, developmental and representative state (ICG 2003c: ii). This general public demand for a functioning central state has also found an expression in the relatively high participation of over seventy percent of registered voters in the first general elections that were held in September 2004 (Suhrke 2007: 7).

3.4   Summary

This chapter has explored in how far the history of state and conflict in Afghanistan provides an explanation for the seclusion of the international statebuilding effort from its Afghan context. It has identified two domestic factors that provide strong pressures for current statebuilding efforts to insulate themselves from the domestic Afghan environment:

First, the history of the Afghan central state as an externally resourced enclave with little links to and little legitimacy within rural society. Since the late nineteenth century, the Afghan central state has been an externally funded elite project of Western-style modernisation that never extended beyond the few larger urban centres of the country. Segregation from its own society rather than integration or representation was the key concept that allowed this state enclave to survive and flourish in an environment, which was deeply hostile towards its modernisation agenda. Throughout the twentieth century, the interaction between the state and rural areas remained limited, and rural Afghanistan continued largely to be governed by local elites along customary and Islamic principles. Effectively, the central state, although nominally extending across the entire national territory, was therefore never more than one of many regionalised governance structures in the country. Current statebuilding efforts can therefore not link back to a pre-war tradition of a modern central state with a monopoly over all relevant aspects of governance. The post-Bonn Afghan statebuilding agenda also faces the dilemma that the post-Bonn Afghan state is more than ever dependent on international legitimisation, finances and management and has thus little systemic incentives to reach out to its own population. In this situation the politics of insulation of the pre-war period are reproduced in an environment in which this strategy cannot lead to a peaceful equilibrium anymore.

The second factor that drives insulating statebuilding strategies is the impact of the conflict on rural governance structures. The war not only extinguished the elite that carried the state enclave, it also fundamentally altered the power structures and social fabric of rural society. The destruction of productive assets and the flight of large parts of the population from their homelands stripped traditional elites of their power and their ability to govern. International support to the resistance, both military and humanitarian, facilitated the rise of new local power holders, who became firmly integrated into international financial patron-client networks. Their ability to control rural populations derives from access to external sources of funding, rather than

from the populations themselves. In the 1980s, the main sources of funding were direct military aid and humanitarian assistance from the West or the Islamic World. In the 1990s, integration into international drug networks largely replaced military aid. The overwhelming strength of the narcotics sector not only provides an incessant stream of resources to contesters of the central state, and impedes attempts by the state to assert its monopoly over legitimate means of violence across the Afghan territory, but also directly undermines the state through corruption on an unprecedented scale.

In this situation, the state emerges as an internationally steered rentier structure that has neither been able to live up to the promise of being a representative of its citizens, nor to protect them from the abuse of illegitimate strongmen, nor to convincingly present itself as an honest and effective provider of public services. In a vicious circle, this situation has reinforced protective reflexes of the international aid community, which tries to safeguard its investments in the country from being drawn into these destructive dynamics, and thereby further cements the weak position of the government.

The chapter has however also identified a range of possible entry points into society that could work in favour of the statebuilding agenda. The illegitimacy of the *de facto* local power holders in the eyes of the populations under their control and their dependence on illicit incomes creates an instable situation that rules out a peaceful co-existence with the central state along the lines of pre-war Afghan society. However, it also opens a historic opportunity for the central state to assert itself and establish direct, legitimate relationships with its citizens. The protracted conflict has, on a large scale, exposed rural Afghans to new concepts of identity based on Islamism but also on nationalism. Through their experiences as refugees, the majority of Afghans have also been introduced to the modern state. In 2002, there was thus, for the first time in Afghan history, a broad based public support for the establishment of a modern, strong central state based on representation. The state and its international supporters have so far been unable to seize this opportunity and create positive links between the state and its citizens.

CHAPTER 4
CHALLENGING STATEBUILDING
AS IDEOLOGY

The previous chapter has found some evidence for the assumption that the domestic Afghan context challenges current statebuilding objectives in the country, and forces external actors to resort to insulating statebuilding strategies. It has, however, also shown that these insulating strategies cannot result in a stable political situation, and that the destructive dynamics of the Afghan conflict have effectively also created positive pre-conditions for the establishment of a democratic, modern state. The empirical study of Chapter Two has shown that the local context is only one factor that determines international actors' approaches. Normative imperatives, often manifest in pre-conceived notions of the 'why', the 'what' and the 'how' of the development process have emerged as one driving force of insulation. This chapter therefore focuses out of the Afghan context to take a closer look at the ideas, or ideology behind statebuilding and development and how these ideas interact with and create imperatives for institutional practices.

Ideology is an ambiguous term, which is most commonly used negatively to describe a distorted view of the world that serves as an instrument of the powerful to advance their particular interests. As Meyer et al. (2009) point out, 'any image of distortion or false representation of reality, is, ontologically, bound to the existence of an undistorted reality and, epistemologically, presupposes that this reality can be known' (Meyer et al. 2009: 4). Much of the critical literature on development actually takes this position in trying to 'unmask' the hegemonic and colonial interests of the US, or the Western world in general, that are hidden behind normative discourses and institutional practices.[97] While *realpolitik* certainly has an often overwhelming impact on practice – in fact, in Afghanistan it seems omnipresent – this line of argument is not the main interest of this study. The international development sector is as much driven by pure intentions, solidarity, and a vision to advance 'the good' for humanity, as it its often crippled by interventions of powerful and self-interested actors.[98] This chapter's concern is with these good intentions, our understanding of 'the good' and its implications for institutional practices and activities in the real world. It wants to explore what we actually mean when we talk about statebuilding, development and international responsibilities, and how we try to translate this meaning into practices. Mannheim's perspective on ideology as *Weltanschauung* that is relational knowledge, constituted by its socio-historical context (Mannheim [1936] 1968) is therefore more suited to my argument.

The first section of this chapter is concerned with this socio-historical context of our current ideology of development and statebuilding. It takes a historical look at the evolution of international norms that guide our understanding of state legitimacy and sovereignty, and of international responsibilities since the end of the Cold War. It specifically focuses on how international security concerns, an increased acceptance of cosmopolitan ethics, and a changed definition of development combine into the establishment of liberal market democracy as a new standard of 'civilisation' that claims universal applicability and competes with Cold War norms of

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[97] Much of the 'developmentalism' debate falls in this line. 'Developmentalism' is analysed as a Western hegemonic knowledge system and discourse that reflects and reproduces unequal power relations and underdevelopment. The bottom line being that 'development' is part of the problem not part of the solution. Here, the very concepts of scientific knowledge, progress, development and intervention are categorically rejected as systems of political, social and cultural subordination that effectively only serve the economic and realpolitical interests of the West (Escobar 1995, Rahnema and Bawtree 1997, Sachs 1992, Hobart 1993, and Crush 1995). Also Oliver Richmond (2004, 2005, 2006 and 2007), David Chandler (2004 and 2006) and Noam Chomsky (1999) take this position in their works that are more specifically focused on statebuilding and the liberal peace.

[98] See, for example, Lumsdaine (1993) who provides detailed evidence for the claim that development assistance has predominantly been given out of ethical considerations rather than out of a disguised self-interest.

nation-state sovereignty and the right to self-determination of peoples. It argues that the new focus on the individual's rights and opportunities has created far reaching international responsibilities towards individuals that effectively dissolve the distinction between a domestic and an international realm.

How does this ideological framework translate into institutions and activities? Sociology, particularly the school of 'New Institutionalism', has been the main contributor to exploring the relationship between ideology and institutional logics. There is much disagreement about how to best frame this relationship (Meyer et a. 2009). Simons and Ingram, for example, explain the relationship between ideology and practice as a uni-directional one: 'Attention to ideology suggests a simple theory of action: actors will pursue the ends their ideology values using means derived from their ideology. In this way, ideologies provide a set of first-order organising principles' (Simons and Ingram 1997: 787). Our activities are thus defined and driven by our belief system. Ideology defines the scope of action. Similarly, Williams asserts that development actors' practices are guided by the ideology of liberal market democracy, whose 'ideas, norms, and commitments are intersubjective and provide the resources for making sense of and acting in and on the world' (Williams 2000:559).

At the same time, however, the normative framework for statebuilding and development has also been influenced, and partly been constituted by material practices. In this vein, Long defines ideas in terms of capacities: 'As capacities they enable and make possible certain kinds of action or *ways of being in the world*, and they also constrain or preclude other types of meaning and action. They also constitute forms of power through their capacity to produce or contest certain cultural representations. This focus on practices implies therefore that ideas cannot be conceptualised as discrete mental events or objects' (Long 2004: 27). The relationship between ideas and actions is thus not only a one-way road. Our actions are guided by ideas, and our ideas are confirmed and solidified by our actions.[99]

The second part of this chapter is concerned with how international development actors have transferred ideology into institutional practices and what implications these practices have for the relationship between the state and international actors, between international actors and national citizens, as well as between the state and its citizens. It identifies a number of contradictions that emerge in the process of trying to operationalise the promotion of liberal market democracy through external intervention.

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[99] Chapter Five will discuss some of the mechanisms that lead international actors to participate in the construction of a normative framework that in practice creates quite problematic imperatives for them.

4.1 Ideological Foundations of Statebuilding

The international intervention in Afghanistan draws its legitimacy and its vision from a particular understanding of state sovereignty, which has developed in the post Cold War years, in response to changing perceptions on security, development, and international responsibilities.[100] This section aims to trace the recent historical evolution of these ideas, in order to provide a better understanding the norms that guide contemporary aid efforts.

Between 1960 and 1991, sovereignty was generally interpreted as the legal sovereignty of a state, mostly referred to as 'Westphalian sovereignty'.[101] It entails the international acceptance of statehood that is linked to the right to non-interference embedded in the UN Charter. Stephen Krasner has defined this type of sovereignty as the 'exclusion of external actors from authority structures within a given territory' (Krasner 1999: 4). Whether or not the state actually exercises control over its territory, and how, is irrelevant in this definition. Jackson has therefore argued that this practice effectively constituted a 'regime of negative sovereignty' as it conferred to mostly post-colonial states a formal-legal entitlement to non-intervention (Jackson 1990), independent of their ability to exercise control over their state territory.

Although the term 'Westphalian sovereignty' somehow suggests that this interpretation of state sovereignty had been in place for hundreds of years, the doctrine of non-interference was in fact a direct product of the process of decolonisation and the Cold War. It replaced the 'Standard of Civilisation' that had developed in the course of the 19th century as an international legal concept underwriting colonialism and justifying unequal contracts between 'civilised' and 'uncivilised' states (Gong 1984).[102] The 1960 General Assembly *Declaration on the Granting of Independence to Colonial Countries and Peoples* delegitimised the Standard of Civilisation by explicitly excluding the type or quality of domestic authority as a relevant parameter for obtaining the right to non-intervention: 'Inadequacy of political, economic, social or educational preparedness should never serve as a pretext for delaying independence' (UN 1960). Although international norms governing state – society relations where equally enshrined in UN documents, and theoretically restrained state sovereignty - such as the *Universal Declaration of*

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[100] A discussion of the changing meaning of sovereignty is only possible if one accepts that the term is not an unchangeable fact, as was long maintained, but a socially constructed reality. My following argument concurs with Biersteker and Weber who claim that 'the modern state system is not based on some timeless principle of sovereignty, but on the production of a normative conception which links authority, territory, population, and recognition in a unique way, and in a particular place' (Biersteker and Weber, 1996: 3; see also Barkin and Cronin 1994; Barkin 1998; and Clapham 1998).

[101] The term 'Westphaliam sovereignty' refers to the Peace of Westphalia of 1648 that established the concept of sovereign states with a right to non-interference in their domestic affairs in Central Europe. It only became applied as a universal norm of international conduct in the post-colonial era.

[102] Gerrit Gong (1984) provides a detailed historical reconstruction of the evolution of the Standard of Civilization, which emerged as an explicit legal principle and an integral part of the doctrines of international law in the course of 19th century European expansionism. Gong identifies five components of the standard, according to which a *civilised* state 'guarantees basic rights, i.e. life, dignity, and property; freedom of travel, commerce, and religion, especially that of foreign nationals; exists as an organized political bureaucracy with some efficiency in running the state machinery, and with some capacity to organize for self-defence; adheres to generally accepted international law, including the laws of war; it also maintains a domestic system of courts, codes, and published laws which guarantee legal justice for all within its jurisdiction, foreigners and natives alike; fulfils the obligations of the international system by maintaining adequate and permanent avenues for diplomatic interchange and communication; and by and large conforms to the accepted norms and practices of the *civilized* international society, e.g., suttee, polygamy, and slavery were considered *uncivilized*, and therefore unacceptable' (Gong 1984: 15).

Human Rights that had been adopted by the General Assembly in December 1948 (UN 1948); the *International Covenant on Economic, Social and Cultural Rights* (UN 1966a); and the *International Covenant on Civil and Political Rights* (UN 1966b) – the Cold War constellation of power meant that these were never allowed to challenge the supremacy of the international norm of non-intervention.

It was only in the post-Cold War years that the interpretation of sovereignty shifted towards a greater interest in what was actually going on *inside* legally sovereign states. While the principle of non-intervention remains unchallenged with regard to the legal recognition of statehood, domestic sovereignty, i.e. the sphere of state-society relations and the question of how public authority is organised within a state (Krasner 1999: 4), has become central to international recognition of legitimate authority. Zaum makes a clarifying distinction between the recognition of statehood on the one hand, which 'territorially defines a political community and identifies it as a member of international society, [and which] allows this community to make claims of authority over its territory', and on the other hand, the recognition of sovereignty, which is 'the external recognition of these claims to authority' (Zaum 2007: 35). What has happened after the end of the Cold War, he argues, is a conceptual separation of the concept of legitimate authority from the concept of sovereignty. Thus, a state can be a legally recognised member of the international community, but at the same time other states can refuse to recognise its sovereignty when they perceive a lack of empirical statehood, as evidenced in so-called 'failed states':[103]

> 'Failed states are juridical shells that shroud an insecure and even dangerous condition domestically, a state of nature. Such states have an international legal existence but very little domestic political existence. [...] They exist because the outside world recognizes them and respects their sovereignty regardless of their domestic conditions. They have a juridical existence but little if any empirical existence.'   (Jackson 2000: 296)

The norms that guide the post-Cold War preoccupation with empirical statehood have emerged from three initially distinct discourses of international security, human rights and development that are now understood as being interrelated and dependent on each other. Each of these discourses will be discussed separately in the following sections.

4.1.1   International Security and Empirical Statehood

With the break-up of the Soviet Union, the implications of state collapse and lack of state control over the territory under its jurisdiction moved to the forefront of international security concerns. Rather than the classical war scenarios of the Cold War era, it's the more complex and fluid threats related to refugee streams, organised criminality, the possible proliferation of weapons of mass destruction, and the emergence of international terrorism that are today perceived as the main threats to international security. These threats are all interpreted as symptoms of insufficient state control and state collapse and have thus imposed a shift away from the concept of negative sovereignty towards a preoccupation with the internal organisation of states. Positive state authority over a given territory has thus become a clear condition for international security, and, therefore, for international acceptance of a state's sovereignty.

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[103] The phenomenon of a lack of domestic empirical statehood has also been labelled 'quasi- states' (Jackson 1990); collapsed states (Zartman 1995); or 'shadow-states' (Beissinger and Young 2002).

It is, however, not the existence of authority alone, but also the *type* of authority, i.e. state-society relations, that have moved to the centre of interest. The most influential theory preoccupied with the causal link between a state's internal organisation and international security concerns has been the thesis of the Democratic Peace that claims that democratic states do not go to war against each other and are intrinsically more prone to be peaceful than non-democratic states (Doyle 1986, Lake 1992, Russett 1993). Although there is a substantial body of critical research refuting many of the assumptions made by the Democratic Peace theory (Geis and Wagner 2006), including the proposition that the relationship between democracy and peace is actually reverse, i.e. that peace is a precondition for the development of democracy as a form of state-society relationship rather than the other way round (Pietrzyk 2002), the thesis has contributed to the notion of an ultimate moral and political supremacy of Western liberal democracy over other governance structures. The Democratic Peace theory has become a backbone for foreign policy formulation of Western democracies and has served to legitimise an often aggressive move towards democracy promotion abroad as part of national and international security strategies (Helman and Ratner 1992; Eizenstat, Porter and Weinstein 2005).

4.1.2 Sovereignty as Responsibility

Another strong impulse for the international community to be more concerned about the insides of a state has come from cosmopolitan ethics. The rise of cosmopolitanism during the 1990s has changed international norms for intervention by providing an ethical fundament that places the equal moral value and dignity of each individual above all other units, such as communities or states.[104] According to cosmopolitan thought, states do not have legitimacy *per se*, but should be 'conceived as vehicles to aid the delivery of effective public regulation, equal liberty and social justice. They can be judged by how far they deliver these public goods and how far they fail' (Held 2003: 470). Particularly human rights concerns have contributed to a new definition of sovereignty not as a set of rights of a state *vis-à-vis* other states, but as a set of responsibilities of a state towards both, its own society and the international community.[105] Within this discourse, sovereignty and legitimacy are inseparable as states derive their rights from the degree to which they are legitimate. Legitimacy, in turn is a function of the extent to which a state serves and protects the rights of the individual.

By default, this focus on the security and freedom of the individual creates a direct responsibility of the international community towards all citizens – a responsibility that is activated when a state fails to meet its most basic obligations towards its citizens.

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[104] For a detailed presentation of cosmopolitan thinking see, for example, Held (2003); and Brock and Brighouse (eds.) (2005). For a critical introduction into the cosmopolitan – communitarian debate see Chris Brown (2000). For a fundamental criticism of cosmopolitanisms claims to universality see Müller (2006).

[105] The idea of sovereignty as responsibility can be traced back to 18th century European Enlightenment that identified the purpose of state sovereignty as the pursuit of ideal political and social arrangements manifest in human rights declarations, civil rights, and the duty to pursue economic development (Williams 2000: 563; Rothschild 1995: 60).

