

When More is Less: Aiding Statebuilding in Afghanistan ¹

By Astri Suhrke
The Chr. Michelsen Institute
(www.cmi.no)

Post-war reconstruction efforts sometimes – but not always – focus on what is commonly called statebuilding, i.e. establishing an effective, central state that operates under the rule of positive law and in accordance with contemporary standards of transparency and accountability. Post-war reconstruction in Afghanistan is such a case. The focus of the US-led intervention in November 2001 was to destroy a “terrorist” sanctuary. Statebuilding was seen as instrument to deny the emergence of a future sanctuary. With previous state structures destroyed or neglected as a result of 25 years of war, general upheavals and intermittent international sanctions, the reconstruction program launched after the intervention consequently placed statebuilding at its core.

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

Policy perspectives

By early 2006, in policy circles as well as much of the policy-related literature, there was a recognition of a paradox in the Afghanistan reconstruction effort. Violence associated with the insurgency and counter-insurgency operations had worsened significantly since mid-2004. Issues of corruption and slow institution building marred the aid programs, as did regional inequities in distribution of aid funds and ostentatious display of the new riches acquired by a few, especially in Kabul, in contrast with extreme poverty of the vast majority of people. The government had failed to significantly expand its hold over

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the countryside, ruled by a variety of strongmen (military commanders, mullahs and tribal notables). Reports in March 2006 from the northern province of Balkh – the domain of the powerful self-styled general Abdul Rashid Dostum – claimed that the central government controlled only four official buildings in the entire province. The central government's limited power was further demonstrated by its limited success in collecting taxes and near-total failure suppressing the poppy economy, estimated to be 60-70 % of GDP in 2005. Violent anti-foreign demonstrations and violence gave a sharp edge to populist rhetoric about unfulfilled expectations and belief that foreign aid organizations are "cows that drink their own milk", as an Afghan saying goes.

The collective international response has been for more of the same– more aid, more institution building, and more foreign troops. Pledges of 4.5 billion dollars were made at the Tokyo conference in 2002, 8.2 billion in Berlin in 2004, and 10.4 billion in London in 2006, which was not even cast as a pledging conference. The programs of the Asian Development Bank and the World Bank, announced on the eve of the London conference, both emphasized more institution building. NATO had in late 2005 decided to increase its troops by around 6000, double the announced reduction of US forces around 3000. Deployment started in early 2006 and when completed would bring the total number of foreign troops in Afghanistan to around 30 000, a record high in the post-Taliban period.

The rationale for the steady increase is that international economic assistance and military presence have not yet reached the critical turning point, whether it is to overwhelm the illegal economy, create a decisive momentum in institution-building, or defeat the militant Islamists. The Afghanistan experts among scholars and diplomats in the United States mostly endorse this view.² While recognizing problems of nationalist reactions and legitimacy associated with large-scale international assistance, such aid is still seen as essential to provide the necessary "capital and coercion" required for statebuilding, as Barnett Rubin argues.³ The vast commissioned literature of evaluation reports, for its part, rarely examines the overall effects of assistance on the statebuilding enterprise itself, but focuses on a narrow range of impacts of particular projects or programs. Policy recommendations typically concern issues of project design, program coherence, coordination, monitoring, and the appropriate sequencing and targeting of aid.⁴ In this context, recommendations that donors use different *channels* of aid (as the

² For instance, 22 Afghan specialists and former US diplomats signed a letter calling on the U.S. government to provide additional aid in support of the modernization/statebuilding agenda presented to the January 2006 conference in London. Published in the Congressional Publication *The Hill*, 8 February 2006. The view is also endorsed by other Afghanistan experts. For a very strong statement of the argument for more aid, see Ahmed Rashid, "Afghanistan on the Brink", *New York Review of Books*, vol. 33, no 11 (June 22, 2006).

³ "Constructing Sovereignty for Security," *Survival*, vol. 47, no 4 (Winter 2005):93-106. Rubin is arguably the most knowledgeable and influential of the US experts on Afghanistan and an articulate representative of what is here called the "critical mass" school of thought. The perspective does allow for change in the form of involvement, e.g. in more direct channeling of external funds to the Afghan government, more consultations with the Afghan government over the operations of foreign troops in the country, and in greater pressure on neighboring Pakistan to suppress the insurgents. See e.g. Barnett R. Rubin, "Afghanistan's Uncertain Transition from Turmoil to Normalcy," *Council on Foreign Relations*, CSR no. 12, March 2006.

⁴ For a review of EU- supported project evaluations, see Strand, Arne and Gunnar Olesen, *Humanitarian and Reconstruction Assistance to Afghanistan, 2001-2005*. Copenhagen: Ministry of Foreign Affairs, Danida Evaluation Series, 2005:05. www.cmi.no/pubs Antonio Donini et al (eds.), *Nation-building Unraveled? Aid, Peace and Justice in Afghanistan*, Bloomfield, CT: Kumarian Press, 2004, with contributions mostly from form aid workers and UN officials in Afghanistan addresses both project and policy issues.

World Bank long has argued),⁵ or to improve the *effectiveness* of aid by intrusive monitoring (as decided at the London conference),⁶ appear as relatively radical proposals for reform although in reality being merely an adjustment of modalities.

What is widely considered the international abandonment of Afghanistan following the Soviet withdrawal in 1989 forms a powerful backdrop for the present policy reasoning. The withdrawal of Soviet forces caused the Soviet-backed regime to crumble, while the *mujahedin* groups turned on each other, aided and abetted by Afghanistan's neighbors. Neither the US nor the UN was willing to intervene to try to stop the violence, thereby opening the way for the Pakistan-supported Taliban movement to seize power. Superimposed on the present situation, this narrative understandably warns against the reduction or withdrawal of international assistance. Instead, a steadfast commitment and more involvement are recommended. "International" in this discourse is typically taken to mean activities undertaken under the auspices of the UN, the Western-led donor community, NATO or the US-led coalition forces. Western analysts often contrast this involvement with "opportunistic" intervention by neighboring states – notably Iran and Pakistan - that are seen as "ready to intervene" if "[the] international communityreneges on its commitments to help secure and rebuild the country."⁷

This narrative has inhibited critical thinking about the fundamentals of the contemporary statebuilding project in Afghanistan. There is, for instance, little if any systematic comparison with failure of the Soviet intervention, although the escalating insurgency in spring 2006 makes for instructive comparisons (and is a subject of black humor among Afghans).⁸ The agenda and the policy dilemmas facing Moscow then resembled in some respects those facing the present international coalition. Possible imperial objectives aside, the Soviet government also sought to defeat Islamic militants, modernize Afghan society and build a strong central state that would create a Soviet-friendly order and stability in the country.⁹

Only a few scholars initially questioned the principal strategies or premises of the statebuilding policy laid down in the Bonn Agreement. The Agreement and related resolutions were designed to establish an effective central state, characterized by "competence and integrity", served by a single army and legitimized through democratic elections. This Weberian model, some critics argued, could not be realized in the Afghan context; the entire project was fundamentally unrealistic. International actors should instead work with existing power holders on the local level ("the warlords") and attempt only modest change.¹⁰ As the aid program got underway and foreign troops continued

⁵ The Bank has consistently called for more aid to be channeled through the government budget via the Bank-administered trust fund. The point is emphasized in its 2005 report.

http://siteresources.worldbank.org/AFGHANISTANEXTN/Resources/305984-1137783774207/afghanistan_pfm.pdf

⁶ A joint monitoring board is to be established. *The Afghanistan Compact*.