The influence of these theoretical ideas on international norms is reflected in a number of important policy documents. The most influential attempt to translate them into standards and norms for international action in the face of humanitarian crisis, and to create an operational decision-making framework for their implementation, has been the work of the International Commission on Intervention and State Sovereignty (ICISS), which produced the report 'The Responsibility to Protect' in 2001. The report's main achievement is a new definition of state sovereignty as contingent on the state's ability and willingness to protect basic human rights of its people:

> 'Where a population is suffering serious harm, as a result of internal war, insurgency, repression or state failure, and the state in question is unwilling or unable to halt or avert it, the principle of non-intervention yields to the international responsibility to protect. […] The responsibility to protect embraces three specific responsibilities:
>
> a) The responsibility to prevent: to address both the root causes and direct causes of internal conflict and other man-made crises putting populations at risk.
>
> b) The responsibility to react: to respond to situations of compelling human need with appropriate measures, which may include coercive measures like sanctions and international prosecution, and in extreme cases military intervention.
>
> c) The responsibility to rebuild: to provide, particularly after a military intervention, full assistance with recovery, reconstruction and reconciliation, addressing the causes of the harm the intervention was designed to halt or avert.'   (ICISS 2001: XI)

Sovereignty, within this logic, is redefined as responsibility, and where the state is not able to fulfil its responsibilities towards its citizens, the international community has to accept this responsibility and share the sovereignty with the failed state.[106] The concept of shared sovereignty of the ICISS report provides the basis for two important UN documents: The Secretary-General's High-level Panel on Threats, Challenges and Change produced 'A more secure world: Our shared responsibility' in 2004. In 2005, the report of the UN Secretary-General (2005) 'In Larger Freedom' followed. These documents constitute legitimising policy guidelines that provide a normative framework for international intervention in failed states.

From the perspective of sovereignty as responsibility, sovereignty is not an absolute term in the sense that a state is either sovereign or not, but a relative term in that a state is sovereign to the degree to which it can meet its domestic and international obligations. International intervention is thus not a violation of sovereignty but aims to restore sovereignty to a failed state, and statebuilding is an instrument for 'closing the sovereignty gap' (Ghani, Lockhart, Carnahan 2005).

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[106] While its supporters hail this 'ethical interventionism' as a new 'realistic idealism' that will go a long way in ensuring peace and prosperity for humankind (Gareth Evans, co-chair of the ICISS, 2007: unpaginated), there has been much critical debate on the moral legitimacy of the responsibility-to-protect concept, the ability to apply it consistently within the complexities of real world conflicts and power constellations, and the risks of ethical interventionism serving as a fig leave of the old 'might is right' behaviour in international relations (see Chandler 2004; Ignatieff 2001; and Todorov 2001).

4.1.3 Economic Development and Human Security

Since the early 1970s, the mainstream discourse on the core objectives of development, the means and processes needed for its realisation, and the appropriate actors to pursue them, has changed substantially.[107]

Development in the 1950s and 1960s was more or less equalled with economic growth, and the development discourse practically entirely focused on which strategy for economic growth should be pursued by national governments, who remained the sole legitimate actors to realise development.[108] This uncontested sovereignty of the state came under pressure from two seemingly irreconcilable directions. Neo-liberal economic theory identified the rationally acting individual as the only relevant unit of analysis and established the market and price mechanisms as the only and universal drivers of economic development, rejecting the idea that economic development in Third World countries was subject to special conditions (Pieterse, 2001: 6).[109] Instead, neo-liberalism asserted that overblown state bureaucracies, state-owned enterprises, and dirigiste national economic development plans effectively blocked economic development by creating debilitating market distortions. Neo-liberal theory thus singles out the state as a major obstacle to development rather than its agent, and establishes the market and its private actors as the only true developmental forces. In the 1980s, the International Finance Institutions adopted neo-liberalism as the main theoretical guide of their policies.[110]

At the same time, rising concerns about the social and environmental impact of the Green Revolution and large-scale industrialisation projects kick-started a shift in thinking that was initially confined to the grassroots and NGO sector within the development community. The reduction of development to a clearly-defined, one-dimensional parameter, such as economic growth, was perceived as unsatisfying, and it was attempted to find a definition of development that would take better account of the complexities of human life.[111] From the 1980s onwards, development was increasingly seen as a multi-facetted process, and poverty reduction rather than economic growth became its central objective. This more people-centred definition of development was brought into the mainstream in 1990 by UNDP who introduced the Human Development Index (HDI).[112] The HDI constitutes an attempt to provide a measure for a different definition of development than the, at the time, predominant economic one:

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[107] A detailed discussion of the development debate over time would go beyond the scope of this study. For an overview of the main theories on economic development from the 1950s through to the 1990s see Todaro (1997). For a critical deconstructivist discussion of the origins and evolution of the term 'development' see, for example Escobar (1995), Rahnema and Bawtree (1997), and Pieterse (2001).

[108] What kind of economic policies nation-states should pursue in order to achieve economic development was central to debates within both, modernization theory (Rostow 1960 and Huntington 1968) and dependency theory (Prebisch 1950 and Singer 1950).

[109] See Friedman (1962) for one of the earlier and most purist articulations of neo-liberal economic theory.

[110] The policy implications of neo-liberal economic theory have become known as the 'Washington Consensus' of the International Finance Institutions (see Williamson 1990).

[111] Particularly the publications 'Limits to Growth' (Meadows 1972) and the 'Brundtland Report' (World Commission on Environment and Development 1987) were instrumental in shaking up the conviction that poverty could be overcome simply through continuous growth. Early impulses for the debate go back to the radical rejection of Western concepts of progress and modernity in the works of Paulo Freire (1972) and Ivan Illich (1971).

[112] The HDI was developed by the Pakistani economist Mahbub ul Haq, author of the first UNDP Human Development Report (1990) and further mainstreamed by the economics nobel laureate Amartya Sen (see for example Sen 1999). It was officially introduced by UNDP in 1990. For the first time, it broadened the definition of development from a

> 'Human development, as an approach, is concerned with what I take to be the basic development idea: namely, advancing the richness of human life, rather than the richness of the economy in which human beings live, which is only a part of it.'
>
> Amartya Sen (1998)[113]

The human development approach defines development as 'a process of enlarging people's choices and enhancing human capabilities (the range of things people can be and do) and freedoms, enabling them to: live a long and healthy life, have access to knowledge and a decent standard of living, and participate in the life of their community and decisions affecting their lives' (UNDP Human Development website http://hdr.undp.org).

From 1994 onwards, the concept of human development has increasingly been superimposed by the new term of 'human security'.[114] In this process, the focus shifted from the state to the individual as the ultimate beneficiary of development, and the agency and responsibility for development also diversified with the state loosing its monopoly over the development process:

> 'Human security means protecting fundamental freedoms – freedoms that are the essence of live. It means protecting people from critical (severe) and pervasive (widespread) threats and situations. It means using processes that build on people's strengths and aspirations. It means creating political, social, environmental, economic, military and cultural systems that together give people the building blocks of survival, livelihood and dignity.'…'unlike traditional approaches that vest the state with full responsibility for state security, the process of human security involves a much broader spectrum of actors and institutions – especially people themselves.' (Commission on Human Security 2004: 4)

Although seemingly coming from opposed directions, neo-liberal economic theory and the human security framework have effectively both contributed to a mounting pressure on the autonomy of the nation-state, as they both refuse to recognise the state as the locus of development. Indeed, both approaches identify the state as potentially problematic from a developmental perspective: While neo-liberals are predominantly concerned with states' tendencies to over-regulate and distort the economy, Human Security is suspicious of the state because the latter espouses an inherent tendency to abuse its power, as evidenced by human rights abuses, corruption, and clientelism, thereby undermining and violating human security (Mc Cormack 2007: 79).

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narrow economic focus on per capita GBP, by introducing life expectancy and educational standards as additional variables for measuring the degree of human development a country had achieved.

[113] Quoted from http://hdr.undp.org/en/humandev/origins/ last accessed on 12 Feb 2010.

[114] For a comprehensive overview of the Human Security Framework and how it has evolved over the last decade, see Jolly, Richard and Ray (2006).

Despite this belief in the developmental capacities of non-state actors, however, the state's role is still recognised as pivotal in that it is seen as the only institution that can provide an enabling environment for these actors to unfold their developmental potential. The World Bank, for example, attributes governments 'a key role in fostering economic development through the provision of two sets of public goods: the rules to make markets work efficiently and correcting for market failure' (World Bank 1991: ii). Similarly, UNDP sees governments as the only agents that can create and guarantee a conducive political and legal environment for human development (UNDP 1997). The state's legitimacy is consequently a function of the degree to which it succeeds in this role, and the state's performance in this regard is clearly a matter of international concern.

The promoters of neo-liberalism and those favouring people-centred development thus found some common ground in the 1990s, as neo-liberals increasingly acknowledged the need for corrective action to counter balance market failures, particularly with regard to poverty reduction and environmental concerns, while UNDP and international NGOs accepted the principle of promoting a market-based economy as compatible with their own focus on the choices of individuals. The market and civil society were thus increasingly seen as the most important agents for economic and social development.

This shift in thinking has had two major implications. First, the responsibility for development has become more diffuse as an increasing number of local, national and international non-state actors are now perceived as legitimate contributors to the development debate and as actual agents of development.[115] Second, the broadening of the definition of development to encompass all aspects of human life substantially broadens the scope of legitimate and necessary intervention in dysfunctional societies – as the above quote from the Human Security Commission in 2003 illustrates, achieving Human Security 'means creating political, social, environmental, economic, military and cultural systems that together give people the building blocks of survival, livelihood and dignity.'[116] Human Security has thus effectively established an entitlement of the individual towards the international community.[117] It has also clearly established a normative conditionality for the right to self-determination of peoples, as the legitimacy of socio-cultural and religious belief systems of a society, and the resulting political and economic power structures, are subject to their compatibility with the realisation of the individual's right to human security.

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[115] See Chabbott (1999) for a discussion of how the changing development discourse since the 1950s has increasingly constrained nation-state autonomy and created space for non-state actors in development; and Rothschild 1995: 55.

[116] The human security concept has also been criticized for being so all encompassing that it looses meaning (Paris 2001), and actually creates even greater sources of insecurity by depriving people of their tangible political entitlements towards a nation-state (see Rothschild 1995 and McCormack 2007l for an elaboration of this argument).

[117] In the development realm, this entitlement has found its manifestation in the Millennium Development Goals (MDGs) which have been undersigned by the OECD member states and developing country governments, who accept joint responsibility for achieving specific development indicators by 2015, including the eradication of extreme poverty and hunger; universal primary education for all children worldwide; the promotion of gender equality; the reduction of child mortality; the improvement of maternal health; the combat against major diseases; ensuring environmental sustainability; and the development of an effective global partnership for development, including private sector actors (http://www.un.org/millenniumgoals/).

4.1.4   The Rise of Liberal Market Democracy as the Ideal State System

The once unquestionable international norms of state sovereignty and the right to self-determination of peoples have thus come under stress through a shift in the international normative framework since the end of the Cold War, which has increasingly accepted the rights and well-being of individuals as an ultimate responsibility of the international community. This shift in thinking has been facilitated by the establishment of causal relationships between international security concerns, national governance systems, and economic and human development. This causal link is well illustrated by the following quote of the then UN Secretary General, Kofi Annan:

> 'We will not enjoy development without security, we will not enjoy security without development, and we will not enjoy either without respect for human rights. Unless all these causes are advanced, none will succeed.'   (UN 2005: paragraph 17)

The resulting international responsibility to promote all of these objectives simultaneously has effectively dissolved the separation of an international and a domestic realm, and has substantially changed our understanding of the state. From a status where the nation-state has been an unquestionable entity that possessed legitimacy by exercising control over a certain territory, the state has been given a purpose: it is now conceptualised as an instrument for ensuring international security, human security and economic development (Williams 2000: 564; Rotschild 1995: 70). While the state is clearly still seen as the best instrument to realise these objectives, the degree to which this instrument's claim to exercise sole authority over the population under its jurisdiction is perceived as legitimate, depends on its effectiveness in achieving its purpose. A state that fails in this role therefore constitutes an international problem and triggers an international responsibility to carry out functions that would traditionally be under the sole responsibility of the nation-state.

This international responsibility has also forced a discussion on what type of state-society relationship should be promoted by the international community. Once the international community has intervened, the question also arises what the concept of shared sovereignty exactly comprises, and at what point the sovereignty gap is successfully closed. What type of state-society relationship and what type of state apparatus should the international community aim at, when it is charged with the task to 'close the sovereignty gap' of a failed state?

The question of the ideal state-society relationship and the ideal state apparatus has imposed itself most clearly in those cases where international administrations have fully taken over state authority as in East Timor, Kosovo or Bosnia-Herzegovina. In Afghanistan, the situation is more blurred, as international actors have not formally replaced the Afghan government, which remains legally sovereign. As has been discussed in the historical overview in Chapter Three, the nearly complete dependence of the Afghan government on international military presence, finances, and human capital effectively means, though, that international actors are confronted with similar normative issues there.

The trend has clearly been to identify one answer to these questions that claims universal validity for all cultural, political, and socio-economic environments worldwide: Liberal market democracy has emerged as the only legitimate prototype of a state system to be promoted by international actors.

This claim to universal validity only became possible through the collapse of the Soviet Union that triggered a flush of victory among the western world, probably still best epitomised by Fukuyama's proclamation of the 'unabashed victory of economic and political liberalism' and the 'triumph of the Western idea'(Fukuyama 1989):

> 'What we may be witnessing is not just the end of the Cold War, or the passing of a
> particular period of post-war history, but the end of history as such: that is, the end point
> of mankind's ideological evolution and the universalisation of Western liberal democracy
> as the final form of human government.' (Fukuyama, 1989: 2)

This quote encapsulates quite well the *zeitgeist* of the time, that has also been conducive to the belief that democracy is ultimately inevitable, and that countries that are undergoing political instability and regime change are automatically 'in transition to democracy.' Much research in the 1990s has been dedicated to understanding the conditions for and various phases of democratic transition, in order to inform democracy promotion in Eastern Europe, the former Soviet Union, and the Third World.[118]

In 1990, all European states, including Eastern Europe, the Soviet Union, and Turkey, signed the *Charter of Paris* (CSCE 1990), a glowing commitment to liberal market economy, which explicitly obliges all signatory states to democratic government, validated by regular free and fair elections; to the promotion of a liberal market economy; and to the observance of human and civil rights. In 1992, Franck claimed that the disqualification of the main contesters of liberal democracy, the 'dictatorship of the proletariat' and 'authoritarian modernisation' had left liberal democracy unchallenged as a political system. He observed the emergence of a universal right to democratic governance, and predicted the dawning of an 'era in which *only* democracy and the rule of law will be capable of validating governance' (Franck 1992: 49).

This claim is substantiated through the explicit adoption by international bodies of a definition of state legitimacy as a derivative of popular sovereignty, whereby the state only possesses delegated sovereign authority that is constrained by processes of political participation and accountability mechanisms. During the 1990s, democracy promotion became an explicit objective of practically all multilateral organisations and many bilateral development agencies. The Warsaw Declaration of the Community of Democracies (Warsaw Declaration 2000) declares the universality of democratic values. It was signed by over one hundred states. Also the United Nations adopted an open democratisation agenda in the course of the 1990s. In his Address to the General Assembly in December 1996, titled 'An Agenda for Democratisation', then UN Secretary General, Boutros Boutros Ghali, states that 'democracy is increasingly being recognised as a response to a wide range of human concerns and as essential for the protection of human rights' (UN 1996: 6). The United Nations Commission on Human Rights passed a resolution in April 1999, titled 'The Promotion of the Right to Democracy' (UN 1999), in which it explicitly spells out the 'right of democratic governance.' Following suit, the General Assembly affirmed its resolve 'to promote democracy and the rule of law, as well as respect for all internationally recognised human rights and fundamental freedoms, including the right to development' in the UN 2000 Millennium Declaration (UN 2000*)*. The UN document 'In Larger Freedom' explicitly establishes 'the principle that democracy does not belong to any country or region but is a universal right' and that 'the right to choose how they are ruled, and who rules them, must be the birthright of all

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[118] See Carothers (2002) for an overview of the transition debates of the 1990s.

people, and its universal achievement must be a central objective of an Organisation devoted to the cause of larger freedom' (UN 2005a: 38). Upon suggestion of the report, the United Nations Democracy Fund (UNDEF) was created in 2005 with the primary purpose to 'promote democracy throughout the world by providing assistance for projects that build and strengthen democratic institutions and facilitate democratic governance in new, emerging and consolidating democracies' (Dossai 2006: unpaginated).

Liberal democracy has thus clearly emerged as a new 'standard of civilisation' in the post-Cold War era. This new standard is also clearly reflected in the early vision of a 'new' Afghanistan that was formulated at the beginning of the international aid effort in 2002. The following quote of Hamid Karzai's opening speech at the Tokyo donor conference for Afghanistan in January 2002, was deliberately formulated in full conformity with international norms of liberal market democracy, in order to mobilise a maximum support of donors for the new Afghan government:

> 'Our vision is of a prosperous, secure Afghanistan. We are marching ahead with the objective of building a credible state with an efficient and transparent government. Our government shall be accountable to its citizens as well as to the international community. We will build an effective and competitive private sector, a well-developed civil society with democratic institutions. Our goal is that the rule-of law and transparent systems would eventually allow us to realize the potential of our own natural and human resources. We will work hard on attracting foreign direct investment, thus generating sufficient revenue to replace international assistance over time. This new Afghanistan would bring prosperity to its trading partners and stability to this region of the globe.'
>
> (Karzai 2002: unpaginated)

Similar to the 19th century standard of civilisation, this new standard mirrors the Western world (Paris 2002: 637). Jackson points out that this universalisation of fundamentally Western values constitutes a trend to replace the existing concept of a '*societas* of states'[119] with a new doctrine of an international community that is constituted by shared values – the values of the West: democracy, human rights, and the rule of law (Jackson 2000: 339). Although non-democratic states do not have to fear internationally sanctioned intervention as long as they are politically and socially stable and are not perceived as aggressive, international military interventions in Yugoslavia, Afghanistan and Iraq have partly been justified with the moral duty to spread Western values of democracy and human rights; and those states that are dependent on substantial external support for their survival have faced increasing pressures for democratisation and liberalisation of their political, social and economic spheres (Williams 2000: 568).

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[119] Jackson contrasts the concept of an international society of independent governments that agree on certain norms and practices for their interaction, including mutual recognition, equal sovereign immunities, reciprocity, adherence to treaties, safe conduct of ambassadors, etc., with the concept of an international community that is based on shared values, convergent political ideologies and political institutions (Jackson 2000:339ff).

4.2   Translating Norms into Practices

International development actors have actively participated in the construction of this new normative framework, particularly in establishing the causal relationship between security, human rights and development on the one hand and liberal market democracy on the other. When attempting to operationalise this normative framework into applied concepts and strategies, however, international aid actors face a number of dilemmas.

The first dilemma relates to the relationship between the different objectives that international actors are supposed to advance: The acceptance of individual entitlements towards the international community obliges international actors to ensure the delivery of services to citizens, which in cases of severe state failure such as in Afghanistan is often synonymous to direct service delivery. This direct responsibility towards citizens positions international actors as competitors to national state structures, and in practice counters their objective of building state capacities (Fukuyama 2005: 54).

The second problem is situated at the level of the relationship between national and international actors. Who defines the distribution of roles and responsibilities between these unequal partners and according to what criteria?

The third problem emerges at the macro level of defining the realisation of liberal market democracy as the final goal of international efforts: Failure to successfully transplant liberal market democracy into 'traditional' societies so far indicates that this universally accepted norm might not be universally applicable in practice. This insight has drawn international development actors deep into attempts of socio-cultural engineering with the aim to facilitate the emergence of the necessary preconditions.

The following sections discuss each of these problems in more detail.

4.2.1   Statebuilding versus Service Delivery

International norms formulate two types of tasks for the international community that tend to conflict with each other. The first type of tasks derives from cosmopolitan concepts of an international responsibility towards all human beings that have found their expression in the 'responsibility to protect' doctrine and in the Millennium Development Goals (MDGs) (see section 4.1). While the former limits itself to severe and large scale human rights abuses, the latter formulates direct responsibilities for international actors within the realm of state responsibilities, such as improvements in the income, educational levels and health of populations worldwide. Generally, the MDGs recognise the state as the prime responsible for these tasks, and donor strategies to achieve them focus on supporting state structures that deliver public services.

In a failed state scenario such as Afghanistan, however, where the state does have neither the infrastructure, nor the expertise, nor the resources to provide basic public services, international actors face pressure, and feel legitimised, to directly take on those responsibilities in order to advance human security more rapidly. As a result, international actors tend to build up their own structures of public service delivery that exist parallel to the fledgling state structures. In Afghanistan, this willingness to fulfil international responsibilities towards Afghan citizens directly has contributed to an aid flow pattern in which over 75 percent of the total aid disbursed to the country between 2002 and 2007 have been spent outside of government control.

Effectively, less than 3bn USD, or 16 percent of the total aid spent during this period have gone through the treasury of the Afghan government, and only about 1.7bn USD of this amount, or less than ten percent of total aid, have funded the government executed development budget (Chapter 3.1.).

This dynamic directly runs counter to the second set of tasks of the international community: statebuilding through closing the sovereignty gap of the failed state. As discussed above, international norms have established the introduction and strengthening of liberal market democracy as the most appropriate strategy to realise the nation-state's purpose as an instrument for ensuring security, economic and human development, and thereby enhance its domestic and international legitimacy. This, however, is difficult in an environment, in which the state remains redundant as its functions are largely taken on by international actors. As has been discussed in Chapter Two and in Chapter 3.4, the Afghan state's position within Afghan society as a legitimate representative of societal interests and as the holder of the monopoly over the legitimate means of violence remains marginal. The fact that the state also only features as a medium-sized service-provider of public goods in post-Bonn Afghanistan cements this marginal position. As Fukuyama has concluded with regard to other statebuilding attempts in Somalia, Haiti, Cambodia, Bosnia, Kosovo and East Timor:

> 'The international community…comes so richly endowed and full of capabilities that it tends to crowd out rather than complement the extremely weak state capacities of the targeted countries. This means that while governance functions are performed, indigenous capacity does not increase, and the countries in question are likely to revert to their former situation once the international community loses interest or moves on to the next crisis area.'
>
> (Fukuyama 2004: 139)

International norms have thus established competing sets of tasks for international actors. In general, it is much easier for international actors to deliver services directly (they have, for example, the know-how to build a school or a clinic) than to build the capacity of local civil servants to manage the delivery of public services themselves, as the process of transferring effective institutions is not well understood (see Chapter Five for a detailed discussion of this argument). International actors, keen to demonstrate success, will therefore favour the first set of tasks over the second – to the detriment of building an effective state.

4.2.2 The Relationship between National and International Actors

The establishment of an international responsibility for the development of societies from the state structure down to the individual and its choices has greatly increased the scope and depth of the mission of international development actors. This enhanced role is based on the concept of shared responsibilities that, in the case of Afghanistan, confers responsibility for the stabilisation and build-up of Afghan state structures, and for the advancement of the human security of the country's citizens onto two sets of actors, who derive their legitimacy from different sources.

Within the new normative framework, the state's legitimacy is most fundamentally derived from the principle of popular sovereignty and the state's contractual relationship with its citizens. This input legitimacy is a feature reserved to the state as international development actors generally do not have any contractual accountability linkages to their beneficiaries and can

therefore not claim to represent their interests in a delegated sense. In theory, it should ensure the supremacy of state legitimacy over the legitimacy of international actors. Turning to Afghanistan, this norm has been implemented through the Bonn Agreement and the ensuing process that reconstructed the Afghan state as a liberal parliamentary democracy. Officially, 'Afghanistan's political transformation was successfully concluded in late 2005' (World Bank 2007: v). The obvious mismatch between the *de jure* state and the *de facto* political realities that govern the country makes clear, however, that this legitimacy remains to be realised (see Chapter 2.3.-2.5.). The act of institutionalising liberal democracy in Afghanistan has thus not by itself established state legitimacy. It has only defined the aspiration of achieving state legitimacy through realising liberal market democracy and has thereby established the *potential* of achieving legitimacy at some point in the future *if* the state manages to sufficiently align the *de facto* realities with its *de jure* set up. From a statebuilding perspective, it is this gap between the vision of state legitimacy and the reality of state failure that legitimises and defines the scope of the activities of international development actors *vis-à-vis* the state and Afghan citizens. The mission of international actors is to close this gap and realise the vision enshrined in the formal architecture of Afghan state-society relationships.

Since international development actors cannot fall back on a public mandate of their beneficiaries, their organisational legitimacy is derived entirely from two sources: The first is the claim of being politically neutral agents in pursuing 'the good'. Practically all multilateral development agencies have adopted a doctrine of political neutrality, in order to ensure that their interventions do not violate the right of their client states to political non-interference. This doctrine, however, also forces them to conceptualise development in apolitical terms (Bøås and McNeill 2004: 4). They therefore have to extract their interpretations of the international norms from the political sphere and define 'the good' in scientific or technical terms that need not be subjected to public consent.

The second source of legitimacy of international development actors is derived from the claim of being good at doing good. Output legitimacy therefore becomes a defining factor.

In a context like the Afghan one, where the political, i.e. the input legitimacy of the state remains close to nil, the legitimising framework of the international aid actors defines the distribution of roles and responsibilities between the state and international actors. Given the unequal distribution of resources between the Afghan government and international actors, it is clear that the latter define the agenda for closing the sovereignty gap and take on the bulk of state responsibilities. As Tara McCormack has put it in the context of human security, 'responsibility for upholding human security is determined by who is *able* to act, not who is *authorised* to act' (Mc Cormack 2007: 87). This also means that definitions of statebuilding overwhelmingly focus on politically neutral concepts of building state capacity for the management of developmental processes, rather than on closing the sovereignty gap of the state by addressing its lack of input legitimacy. In this process, the state is redefined as a service provider and the citizens as its customers and contractors.

The idea that the focus of statebuilding should be on the creation of a politically neutral state apparatus is quite well brought to the point by Chesterman, Ignatieff and Thakur, who claim that:

> 'One of the most important requirements for making states work, […], is the creation of apolitical bureaucratic structures (civil service, judiciary, police, army) supported by an ideology that legitimates the role of neutral state authority in maintaining social order through prescribed procedures and the rule of law.' (Chesterman et al. 2005: 2-3)

The dominance of international actors in the definition and execution of state responsibilities therefore has a depoliticising effect on our understanding of government and governance. It does so by transferring deeply normative and political questions onto an apolitical, technical level that precludes questioning and effectively dissolves the need for political representation. This dynamic can be traced well by examining the 'good governance' agenda that has become the most successful and influential translation of 'the good' and that has shaped statebuilding and development practice worldwide, including in Afghanistan. The following section looks at the concept of 'good governance' as a guiding framework for technical support to failed states.

4.2.3 Good Governance and Managerialism

The normative goal of establishing liberal market democracy has found an operational concept in 'good governance'. The concept was developed in the course of the 1990s, and has today been adopted by all major multilateral and bilateral development agencies as the catalyst *per se* for overcoming poverty, inequity and insecurity, and as a necessary precondition for aid effectiveness (Santiso 2001b).[120] Good governance has become the distinguishing attribute of a state that has the capacity to control its inherent negative tendencies, and to play its role as an enabler and guardian of human security and economic development. It is today the most important concept to guide both the definition of a sovereign government and the conceptualisation of actual statebuilding strategies for closing the gap between the vision of government and its reality. Although most explicitly applied to the state, the concept stretches beyond state structures to encompass all social structures of society that are seen as relevant for the state to function.

The importance of 'governance' as a factor that determined aid effectiveness was first articulated in 1989 in a World Bank report on Sub-Saharan Africa that identified a 'crisis of governance' as the root cause for lack of progress in development (World Bank 1989; Santiso 2001b: 5). In 1991, the World Bank produced its first comprehensive discussion paper, titled 'Managing Development: The Governance Dimension', which defines governance as 'the manner in which power is exercised in the management of a country's economic and social resources for development' (World Bank 1991: i).

The immediate problem that arose for the World Bank when trying to take account of political considerations in its own analysis and design of appropriate development interventions, has been its strictly apolitical mandate that is restricted to politically neutral, technical interventions to foster economic development. In the cover letter to the Bank Managers that accompanies the 1991 discussion paper, the then World Bank president, Conable, therefore

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[120] Santiso has provided a detailed discussion on the origins and application of the good governance concept, particularly by the World Bank (Santiso 2001a and 2001b).

makes an explicit point to remind his managers that they should be careful not to exceed the Bank's mandate 'in ways which could be interpreted as interfering in the political affairs of our borrowers' (World Bank 1991: cover letter). He also makes it clear that the Bank's interest in governance is of a purely technical nature and thus unavoidable:

> 'I want to emphasise that this is not a policy paper or a call for a new initiative. It establishes a coherent framework for efforts going on in different parts of the Bank, and reaffirms certain basic propositions: that efficient and accountable public sector management and a predictable and transparent framework are critical to the efficiency of both markets and government interventions – and hence to economic development.'
>
> (World Bank 1991, cover letter)

While the adoption of governance as a key variable in explaining economic performance of a country substantially broadened the area of necessary interest and intervention of World Bank programmes, the Bank's own political environment made it necessary to construct a functionalist definition of good governance, which enabled it to detach technical and economic questions from politics (Bøås 2001: 2).

The Bank identifies four key dimensions of governance that lie within its mandate, namely 'capacity and efficiency issues in public sector management, accountability, predictability and the legal framework for development, and information' (World Bank 1991: Executive Summary). It thus focuses exclusively on technical reforms within state institutions with the aim to construct a 'neutral' state that ensures the proper functioning of the economy (Williams and Young, 1994: 94). This was very explicitly expressed in the 1992 publication, 'Governance and Development' that defines good governance as 'sound development management' (World Bank 1992: 1).

In the course of the 1990s, UNDP also adopted good governance as a tool for achieving human security. The human security perspective was more able than the World Bank's focus on economic development to frame good governance in holistic terms, and in 1997 UNDP established a more comprehensive definition, which also reflected its own broader mandate:

> 'Governance can be seen as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.
> Good governance is, among other things, participatory, transparent and accountable. It is also effective and equitable. And it promotes the rule of law. Good governance ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources.
> [...] Good governance defines the processes and structures that guide political and socio-economic relationships. Governance encompasses the state, but it transcends the state by including the private sector and civil society organisations. All three are critical for sustaining human development. '   (UNDP 1997, unpaginated)[121]

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[121] Practically all major international and bilateral development agencies have, in the course of the 1990s, developed definitions of good governance and policy guidelines of how to promote good governance (see, for example, EC 2006). Although there is no internationally agreed definition of 'good governance', most definitions are compatible with UNDP formulation of the concept of 1997.

Although this broader definition explicitly includes the political realm, it nevertheless remains apolitical in its formulation: promoting good governance is about making processes of governance more 'effective, equitable, transparent, accountable and participatory'; it is about 'mechanisms, processes and institutions', not about ideas or the substance of politics. The concept of good governance thus appears value free and neutral, and UNDP explains that its own comparative advantage in promoting good governance is, among other things, its impartiality (UNDP 1997).

The disentanglement of governance (mechanisms, processes and institutions) from politics (ideas and power) and its application to all aspects of social relations within a society has effectively furthered a managerial view of the world[122] and has bestowed non-state actors with a legitimacy to govern in the sense of promoting and enforcing accepted principles of good governance (Ziai 2006: 72; Onuf, 1998: 153-162). The dominant conviction today is that we know what the problems are, that we know what processes need to happen for them to be solved, and that we just need to become more effective in *managing* these processes:

> 'We know what needs to be done to have a world with shared prosperity and a sustainable
> future. Can we get our act together to govern our affairs better in the new global order?'
> (Salil Shetty, ActionAid CEO, quoted from Murphy, 2008: 35)

> 'There is enough wisdom, money, and practical experience in the world to achieve the goal
> of statebuilding.' (Ghani and Lockhart 2008: 222)

In this view, since the truth is known, there is no need to struggle over ideas anymore. Politics thus becomes a nuisance factor, more often characterised by self-interest and rent-seeking on the part of politicians than by constructive inputs into the process of public policy formulation (Santiso 2001b: 6). The goal of realising an acceptable degree of good governance is therefore also not achieved through a political process but through what one could call management tools: achieving 'local ownership' of the principles of good governance and building the capacity of a local elite within the state, the private sector and civil society to realise these principles.

This tendency to separate the act of governing from politics and political institutions has been very visible in Afghanistan, where the newly installed democratic institutions of the country have been excluded from decision-making processes related to the flow of aid. In a situation in which over ninety percent of direct or indirect government expenditure is aid financed, this has effectively deprived the political institutions of their capacity to influence and control the policies of the government. Chapter 2.3 has discussed this insulation of governance from political processes in the post-Bonn Afghan context.

This focus on the technical, however, veils the issue of the value system that carries a state apparatus. While the good governance agenda provides a good example for the managerialism inherent in the world view of international development actors, its origins are closely linked to another problem that emerged in the attempt to apply liberal economic policies to developing country contexts. This is the realisation that the institutions and processes of liberal market democracy cannot simply be universally applied, but that they need certain socio-cultural preconditions to be met in order to function.

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[122] Murphy provides a critical historical overview of global managerialism and its application by the international development community (Murphy 2008)

4.2.4   Is Liberal Market Democracy Universally Applicable?

The origins of the 'good governance' perspective are related to the sobering experience of the structural adjustment programmes that were enforced by the International Finance Institutions (IFIs) in the 1980s, and whose recommendations were based on a neo-liberal analysis of economic policies. Their failure to produce the envisaged effect of unleashing the economic potential of the host countries and their often severe social consequences increasingly questioned the legitimacy of the IFIs, and focused more attention on the interaction between technical approaches to economic development on the one hand and the political, social and cultural environment within which they were implemented on the other (Williams and Young 1994: 89).

The fundamental problem, which is linked to an apolitical framing of governance, was already understood by the World Bank early on. It was hinted at in the 1991 discussion paper on Managing Development (see previous section), which recognises that governance is effectively about the 'underlying institutional characteristics of societies' (World Bank 1991: 4) and that 'while donors and outsiders can contribute resources and ideas to improve governance, for change to be effective, it must be rooted firmly in the societies concerned, and cannot be imposed from outside' (World Bank 1991: 7). In 1992, Pierre Landell-Mills, Senior Policy Advisor of the Bank for the Africa Region, wrote an article on 'Governance, Cultural Change, and Empowerment' (Landell-Mills 1992), in which he discusses the need for institutions of governance to be embedded in a supportive cultural context in order to be sustainable. What the article effectively calls for is a democratisation of state-society relationships; a selective adoption of local traditions, beliefs and structures as long as they are compatible with modernisation (in the sense of liberal market democracy) – and their rejection if they are not compatible (Landell-Mills 1992: 545); and the promotion of participatory modes of development assistance in order to foster the 'long-term process of changing mentalities' (Landell-Mills 1991: 565). What results from this understanding is that a technical governance agenda that focuses exclusively on state institutions can only be successful within a supportive liberal public sphere (Williams and Young, 1994: 94) that recognises the modern liberal state as its legitimate and sole representative.

This insight has focused attention on the social and cultural transformative processes, which are necessary in order to achieve a compatibility of non-western societies with liberal market democracy. It also makes clear that a statebuilding agenda, which rests on the assumption that liberal market democracy is the only system of organising a society, which will simultaneously produce the interrelated objectives of security, human rights and development, reaches much deeper than the discourse on democratisation and human security suggests. While the discourse mostly concentrates on the 'failed state' as if it was an apparatus detached from society, the failure of international development policies to successfully transplant liberal market democracy has demonstrated that behind a 'failed' state is often a 'failed' society – a society that has not succeeded in creating the political, economic, social, and cultural systems conducive for achieving peace, stability, and human development.

Williams (1999) has convincingly argued that liberal market democracy can only function in a societal context, which accepts the prerequisite concept of individualism that underwrites liberalism and democracy – an insight that necessitates deep-reaching interventions into the socio-cultural fabric of 'failed' non-Western societies, and that ultimately calls for the creation of 'the modern self'. Existing patterns of behaviour in 'traditional' societies often do not follow the

requirements of rational individualism. To the contrary, they are rooted in concepts of community that stand in direct opposition to the atomistic identities of the ideal rational individual (Chatterjee, 1990: 123-128). These communal identities are generally disqualified by international actors as traditional, clientelistic, ethnic or tribal, corrupt, oppressive, and so on. The World Bank has formulated this quite explicitly in the African context:

> 'As long as the economy of affection is able to influence behaviour in the civil public realm […] governments in Africa are likely to remain paralysed […] it is a problem with roots in society. To that extent it is clear that improvements in government performance are dependent on the transformation of society.' (Hyden 1983, quoted from Williams 1994: 96)

The realisation that liberal market democracy is not simply transferable but needs a specific socio-cultural context to function creates a dilemma for development actors, as it points to the fact that this universally accepted norm is not universally applicable. Williams traces this dilemma back to the basic assumptions of liberal economic theory:

> 'The natural possession of economic rationality justifies the pursuit of market-based economic arrangements. But if the emergence of economic rationality requires locating individuals in new institutional arrangements and inculcating new habits, then economic rationality is not naturally possessed by individuals.'   (Williams, 1999: 89)

The result is a circular logic. Rational individualism, the most fundamental underlying assumption of modern economic theory, has been identified as a pre-condition for the universal applicability of liberal market democracy as a superior way to organise state-society relations. The realisation that many non-Western societies do not behave sufficiently according to the postulates of rational individualism – far from questioning the universal validity of liberal market democracy – has turned the 'scientific truth' into a normative goal. It seems now that the international community needs to aid societies to become more compatible with the postulations of rational individualism, so that the internationally identified solution of liberal market democracy can work. Chapter 2.4 has traced this process in the Afghan context, where attempts to expand the societal space for a modern state through external socio-cultural engineering have resulted in the construction of foreign-owned civil society enclaves, while existing organisational capacities within Afghan society have been ignored and marginalised.