<http://www.reliefweb.int/rw/RWB.NSF/db900SID/KH11-6LK3GU?OpenDocument>

⁷ Marvin G. Weinbaum, *Afghanistan and Its Neighbors*, US Institute of Peace, Special Report. June 2006.

⁸ One goes like this: "Question: What is the difference between the Russians and the Americans? Answer: The Americans are better paid."

⁹ From the perspective of officials on the ground, the comparison can seem compelling. An official in the present UN mission in Afghanistan (UNAMA) who in the 1980s worked in the Soviet embassy in Kabul described part of his present work as "the same as I did then - monitoring efforts to defeat the militant Islamists, promoting education, reducing poverty, and helping to liberate the women". Interview with author, Kandahar, November 2003.

¹⁰ Marina Ottaway and Anatol Lieven, *Rebuilding Afghanistan: Fantasy versus Reality*. Washington, D.C.: Carnegie Endowment for International Peace, January 2002. www.ceip.org/pubs

offensive operations against the militant Taliban and their foreign supporters, new criticism appeared.¹¹ Waging war while trying to build peace was fundamentally contradictory, it was argued, as the former objective undermined the latter. The reconstruction program had structural flaws that were likely to produce new conflict and “rogue provinces” as the magnitude of aid greatly exceeded local capacity and was distributed in ways that encouraged social and regional inequalities. These critics had their counterpart in the more general literature on the weaknesses of the “the liberal peace”, which relate to both the presumed unrealistic nature of the agenda and some of its structural aspects that are deemed likely to generate new conflict.¹²

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

Structures of dependence and their implications

International efforts were essential in getting the enterprise off the ground. Initially organized through the UN in an extraordinary show of unity, the states and aid agencies engaged in Afghanistan were generally referred to as “the international community”, but had, of course their own distinct interests. Over time, these emerged more clearly as divergent or rival concerns. The major players included the UN mission (UNAMA) and the UN agencies. NATO as an organization underwrote the international peacekeeping and stabilization presence through ISAF (International Security Assistance Force). The international financial institutions (especially the World Bank), the European Union and Japan from the beginning provided much assistance for economic reconstruction and governance. Russia and India also reformulated their aid and policy agendas in relation to the post-Taliban order, as did Iran and Pakistan, although Pakistan was handicapped by its past support for the Taliban. Gradually, the new government in Kabul also expanded relations with the smaller republics to the north that had emerged from the disintegration of the Soviet Union. But the United States clearly was the single most important foreign actor. Initially content to let the UN take the diplomatic lead, in mid-2003, Washington adopted a more active policy of “nation-building” that included a more politically intrusive role. The US continued to set the principal ground rules for the international military involvement by virtue of its own combat forces on the ground (in Operation Enduring Freedom) and as the preeminent member of NATO. The US was a

¹¹ Work by this author in collaboration with others fall in this category. See Astri Suhrke and Susan L. Woodward, “Make Haste Slowly in Assistance for Afghanistan,” *International Herald Tribune*, 21 January 2002 and Astri Suhrke, Arne Strand and Kristian Berg Harpviken, *Conflictual Peacebuilding: Afghanistan Two Years After Bonn*. Bergen: Chr. Michelsen Institute, 2004. www.cmi.no/pubs Chris Johnson and Jolyon Leslie, *Afghanistan: The Mirage of Peace*, London: Zed 2004 is broadly critical of the consequences of the dominant, interventionist aid program in its early post-Taliban phase, as well as the unwillingness to deal with the Taliban with political rather than military means. See also the critical analysis of the relationship between statebuilding, conflict and poppy production in Nangarhar by Jan Koehler, *Conflict processing and the Opium Economy in Jalalabad*, GTZ/PAL, 2005 <http://www.arc-berlin.com/pages/downloads.htm>

¹² See respectively Oliver Richmond, *The Liberal Peace*, London: Palgrave-Macmillan, 2005, and Roland Paris, *At War's End*. Cambridge: Cambridge University Press, 2004.

major actor in the economic assistance field as well. By mid-2005 there were signs that the US was moderating its involvement slightly.¹³

For Afghanistan, the dependence on these components of the international community was a fundamental and visible fact of life. Some five years after the new administration was installed, military security and the national budget – the two pillars of the statebuilding agenda – continued to be almost totally dependent on foreign forces and foreign funding. The degree of military dependence is illustrated by President Karzai's amazing public admission of weakness in May 2005. If foreign forces were to leave, he warned, Afghanistan would "go back immediately to chaos.....Afghanistan will not make it as a sovereign, independent nation able to stand on its own feet."¹⁴ As for the budget, over 90 % of the total for 2004-2005 came from external funds, with no significant change in this ratio in sight.¹⁵

A: Economic dependence

Foreign donors initially prioritized humanitarian aid assistance and the government collected very little tax revenue in 2002, equivalent to less than 10% of the national budget. By 2005, domestic tax collection had approximately doubled to around \$280 million, but was still quite modest. The revenue-to-GDP ratio was only 5%, which was "well below the level even in other very poor countries," the World Bank critically noted.¹⁶ The overall expenditure level had also increased, with the result that domestic revenues were expected to cover only 8% of the total national budget for 2004-2005. The rest was to come from donor funding.¹⁷ In other words, the ratio of domestic to foreign sources of funding was almost exactly the same as in 2002. The pattern was expected to continue for at least the next 5-year period, according to the IMF and President Karzai.¹⁸

The extreme dependence was underscored by a change in budgetary structures starting in 2004. Instead of an operating and a development budget, as had been the practice before, there was now a core budget, which was handled by the Afghan Ministry of Finance, and an external budget, which was developed in consultation with the Afghan authorities but controlled by the donors. The external budget (2.5 billion dollars in 2004/05) was much larger than the Afghan-controlled budget (865 million dollars for both operating and development expenditures). The external budget included both development and some operating expenses for the army, the police, the health services, education, special national programs like the National Solidarity Program and the cost of elections. From the Afghan government's perspective, these sectors were beyond its

¹³ A change in ambassador signaled a less intrusive political role, and plans for a reduction of some 3,000 of the 16,000 strong US force in Afghanistan were announced. At the same time, work was going ahead to significantly expand and upgrade the major air bases used by the US in Kandahar and at Bagram, which suggested a long-term presence.

¹⁴ Karzai on Voice of America (in Pashto). VOA, 5/15/2005,

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

¹⁵ The World Bank, *Afghanistan. Managing Public Finances for Development*. Washington, D.C.: The World Bank, December 22, 2005, pp.vii-viii.

¹⁶ World Bank (2005), p. viii.

¹⁷ Figures for 2002-3 from Ministry of Finance as cited in the HDR, Afghanistan (note 24).

¹⁸ Daniel Cooney, "Afghanistan Hails Debt Cancellation," *Washington Post*, 8 February 2006, citing Karzai and the IMF's representative in Kabul.

financial control, as the IMF pointed out,¹⁹ and were listed as “off budget” items in major planning documents, including the Afghan National Development Strategy for 2006-2010.

How does this revenue ratio compare with the record of previous modernizing regimes in the country? Afghan rulers have long been dependent upon foreign funding, but especially so in two recent periods – during the presidency of Mohammad Daoud (1973-77), and the communist regime (1978-1992). These periods thus are useful points of comparison. As shown in table I below, the comparison is unfavorable for the Karzai government. At both the beginning and end of Daoud’s presidency, domestic revenue collection accounted for slightly over 60 % of total expenditure, even though Daoud had launched grand development schemes that were heavily financed by the US and the USSR. The figures for the early years of the communist regime are comparable although this was after the Soviet invasion and the insurgency had grown to full war.²⁰ By comparison, after four years the post-Taliban government only collected enough domestic revenue to pay for 8% of the total budget, and some 30% of the much smaller core budget. The latter mostly covered salaries for government official on the central level, increasingly also provincial-level officials, but no development project of significance.²¹

Table II: Domestic revenues and national expenditures

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

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

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

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

Against this background, the intense discussion within the international aid community about the choice of channel for aid transfers becomes less interesting. Channeling more aid through the core budget – as the World Bank and the Afghan government are recommending - would only reduce the government’s secondary dependence on the donors.²² As such, it would go only a small way to close “the sovereignty gap”, as the

¹⁹ *Islamic State of Afghanistan: Selected Issues and Appendix*. IMF Country report no. 05/34, February 2005, pp.17-21.

²⁰ The sale of natural gas was a major source of revenue for both Daoud and the PDPA.

²¹ In this context, it is misleading to cite only the ratio of domestic revenue to expenditures in the core budget as an indication of growing self-sufficiency, as a recent conference report does. *Post-Conflict Transitions: National Experience and International Reform*. New York: IPA/CIC, March 2005, p.3

²² The World Bank and the then-Minister of Finance, Ashraf Ghani, early on took the lead in calling for transferring funds through fiduciary or Afghan government channels. By late 2005, more donors were doing

former Afghan Finance Minister called for.²³ As long as aid money continued to be the main source of revenue, primary dependence on the donors would remain and conditions of quasi-sovereignty – to paraphrase Robert Jackson – would prevail.²⁴

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

The rentier state

As indicated above, the rentier state is a familiar concept in Afghan history. Daoud's presidency is usually singled out as the prototypical rentier state, but other modernizers received substantial foreign funding as well, or subventions in the language of British imperial officers who supplied Afghan rulers with funds in the late 19th century. The rentier state as it has manifested itself in Afghanistan and elsewhere has been closely studied and produced a clear conclusion: it is not conducive to either economic development or the evolution of a democratically accountable government.²⁵

The main argument regarding democratic development is that accountability follows the direction of resource flows. With the national budget mostly financed by foreign governments and institutions, the Afghan government's major responsibility in accounting for the use of these funds is towards the donors, rather than its own people. The same observation has been made of earlier Afghan regimes that were heavily dependent on external funding. In his seminal study of Afghan political development, Barnett Rubin concludes that Daoud's rentier income from foreign aid and revenue from

so, particularly the European states. The Bank-administered trust fund (ARTF) financed most of the civilian recurrent budget for 2004/5, including around 90% of the payroll for the civil servants. World Bank (2005), p.6, 56.

²³ Ashraf Ghani et al., “Closing the Sovereignty Gap: an Approach to State-Building,” London, ODI September 2005.

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

²⁵ The finding holds across disciplines and research areas. Among the vast literature and the variety of types of rentier states, the following should be noted: the early formulation by Hazem Beblaw, “The Rentier State in the Arab World,” in Giacomo Luciani (ed.), *The Arab State*, London: Routledge, 1990, pp. 85-80, and more recent work on the rentier effects of the “resource curse” in the Middle East and Africa as inhibiting both modernization and democratization, especially Michael Ross, “Does Oil Hinder Democracy?” *World Politics*, 53:3 3, April 2001, pp. 325-361. The reverse dynamic - the bootstrap logic – is identified in a recent study that seeks to document the origins of the developmental state in Asia. Richard F. Doner et.al., “Systemic Vulnerability and the Origins of Developmental States: Northeast and Southeast Asia in Comparative Perspective,” *International Organization*, 59, Spring 2005:327-361 Economists of both a rationalist and institutionalist orientation come to similar conclusions, e.g. Douglass C. North, *Institutions, Institutional Change and Economic Performance*, Cambridge University Press., 1990, supports the conclusion that the fiscal crisis of the English state (the King) “led to the development of some form of representation on the part of constituents” as there was no rentier income (p.113); Robert H.Bates confirms this dynamic by observing its opposite among “the third world” governments during the Cold War: “supported by transfers of aid from abroad, [they]did...[not]need to bargain with their citizens to secure public revenues. They therefore did not need to be responsive to their people or democratic in their politics....” *Prosperity and Violence*, New York: Norton, 2001 (p.82).

sales of natural gas had dysfunctional political effects. “Renewed external revenues relieved Daoud of whatever incentives he might have had to make his government accountable [to the population]. He did little to transform the mode of governing to match the means by which he had taken power.”²⁶

With the regime change in 2001, donors insisted that formal democratic institutions must be part of the statebuilding and reconstruction package. Democratic accountability was expected in the long run to contribute to stability, legitimacy and order, and was the reason why the Bonn Agreement and the new Constitution (2003) both provided for a parliament. The parliament elected in 2005 has indeed started to flex its muscles. Yet it is unclear what would be its sources of strength if it lacks the power of the purse that historically has forced kings to subject themselves to the scrutiny of the propertied and productive classes. In this context, large aid flows – particularly if they are in the range of 90% of the total budget - would tend to marginalize the parliament by giving the donors a more important voice, at least de facto, in setting policy and in holding the government accountable for its use of the funds. The power of the donors in this respect was formally emphasized by the contract-like provisions with the Afghan government in the Afghanistan Compact agreed to at the London conference in 2006. Efficient use of large aid inflows may of course produce some economic development gains, and to that extent also stability. But it is clearly at odds with the long-run goal of promoting democratic government in Afghanistan - which is also central to the statebuilding agenda – and does little to strengthen the authority and legitimacy of the present government.