Quite ironically for an ethic that centres on the individual and its rights, this necessity to construct the individual's self-perception and the socio-cultural fabric of society in conformity with liberal market democracy prevents us from respecting the individual as it sees itself, and from fruitfully interacting with it. Our normative framework forces us to see the self-identity of a non-Western society, such as the Afghan one, as an illusion that needs to be overcome. Taylor has aptly described this process as follows:

> 'To speak of social science as correcting everyday understanding is to invite scientists of a dominant culture to "correct" the self-understanding of the less dominant ones by substituting their own. What is really going on then becomes simply what we can recognize in our own terms; and their self-descriptions are wrong to the extent that they deviate from ours.'   (Taylor 1985: 124)

What can be followed from this argument is that the specificity of the international normative framework, which has identified a very particular and exclusive solution to problems of development and security, causes an inability to adjust internationally defined solutions to local identities. Consequently, local identities have to be adjusted to the solution. This implies that local citizens will only have the capacity to fully take over government when they have fundamentally changed their traditions and values. The right to political agency thus becomes conditional on the 'political maturity' of the agent, and 'political maturity' has become synonymous to ownership of the values that carry liberal market democracy.

The rise of concepts such as 'local ownership', which was aptly described by Astri Suhrke in the Afghan context as 'their ownership of our ideas' (Suhrke, 2007b: 1292), and 'capacity building' is clearly linked to the need to engineer local identities compatible with the liberal market democracy project. Often, what terms like 'a lack of local ownership' or 'a lack of capacity' actually express, is a lack of compatibility between local ways of doing things, attitudes, values, and processes, and the import of the liberal market democracy system and values. This dynamic is an important driver of the exclusion of Afghan society from the internationally steered development process. It partly explains the continuous and long-term substitution of local actors through international actors witnessed by Afghan government institutions. It has been visible in the strategy of creating insulated cells within government ministries; cells that are composed of progressive individuals, who have internalised the values of the international aid effort, and who are protected from the corrupting impact of wider government structures and pressures from Afghan society (Chapter 2.2). It has been strikingly obvious in the attempts to stimulate Afghan civil society that have resulted in the creation of a parallel, foreign induced civil society sector deemed more compatible with the values of liberal market democracy than the existing civil society structures (Chapter 2.4). It also contributes to the exclusion of parliament from decision-making processes (Chapter 2.2). Overall, what can be observed in the Afghan context, is that the need to ground state institutions in a supportive societal environment, creates a domino effect of interventionism that starts at the level of state institutions and goes all the way down to individual identities. The final implicit aim must be to completely remould society as the import of a political system and its institutions can only be successful in tandem with the acceptance of the value system that delivers them. Apart from the ethical question whether this is 'right', the scale of the task begs the question of feasibility and makes the 'yes we can' claim of the international aid community appear heroically naïve.

4.3 Summary

This chapter has been concerned with the ideological foundations of the statebuilding effort in Afghanistan, and with the inherent contradictions that emerge when abstract normative goals are translated into actual policies and practices. In a first part, it has discussed two main ideological shifts in the post-Cold War era: First, the reinterpretation of national sovereignty as contingent on a state's ability to fulfil its responsibilities towards its population and the international community. Derived from this new concept of sovereignty is an international duty to assume state responsibilities in case of a state's failure to carry out its responsibilities. Second, the rise of liberal market democracy to a new standard of civilisation that has resulted from the convergence of normative discourses on international security, human rights and development. While the first shift establishes and defines the legitimacy of international interventions in failed states, the second shift defines the objectives and the scope of international intervention.

In a second part, the chapter has looked at the implications of this new normative framework for the practice of statebuilding in failed states. It has identified three contradictions that emerge in the operationalisation of the new normative framework and that ultimately work against the goal of statebuilding and democratisation:

The first contradiction lies in the competing nature of tasks that result from transferring state responsibilities onto international actors on the one hand, and from aiming at strengthening the state's ability to perform these tasks on the other. The articulation of the provision of public goods as the ultimately joined responsibility of sovereign states and the international community inevitably relativises the role of the state and positions international actors as competitors to state structures. In a situation such as in Afghanistan, where the state's ability to provide public services of any kind is extremely limited, this leads to the substitution of the state by international actors. For the latter, it is much easier to directly deliver services to the Afghan population than to build up an effective state infrastructure – a process that is not well understood. The immediate need to provide public goods therefore crowds out the more long-term goal of strengthening the state's capacity to provide public goods and thereby undermines the legitimacy of the state.

The second contradiction is grounded in the fact that international actors derive their legitimacy from different sources than the state. Following the international normative framework, the state's legitimacy can ultimately only stem from the political delegation of power through democratic processes. International actors, by contrast, cannot fall back on a public mandate of their beneficiaries, and therefore derive their legitimacy exclusively from their claim of being neutral agents in the pursuit of 'the good,' and through demonstrating effectiveness in this pursuit. They have therefore developed a managerial view of governing as demonstrated in the concept of 'good governance' that is today dominating approaches to statebuilding and development. The dysfunctional political context of Afghanistan and the dominance of international actors in the production of government policies and practices has imported this managerial view of legitimacy into the state – at the expense of democratic legitimacy. International actors focus on legitimising the state by turning it into an efficient manager of development processes, measurable by its increased output legitimacy and an improved 'customer satisfaction', rather than by trying to improve the political legitimacy of the state. Management thus becomes a substitute for political processes. The equally internationally created new democratic institutions of the state are marginalised in the process. This dynamic effectively undermines the goal of furthering democracy.

The third contradiction inherent in the current normative framework is the tension between the elevation of a specific way of organising state-society relations – liberal market democracy – to a universal norm, and the absence of the preconditions for this system to work in so-called 'traditional' societies. Practice has shown that in order for the institutions of liberal market democracy to function, they need to be embedded in a supportive socio-cultural environment. More specifically this means that societies and individuals have to sufficiently behave according to the assumptions of rational individualism on which liberal economic theory rests. The realisation that this is not the case has not led to a questioning of the universal validity of liberal market democracy as the fit-for-all solution. Instead, it has drawn international development actors deeply into attempts of socio-cultural engineering, with the rather absurd objective to adjust the problem to the solution. In the Afghan context this absurdity becomes clear, when one realises that the societal incompatibility with the imported governance system positions Afghans as a threat to their own development. As a result, the individual and its identity have become a target of international intervention, and participation in decision-making processes becomes conditional on the maturity of the agent. This logic creates imperatives for insulating the international aid efforts from domestic influences and contributes further to the establishment of managerialism as a form of governance.

The result of these inherent contradictions is the marginalisation of political processes and the state itself. The main governors and public service providers in the country are international actors, who derive their legitimacy from demonstrating compatibility with the international normative framework, rather than through demonstrating compatibility with the domestic environment. By framing development as a management problem rather than as a political problem, the depoliticisation of the developmental and statebuilding process, and the insulation from an alien and potentially corrupting domestic environment, inevitably become important aspects of self-legitimisation of international actors.

The outcome is paradoxical in as much as a normative framework that formulates the rights and entitlements of individuals worldwide as its central objective, produces systems and practices that dissolve political obligations and effectively disempower and marginalise individuals in 'failed' societies.

CHAPTER 5
CHALLENGING THE ORGANISATIONAL PRACTICE OF STATEBUILDING

In how far is the structure of the aid delivery system itself responsible for the failure to achieve progress in statebuilding? The case studies in Chapter Two have shown how, in many instances, dynamics that are inherent to the aid system itself produce closed decision-making processes and are ultimately counterproductive to the aims of the statebuilding and development effort in Afghanistan: the multitude of aid actors; the complex chains of aid delivery involving many different layers of implementing agencies; the subordination of official aid objectives to short term political or military goals; the drive for control over the use of funds; the blurring of boundaries between the international aid system, the Afghan state and civil society; and the incentives facing both aid workers and designated beneficiaries, are all examples for these counterproductive dynamics of the aid system itself.

Many of these problems have been pointed at in critical project studies, by the media, or by individual written contributions of aid workers (the case studies in Chapter Two have drawn substantially on these types of accounts), and they are well known amongst aid workers. To my knowledge, however, there has so far not been an attempt, at least not for the Afghan case, to understand the relationships between the many aid actors, and the implications of these relationships for the overall aid effort in a more structured manner.

In many aspects, the Afghan aid context is not unique, but reflects general structures and relationships between actors in the international aid sector. However, there are few theoretical works that this study can draw on, as academic interest in analysing and explaining the organisation of the aid machinery itself has been extremely limited. Instead, the focus has been primarily on normative debates about the purpose of aid policies and strategies on the one hand, and on analysing the social, political, and economic conditions of aid recipients (and their ability to use aid productively) on the other. The view that 'development' is a relatively straightforward transfer process in which developed countries pass on existing knowledge and capital to developing countries has largely precluded a problematisation of the transfer process itself (Tendler 1975: 10; Easterly 2002: 227). The entire apparatus responsible for the definition and implementation of aid strategies has thus largely remained a black box.

The few academic contributions that focus explicitly on explaining the performance (or lack thereof) of development as a function of the structures and incentives within the development sector itself, stem from different disciplines including social anthropology (Quarles Van Ufford et al. 1988; Ferguson 1990; Cooke and Kothari 2001), political sciences/ development studies (Hulme and Edwards eds. 1997; Wallace, Bornstein and Chapman 2007), psychology (Carr et al. 1998), and economics (Tendler 1975; Porter, Allen and Thompson 1991; Martens et al. 2002; Easterly 2002; and Gibson et al. 2005). These authors have investigated different aspects of the aid system. Some have looked at specific public donor agencies, others at NGOs and their operating environment, and yet others have a specific geographical focus.

Although these authors approach the development apparatus from very different theoretical perspectives, they all identify incentive structures inherent in the organisational set up of aid that lead aid actors with the best intentions to act in ways, that directly counter the official goals of development. What has been observed is marginalisation in the name of empowerment, institutional destruction in the name of institution-building, and re-colonisation in the name of statebuilding.

It seems that when 'opening the black box', two interrelated areas of analysis are particularly important: On the one hand, the specific nature of the task that development agencies have to carry out, and its interaction with the organisational environment in which they have to operate. On the other hand, the organisational complexity of the aid system, and the impact that the relationships between the multiple aid actors have on the outcomes of development aid. Both areas will be explored in detail, and discussed in the Afghan context in the following sections.

5.1   Development Assistance - The Nature of the Task

'The environment that created aid bureaucracies led those organizations to (a) define their output as money disbursed rather than service delivered, (b) produce many low-return observable outputs like glossy reports and "frameworks" and few high-return less observable activities like ex-post evaluation, (c) engage in obfuscation, spin control, and amnesia (like always describing aid efforts as "new and improved") so that there is little learning from the past, (d) put enormous demands on scarce administrative skills in poor countries.'   (Easterly 2002: 226/7)

Organisations that are charged with the task of carrying out 'development' are placed within a uniquely challenging environment characterised by ambiguity and uncertainty. First of all, the very rational for establishing official aid agencies in the first place was based on the premises that the process of transferring wealth to poorer nations was known.[123] US President Truman's Four Point Program, announced in his Inaugural Address in January 1949 (Truman 1949), is generally taken as the starting point of international development assistance. His announcement of the establishment of international aid institutions reflects the assumption of development being simply about the transfer of wealth:

'We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas. More than half the people of the world are living in conditions approaching misery. Their food is inadequate. They are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas. For the first time in history, humanity possesses the knowledge and the skill to relieve the suffering of these people.'   (Truman 1949: paragraphs 44-47)

The economic growth models that were fashionable in the 1950s and 1960s suggested that the levels of aid needed to kick-start a self-sustaining economic growth in developing countries could simply be calculated as a function of the investment gaps these countries faced (Rostow 1960). This started a tradition of presenting precise figures of aid required to overcome poverty (Easterly 2002: 227). Although these kinds of models have by now been abandoned and replaced by more complex understandings of the development process (see also the discussion in Chapter Four), the trend to sell development to the public as a function of overall aid available has continued up to today (Easterly 2002: 227). Statements along the lines of – we know what needs to be done, we just need the resources and the political will to do it – have accompanied the

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[123] The following argument focuses predominantly on public aid agencies as the overwhelming majority of development aid enters the aid system through public channels. Non governmental aid actors face similar issues, not only to the degree to which they are funded by and therefore subject to the same structures as aid bureaucracies, but also because of the inherent nature of the development task.

development project ever since. The Millennium Development Goals are its most recent manifestation. At the 2002 UN International Conference on Financing for Development in Monterrey, the World Bank president, James Wolfenson, framed it like this:

> 'What is the price we are willing to pay to make progress in our lifetime towards a better world? [...] We estimate that it will take on the order of an additional $40 to $60 billion a year to reach the Millennium Development Goals – roughly a doubling of current aid flows – to roughly 0.5 percent of GNP, still well below the 0.7 percent target agreed to by global leaders years ago. […] Does anybody really believe that the goal of halving absolute poverty by 2015 is not worth this investment?'   (World Bank 2002: 11)

Similarly, in their recent book on statebuilding, Ghani and Lockhart assert that there is 'enough wisdom, money, and practical experience in the world' to achieve the goal of statebuilding' (Ghani and Lockhart 2008: 222).

Also within the specific Afghan context, the view is widespread that the problems of the statebuilding effort can be explained with the insufficient quantities of aid available, which, it is argued, have been way too meagre to enable the modern state to assert itself over other forms of governance. This argument quotes the costs of the military campaign in Afghanistan and the *per capita* aid spending in relation to other post-conflict scenarios as benchmarks for what might be considered appropriate levels of aid. For example, all civil aid adds up to only about seven percent of US military spending in Afghanistan. The country also only received 57 USD per capita during the first two years of the intervention, whilst Bosnia and East Timor received 679 USD and 233 USD *per capita* respectively (Waldman 2008: 7). These comparisons are, of course, problematic in that statebuilding has not been particularly successful either in Bosnia or in East Timor, despite the larger *per capita* aid investments there. Also, the comparison to military spending is more illustrative of the ability and willingness of Western governments to spend vast amounts of public money on military purposes as opposed to aid, but not in itself an indicator of what levels of aid might be necessary in order to successfully carry out the statebuilding project in Afghanistan. It seems difficult to make the case that it is simply a matter of spending more money in order to secure success.[124]

Global experience so far, does not provide evidence for the view that development is a function of the quantities of aid available: Even after over half a century of aid and well over 2 trillion USD spent[125] it has not been possible to establish a causal link between aid levels and macro-economic growth or broader development indicators (White 1992; Boone 1994; Burnside and Dollar 1996; Dollar and Svensson 1998; Tsikata 1998; Easterly 2003). The continuous shift in definitions of development and strategies appropriate for its achievement (see Chapter Four), indicates more than anything else that we actually do *not* know how the transfer of wealth functions. In her detailed study of USAID, Judith Tendler (1975) pointed to the fact that

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[124] In Afghanistan, the capacity of all actors involved in delivering aid has been seriously overstretched since 2002. This has not only resulted in quality problems in project design and implementation, but has also seriously impacted on the skilled labour market triggering a fierce competition among government and implementing agencies for management staff, engineers, teachers, doctors, nurses, and so on, that has led to a sky-rocketing of salaries. This illustrates some of the difficulties associated with the sudden influx of large amounts of external funding.

[125] OECD DAC statistics on aid start in 1960 and indicate an overall aid volume between 1960 and 2009 of over 2.1 trillion USD, with a constant rise in annual aid from about 4.6bn USD in 1960 to 136bn in 2009 (OECD DAC online statistics, accessed May 2010).

knowledge about how to catalyse development is a product of the transfer process itself, and to the fundamental dilemma that aid bureaucracies face as a result:

> '[…] Where the transferred resource is both input and output of the transfer process […] it [is] difficult to provide as clear a rationale for the assistance as underlies the commitment to transfer capital. For knowledge that is still to be learned cannot, by definition, be more abundant in one part of the world than in another.' (Tendler 1975: 10)

Even thirty years later, Fukuyama comes to the conclusion that while the current development paradigm has identified strong institutions and statebuilding as the key to development, whether and how functioning institutions from the developed world can be transferred into a dysfunctional institutional environment within culturally and historically different contexts, is still not understood (Fukuyama 2005: 30).

The existence of aid bureaucracies is thus justified on the assumption that they possess the knowledge of how to transfer resources in a way that will generate development in poor countries, while in fact this knowledge has to be generated in a painful trial and error process, and might often be context specific rather than generalisable. This gap between assumptions and reality makes official aid agencies particularly vulnerable to existential criticism from their governments. Admitting ignorance is not an option as it would directly threaten the very existence of the agency. The result is a constant contradiction between the organisational need to create an environment in which innovation, creativity and learning are fostered on the one hand and the need to show tangible results and be able to account for its actions on the other (Tendler 1975: 10-12).

A second problematic feature of the aid endeavour is the fact that development agencies hang between two constituencies that do not overlap: Those who provide the resources for development based on ethical norms of solidarity with the poor, or on notions of enlightened self-interest (see Chapter Four) are generally the public and governments of wealthy nations. They are physically, culturally, and politically separate from those who are meant to benefit from these resources. The beneficiaries of aid, on the other side, have no power to determine the definition of developmental needs and implementation strategies, as they do not form part of the political constituency of the aid agency. If a development programme fails, there is no performance feedback mechanism through which beneficiaries could punish the under-performing agency (Martens 2002: 14). They can only hope that the aid agencies they are interacting with accept their complaints, understand their opinion and feed it back to the policy making level. The aid agencies' existence, however, is dependent on defining development in a way that at the same time appeals to the Western public and its governments while analysing social processes in the developing world. This imperative sets limits to disinterested analysis and raises the question 'to what extent development strategies and goals reflect donor decrees or recipient needs' (Quarles 1988: 20). This segregation of constituencies makes aid particularly vulnerable to capture by powerful domestic political and economic interests, and can lead to a situation in which the real beneficiaries of aid are effectively the domestic suppliers of aid goods and services that form part of the domestic political constituency (Martens 2002: 15; see also US aid case study Chapter 2.3). It also means that the owners of development agencies, i.e. the Western public, governments and parliaments, have no direct access to information on the performance of their agencies and are thus not easily able to evaluate the actual impact of their development assistance.

A third feature inherent to development aid is the fact that aid agencies have to operate in an environment that they do not understand well and that they do not control. Nevertheless they are held accountable for project failures (Tendler 1975: 41). They cannot easily judge whether the specific need for aid funding that a particular agent puts before them represents real needs or vested interests; they might often be ignorant of local politics and the distribution of power and don't know who needs to be brought on board in order for 'things to move'; they lack the feel for what works and what doesn't in a culturally alien setting; and they generally disburse their funds to intermediary organisations whom they don't control – be they beneficiary country government institutions, other international actors or local NGOs - (Quarles 1988).

To sum up: Public development agencies are charged with a task of which only the outcome is known, while knowledge about the process of achieving this outcome is often incomplete to nonexistent. The justification for having public aid agencies in the first place, however, is based on the assumption that knowledge of the transfer process of aid exists. Those who have the power to control aid agencies and to punish them for non-performance have extremely limited access to information on the actual outcomes of the agency's activities, while those who know what the outcomes of these activities are have no control over the aid agency's behaviour. Aid agencies often have to operate within an environment that they do not understand well and that they do not control, which makes it particularly difficult to predict the outcomes that specific actions might generate, and which often also makes it impossible to judge whether certain activities failed to produce the envisaged outcomes because of a failure of the agency or because of a failure of the environment in which the activity was implemented.

What is the impact of this difficult nature of the task of development on organisational behaviour? As will be shown in the following sections, much of the organisational behaviour of aid organisations is driven by attempts of different parts of the aid system to control an unpredictable and uncontrollable environment. Drawing on evidence from the case studies in Chapter Two, the following sections will first focus on aid agencies' attempts to gain more control over the recipient country environment, and discuss what this implies for the structure and impact of aid. Second, the focus shifts to the relationship between aid agencies and their owners, the Western public and governments. The analysis particularly focuses on the way the owners of aid attempt to control the performance of their agencies without actually being able to access information about the real impact of their aid, and on how these attempts shape aid agencies' behaviour. Finally, this chapter discusses the impact of multiple aid actors on the behaviour of aid agencies and the potential outcomes of aid.

5.2 Vertical Integration: Attempts to Control the Beneficiary Environment

One of the distinguishing features of the task development agencies are set up to accomplish is the fact that they have to operate within an environment, which they neither understand well and nor control. Afghanistan lends itself as an illustrative example for this high-risk aid environment. Arguably, the country provides a particularly opaque and alien environment in comparison to many other, more established recipient countries. Chapter Three has provided some background on the historically complex relationship between a small modern state enclave and a largely autonomous rural society; on the establishment of an overpowering war economy with close ties to the post-Bonn political establishment; on the difficulties of international humanitarian actors during the civil war to navigate their ways around local politics, and of their inability to protect their aid from being used as resources in the war. Twenty years of war had significantly cut ties between Afghanistan and the outside world and the collapse of central government structures meant that the most basic information was not available. At the same time, the rapid military and political developments in late 2001 forced aid agencies to set up programmes very quickly. With the numbers of staff required it would have been impossible to predominantly charge 'Afghanistan experts' with setting up the massive assistance programme that had been agreed upon by the international community. The World Bank and the IMF, for example, had not operated in the country since the Communist coup in 1979. They became major donors to the new Afghan Transitional Authority. Chapter 2.1 and 2.2 have given some insights into the difficulties aid actors faced in a situation, in which government counterparts were often an integral part of the war economy, some continuing to maintain private armies, and obviously only paying lip service to the political process they had signed up to in Bonn; where tens of thousands of unpaid civil servants seemed to vegetate in dilapidated and ransacked offices, unable to carry out effective work but desperate to get their hands on any resources that would help them feed their extended families; where there were no reliable data on practically anything that was going on in the provinces. Aid actors, donors as well as implementing agencies, have thus had to take far reaching decisions very quickly in an environment, which was largely beyond their comprehension and control and that seemed like a minefield, in which any decision could turn out to produce the opposite result of what it originally intended. The insulation of aid processes from the domestic environment that have been discussed in the case studies in chapters 2.2- 2.4 can thus be interpreted as attempts of aid actors to bring more predictability and certainty into this external environment.

Judith Tendler has very aptly compared aid agencies' behaviour to that of firms operating in a high risk task environment. Private firms facing high uncertainty in the world from which they get their inputs or into which they sell their outputs, 'try to gain control over parts of uncertain task environments by bringing their random occurrences within the realm of forecasting predictability' (Tendler 1975: 103). They achieve this through vertical backward and forward integration, i.e., through the incorporation of parts of the task environment. Through vertical integration, firms create new organisations under their ownership that take on specific aspects of the task environment.[126] Vertical integration can be pursued backwards in an attempt to gain control over

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[126] Vertical integration refers to the degree to which a firm owns its upstream suppliers and its downstream buyers. The *Encyclopaedia Britannica* defines vertical integration as a 'form of business organization in which all stages of production of a good, from the acquisition of raw materials to the retailing of the final product, are controlled by

the supply of inputs, as well as forwards when a firm tries to control the distribution centres and retailers where its products are sold. According to Tendler, aid agencies engage in backward integration in an attempt to control the quality and quantity of demand for aid funding. And they engage in forward integration in an attempt to control the actual delivery and outputs of development funding (Tendler 1975: 103). Even over thirty years later, her analysis remains very useful for understanding the behaviour of aid actors and the resulting structure of aid in Afghanistan.

How and why do aid agencies engage in backward integration? As discussed above, the general assumption that the transfer process of aid is unproblematic, has lead to an understanding of development as a function of the availability of development funding. Given the difficulties in assessing the work of aid agencies in terms of actually achieving development objectives, an agency's ability to raise funds and to disburse them in line with bureaucratic procedures has become the main measurable indicator on which its success is judged (Easterly 2002: 227, Tendler 1975: 54, Seabright 2002: 35). The input, aid money, is therefore mistakenly taken as an indicator for the desired output, development (in whatever way it is defined). The raising and spending of, if possible, increasing amounts of money therefore becomes an existential objective of aid organisations. Again, these observations can easily be transferred to the Afghan context, where the view is often voiced that the lack of success of the statebuilding project so far is due to grossly insufficient amounts of aid provided (see section 5.1 above).

Donor governments' commitment to development is frequently judged by the size of their aid budgets - budgets which are allocated to various aid bureaucracies who have to spend them mostly within fixed annual budget cycles.[127] Although aggregate levels of aid might be very scarce indeed in comparison to the aggregate needs, the allocation of aid funds to specific programmes presents a bottleneck (Tendler 1975: 54). As Tendler has pointed out, particularly where developmental needs are the greatest, the capacities of the recipient country government or civil society actors to formulate needs, present them in the form of fundable projects, and implement them in accordance with the accountability rules of the aid agency might be particularly weak (Tendler 1975: 87). In fact, this lack of capacity constitutes an integral and important part of the development problem itself - a fact that has been recognised by development actors in their shift towards framing development in terms of institution- and statebuilding (Chapter Four). For aid organisations trying to disburse development funds to recipients, this lack of institutional capacity creates a situation, in which the scarce aid money becomes 'an inert mass which will not move without great effort' (Tendler 1975: 87). 'Moving the money' thus becomes a major concern and preoccupation of aid bureaucracies (see also Easterly 2002).

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one company. A current example is the oil industry, in which a single firm commonly owns the oil wells, refines the oil, and sells gasoline at roadside stations.' (http://www.britannica.com/EBchecked/topic/1388508/vertical-integration; accessed on 13 May 2010). Williamson (1st ed. 1971, reprint 1999) was the first to theorize vertical integration as a reaction of firms to market failure: Where supply and distribution markets pose high risks, firms substitute the market through integration of relevant elements. See also Perry (1989) for a detailed discussion of vertical integration.

[127] The constraints, which organizations face as a result of annual budget allocations that need to be spent within fixed timeframes, are not unique to the development context, but a typical feature of bureaucracies. They have been studied at length in the developed-country context (see, for example, Tirole 1994).

Afghanistan in 2002 presented an extreme case of this bottleneck problem combining urgent humanitarian and political problems with a high commitment from the international community to channel aid funds to the country quickly, and with close to zero domestic institutional capacity to absorb meaningful amounts of aid funding either through the government or through civil society organisations (see Chapters One and Two). Donor agencies were desperate for projects to fund and willing to sign contracts on proposals that were put together hastily and often in ignorance of the actual situation on the ground. Hundreds of millions of USD were spent in the initial year of reconstruction for the sake of spending without any clear idea of prioritisation, quality or impact. As has been shown in chapter 2.3, USAID has been particularly subordinated to the imperative of moving the money: Where one desk officer has to allocate 13m USD within one budget year, she will not be able to think about much more than how to achieve this task (the problem is, however, by no means confined to USAID).
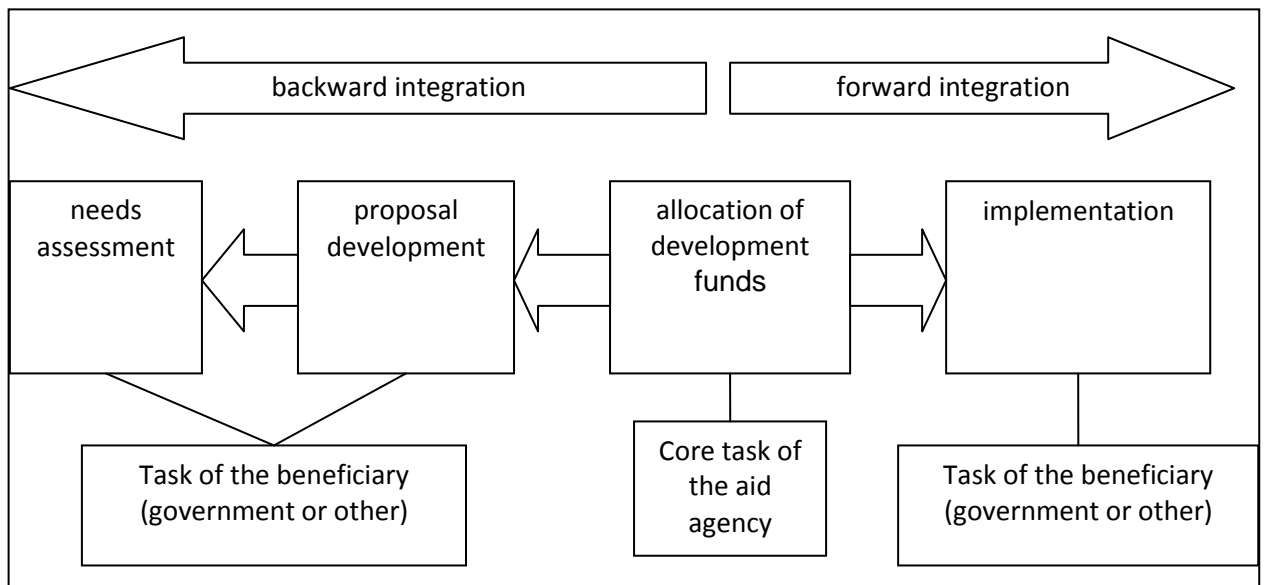
The pressure to spend is passed down the line from the donor to the implementing agency. Once a grant contract has been signed, the money needs to be spent within the agreed timeframe and according to the financial regulations of the donor. Failure to spend will result in the loss of unspent funds and might jeopardise future funding opportunities. Every development professional faces this pressure to spend, as is also illustrated by the following, personal, experience: I once asked a colleague in Afghanistan who had recently joined our finance department and who had worked for the private sector beforehand, what he thought was the main difference between working for a for-profit company and working for development. His response was that the private sector was about spending as little money as possible, while in development one always tried to spend as much money as possible.

The problem of low absorptive capacity of recipient societies combined with a fixation on quantities of aid disbursed thus creates a paradoxical situation in which an extremely scarce resource, aid funding, is treated by those working within the development system as abundant.

In a situation, where domestic structures cannot absorb aid, the only option that aid agencies often have in order to make the money flow, is to make sure themselves that quality proposals are submitted to them. As Tendler puts it, aid agencies need to generate the demand for aid themselves (Tendler 1975: 87). In order to move the money, donor agencies therefore have to either directly or through sub-contractors get involved in creating the capacity for project formulation and implementation. They integrate backwards into the generation of demand for aid. The tendency for aid agencies to get more and more involved in the details of needs assessments and project formulation has been observed in many development contexts, particularly in Sub-Saharan Africa (Tendler 1975, Easterly 2003, Morss 1984).

In figure 1, I have schematically illustrated the process of vertical backward and forward integration of aid agencies. While their core task is limited to the allocation of development funds to beneficiary organisations, the low level of control that donors can exert over the beneficiary, combined with a lack of beneficiary capacity has pushed aid agencies to take on beneficiary tasks in order to be able to fulfil their own core task. They thus integrate backward into the assessment of needs and the development of proposals, and forward into the actual implementation of development programmes, effectively crowding out the beneficiary in the process.

Figure 1:   **Vertical Integration of Aid**

This model of vertical integration of aid as a strategy for the delivery of aid in high risk environments is quite suited for the Afghan post-Bonn aid context. The need to create functioning channels, through which aid funds can flow can partly explain the situation in Afghanistan, where donors have dominated needs identification, policy formulation and legislative frameworks, budgeting, accounting, procurement, and project formulation. Various institutions have been set up to control the demand level for aid in Afghanistan (see Chapter 2.1 for a detailed description of these mechanisms): The Afghanistan Reconstruction Trust Fund (ARTF) has been the main, entirely donor owned, mechanism for coordinating aid flow to the Afghan government; the Afghanistan Assistance Coordination Unit (AACA) was nominally an institution of the Afghan Transitional Authority, but the fact that it was entirely funded by donors and staffed at the decision-making level with expatriates indicates that *de facto* ownership was with the international aid community. It was in the initial years responsible for overall needs assessment and the quality control of proposals for aid. The annually held National Development Forum (NDF) which is hosted by the Afghan government and brings together government and donor community to discuss and agree upon the National Development Budget, is a third control mechanism. Together with the sectoral Consultative Groups it constitutes an ongoing mechanism for needs assessment, proposal development and quality control. As has been shown in Chapter 2.2, all major needs assessments and policy documents that have guided aid allocations to the country have been produced by expatriates, who often work on behalf of the Afghan government, but are funded and usually employed by international donors. This has effectively been the only means for aid institutions to generate a demand for the pledged aid that they could meet. The fact that the Afghan parliament has so far not been able to play a role in the formulation of needs and the allocation of international aid indicates that donors are not willing to cease control over this process.

In a weak institutional environment, the spending of allocated aid funds poses as many problems as the generation of an effective demand for aid. An agency who wants to demonstrate that its aid funds have been put to good use, therefore inevitably gets drawn into the implementation process. It integrates forward. In Afghanistan, this dynamic has been very visible, both at the level of government (Chapter 2.2) and at the level of civil society (Chapter 2.4).

In order to enable aid funding to flow through government, an explicit aim of those that want to strengthen the institutional capacity and relevance of the Afghan government have resorted to the creation of collaborative cells within key government ministries. These are shielded from the domestic environment and staffed with highly qualified expatriates and Afghans The latter usually have close ties to the aid community and are paid at market rates (i.e. ten to twenty times as much as the official civil servant salaries). Chapter 2.2 has discussed in some detail the example of the Ministry for Rural Rehabilitation and Development (MRRD) that has been structured into a vessel for hosting various national priority projects, all initially managed by foreign contractors, who in turn have been in charge of contracting implementing agencies (either NGOs or private companies, depending on the programme).

Afghanistan's largest donor, the US government which provides over fifty percent of the entire aid to the country, has chosen to keep complete control over aid implementation by subcontracting needs assessment, design and implementation of its programmes directly to mostly private, US American companies, with little or no integration into Afghan government structures. In an attempt to control the use of its funds it has created long implementation chains of up to five levels of organisations involved (Chapter 2.3). One illustrative example for the forward integration into the government sphere has been the US government's support to the reform and restructuring of the regulatory and administrative governance framework for the private sector; a contract under which a private US firm was given responsibility for major reform initiatives, and many day-to-day tasks within the Ministry of Finance which at times hosted over 200 foreign advisors (Chapter 2.3).

Also Afghan civil society has seen an aggressive move for control by international actors (Chapter 2.4) who have resorted to the creation of thousands of new, donor dependent civil society organisations across the country, mainly for two reasons. First, the dramatic need for service deliverers that could be integrated into the aid delivery chain for either government public service programmes in health, education, infrastructure or rural extension services, or for other donor programmes (such as those of USAID). Second, international actors (either donors directly or through their subcontractors that manage aid programmes) have found existing organisational capacities within Afghan society incompatible with their need to promote liberal democratic values, and have therefore resorted to creating their own civil society organisations. The overwhelming majority of non-governmental aid actors in Afghanistan – international NGOs, private service providers and local NGOs thus form part of a vertically integrated aid distribution network, designed to control the flow of aid funds to its final destination.

What we can thus observe in Afghanistan is an extremely high degree of vertical integration of aid, starting at the needs assessment level and continuing all the way through to the final destination of aid funds – the ultimate beneficiaries. In an attempt to gain control over a high-risk environment, donors have effectively been trying to play multiple roles, claiming to represent at the same time the interests of the ultimate beneficiaries (at the point of needs identification and project evaluations), of the Afghan government (as embedded advisors responsible for policy formulation, programme management, procurement, financial accounting, and training) and of themselves as donors. Over twenty percent of the overall aid that reaches Afghanistan is used for the construction and maintenance of this aid flow infrastructure within institutions of the Afghan government. Officially termed Technical Assistance, it effectively funds the expatriate staff and infrastructure needed in order to keep the money flowing without, as shown in Chapter 2.2, actually contributing much to the build up of domestic institutional capacity. If one includes the

project delivery structures that have been established and maintained separately from the government's civil service structures, such as the large infrastructure and service delivery programmes under USAID funding, one would come to a much higher percentage (easily over fifty percent) of the overall aid being used for making the money flow.