To understand the impact of large aid flows on the legitimacy of the government two factors are critically important: the poppy economy and the extreme fragmentation of political power. When the new Karzai Administration was installed, the central state appeared as only one of several armed factions. The government controlled the capital but was itself severely factionalized (especially in the first two years), and had only tenuous hold on the official provincial administration that, almost miraculously, had survived the years of war and turmoil. And while the Karzai government had the enormous advantage of being the internationally recognized party and the formal recipient of aid, some other factions also had external supporters and the additional advantage of control on the ground and access to significant capital through the opium economy. As the production and trade of poppy rapidly increased and spread to new areas, it underwrote a set of parallel structures of power and authority. This limited the potency of foreign aid in garnering support for the central government. In theory, foreign aid resources could be used by the government to provide services and obtain political support. In practice, so could – and did - rival factions. In bargaining for support and political alignment, the fact that the government was dependent on foreign monies undoubtedly was a weakness. The foreign element was a liability in a political climate increasingly characterized by anti-government and anti-foreign protests, as we shall see below. It was also problematic if viewed from a rational actor perspective. Dependence on foreign aid exposed the weakness of the government as an autonomous actor. This increased the uncertainty and risks for other actors of aligning with the government, thus introducing a marked hedging effect in the bargaining between the center and the local power holders.

It is not difficult to find evidence of hedging. Afghans are acutely aware that in their recent history, external patrons have often proved fickle or acted contrary to the interests

²⁶ Rubin (1995), p. 75.

of peaceful developments in the country. Politics traditionally has been based on flexible alignments and shifting alliances. The early Karzai administration was no exception. Both on the central and local level, frequently asked questions were how long the US would support Karzai, and with how much. If Karzai makes a deal and the foreigners break it, the other local party to the agreement has little recourse. The anti-government factions exploit the same logic by capitalizing on the lack of development and sustained presence by government forces in areas that they themselves have made insecure. Hedging adds to the manifest unwillingness to pay taxes and the widespread disregard for the official ban on cultivation and trading of poppy.²⁷ When the government does obtain compliance, it is typically transitory and more like a spot contract.

The case of the halt in poppy production in Nangarhar province in early 2005 is illustrative. Strong pressure from the central government and promises of generous aid made the governor of Nangarhar (appointed by Kabul) and the local military strongman (self-appointed) impose a temporary ban on poppy production.²⁸ Production fell by an estimated astounding 96%, and made a significant dent in national statistics as well since Nangarhar was a major growing area. After one growing season, however, farmers resumed cultivation. The precise reasons are unclear, but a major argument was that the promised aid had not been forthcoming. Donor spokesmen, in turn, claimed that the provincial population had entertained unrealistic expectations. Aid at any rate needed to go through proper preparation and project cycles. Karzai was publicly silent. He had entered into a contract and could not deliver, and the role of the foreigners overshadowed the deal. Farmers further reported that “the other side” advised them not to cooperate with the foreigners by observing the cultivation ban.

In the short run, while aid provides resources that permit some of the government functions to be undertaken, extreme financial dependence on foreign aid creates a measure of political weakness that cuts against the statebuilding project. As the government in effect plays the role of an agent, rather than one of an owner-patron, to use the language of institutional economics, its credibility to honor long-term political contracts with potential rivals, contesters and supporters is questioned. Instead, spot contracts – ad hoc alignments subject to sudden shift - dominate. Such alignments may well be characteristic of traditional Afghan politics, as is often argued. However, it certainly differs from development of stable rules and predictable relationships that are the essence of institution building and associated with the development of an effective state marked by “competence and integrity”, as envisaged in the Bonn Agreement.

Sustainability

Even rentier states financed by resources controlled by the state have an element of unsustainability, but domestic natural resources such as oil and diamonds are likely to last longer and yield more predictable return than foreign assistance. In the case of Afghanistan, donor investment was now, as before, driven largely by their strategic

²⁷ Similarly during the PDPA rule, payment or withholding of taxes was considered a sign of support for, or opposition to, the government. See Antonio Giustozzi, *War, Politics and Society in Afghanistan, 1978-1992*, Washington, DC: Georgetown University Press, 2000, p.167 et passim. This is not to say that Afghans have a record of willingly paying taxes even to strong central leaders. Abdul Rahman Khan, the “Iron Amir” of the late 19th century, used to complain that he collected with ease only one-fourth of the taxes due to him, most he had to struggle to get, and for the rest he had to send in the cavalry. Cited in Gregorian (1969).

²⁸ See Koehler (2005), and Afghan press reports, distributed by AFGHANDEV@lists.mcgill.ca

interests, which by their nature are shifting. Recognizing this as a recurrent feature of their history, the Afghans sought to maximize aid in the short run. This strategy was especially pronounced in the immediate aftermath of the Bonn Agreement, when the government hoped to capitalize on the newsworthiness of the peace. The then Finance Minister, Ashraf Ghani, argued forcefully that massive aid was necessary for reconstruction and, above all, to drown out the illegal economy. Absent sufficient aid, he warned, Afghanistan would become a “narco-mafia state”. His argument underpinned the planning document prepared for the second donor conference in Berlin in March 2004, which called for 28 billion dollars in aid over a 7-year period, and framed the London 2006 conference as well. Billed as a meeting to lay down a political, economic and social strategy for the next 5-year period, the conference produced pledges of over 10 billion dollars for the planning period.

War-devastated and fragmented Afghanistan clearly lacked capacity to absorb aid of this magnitude. Instead of taking a long-haul approach based on a modest inflow of aid that could be equilibrated with the build-up of local capacity, the Ministry of Finance decided to increase absorption levels by importing capacity in the form of international consultants, including expatriate Afghans on international contracts. The consultants took over much of the regular work in the ministries selected for reform (first and foremost the Ministry of Finance). As late as August 2004, a total of 224 advisors of this kind were working within the Ministry of Finance, contracted through the international consulting firm Bearing Point under a 95.8 million dollar USAID contract.²⁹ The scheme was effective in absorbing aid money, but lacked programs for transferring skills (consultants initially worked in office quarters separate from those of the regular Afghan employees, for instance), and raised serious questions about sustainability.

Efforts to link imported capacity to training programs were instituted, but progressed slowly. By mid- 2005 development spending was “substantially below budget expectations, essentially due to lack of security and the low capacity of line ministries and implementing agencies to develop and implement projects,” the IMF reported.³⁰ Some European donors that wanted to shift more funds from international NGOs or UN agencies to the government observed that lack of government capacity was a significant constraint.³¹ Even donors strongly committed in principle to channel funds to the government through the World Bank-administered Afghan Reconstruction Trust Fund, like Norway, was in early 2006 preparing to channel more funds directly to the provincial level in cooperation with NGOs and the military-civilian Provincial Reconstruction Team (PRT) under ISAF. Even USAID, which mostly worked directly with US contractors and their subcontractors in the field, managed to spend only half of the money appropriated for 2004-2005. The U.S. Government Accountability Office reported that many AID projects were initiated in haste in preparation for the 2004 presidential election in Afghanistan and that much of the funding was wasted.³²

This aid dynamic has had dysfunctional effects in the short run, and seems unsustainable in the longer run. Calls for massive inflows and generous promises generated huge expectations which, unsurprisingly, were not met. The aid discourse contrasted with the reality of slow implementation, reportedly huge corruption,

²⁹ United States Government Accountability Office. Afghanistan Reconstruction. GAO-05-742, July 2005, p. 26 <http://www.gao.gov/new.items/d05742.pdf> See also CMI (2004).

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

³¹ Strand and Olesen (2005).

³² GAO (2005).

ostentatious displays of new riches, and grinding poverty in large parts of the country, especially in the outlying and insecure areas. Criticism and populist rhetoric mounted. The ubiquitous presence of foreign aid experts on high salaries further fuelled political dissatisfaction and unrest, while aid experts pointed to the cost-ineffectiveness of employing foreign consultants or international NGOs rather than using local capacity.³³ By early 2006 there were some signs of self-correction in the donor community, as evident in the tougher language on implementation and domestic revenue collection at the London meeting.³⁴

B. Military dependence

The government's five year plan for 2006-10, the Afghanistan National Development Strategy, is prefaced with a poem by the ninth century Islamic scholar Ibn Qutayba. It begins as follows: "There can be no government without an army..." The military indeed played a critical role in statebuilding in the early post-Taliban period, although the troops were international rather than national. The new Afghan National Army (ANA) was built up slowly, reaching only 22 000 men by mid-2005, as against the international force level which at that time had stabilized around 30 000.³⁵ In the meantime, both the US-led combat forces (OEF), and the UN-authorized and NATO-commanded stabilization force (ISAF) sought to achieve three central objectives of statebuilding: disarming opponents, deterring rivals, and defeating the militant opposition to the central state.

ISAF's main task was to deter rivals and encourage opponents to disarm. By securing the capital soon after the fall of the Taliban, ISAF effectively preempted renewed military rivalry among the Afghans factions for the capital (which they had fought over with such devastating consequences in the civil war of 1992-96). Smaller ISAF teams were deployed outside the capital to remind local power holders that Kabul had important external patrons, and additionally undertook civil affairs projects in a hearts-and-minds strategy. Formally this was called "extending the authority of the central government in the provinces". ISAF's deterrence effect was reinforced by the much more powerful US military presence. Using "B-52 diplomacy", US military personnel appeared at strategic points of conflict to communicate that potentially much larger force could be brought to bear. The threat of international force was the backdrop for Kabul's progress in standing down regional strongmen, especially Dostum in the North and Ismael Khan in the West, and for the gradual marginalization of the powerful Defense Minister, Marshal Fahim in 2003-04.³⁶ Although not specifically mandated to assist the UN-supervised program to

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

³⁴ Some signs of corrective tendencies are difficult to assess. The 10 billion dollar pledge in London represents a somewhat lower annual rate than the Berlin conference pledges, but the two pledging periods overlap and makes comparison difficult. The Afghan government, for its part, drastically reduced the estimated need of foreign financing in its development plan for 2006/7-2010/11. The Afghan National Development Strategy (ANDS) projected a financing gap of around 900 million dollars annually. (www.reliefweb.nl/library/documents/2006/unama-afg-30jan2.pdf). Given that the external budget for 2004/5 alone was 2.5 billion dollars, however, the budgetary estimates seem seriously disconnected.

³⁵ By early 2006, the Coalition Forces (OEF) had around 19 000 troops (with a scheduled reductions of 3 000), and ISAF had 9 000, with a planned increased of another 6 000.

³⁶ ISAF "rolled out tanks to protect the presidential palace" when pressures to disarm the factions and remove Northern Alliance leader Marshal Fahim in 2003 led to rumors of a coup in September, at the time of Karzai's visit to the United States. Scott Baldauf, "Afghan campaign trail barely trod by Karzai," *The Christian Science Monitor*, 31 October 2003. Military coups, it will be recalled, brought about two regime changes in

demobilize the various military factions, the presence of ISAF and OEF likewise helped bring Phase I of the program to a completion in September 2005. International military force also helped enforce the new rules of political competition. In the run-up to the elections in 2004 and 2005, ISAF troops were deployed to protect ballot places, and US forces on so-called “full-spectrum missions” encouraged villagers to vote.

The contribution made by international forces to protect the capital and enforce the new rules for control over the central state helped preserve a large measure of peace – in the sense of no war - in the capital and roughly two-thirds of the country. As a result, people expressed considerable tolerance for their presence despite the legendary Afghan resistance to foreign troops in the past, whether from the Soviet Union or the British imperial army. One widely cited poll conducted in 2005 found that two-thirds of the respondents wanted U.S. forces to remain in the country “until security is restored.” If foreign troops stood between them and renewed civil war or a Taliban-style rule, they were welcome.³⁷

Yet the welcome seemed to be wearing down over time, as expressed in mounting protests over the conduct of foreign, especially US military forces, and the growing strength of the insurgency. The primary mission of the US forces – to destroy al-Qaeda bases in Afghanistan and defeat the remnants of the Taliban – had by early 2006 produced inconclusive or negative results. The militants responded to the US-led offensives by attacking foreign troops regardless of mission and command, as well as “soft targets”, such as foreign aid personnel and Afghans working with them. Suicide attacks became more common. The tactic had previously not been used in Afghanistan and was attributed to the presence of foreign Islamic fighters. Violent events in the country as a whole increased markedly from 2003 onwards. In the southern and the eastern provinces, the number killed in 2005 was higher than at any time since 2001.³⁸ Violence intensified further during the first half of 2006 as ISAF forces were preparing to take over from US forces in the southern provinces. Some 300 persons (civilians and military) were reported killed in May and early June alone as US-led forces mounted a massive offensive in the southeast designed to root out the insurgents once and for all.³⁹ Nevertheless, reports indicated that the Taliban controlled large swaths of territory in the southeast, particularly at night.⁴⁰ Fresh recruits were mobilized locally and from sanctuaries on the Pakistan side of the border, reinforced by foreign *jihadi* fighters. The decision in late 2005 to increase NATO force levels, as well as the unprecedented scale

the 1970s, the coup by Daoud against the King, and by the PDPA against Daoud. In the confrontation between Kabul and Ismael Khan, US forces played a more direct role. The US had in 2003 established a PRT in Herat. Although newly minted ANA forces were fronting the operation to dislodge Ismael Khan in August the following year, they were flown into Herat in US planes, US forces brought in supplies, and a US Army major accompanied the international press to cover the operation. See “Deploying to Shindand with the Afghan National Army,” *Defend America News*. <http://www.defendamerica.mil/cgi-bin/prfriendly.cgi?>