Overwhelmingly, at least in the initial years, this work has had to be carried out by agencies and individuals with little or no context specific experience, who were flown into the country on short-term contracts during which they hardly ever left their offices and guesthouses, let alone Kabul. In their work they have had to rely on documentation by other expatriates, as well as on their generic development and subject expertise, without themselves being able to assess whether their approaches fit the Afghan context. Their work is evaluated by other expatriates, who are funded by the same donor, and who equally have to largely rely on written and verbal information from expatriates, on project documents, financial records, etc. The high degree of vertical integration thus creates as situation in which the aid system tends to recycle its own knowledge in an inward looking process rather than being able to learn from its context.

5.3   Upward Accountability: Attempts to Control the Agents of Aid

The previous sections have discussed the incentive structures that result from the specific nature of international aid that can partly explain why aid in Afghanistan has been organised in a way that separates it from its local context. As has been shown, the need for control over an alien and unresponsive environment – in many ways a *terra incognita* – drives the establishment of highly integrated aid delivery structures in order to 'stay in business' at all. This problematic is inherent in the difficult relationship between the givers of aid on the one hand and the recipients of aid on the other, coupled with the high levels of uncertainty and risk involved in the attempt to transfer wealth.

The quest for control shapes aid organisations' behaviour from a different direction as well. A complementary explanation for aid organisations' behaviour can be found in the institutional structure of public donor agencies and the international aid sector at large. The latter consists of multiple hierarchical inter- and intra-organisational layers of actors, and should therefore not be analysed as a homogenous community. As Quarles Van Ufford remarked:

> '[Aid] agencies are not just rational, neutral tools of policy makers and as such external to the problems of development. […] In a sense all development organizations are intermediate bodies, part of a wider network through which the money flows. Development organizations can operate only because they are related to the other levels. […] It is vital to study the nature of the interorganizational linkages between the different levels. In what ways do the agencies influence each other? How autonomous are they, how much do they depend on the others? How is the policy process changed, adapted or even blocked as funds flow from one level to the next?'   (Quarles van Ufford et al., 1988:12)

An important relationship that shapes the aid sector's incentive structures is the one between the actual owners of aid and their executing agencies. The owners of aid agencies, Western governments, politicians, and the Western public at large, try to monitor the performance of their aid instruments and devise control mechanisms to do so.

Whether or not taxpayers' money has contributed to furthering development is difficult and often impossible to measure (Seabright 2002: 35; Gibson et al. 2005: 133-134). The factors that contribute to changes in people's quality of life are complex and long-term. Outside of acute humanitarian emergency situations, aid might only be a minor element in the life of beneficiaries. Often it is impossible to quantify the impact a particular flow of aid funds has had in bringing about change, to know if it has had any impact at all, or if the impact has actually been negative. In the Afghan context, the opium economy; shifting political and military alliances at the local, regional and national level; the whims of the weather that produces floods in one place and droughts in another; and the war waged by the international troops, arguably constitute much more powerful factors that define the quality of life for most Afghans than aid. How much aid can achieve within these circumstances and how these achievements can be measured is therefore often not clear.

If this is the case, how can the owners of aid control the performance of their agents at all? The actual impact of aid on recipients' lives remains invisible to those who control aid agencies – not only because it is difficult to assess but also because they have no direct interaction with the ultimate beneficiaries (Martens 2002: 154; Gibson et. al. 2005: 133). Their attempts to control the performance of their executive agents therefore tend to focus on those aspects of development agencies' work that are visible to them: the amounts of money raised and spent; the quality of written documentation; the following of formal accounting rules and regulations (Seabright 2002: 35ff; Gibson et al. 2005).

The increased scrutiny that aid came under with the end of the Cold War, led to a proliferation of rules and regulations aimed at better controlling aid agencies and the way they spend tax payers' money (Martens et al. 2002, Gibson et al. 2005, Wallace et al. 2007). Precise and detailed regulations on budgeting, financial reporting and procurement, prescribed project planning tools such as the Logical Framework Analysis (LFA)[128], an increase in the specificity of projects and in the conditionalities attached to grants has trickled down the entire aid chain and has substantially furthered the bias towards the adherence to formal rules. The introduction of increasingly tight rational management tools for ensuring upward accountability of aid actors has also further narrowed the space of aid agencies to experiment and work in difficult environments (Hulme and Edwards 1997: 8; Wallace et al. 2007: 2 and chapter 2).[129]

As we have seen in the previous section, even those who implement aid are often so separated from the domestic environment, that they lack a clear idea of the impact their work is having. In contrast, they generally have a clear understanding of the documentation that superiors – be they within the same organisation or a contractor – expect them to produce. Understandably, aid actors therefore focus their efforts predominantly on visible outputs that are easy to monitor, generally at the expense of tasks that are less visible and more difficult to monitor (Tendler 1975; Martens et al. 2002; Easterly 2003; Gibson et al. 2005).

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[128] Logical Framework Analysis has become a standard format for project design, management and evaluation, and a requirement of all major donor agencies. It tries to establish direct links between the financial and technical inputs of a project, the direct and visible outputs and the overall impact on the meta goal of development.

[129] Wallace, Bornstein and Chapman (2007) provide a critical and detailed analysis of the impact of the proliferation of control mechanisms on aid actors, particularly the NGO sector.

Aid agencies, and individuals working for them, typically face a work environment of multiple and competing tasks (Seabright 2002: 36). Spending time on getting to know the local context might be crucial to being able to achieve the wanted developmental outputs a project or an agency is set up to achieve – it is however, not easy to measure as it has no direct, visible output linked to it. Spending time on financial and narrative reports to donor agencies or superiors on the other hand, might be relatively irrelevant for the quality of the project's developmental outcome, but the effort is directly reflected in the documents produced, and thus visible. Visible and quantifiable outputs take precedent over developmental impact - similar to aid funding they often end up being taken as substitute for achievement.

Technical Assistance to the Afghan government provides a good example of the impact this incentive structure has on the performance of aid: One of the major criticisms of the technical assistance provided to the Afghan government has been that the expatriates placed within ministries to build local capacities were effectively busy all their time writing up reports in English that only donor agencies would ever read, while completely neglecting their actual capacity building role (see Chapter 2.2). Arguably, this type of technical assistance can even destroy existing capacities as it sidelines and marginalises Afghan civil servants: It introduces English as working language within an institutional environment, in which the overwhelming majority of civil servants 'only' speak the national languages. It also humiliates civil servants by having expatriates that earn their annual salary in a day take over their responsibilities – a fact that directly undermines attempts to introduce a meritocratic spirit into the recipient civil service (Carr et. al. 1998).

Apart from the increasing regulation of aid agencies' activities, programme evaluations are used by governments as a tool for performance control (Martens 2002: 154). Today, every larger programme will be evaluated. Programmes running over multiple years typically undergo a mid-term evaluation as well as an end of project evaluation. Large donors such as the EC or the World Bank have their own evaluation units that either have in-house expertise or subcontract evaluations to subject experts; US aid is evaluated by the US Government Accountability Office (GAO), and so on. It has, however, been observed that evaluations do not tend to be used for learning and rarely lead to a change of practice (Gibson et al. 2005: 150-154[130]; Martens 2002; Easterly 2002; Quarles Van Ufford 1988). Instead they tend to legitimise existing practices and are used as PR tools in the management of public opinion within the domestic constituency (Martens 2002). In his analysis of the political economy of aid evaluations, Martens comes to the conclusion that evaluations are unable to enhance aid performance (Martens 2002: 176). As the most important reason for this failure he identifies the fact that evaluations are not external to the incentive structures of the aid sector. Evaluators are usually contracted by the donor agency, or by the implementing agency itself. They have an interest in keeping in business for future evaluations and will therefore not jeopardise their relationship with their customer by raising fundamental criticism (Martens 2002: 170).

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[130] Gibson et al. provide an excellent in-depth case study of the incentive systems within the Swedish public aid agency, SIDA (Gibson et al. 2005: chapter 7).

Second, one could argue that evaluators rely predominantly on written documentation produced by the project itself in the standardised formats described above. The information that is most easily accessible to them therefore mainly relates to the degree to which an organisation has followed official practices, procedures and rules. This further emphasises the bias towards documentation within the day to day work of aid organisations (Easterly 2002: 229). Third, evaluators – at least in the Afghan context – face the same information problems that aid workers face. They are usually flown into the country for short periods only, have a sketchy insight into the domestic socio-political environment, and don't speak the local languages. Their contact with ultimate beneficiaries has to be organised by the project implementing agency and is therefore subject to manipulation. Beneficiaries themselves find it difficult to distinguish between the implementing agency staff (who might also act as translators for the expatriate evaluators) and the evaluation staff, and will be careful to voice open criticism in a complex situation they feel they cannot fully grasp. Evaluators' assessments are therefore drawing on the same generic development or subject expertise pool as the implementers themselves. What happens, then, is that documentation and knowledge that exist within the aid system get recycled as existing, documented practices are compared and assessed against benchmarks of generic 'best practice' rather than against context specific relevance.

The lack of information on aid performance thus leads to a substitution of actual benefits to intended beneficiaries by surrogate indicators that are easier to monitor such as aid volumes, ability to 'move the money' and adherence to rules and procedures. These effectively all result in a further detachment of aid from the local context of its beneficiaries. The failure of aid to be able to demonstrate success in terms of developmental outcomes has led, since the early 1990s, to a tightening of the control mechanisms that governments use to ensure accountability of their aid agencies, drawing them – and the organisations they fund – into a vicious cycle that leads to ever more resources being directed towards easy to monitor outputs and fewer opportunities for flexible interaction with the domestic environment of recipient societies.

5.4 Aid Delivery through Multiple Actors

The previous sections have discussed the inherent incentive structures and contradictions that drive development agencies and how these have unfolded in the Afghan context. This section turns to another dimension that shapes the aid effort in Afghanistan: The multitude of actors and how they interact with each other.

From 2002 onwards, over fifty bilateral and multilateral donors and sixteen UN agencies set up offices in Kabul. Around 270 international NGOs and private service providers, as well as over 2,000 Afghan NGOs, which were largely created in response to the availability of aid funds, joined them (see Chapter 2.1 and 2.4). Although nominally independent from each other, they form part of sometimes parallel, sometimes interlinked aid delivery chains. What is the impact of multiple actors on the incentive structures and dynamics that have been discussed in the previous sections? I argue that it amplifies the discussed negative tendencies, particularly the inward looking orientation of the aid system, in various ways.

The establishment of complex aid delivery mechanisms involving multiple organisations through subcontracts poses substantial information problems and increases the need for internal management and control mechanisms. Complex funding chains are not unique to the Afghan aid context but reflect a trend that started already in the early 1990s, when donors increasingly

turned to NGOs and private service providers as presumably more effective channels of aid than developing country governments (see Chapter Four). Channelling vast amounts of tax payer's money through an often confusing network of non-state actors with different interests, visions, procedures, capacities, etc., has necessarily generated a new focus on the accountability, transparency, effectiveness, and efficiency of implementing agencies.

Donor agencies that contract other organisations as part of their strategy of backward or forward integration of the aid delivery process face two main management problems. The first management problem is that different aid actors tend to interpret the developmental objectives of a programme differently according to the position they take within the aid delivery chain. As Quarles van Ufford et al. have noted, this problem already exists between different layers of one organisation: While the higher levels of a development organisation are predominantly responsible for securing the identity and survival (i.e. the continued inflow of funding) of the organisation, and thus are closest to the donors and their definition of development, the implementation levels within the same organisation may reinterpret development strategies based on their closer interaction with the beneficiaries of aid. The result can be contradictory strategies and approaches within one organisation, and a high degree of ignorance of the management levels of an organisation about what is really happening at the implementation level (Quarles et al. 1988: 22). This problem is amplified at the inter-organisational level, when development bureaucracies allocate funds to intermediary organisations (international or local NGOs, commercial contractors, or recipient government institutions) for implementation. These organisations need to adapt to the development strategies of the donor in order to secure the continued flow of funds, while at the same time identifying expenditure that is legitimate in the eyes of the beneficiaries. When long chains of organisations are linked in the delivery of aid, the repeated negotiation of these factors can lead to a substantial change in developmental objectives and strategies from the originating top to the final implementing bottom – sometimes to the point where initial strategies and objectives become irrelevant and unrecognisable in implementation (Quarles et al. 1988: 23). This problem of inconsistent agendas and interests at different points within the aid chain has also been observed by others:

> 'At each link in the chain, there exists an agenda which may or may not be consistent with agendas in the links both above and below it. These inconsistent and often conflicting agendas that exist at different points in the aid chain create difficulties in the determination of expected outcomes for any particular program or project. In the absence of well-defined and meaningful outcomes, the effectiveness of programs cannot be accurately evaluated.'   (Carr, McAuliffe and MacLachlan 1998: 44)

Ensuring that everybody within the aid chain agrees on the specific purpose of aid therefore becomes a major challenge.

The second management problem that donors face is related to the need to control their contractors. The control of contractors is difficult for the same reasons discussed in section 5.3. The lack of complete information on the task environment and on contractor performance introduces a risk of what institutional economists have coined 'moral hazard'. Moral hazard can occur when a principle (in the aid context a donor) contracts an agent (an NGO or a private

contractor) but cannot obtain full information on the agent's performance.[131] The fact that the agent himself knows how well he performs but also knows that the principle cannot properly assess his performance induces him to under-perform. In the aid context, a private contractor, for example, might be able to substantially increase his profit margin by putting less effort in the implementation of a project, knowing that the donor will most likely not even notice the lower quality of the work delivered, or – if he notices – might not be able to establish a clear causal link between his agent's effort and the quality of the outcome (Murrell 2002: 72). In Afghanistan, we have seen implementation chains involving up to five levels of sub-contractors. At each level, information problems can create incentives for moral hazard behaviour.

Donors have mainly responded to this problem of asymmetric information by tightening accountability rules and regulations for contractors. New planning tools, such as the logical framework analysis and a stronger focus on the coordination of actors have aimed at tightening the coherence of the approach and at establishing causal relationships between inputs into a programme and the envisaged outcomes as part of financing agreements (see also section 5.3). As discussed above, within a high risk implementation environment, this approach to management has resulted, above all, in a greater effort of all actors within the aid chain to document their activities according to prescribed frames and regulations.

As the case study of US aid (Chapter 2.3) has shown, adhering to documentation rules and regulations does not in itself solve the inherent information problems that donors are presented with in Afghanistan. Donors face substantial problems with the management of their contractors, mainly because of the unpredictable local environment and the inability to access information on the actual performance of contractors – a constellation that invites moral hazard behaviour. A good example is the US funded construction of the Kandahar – Kabul highway by the US Company Louis Berger that managed to secure contracts in Afghanistan worth over 700m USD between 2002 and 2007. The lack of reliable information on the realistic costs of major infrastructure projects forced USAID into cost-plus fixed-fee contracts with the company that granted it a guaranteed profit margin while leaving the cost risk entirely with USAID. At the same time, the security restrictions, under which USAID staff have had to operate in Afghanistan, have prevented them from visiting project sites and monitoring the actual performance of their contractors. The results have been extremely expensive and low-quality infrastructures (see Chapter 2.3).

Apart from hierarchical management problems within clearly defined contractual relationships discussed above, the more informal, horizontal interdependence of many aid actors poses another problem in aid settings with a multitude of actors. On the one hand, large numbers of implementing agencies are competing with each other over donor resources. On the other hand, donors are dependent on implementing agencies in order to move their aid money. In some cases, donors might even compete with each other over implementing agents. Given the problems with assessing the real quality of assistance programmes with regard to their actual impact on beneficiaries, this mutual dependency creates a dynamic, in which the various aid actors are preoccupied with marketing themselves to each other in a context that remains detached from the local reality. For implementing agencies a central aspect of this marketing is to

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[131] Furubotn and Richter provide the following definition of moral hazard: 'The term *moral hazard* is used to identify situations in which, after the conclusion of a contract, the agent is either better informed than the principle (hidden information), or the agent's effort level is unobservable by the principle (hidden action). The agent is, in such cases, tempted to engage in *postcontractual* opportunism.' (Furubotn and Richter 2005: 561)

establish a causal link between their programmes and the donors' overall strategic interests. The more convincingly an implementing agency (be it an NGO or a for-profit service provider) can establish this link, the more funding it will be able to secure. The attempts of international NGOs in Afghanistan to position themselves as civil society actors *vis-à-vis* donor agencies in order to remain relevant in the changed funding environment has provided a good example for this dynamic (Chapter 2.4).

The marketing need to reproduce the donor's vision already at the needs assessment level furthers a reinterpretation of reality in line with the prevailing development discourse. The impact of this incentive to 'tell the donor what he wants to hear' should not be underestimated, as it is predominantly the implementing agencies with their direct access to local realities that are documenting and interpreting the 'situation on the ground'. Given the standardised nature of the official development discourse, there is a clear tendency to also standardise interpretations of reality accordingly. Aid recipients participate in this process: They know that their access to aid depends on how far their stated needs and problems match with the programmes on offer. They therefore strategically decide to confirm the implementing agency's problem analysis. In the Indian context, Mosse has demonstrated the difficulties of beneficiaries' real needs to be communicated upwards in the system, when these needs do not match overall donor interests – even where the relationship between the implementing agency and the beneficiaries is ostensibly driven by objectives of empowerment of the poor and participatory development methods (Mosse 2001: 19ff). Often, what is defined as 'local knowledge' and articulated by aid beneficiaries themselves, is effectively shaped by local perceptions of what the specific aid agency could legitimately and realistically be expected to deliver (Mosse 2001: 21).[132] Rather than providing an important feedback mechanism to aid agencies, participatory development can thus simply reproduce preconceived notions of needs – a problem that is widespread also in the Afghan aid context as has been discussed in Chapter 2.4. The 'cut and paste' habit and the repetitive use of the same arguments that are visible across many strategy papers, proposals and reports that circulate within the aid community testify to the actual meaninglessness of many of these documentations. Nevertheless, accounts from 'the field', as they are channelled upwards in the institutional hierarchies, acquire the status of evidence and are feeding back into donor thinking and public opinion. Marketing needs therefore amplify the tendency for implementing agencies to interpret the domestic environment according to preconceived and generic notions of development that originate from within the aid system rather than from the Afghan context.

At the same time, competition can result in the choice of low quality implementers through adverse selection.[133] Because donors in the Afghan context have often been unable to judge to what extent proposals are based on realistic assumptions, an observable trend for implementing agencies has been to negotiate the funding agreements based on an unrealistic optimism regarding the feasibility and costs of a project – with the aim to gain an advantage over other, more careful competitors. After contract signature and in the course of implementation, the

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[132] See also Long and Long 1992; and Hobart 1993 for a focused analysis of the construction of knowledge in development.