³⁷ The poll was conducted on behalf of the ABC (US) and released on 7 December 2005. <http://abcnews.go.com/International/PollVault/story?id=1363276>. A survey undertaken by a Washington-based program at the same time produced similar results. <http://www.ipsnews.net/news.asp?idnews=31737>. However, the ABC poll also reported that 42% of the respondents had electricity in their homes, of which 19% said they were connected to power lines, which suggests that either the sample had a strong urban bias or the answers were untruthful. The World Bank estimated at the same time that only 10% of the population as a whole had access to grid power supply. World Bank (2005), p. 80.

³⁸ The government’s Afghan National Development Strategy noted that 2005 was “the deadliest twelve-month period for coalition and ISAF forces since 1380 (2001).” ANDS 2006, pp.34-35. The BBC on 8 December 2005 reported 1400 victims killed in the south and the east in 2005. <http://newsvote.bbc.co.uk>.

³⁹ Washington Post, June 18, 2006.

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

of the US-led offensive in May-June the following year, amounted to an admission that the insurgents were gaining in strength.

At the village level, it appeared that “the Americans bomb the wrong kind of people and imprison innocent people”, as an elder Pashtun in the central Logar province told a foreign visitor.⁴¹ Foreign troops on search and destroy operations were especially likely to cause local concern, but the distinction between OEF units with a search and destroy combat mission and ISAF units with primarily a stabilization mission was not always clear to outsiders.⁴² Concerns among Afghans ranged from issues of improper social behavior of foreign soldiers to the widespread disruption, death and other “collateral damage” caused by the counter-insurgency campaign. Major offensives like the May-June 2006 campaign – which involved dense air strikes and use of 500-pound bombs in rural areas believed to house insurgents – were certain to produce negative reactions regardless of the villagers’ initial attitude towards the Taliban. In a case where US air strikes killed 35 villagers in Kandahar province, the elders asked Karzai to tell foreign troops to leave.⁴³ The southeast, moreover, was the stronghold of tradition-bound Pashtun tribes and the home region of the Taliban. Almost regardless of their actions, foreign forces were handicapped by the very fact of being foreigners and outsiders in a tribal social order. In the poll commissioned by a US television company in December 2005 cited above, one-third of the respondents said that attacks on US forces were justified. In subgroups of “socially conservative” respondents and those who were “dissatisfied with the benefits of peace”, the figure rose to 60%.

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

⁴¹ Donini et al. (2005), p. 32.

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

⁴³ New York Times, 26 May 2006.

⁴⁴ On Nangarhar in this respect,, see ‘*Killing You is a Very Easy thing for Us.*’ *Human Rights Abuse in Afghanistan*. Human Rights Watch, vol. 15, no 5, July 2003, p. 19. <http://www.hrw.org/reports/2003/afghanistan0703> and on Helmand, see Declan Walsh, “Welcome to Helmand,” *Guardian Weekly Review*, February 10-16, 2006.

A series of incidents in the spring of 2005 proved particularly embarrassing as they came at the time when Washington and Kabul were launching closer military, economic and political cooperation in the form of a “strategic partnership.” A UN report had documented illegal arrests, torture and death of Afghans held by US forces in Afghanistan.⁴⁵ US military operations had (again) claimed children among its civilian victims. Coincidentally, reports that US forces had desecrated the Koran while interrogating prisoners at Guantanamo (where a number of Afghans were held), caused violent demonstrations in Afghanistan as elsewhere. Karzai demanded that US forces exercise “extreme caution”, asking that the Afghan government be consulted on OEF operations and that Afghan detainees held by US forces in the country be handed over to Afghan authorities.⁴⁶ The concessions from the US were mostly symbolic. Some detainees were released, but the government’s position of powerlessness was confirmed in both legal and political terms. The terms of the new “strategic partnership” gave the US as well as NATO forces “freedom of action” to conduct military operations, although based on unspecified “consultations and pre-approved procedures”. Yet the strategic partnership was just a mutual declaration, not a treaty, and the formulations were vague. Pressed on the meaning of “consultations”, President Bush pointedly avoided a commitment by saying “we’ll consult with them in terms of how to achieve mutual goals...[The United States] will consult with Afghanistan if it perceives its territorial integrity, independence or security is at risk.”⁴⁷

The precise damage done to the Karzai government’s authority by such heavy-handed military tactics and diplomacy is difficult to assess, but was probably considerable. It seemed to indicate that power relations had not fundamentally changed since US forces invaded the country and installed the new government, despite the fact that Karzai had subsequently been legitimized by traditional means (the Emergency Loya Jirga in 2002), and through presidential elections (in 2004). Dependence again appeared as weakness. If the Karzai government by its own admission is so dependent on foreign forces, and, by the demonstrated heavy-handedness of the US, so unable to influence its larger ally, both villagers and local power holders may find that working with the state and its representatives is a risky business. The risk, of course, is underscored by the Taliban, which increasing targets both officials and ordinary persons working for the government or the foreign militaries.

Building the Afghan National Army (ANA)

The most obvious way out of the predicament posed by reliance on foreign troops was to build up a national Afghan army. This would also address the problem that the head of the government and the key individual ally of the United States – Chairman and later President Karzai – unlike the other contenders for power did not have a group of armed followers. His initial reliance on private US security contractors for bodyguards was a stark reminder of this .

⁴⁵ *Report of the independent expert on the situation of human rights in Afghanistan, M. Cherif Bassiouni.* UN E/CN.4/2005/122, 11 March 2005. When the report was published the Bush Administration successfully pressured the UN to sack its author, a prominent professor of law teaching in the United States. http://www.law.depaul.edu/institutes_centers/ihri/pdf/Bassiouni_Afghanistan_Final_05.pdf

⁴⁶ Agence France Press, 1 May 2005.

⁴⁷ Transcript of press conference, 23 May 2005.

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

The development of the ANA was almost entirely financed by the United States through the external budget of the Afghan government, that is, the part beyond its control. For fiscal year 2003/2004, the US funded 618.3 million dollars of a planned budget of 904 million, and the following year contributed over 550 million towards a planned budget of 904 million.⁴⁹ Funds came primarily from the Foreign Military Financing (FMF) budget, a long-standing Department of Defense program that in the past has provided military support to US allies in the Middle East, above all Israel, Egypt and Jordan. Unlike other Afghan development sectors financed by donors through the external budget, funding for the ANA was steady and secure, virtually up-front at the beginning of the budget year. For 2004/2005, 80% of the planned expenditure for ANA had been funded as per the mid-year review. By comparison, only 15 % of the budget for the Livelihood and Social Protection sector had been funded, and 14% for the Education and Vocational Training, even though the dollar amount for both education and livelihood combined was far less than the allocation for the ANA.⁵⁰ The Pentagon funds covered all aspects of ANA development, including salaries, logistics, training, construction of recruiting stations, rehabilitation of hospitals, construction of garrisons in the southeast and the south, establishment and operation of the four regional commands (Kandahar, Herat, Gardez and Mazar-e-Sharif). The largest single item was the formation of the central Army Corps of three infantry brigades in Kabul. US funds also supported the development of the ANA Air Corps.

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

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

⁴⁹ Afghan sources give 554.04 million, Ministry of Finance, www.af.mof/budget. US sources give 558 million. "US Military Assistance", http://www.fas.org/asmp/profiles/aid/fy2005/CBJ05_milassist.pdf and <http://www.fas.org/asmp/profiles/aid/fy2006/CBJMilAss.pdf>,

⁵⁰ External Development Budget, Funded Programs, National Budget 1384, MYR. www.af.mof/budget

The strategy appeared to serve US interests as well. An army built, trained, equipped and financed by the United States would be subject to American influence in numerous direct and indirect ways, from ideological formation to budgetary controls and supply of spare parts. If successful, it would give the US a proxy army to defeat “terrorists” in Afghanistan and support US interests elsewhere in Central Asia. US interests in the region did not necessarily coincide with those of the Afghan government, however. From the perspective of Afghan interests, the arrangement would constrain the pursuit of an independent foreign policy and could make the country vulnerable to enmity in US relations with states in the region. The issue surfaced when Washington in May 2005 announced it would institutionalize its military presence in Afghanistan through a new “strategic partnership”. The reaction of Russia, China and the four Central Asian states bordering on Afghanistan – members of the Shanghai Cooperation Organization formed in 2001 – signaled distrust and counter-pressure. While also triggered by Washington’s policy towards political unrest in Uzbekistan, a formal communiqué issued in July called for the United States to set a timeline for withdrawing from military bases in Central Asia and suggested there was a declining need for combat operations against the Taliban. Deteriorating relations between the US and Iran caused fears in the western province of Herat that a confrontation might involve the border region as well.⁵¹ Iran’s possible membership in the Shanghai group, as discussed in early 2006, further underlined the potential difficulties that continued military dependence on the US might cause in Afghanistan’s relations with its neighbors.

After three years of intense efforts, the formation of an effective Afghan military force is still very much a work in-progress. Initial problems of recruitment, retention, training and reliability were reduced, but questions remained about the reliability and effectiveness of the ANA as fighting force against the Taliban and other enemies of the central government.⁵² The ANA is still highly dependent upon its American mentors and even continues, for instance, to use English rather than Afghan names for their missions and operating bases.

From another perspective, the ANA is seen to be in a relatively privileged position that raises the prospect of imbalanced development. The World Bank drew attention to the disproportionately large expenditures for defense, concluding that the policy was clearly unsustainable.⁵³ The UN mission noted in early 2005 that while most state institutions remained “extremely weak”; “[s]o far, only the Afghan National Army programme has been able to encompass the various dimensions of institution-building, from in-depth reform of the Ministry itself, to the vetting and training of officers and soldiers, to post-deployment assistance and mentoring.”⁵⁴ The failure to invest equally in developing civilian institutions of the state and governance, including the sidelining of political parties in the 2004 parliamentary elections, accentuated the comparatively favored position of the armed forces and, in the longer run, the possibility that successful statebuilding with respect to the armed forces might culminate in a coup or at least

⁵¹ Personal communication with Kristian Berg Harpviken, PRIO; who did fieldwork in Herat in May 2006.

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

⁵³ World Bank (2005).

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

heavy military domination of the government. The historical precedent was certainly there: the Afghan army has twice in recent history (1973 and 1978) been instrumental in bringing about regime change.

Legitimacy

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

As for the normative element of legitimacy, the consequences of the foreign-initiated and foreign-dependent statebuilding process are also mixed. The new order had been welcomed by many as a relief from war and the oppressive rule of the Taliban, and as a promise of peace and prosperity to come. Yet the dependence on foreigners carries negative connotations in three major ideological perspectives. First, the development ideology of the importance of "local ownership" is widely cited on all levels in the political discourse, often expressed in the slogan that "the Afghans must be in the driver's seat" in rebuilding their state, society and economy. But, Afghan critics asked, how can we be in the driver's seat when, in fact, the map is produced in New York, Bonn and London, the fuel bill is paid for at pledging conferences in Tokyo and Berlin, and the foreigners now are doing back-seat driving? Secondly, Afghan nationalism, however diffuse, has a distinct core defined by pride in a country that was never colonized and a people that repeatedly has driven out foreign invaders. Thirdly and more narrowly defined, the ideology of the militant Islamists specifically attacks the Western foreign presence and development model as illegitimate. In an international context where the US-led "war on terror" and invasion of Iraq have created perceptions of a Western crusade against Islam, the Afghan government's deep support base in the western Christian powers can be a liability.

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

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

In the parliament, political opponents of Karzai complain that the foreigners are obstructing traffic in Kabul by building security barriers in front of their embassies. The barriers must be immediately removed, they say, even those in front of the United States embassy, which has practically blocked off a main street (January 2006).

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

Violent demonstrations against foreign pillars of the government: The UN offices in Herat are attacked by a mob when the central government tries to remove Ismael Khan (September 2004). Coordinated attacks on ISAF headquarters in three locations are triggered by the Danish cartoons of the Prophet, but seem connected with the agenda of military leaders who all are at odds with the modernists in the central government (February 2006).⁵⁵

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

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

To avoid being tarred by the anti-foreign brush, the government sought to establish its own sources of normative legitimacy. In part, this was done through Western-modern rituals, notably the 2004 presidential elections, and partly by projecting the traditional image of the central state as a broker of services that enhances the status and power of local authorities, as Olivier Roy notes.⁵⁶ Karzai has been increasingly engaged in bargaining with local strongmen and pursuing promotional policies to establish his legitimacy and usefulness as a traditional facilitator of this kind. The practice runs counter to the notion of a strong central state that was at the core of the Bonn Agreement agenda, as well as the interests of many donors who suspect Karzai's bargaining partners are linked with the drug trade, incompetent in meeting the needs of a modern state, or have bad human rights records.⁵⁷ The conflicting nature of traditional and modern sources of legitimacy thus limits the possibility of Karzai – or any head of government in his position – strengthening his own authority and by implication that of the state. Parliamentary elections (2005) probably had a more straightforward positive legitimizing effect on the state. By widening the political arena at the central level, it also enhanced the power, saliency and to that extent the legitimacy of politics at the central, as distinct from the local, level.