[133] The term is again borrowed from institutional economics. Adverse selection occurs in a situation of asymmetric information and refers to pre-contractual opportunism (as opposed to moral hazard which refers to post-contractual opportunism). 'The principle cannot observe (fully) the qualities of the individual agents before the contract is concluded. As a result, the agent is tempted to misrepresent his qualifications' (Furubotn and Richter 2005: 564).

donor is then confronted with the fact that either more money and more time was needed in order to achieve the agreed upon objectives, or that one has to agree on more modest targets for achievement. This flight into wishful thinking is to a certain extent encouraged by donors, who find themselves under high pressure from their principals to deliver on unrealistic political and developmental objectives. Easterly points out that all actors within the aid sector, be they donor agencies or implementing agencies, have a fundamental interest in keeping negative performance internal. The aid sector tends to present itself as a united and capable force to fight poverty, as the public and politicians tend to react to news on failed aid investments by lowering their support to the overall aid enterprise. Aid actors thus form a 'cartel of good intentions' that stifles learning and prevents the punishment of bad performers (Easterly 2002: 246).

Competition and weak coordination between donor agencies presents a third problem related to the multitude of aid actors. It leads to a fragmentation of the aid effort, which in the case of Afghanistan is synonymous with a fragmentation of the civil service and its activities, and therefore in its outcome diametrically opposed to the goal of statebuilding. Already in the early 1980s, Morss described the institutional destruction that resulted from donor and project proliferation in Sub-Saharan Africa from the 1970s onwards. He shows how the rapid increase in the number of donor agencies, in combination with increased public pressure for aid accountability in Western countries led to the reorientation of aid from broad programme support to projects that allowed tighter control of the money flows. The need to administer large numbers of projects and cater to multiple donor needs, effectively hollowed out recipient country bureaucracies' ability to formulate and implement their own policies based on national priorities. This dynamic ultimately destroyed institutional capacity within 'beneficiary' governments and led to a situation in which the 'staff of government agencies will become more answerable to donor "clients" than to the senior officials in their own organisation' (Morss 1984: 467). A very similar account has been provided by Ghani, Callahan and Lockhart on Afghanistan between 2002 and 2004:

> 'The Ministry of Finance had to work with approximately 45 different donor organizations and agencies. These came from many different countries, and each came with their own strategies, rules, procedures, programs and projects for Afghanistan. Many of them proposed competing strategies and plans for the same road, power station, or school. Whenever the donor organization reserved the right to take decisions and manage separate projects, the coordinating role of the government was bypassed. Sometimes as many as five or six teams from different countries would arrive in town simultaneously to implement the same project. A vast amount of humanitarian aid was channelled by donors directly to NGOs or other implementers who were not willing or able to share information with the government as to where and when schools, clinics, hospitals and universities were being built. Despite being bypassed in this way, the government still had to provide staff and supplies for such projects if they were to become operational and sustainable. The government still had to master the rules and procedures of each donor, agency and contractor in order to be able to fulfil their requirements. Accordingly, a large proportion of the time of the government staff was devoted to deciphering and learning these myriad rules, rather than on domestic reform.' (Ghani, Callahan, Lockhart 2005: unpaginated)

Ghani and Lockhart argue that it is this projectisation of aid, in combination with a lack of accountability towards recipient governments that turns the aid system in its current form dysfunctional. They come to the conclusion that 'the aid system as currently configured tends to undermine rather than support state institutions' (Ghani and Lockhart 2008: 98).

The reason for this destructive behaviour of donor agencies is not ignorance of the issues at stake. The need for alignment of donor strategies and procedures under nationally defined programmes and strategies has been a key concern of the OECD DAC whose members have frequently pledged to coordinate better in the interest of aid effectiveness, the most binding commitment being the signature of the 'Paris Declaration on Aid Effectiveness' (OECD DAC 2005). Nevertheless, the Afghanistan country surveys on monitoring progress on the Paris Declaration frequently criticise the continuously weak progress on many of the benchmarks set (OECD DAC 2008). One reason for this failure can be found in the fact that donor agencies are mostly locked into accountability mechanisms and procedures, which are attuned to the regulations and procedures of their domestic ministries of finance, and thus find it difficult to deviate from these regulations without violating their domestic laws. Donor agencies' continuous need to demonstrate success and thereby relevance to their domestic constituency (see section 5.2) also provides strong incentives to ensure the traceability and visibility of their specific aid funds. Pooling resources with other donor agencies and allowing the receiving government to allocate these resources in line with its own national priorities is thus diametrically opposed to the institutional interests of the donor agency. As a result, donor agencies find themselves in the paradoxical situation where the activities that would further their political mission of building a stable and sustainable state in Afghanistan run directly counter to their institutional interests of keeping in control of their resources.

5.5   Summary

This chapter has looked at the incentive structures and at the inter-agency dynamics that govern the aid sector in general and at how they unfold in the Afghan aid context.

In a first part, it has first identified the uniquely challenging nature of the task of development agencies that is characterised by three dilemmas: a) public development agencies are charged with a task of which only the outcome is known, while knowledge about the process of achieving this outcome is incomplete to nonexistent. The justification for having public aid agencies in the first place, however, is based on the assumption that knowledge of the transfer process of aid exists; b) those who have the power to control aid agencies and to punish them for non-performance have extremely limited access to information on the actual outcomes of the agency's activities, while those who know what the outcomes of these activities are have no control over the aid agency's behaviour; and c) aid agencies often have to operate within an environment that they neither understand well nor control, which makes it particularly difficult to predict the outcomes that specific actions might generate. This constellation often also makes it impossible to judge whether certain activities failed to produce the envisaged outcomes because of a failure of the agency or because of a failure of the environment in which the activity was implemented.

The chapter has then moved on to explain how aid agencies respond to this difficult task environment. I have argued that much of the incentives that govern aid agencies' behaviour result from the need to control their high risk task environment. This drive for control happens at two levels: On the one hand at the level of interaction between aid agencies and the beneficiary environment. On the other hand, at the level of interaction between the aid agencies and their owners.

Drawing on an analysis by Judith Tendler (1975), I have argued that aid agencies engage in vertical backward and forward integration in order to gain control over the beneficiary environment. This leads to a drive for control over domains of the aid process that would normally be assumed to be under the responsibility of the recipient, such as the formulation of a demand for aid, as well as the actual implementation of aid. In a high-risk environment such as the Afghan one, one can find a high degree of vertical integration of the entire aid process, which effectively leads to a crowding out of the beneficiaries as meaningful participants in the aid process.

Similarly, the interactions between the owners of aid and their agencies are driven by the formers' attempts to control the performance of their agents within a situation, in which they do not have access to information on the *de facto* impact of their aid. The inability to measure the actual developmental impact of aid leads to a focus on surrogate indicators that are visible and measurable, such as the amounts of resources provided, the extent to which rules and regulations have been followed, and so on, and constitutes strong incentives for aid agencies to allocate a disproportionate amount of resources towards the adherence to these surrogate indicators. Disproportionate, as the mere adherence to rules and regulations does not in itself produce positive developmental results. This incentive structure also further enhances aid agencies' needs to control the beneficiary environment, as the adherence to formal rules and regulations, and the ability to properly document every step of the aid flow process in English language, becomes ever more important. Information problems between the owners of aid and their executing agencies therefore amplify the need of development agencies to engage in vertical integration.

Following the discussion of the inherent incentive structures and contradictions that drive development agencies, the chapter has looked at the additional impact of multiple actors. It has argued that multiple actors amplify the negative incentives of the development sector in three ways: First, the establishment of complex aid delivery mechanisms involving multiple organisations through subcontracts introduces substantial additional information problems and increases the need for internal management and control mechanisms. While the general focus on tightening rational management tools stifles much of the ability of implementing agencies to interact effectively with a difficult environment, it cannot effectively handle the thread of moral hazard behaviour that is inherent in the long sub-contracting chains that have characterised aid delivery in Afghanistan. Second, the interdependency of actors, combined with a general inability to assess actor performance, focuses competition between implementing agencies on marketing strategies, which tend to reproduce preconceived, generic ideas, and which prevent aid actors from learning from the local context. Third, competition between donor agencies, each of whom needs to be able to isolate its own flow of funds from other aid flows in order to satisfy its domestic constituency, fosters the fragmentation and 'projectisation' of the Afghan civil service.

The combined result of these incentives is a nearly complete detachment of the entire aid delivery effort from its Afghan context. This happens not because it is consciously or conspiratorially pursued with neo-colonial intentions, but because – given the institutional incentive structures that govern the international aid sector – it seems inevitable in order to deliver aid at all.

CHAPTER 6
CONCLUSION: AFGHANISTAN AND BEYOND

6.1   Findings of the Study

Nearly a decade after the overthrow of the Taleban regime, achieving stability in Afghanistan remains one of the most difficult challenges of the international community. While public debates predominantly focus on the military situation in the country, the Bonn Agreement assigned international development assistance an important role in the sustainable pacification of Afghanistan, which then had already suffered over twenty years of conflict. Civilian aid has been the most important strategic instrument for building a sustainable, liberal democratic state that would over time be able to fulfil its obligations both towards its own citizens and the international community. Between 2002 and 2007, Afghanistan received over 18bn USD in aid, delivered by about seventy multi- and bilateral donors and hundreds of implementing agencies. International aid has funded about half of the operating costs of the Afghan government and one hundred percent of the government's activities of public service delivery, be it in the realm of social service provision, infrastructure, social security, or policing and military. These proportions have not changed substantially up to today and it seems realistic that the central state in Afghanistan will remain highly dependent on international financial support for the foreseeable future. Despite these investments and the visible achievements they have yielded, the state in Afghanistan remains largely dysfunctional, crippled by its limited capacity, the weak legitimacy of its representative institutions, and extremely high levels of corruption. Today, the Afghan state and its international supporters face a rising crisis of legitimacy within the Afghan population, which in turn threatens to undermine the international stabilisation effort.

This study has been posited upon the thesis that international aid investments have failed to achieve their stated purpose of sustainable statebuilding, because of an inability of the international aid system to fruitfully engage with its Afghan beneficiary environment – an inability that has resulted in the exclusion of Afghan society from the statebuilding project. The root cause for this failure is seen in the way aid is being delivered to Afghanistan, which has been determined by imperatives created by a difficult domestic context, the ideological framework within which aid actors have to operate, and the institutional incentive structures of the aid sector.

The first part of the study (Chapter Two) has presented detailed case studies that have provided evidence for the processes of insulation and exclusion inherent in the current aid efforts in Afghanistan. It has traced the architecture of aid, aid flow patterns, and key implementation strategies of international actors in Afghanistan. This analysis has illustrated that the overwhelming majority of the international funding reaching the country in the name of statebuilding, reconstruction, or development, is operationalised in a way that precludes a fruitful integration of international efforts with Afghan structures. Mostly, aid has been delivered through donor-controlled implementation channels, which have effectively created public service delivery systems outside of government control, and which have thus cancelled the government's responsibility and accountability for public service delivery. Where international actors have explicitly tried to channel aid funding through Afghan institutions, they have tended to create isolated, foreign controlled enclaves that are firmly integrated into the international aid system, but have few linkages to their domestic context. The most obvious linkages to domestically controlled accountability structures, the newly established democratic institutions of the country, have so far not been allowed to play a meaningful role in the formulation and control of government or aid activities.

The net result of these approaches has been the systematic marginalisation and substitution of Afghan actors, who find themselves confronted with a sealed-off international aid system that functions from within rather than through integration with the Afghan environment. The ability of this system to catalyse lasting governance structures and capacities has therefore been very limited – to the point where the way aid has been delivered has often effectively worked against the goal of statebuilding. Rather than moving Afghanistan closer towards the vision of a liberal market democracy, international aid interventions so far have created multiple technocracies, whose infrastructures absorb a good part of the overall aid available to the country. These structures remain an integral part of international actors' own institutional set-ups and will invariably disappear at the same speed at which these actors retreat from the country.

It has become clear in the case studies that the aid implementation structures established in Afghanistan are to a large extent functional only in terms of their ability to deliver technically sound projects – and even here, they have been vulnerable to substantial criticism of questionable relevance, extremely high unit costs, and substandard quality. They completely lack accountability mechanisms towards the Afghan population or the Afghan government, or any other sustainable form of embeddedness within the local socio-political context. A recurrent theme has been the fact that international aid actors perceive Afghan realities as alien and hostile towards their mission – at points even as fundamentally incompatible with it. It seems that in order to achieve progress, this hostile and incompatible reality has to be shut out of decision-making processes. It has to be acted upon rather than interacted with.

What has led to this overall failure of aid intervention in Afghanistan? The second part of the study (Chapters Three to Five) has explored how it has been possible that the international aid system, generally endowed with dedicated and knowledgeable staff and equipped with substantial resources, seems unable to bring its practices of aid delivery in tune with its overarching goal of sustainable statebuilding and development.

Chapter Three has looked at the particular challenges that the Afghan environment presents for international actors and the newly created central state. These consist of a difficult pre-war history of state-society relationships, characterised by an internationally resourced urban based rentier-state enclave with little links to rural society; the rise – in the course of the conflict – of a new, militarised, and often abusive elite that directly challenges central state power; the clientelism that governs the economic and political spheres; and the overwhelming strength and corrupting impact of the narcotics sector. These factors all combine into an extremely difficult, dynamic, and complex environment, an environment that provides the context-specific backdrop for the flight of international aid actors into a secluded 'clean' world under their control.

The question that imposes itself here, however, is whether anything else could have been expected, and whether post-conflict statebuilding in the 21st century does not by definition take place within complex environments with little liberal democratic traditions, strong war economies, an incomplete state monopoly over the legitimate means of violence, and weak public institutions. Some of the African conflict zones, for example Somalia, the Sudan, or the Republic of Congo, espouse comparably difficult conditions.[134] An inability to find sustainable solutions – or at least entry points – for these types of difficult environments therefore also questions the relevance of the international aid system as a key actor in the transformation of 'failed' states.

On the other hand, at least in the Afghan context, it could equally be argued that this difficult environment actually brought about positive conditions for statebuilding. The turmoil of the prolonged conflict had for the first time in the country's history created a broad-based acceptance of the idea of, and a demand for, a strong central state based on representation. At the beginning of the international aid effort in 2002, this demand presented an important opportunity for the central state to establish a direct and legitimate relationship with its citizens. Overwhelmingly, international aid actors have not focused on finding or creating such a relationship, or even on understanding what type of governance and regulatory structures might be meaningful expressions of the identity of Afghan society. Instead, energy has been concentrated on importing institutions and procedures that are considered necessary for a liberal market democracy to function, with the main attention focused on the outputs that these imports are supposed to produce, rather than on how to enable them to grow roots within their Afghan environment. The inability of the aid system to focus on finding solutions for the local context, and its overwhelming concern with immediately visible outputs has kick-started a domino-effect of substituting this difficult context with international resources. Reasons for this inability can be found less in the Afghan environment, but within the aid system itself.

Chapters Four and Five have therefore explored explanations for the failure of the statebuilding project, which could be considered inherent to the aid system itself. The arguments developed in these chapters have drawn substantially on observations and critical analyses of aid from other geographical contexts, ranging from Africa to South Asia. They are of a generic nature and are likely to manifest themselves in one way or another in any large-scale aid or statebuilding enterprise.

Chapter Four has been concerned with the ideological foundations of the contemporary statebuilding paradigm, and with the inherent contradictions that emerge when abstract normative goals are translated into actual policies and practices. It has traced two main ideological shifts that have occurred in the post-Cold War era: First, the reinterpretation of national sovereignty as contingent on a state's ability to fulfil its responsibilities towards its population and the international community. Derived from this new concept of sovereignty is an international duty to assume state responsibilities in case of a state's failure to carry out its responsibilities. Second, the rise of liberal market democracy to a new 'standard of civilisation,'

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[134] For an in-depth comparative study on the informal governance structures that have emerged in Somalia and Afghanistan in the course of conflict see the research project 'State failure as a challenge to peace and development policy' conducted by the universities of Bonn and Duisburg/ Essen (www.state-failure.de). Also relevant is Musah's (2003) analysis of the entanglement of private armies, mercenaries, international economic interests in extractive industries, and local sectarian interests. Musah shows how these combine to undermine the state's monopoly over the means of violence and prevent a Weberian state from emerging in African conflict zones.

which has grown out of the convergence of normative discourses on international security, human rights, and development.[135]

In the attempt to translate these normative goals into practices of statebuilding and development, a number of irreconcilable contradictions emerge, which create strong incentives for aid actors to insulate their activities from the domestic context. The first of these contradictions is the competing nature of tasks that result from transferring state responsibilities onto international actors on the one hand, and from aiming at strengthening the state's ability to perform these tasks on the other. The articulation of the provision of public goods as the ultimately joint responsibility of sovereign states and the international community inevitably relativises the role of the state and positions international actors as competitors to state structures. The immediate need to provide public goods tends to crowd out the more long-term goal of strengthening the state's own capacity to provide these goods and thereby undermines the legitimacy of the state.

A second contradiction that arises when aid actors operationalise international norms is the fact that they derive their legitimacy from different sources than the state. Following the international normative framework, the state's legitimacy can ultimately only stem from the political delegation of power through democratic processes. International actors, however, cannot fall back on a public mandate of their beneficiaries and derive their legitimacy exclusively from their claim of being neutral agents in the pursuit of 'the good', and through demonstrating effectiveness in this pursuit. They therefore have had to develop a managerial view of governing. Accordingly, international actors focus on legitimising the state by turning it into an efficient manager of development processes, rather than by trying to improve its political legitimacy. Management thus becomes a substitute for political processes – a dynamic that effectively undermines the goal of furthering democracy.

Finally, there is a fundamental tension between the elevation of a specific way of organising state-society relations to a universal norm and the absence of the preconditions for this system to work in so-called traditional societies. Practice, particularly from Sub-Saharan Africa, has shown that in order for the institutions of liberal market democracy to function, they need to be embedded in a supportive socio-cultural environment. More specifically this means that societies and individuals have to sufficiently behave according to the assumptions of rational individualism, on which liberal economic theory rests. The realisation that this is not the case has, however, not led to a questioning of the universal validity of liberal market democracy as the fit-for-all solution. Instead, it has drawn international development actors deeply into attempts of socio-cultural engineering with the unrealistic objective to adjust the problem to the solution. Societal incompatibility with the imported governance system thus positions Afghans as a threat to their own development, and their exclusion from decision-making processes becomes a necessity until they have achieved an acceptable level of socio-cultural 'maturity'.