⁵⁵ In Maimana, Dostum's stronghold, it was noted that a team from the TV company controlled by Dostum was at hand to film the start of the violent demonstrations against the ISAF base. Demonstrations also occurred in Herat, where Ismael Khan's infrastructure of power remained at least partially intact. In Kabul, which used to be the stronghold of Bismillah Khan, the main commander of Fahim and present chief of army, ISAF's headquarters were targeted. The demonstrations were closely coordinated in time. http://www.afnorth.nato.int/ISAF/Update/Press_Releases/speech_8feb06.htm

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

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

Conclusions

The present statebuilding project in Afghanistan originated in a military intervention that installed a new regime and launched an ambitious agenda of reconstruction and reform. As such, it was a prime case of an externally driven state formation effort. Two key elements of statebuilding - capital and armed force - were provided by foreign powers in the first five years of the new order, and these conditions were expected to continue for a considerable time in the future. The profound dependence on external sources of power created a series of problems, above all in a third area required for statebuilding, namely legitimacy. As a result, the reform process was slow, difficult and plagued with numerous dilemmas. Perhaps the most basic dilemma stemmed from the tight embrace of external powers. While also encountered by the Soviets in Afghanistan in the 1980s, the dilemma did not simply reflect the centrality of self-determination in the postcolonial world. The British experienced it as well in their Afghan ventures in the mid-19th century. Having installed Shah Shuja as ruler in Kabul in 1838, the British subsequently wanted to withdraw their troops so as not to incur the cost of a permanent occupation. They feared, however, that Shah Shuja would not last long if deprived of the support of "British bayonets"; at the same time, they recognized that as long as the troops remained, the Shah would be considered a puppet of "infidel foreigners". "It was, in fact, a dilemma," as a commentator later noted.⁵⁸

The contradictions of the externally-driven statebuilding project create policy dilemmas for both donor and recipients. Foreign troops provided critical coercive power in the initial phase of statebuilding and remained a continuing guarantee for political security in the capital. Economic and technical assistance made it possible to distribute large-scale relief and launch an ambitious reconstruction and modernization program. The negative consequences of heavy foreign dependence were also evident. Unlike some patterns of dependence that historically have been associated with strong states (e.g. in "national security regimes" in South America in the second half of the 20th century), dependent state formation in post-Taliban Afghanistan produced weakness at the central level of government that may ultimately prove fatal to the whole project. Accountability structures were established to accommodate external donors rather than domestic constituencies. Dependence was self-perpetuating by favoring imported capacity rather than the slower process of building local capacity. The government's reliance on foreign troops and funding signaled its own weaknesses, thereby encouraging potential supporters to hedge their commitments or enter into "spot contracts" that inhibit institutional development. In a nationalist perspective, the power of foreign troops and money undermined the legitimacy of the government and made it an easy target for genuine and manipulated protest. Representatives of foreign power - whether troops, diplomats or aid workers - were targeted by the militants, as were government "collaborators". By early 2006 four years into the post-Taliban order, the attacks occurred with increasing frequency, and the Taliban itself and its supporters remained a potent and growing threat.

This analysis suggests that a policy of "more of the same" in terms of international assistance most likely will intensify rather than solve these contradictions. In theory, a certain level of money, troops and a rock-solid political commitment might produce sufficient benefits and force to outweigh the negative consequences of intrusive assistance. Yet the task would be formidable and probably entail a degree of

⁵⁸ Patrick Maccrory, ed. *A Journal of the First Afghan War by Lady Florentia Sale*. Oxford UP, 1969, p. xvi.

international commitment, presence and control that seem unrealistic from both a normative and power political perspective. In the wake of the US intervention in Iraq, a sustained policy of deep Western involvement of this kind in Afghanistan seems particularly questionable.

The alternative to a “critical mass” approach is to explore options for reduced foreign involvement with respect to both aid flows and military presence. As the notion of “local ownership” suggests, conventional wisdom in the aid community is that aid transfers should be equilibrated with a strategy of building local capacity, even if this means less aid. The focus on large dollar figures in the early years, and comparative studies purporting to show that Afghanistan was short-changed compared with other post-conflict situations, was probably counterproductive by raising unrealistic expectations. At the same time, considerations of absorptive capacity do not necessarily favor the central state. Channeling aid directly to actors on the provincial or district level may in some cases be equally or more effective, although this strategy is not unproblematic in other respects.

On the military side, it will be recalled that the US intervention which launched the statebuilding project was designed to defeat the militant Islamist terrorists and rebuild Afghanistan as a stable state and partner in the US “war on terror”. The revived insurgency was from 2003 and onwards rapidly become the main obstacle to achieve this objective. Both the government and its international supporters recognized that extending the power of the state beyond the reach of the capital required some capacity to generate economic reconstruction and provide security. Building schools that are repeatedly burnt down makes no sense and creates little confidence in either the state or the government. But addressing these issues requires dealing with those who wield power at the local level, above all the insurgents. The Taliban and their associated commanders had controlled some 90% of the countryside before they were militarily defeated by superior American airpower in November 2001. Already by mid- 2003 they were coming back in force, and with increasing external support. The US-led counter-insurgency strategy meanwhile had produced few intended results and considerable negative political fall-out for the government.

The principal alternative to try to militarily defeat the insurgents with the help of foreign forces - and thus to establish the statebuilding project on a different footing - entails a radical departure from present policy, but one that incorporates lessons from the more distant past. The main elements would be to cease the combat operations of foreign troops, seriously re-launch the present policy of national reconciliation among all parties to the conflict, and concentrate foreign forces in Kabul to prevent renewed fighting among Afghans over the capital as happened in 1992-96. It was probably a mistake to exclude the Taliban from the Bonn negotiations in the first place, as the chief UN architect of the agreement, Lakhdar Brahimi, later recognized. It may now be too late to make national reconciliation a credible option, as also seemed to be the case when the Russians in 1987 stressed national reconciliation in preparation for a military withdrawal. Yet it is the principal alternative to the proven shortcomings of “more of the same”.