In a context such as the Afghan one, in which the main financiers of the state, and the main public service providers, are international actors, the result of these inherent contradictions is the marginalisation of political processes, of Afghan citizens, and of the state itself. International actors derive their legitimacy from demonstrating compatibility with the international normative

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[135] This idea of the modern, developmental state, although today generally referred to as if it presented normality, has probably always been, as Milliken (2003: 10) has pointed out, much more a vision maintained within the international academic, political and aid community than a reality.

framework rather than through demonstrating compatibility with the domestic environment. The depoliticisation of the developmental and statebuilding process, and the insulation from an alien and potentially corrupting local environment therefore inevitably become important aspects of self-legitimisation of international actors. The outcome is paradoxical in that a normative framework, which formulates the rights and entitlements of individuals worldwide as its central objective, produces systems and practices that dissolve political obligations and effectively disempower and marginalise individuals in 'failed' societies.

However, there are also indications that the causal relationship between norms and practices works the other way round. It is not only ideology that creates imperatives for practice, but the structure and practice of aid itself is responsible for the solidification of a self-centred and inward-looking belief system. Chapter Five has found causes for the insulation of aid in the peculiar nature of the task of development, which shapes the institutional structures of the aid system, and determines much of the incentives that guide aid actors' behaviour.

The discussion has shown that lack of information is one of the most defining factors of the task of development agencies. At the most fundamental level, there is a persistent lack of knowledge on how to successfully operationalise international solidarity, i.e., on how to transfer wealth from one part of the world to another. Since the start of the development enterprise over half a century ago, progress in understanding the problems of poverty, insecurity, and instability has mainly been limited to the area of problem diagnosis, while the actual task of solving the problem – the core *raison d'être* of development agencies – remains experimental and subject to high risks of failure. In order to secure their very survival, development agencies therefore face high incentives to veil this ignorance, feed into a normative framework that pretends to present a realisable solution, and present themselves as effective instruments for the global transfer-of-wealth project.

Information problems also permeate the relationship between different parties of the development enterprise. The Afghan case is illustrative of a general problem, which is that aid agencies often have to operate within an environment that they neither understand nor control. This makes it particularly difficult to predict the outcomes that specific actions might generate, or to assess the performance of aid actors and their beneficiary institutions. This high-risk implementation environment creates strong incentives for aid actors to bring as many aspects of the aid process as possible under their direct control, with the goal to better manage the risks associated with spending aid moneys. This study has argued that this process of 'vertical integration', a concept first applied to the aid context by Judith Tendler (1975), effectively detaches the entire realm of aid – from the very definition of developmental needs to programme design, implementation, and evaluation – from its beneficiary context. A higher level of control of the aid agencies, however, inevitably results in a lower level of control of the intended beneficiaries of aid, who are effectively crowded out as meaningful participants in the aid process.

The negative impact of these fundamental information problems is amplified by the principal-agent structures that characterise the aid sector. In the absence of information, attempts on the side of the owners of aid to control aid agencies' performance have predominantly focused on surrogate indicators that are visible and measurable, and have resulted in a disproportionate preoccupation with the amounts of resources provided, the extent to which rules and regulations have been followed, formal project documentation, and so on. Information problems between

the owners of aid and their executing agencies therefore intensify the need of development agencies to control their beneficiary environment and to engage in vertical integration.

These dynamics are further reinforced when aid is delivered through multiple actors that create intricate webs of principal-agent relationships, as has been the case in Afghanistan. The establishment of complex aid delivery mechanisms involving multiple organisations introduces substantial additional information problems and increases the need for internal management and control mechanisms. As the Afghan case has illustrated, while the general focus on formal control mechanisms stifles much of the ability of implementing agencies to interact effectively with a complex environment, it does not seem to be able to handle the thread of moral hazard or adverse selection inherent in complex subcontracting structures.

The lack of meaningful information and the ensuing marginalisation of beneficiaries also create strong imperatives for aid actors to legitimise and market themselves within the aid system and within their own constituencies rather than *vis-à-vis* their beneficiaries. This dynamic further prevents aid actors from learning from the local context and fosters the fragmentation and 'projectisation' of the statebuilding and development effort.

In summary, the study has thus identified three major, mutually reinforcing dimensions that create imperatives for an insulation of the statebuilding effort in Afghanistan from its local context and that are ultimately responsible for the sterility of current aid efforts in the country. On the one hand, there is a difficult and complex domestic environment, which in itself poses an enormous challenge for external actors, and calls for an in-depth, context-specific knowledge, as well as an ability to engage this context constructively and innovatively in the search for workable solutions. The search for workable solutions, however, is prevented by two other dimensions of the international aid effort: Aid actors, and their Afghan counterparts, have to operate within the ideological straightjacket of a Western-centric normative framework that claims to have already identified a fit-for-all solution in the promotion of liberal market democracy through technocratic intervention. Worldwide experience, however, has shown that contemporary practices of development and statebuilding that aim to apply these norms do not actually result in development and statebuilding, or more specifically in the Afghan context, in the nascence of a *de facto* liberal market democracy. It is mainly the third dimension discussed in this study, the political economy of the aid system, which prevents aid actors from breaking out of this ideological straightjacket, and from starting an open and constructive dialogue with their beneficiary environment.

Together, these factors constitute a very stable set of organising principles that create imperatives for a maximum detachment of the entire aid delivery effort from its Afghan context with devastating results for the publicly defined goals of sustainable statebuilding and development. This happens not because it is consciously or conspiratorially pursued with neo-colonial intentions, but because, within the logic of the international aid system, it seems inevitable in order to deliver aid at all.

These dynamics are not unique to the Afghan context, but inherent in the way international responsibilities are formulated and institutionalised. In different variations they have been observed in other development settings or statebuilding scenarios all over the world. In the African development context, Ferguson (1990) and Porter et al. (1991) provide detailed case studies that document the redundancy of reality in the emergence, execution and evaluation of development projects. James Ferguson's analysis of the development discourse in Lesotho in the

1980s remains one of the most powerful accounts of the redundancy of reality in development. Here, the institutional mandate and set up of the donor agencies dictated a representation of beneficiaries' needs that was diametrically opposed to the actual situation in the country and produced a continuous, predictable, and repeated failure of major development projects. Porter, Allen and Thompson (1991) provide another detailed example for the purposeful ignorance of reality in their account of an Australian funded rural livelihoods project in coastal Kenya in the 1980s that had predictable destructive effects for the intended beneficiaries. Also referring to Sub-Saharan Africa, Morss (1984) has described the institutional incentives and imperatives within the donor community that have led to a continuous proliferation of projects, rules, and regulations, and their negative impact on beneficiary country governance capacities.[136]

Analyses of international interventions for statebuilding in the 1990s have come to conclusions that are compatible with the findings of this study, particularly with regard to the marginalisation of beneficiary societies, the absence of accountability mechanisms, and the lack of knowledge within the aid community on how to catalyse statebuilding processes. For example, Ottaway (2003) has looked at the prescriptions that international donors, particularly the IMF and the World Bank made to the post-conflict governments in Sierra Leone and Croatia. She found them to be highly unrealistic and overwhelming both for the government of Croatia, which was relatively well placed with regard to the existence of functioning bureaucratic structures and the capacities within the civil service, and even more so for the fragile post-conflict Sierra Leonean government. In line with the arguments developed in my study, she finds a lack of knowledge on the actual processes of statebuilding and concludes that 'the [donor] prescriptions in essence list the institutions and processes that need to be in place in a modern, Weberian, democratic state, but fail to outline a feasible process for getting there' (Ottaway 2003: 252).[137]

The example of East Timor is in many aspects even more extreme than the Afghan case, as the United Nations Transitional Administration in East Timor (UNTAET), effectively assumed the powers of a sovereign state. It was given full political, legislative and executive powers without the introduction of any checks and balances or any form of binding accountability towards the East Timorese people. Chopra (2002) provides a shocking account of the racism, colonialism and nepotism that developed within UNTAET, and that resulted in a widespread abuse of power, the purposeful exclusion of the population from decision-making processes and in a political division of the East Timorese society, without catalysing positive processes towards a government legitimised by democratic representation.

All these case studies from around the globe provide ample evidence for the lack of knowledge and accountability within the development system, and for the often perverse incentives that govern aid actors' activities and their negative consequences for 'beneficiary' societies.

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[136] See also the collections of case studies presented in Cooke and Kothari (2001), Gibson et al. (2005), Richmond and Franks (2007), and Quarles van Ufford et al. (1988) for evidence from other geographical regions, particularly Asia.

[137] For further case study material on the failure of international statebuilding activities in the Balkan region see, for example, Donais and Pickel (2003) and Krastev (2002).

6.2   Is there any Hope?

It is difficult to imagine a way out of the current *status quo* of an ineffective and counterproductive, yet stable and self-reinforcing system of international intervention for statebuilding and development. The findings of my study allow the formulation of three theses on the causes of the failure of statebuilding. These causes would have to be addressed in order for the international aid system to become a constructive force for statebuilding and development:

First thesis: The current interpretation of statebuilding as the transplantation of external governance systems into a failed society is at best naïve and at worst counterproductive.

The discussion of the complexities and challenges of the domestic Afghan context as well as the analysis of the contradictions that emerge in the operationalisation of current international norms have illustrated the naivety that the current, Western-centric approach to statebuilding entails. Where neither the state itself nor state-society relationships are clearly defined, statebuilding attempts would need to concentrate on catalysing a peaceful transformation from within. What might thus be needed much more than the import of ready-made concepts of the state and technocratic approaches to managing the process of their transfer is a different focus: One on understanding and fostering linkages within society, and between society and state, with a recognition that governance and representative structures have to be embedded and rooted in the societies that have to live them. Imported structures are bound to remain dead as long as those who are supposed to organise and regulate their lives through them feel that these structures do not institutionalise their individual and societal needs in an appropriate way.

Second thesis: The intended beneficiaries of aid remain external to the aid system in its current set-up. Their marginalisation and exclusion from the developmental and statebuilding process is therefore inevitable.

Although ostensibly the entire aid system has been set up for the ultimate beneficiaries, the Afghan citizens in the case of this study, these beneficiaries play no role in setting the norms and incentive structures that govern international assistance. In fact, their reality seems entirely redundant for an aid system that has managed to function from within, starting with the very definition of state, society and developmental needs, to programme formulation, implementation, and evaluation. The marginalisation of political processes, the dominance of managerialism in the conceptualisation of statebuilding strategies, and the inward-oriented legitimisation and accountability of aid actors are logical consequences of this constellation.

Third thesis: In practice, the current international interventionism effectively introduces a governance system of responsibility without accountability which is diametrically opposed to the goal of promoting democratic governance as a solution to instability and poverty.

By fostering the establishment of democratic governance systems, the international community, in theory, concurs with the view that ownership rights over important decisions affecting state and society should reside with citizens in order for government to be legitimate and effective. However, what it has so far been reluctant to acknowledge is that in cases like Afghanistan the aid system effectively replaces the state – whatever the Afghan government

does, is funded and controlled by the aid system, and most of the core government functions are effectively carried out by external actors. While the responsibility of key state functions is transferred from the state onto international actors, the latter are not subject to any tangible accountability mechanisms *vis-à-vis* the local population. By allowing international actors to assume responsibilities of a sovereign state without being answerable to the subjects of this state, the current international interventionism thus effectively introduces a system of responsibility without accountability.

The only way the international aid community has been able to paste over this deep contradiction has been by framing development and statebuilding in managerial and technocratic terms. The claim that achieving development through a known technical process puts the aid agency in the same league as the surgeon, who – in the best interest of his patient – will not take the latter's advice on how to conduct the surgery. Given the findings of this study, however, aid agencies and their designated beneficiaries are much more *at par* than the surgeon – patient analogy suggests. If we accept that there are more unknowns than knowns in the 'transfer of stability and wealth project', particularly in complex post-conflict or in-conflict regions in non-Western societies, we also need to accept, to use Tendler's words, that 'knowledge that is still to be learned cannot, by definition, be more abundant in one part of the world than in another' (Tendler 1975: 10). If this is the case, it is actually highly irresponsible to transfer decision-making and implementation authority for key state functions to international actors without locking them into some form of meaningful accountability mechanisms towards the affected populations.

From the above theses, it becomes clear that a key precondition for aid actors to be able to engage in a more constructive and responsive role as catalysts of stabilising societal processes would be the recognition that there are no known universally valid solutions to global problems of poverty, political instability, and state failure, which could simply be transplanted through technocratic intervention. Instead, solutions are likely to be context-bound, often political in nature, and will have to be identified together with the intended beneficiaries of aid. This does not mean that international technical expertise as such is invalid, but that it would have to be guided by and applied within a much more context-bound and context-accountable framework for intervention.

The existential problems that arise for international aid agencies when the experimental and high-risk character of their work becomes public within their domestic constituencies have been discussed in Chapter Five. The fear of losing public support as a result of acknowledging the *de facto* lack of knowledge acts as a strong incentive for these actors to veil risks and to feed into a normative framework that pretends that the knowledge on how to achieve overarching goals of wealth transfer, political stabilisation, and statebuilding is sufficiently complete. In order to enable international aid agencies to open up ideologically, one would therefore have to change existing incentive structures. This, however, seems impossible as long as the beneficiaries of aid do not form a tangible part of the aid system's actual constituency and are confined to a status of mere objects of international intervention.

The passivity and the lack of cooperation that beneficiaries display as a result of their marginalisation, and the negative impact this has on aid effectiveness, have been obvious in many development contexts. They have been labelled 'lack of local ownership'. At least in rhetoric, the need for more accountability within the aid system and for a greater role of beneficiaries – be they state institutions or civil society organisations – has been accepted within the donor

community. Processes such as the OECD DAC organised Paris Declaration on Aid Effectiveness (2005) and its predecessor, the Accra Agenda for Action (2008) have emphasised the importance of 'local ownership'.[138] The pre-determined nature of current thinking and practices, however, tend to reduce calls for more local ownership to calls for 'their acceptance of our ideas' (Suhrke 2007b: 1292). In this logic, the concept of local ownership has overwhelmingly been interpreted as participation in the sense of cooperation in the implementation of aid, rather than as participation in decision-making. Some positive examples exist at the lowest level of the aid implementation chain, where projects have experimented with more meaningful transfers of ownership rights to beneficiaries. The National Solidarity Programme (NSP) discussed in Chapter Two, is such an example in the Afghan context. However, the positive dynamics that such successful projects create generally remain limited to the specific project itself with little impact on the overall development effort.

How true local ownership can be achieved therefore seems to be the key question that needs to be answered in order to start breaking through the existing counterproductive dynamics that drive the development enterprise. Gibson et al. point out that in the economic sphere 'ownership' usually pertains to a bundle of rights attached to an asset (Gibson et al. 2005: 16). Without rights over decision-making processes, there cannot be any ownership. Ownership rights usually include 'the rights of access and use, the rights to make management decisions, the rights to determine who else can become a joint owner, and the right to give up or transfer all of these rights (the right to alienation)' (Gibson et al. 2005: 16). Achieving ownership thus seems impossible without transferring important decision-making rights to beneficiaries, a process that would enable them to impact on the norms and incentive structures of the aid system.

More recently, the issue of a need for a more meaningful accountability of the aid system *vis-à-vis* its beneficiaries has emerged within the donor community, which is now starting to discuss concepts of 'mutual accountability'.[139] The OECD state that:

> 'Stronger mutual accountability is crucial to the behavioural change needed to achieve the […] key objectives of the Paris Declaration and the Accra Agenda for Action as well as lasting development results to which they contribute […]. Establishing mutual accountability at the country level implies a move away from business as usual through new rules of the game.'   (OECD 2009: 5)

Although the concept of mutual accountability remains based on purely voluntary obligations and thus largely rhetorical, it has at least brought the issue of a need for incentive structures within the aid system to change into the public debate:

> 'The success of mutual accountability is critically dependent on the existence of credible incentives or sanctions for both donors and governments to fulfil obligations. So far, mutual accountability relationships have mainly relied on relational and reputational mechanisms. In difficult and complex political environments, these mechanisms may be too weak to bring about behavioural change. The nature and role of incentives in mutual accountability relationships is an area in which further evidence needs to be gathered.'
>
>   (OECD 2009: 5)

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[138] Local ownership of development strategies is one of five preconditions for aid to be effective that are identified in the Paris Declaration on Aid Effectiveness (OECD DAC 2005).

[139] For a definition and detailed discussion of the current debates on mutual accountability and the emerging mechanisms to operationalize this concept, see Droop et al. (2008).

So far, the political economy of the aid system has acted as a bulwark against a meaningful integration of beneficiaries into the incentive structures of aid, and it is likely to continue to do so. The reasons for this pessimism become clearer when one briefly considers the level and type of ownership rights that international actors would reasonably have to cease to local actors in the case of the Afghan statebuilding project.

Given the scale and scope of the international intervention in Afghanistan, ownership rights would need to be addressed at all levels of decision-making on the statebuilding project. How, then, could a meaningful institutionalisation of international accountability towards the Afghan population and its representative institutions possibly look like?

It could, for example, involve the regular, formal, and publicised evaluation of donor and implementing agencies by the Government of Afghanistan or other receiving institutions. It could involve the condition that aid financed programmes, which surpass a certain size or are otherwise considered important, need to be discussed and passed by parliament. It could also involve a regulation that programmes of a certain size and/ or importance cannot be implemented by individual donors, but have to be financed and managed by trust funds, with transparent decision-making procedures and representation of both government and donor interests (the ARTF was an attempt to go in this direction, but on a purely voluntary basis and therefore with limited success). It could involve the creation of an independent institution with the authority to investigate into claims of mismanagement, waste of funds, or corruption by international aid actors, who could be obligated to cooperate and provide information for such investigations. It could involve the annual submission by all donors of audited accounts and an annual report of their activities in the country to the Government of Afghanistan. And so on.

Although none of these suggestions is excessive (they would be considered standard within any Western democracy), they would be fundamentally revolutionary within the current aid set up, and international aid actors are highly unlikely to voluntarily subject themselves to such external control mechanisms. Sadly, it is likely that only the imminent threat of a total and – more importantly – publicly perceived failure will create sufficient pressures within the international aid system to reform its governance and incentive structures.

This study hopes to contribute to a better illustration of the depth and substantial nature of the problems, which current international attempts at post-conflict statebuilding face, and to convey the urgency of a radical internal reform of the aid system if the latter is to survive as a key instrument of international solidarity in the future. Much more focused research and practical steps are needed to investigate into and experiment with setting up institutional and governance systems between the aid system and its recipient societies, which systematically transfer actual decision-making rights to the latter.

The aid system can only become a relevant and positive force for statebuilding and development if it manages to bring its intended beneficiaries into its own incentive structures. In its current set up it is bound to fail.

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