Afghanistan's Transition in the Making?
Natural Resources, Conflict and Development

Interview

Renard Sexton (International Expert on Resources and international Development, New York University, USA)

Heinrich-Böll-Stiftung: Renard, you have been conducting research on the issue of natural resources conflict in a number of countries and are currently finalizing your PhD at New York University. Here in Germany, you have spoken to a large audience at the Heinrich Böll Foundation's event on natural resources, conflict and development in Afghanistan. Would you please give us a short description of the natural resource issues in Afghanistan?

Renard Sexton: Natural resources are the basis of the Afghan economy. Local level political leverage and local level economy are almost entirely based on local level resources, and that includes land and water, timber as well as local level mining. So natural resources are an economic, a political, and a social issue and something that should be taken very seriously.

Heinrich-Böll-Stiftung: In view of the withdrawal of international troops from Afghanistan and of the transition moving towards a decade of transformation, there has also been talk of mineral resources being worth billions or trillions of dollars. What do you think this means in practice to the politics of transition?

Renard Sexton: That's a very good question. I think the most important starting point for this question is a matter of expectations and what's been reported in the press and what's been touted by international actors as being a mineral bonanza, if you will, worth perhaps a trillion dollars. It is raising the expectations of the Afghan people, the Afghan government, as well as the international community in a somewhat unreasonable way. When we look at the large scale mineral wealth of Afghanistan, most of it is pretty inaccessible, and will take perhaps decades to come on line, if ever. It may be the case that some of these resources will never become economically viable at an international level because things like copper and iron, can be purchased almost anywhere on the planet these days. And so when we are thinking about transition in Afghanistan, we have to think about who is going to benefit from the kinds of investments that are being made. The lead actors, people in the government, and people involved in businesses, stand to benefit a great deal from the exploitation of large scale mines and minerals, including the oil and gas sector. Whereas it's unclear that at the local level, the majority of Afghans are in a position to benefit from this.

By looking at other places in the region, elsewhere in the world, in general at what's happened in the last 50 years as countries have begun to produce extractive industries, whether it's oil, whether it's minerals, and so forth, we can see where those benefits end up going. And it's closely related to politics. In fact it's almost entirely dependent upon politics. When we see countries with small business or political elites, it's much easier for those leaders to take the revenues from the extractive sector and use it for patronage politics, to pay off whoever it is that keeps them in power, their winning coalition, if you will. When that winning coalition is small, it's much easier to hand out private goods to your cronies rather than using those resources to invest in public goods for the country. When we look at countries where these revenues have produced meaningful, tangible benefits for the whole population, it's in countries with a large winning coalition. In places like the Southern Cone in Latin America, or when we look at places like Botswana or perhaps Norway, the leadership relies on a large number of people in the country to stay in power. Therefore, it's much easier for them to invest in public goods, for example, roads, education, or health care, instead of paying off all the members that they need to support them.

Unfortunately, when we look at Afghanistan, due to corruption in the elections, and the way power is allocated and demanded down the barrel of the gun, so to speak, it's a relatively small number of people that are going to be involved in getting the benefits from most of these mineral resources. I expect most of them to be stolen, expropriated, and in the end not invested in public benefits for the Afghan people and therefore question the claims that have been made by the international community about the resources that are going to be gotten from the extractive sector.

Heinrich-Böll-Stiftung: You have been speaking primarily about the extractive sector, could you speak a bit about how this plays out on resources like land and water?

Renard Sexton: Land and water are fundamental in Afghanistan in the sense that basically every Afghan relies on land or water in one way or another to survive. Most Afghans are either subsistence farmers or livestock owners. Sometimes they are sedentary and live in one place throughout the year. Sometimes they are nomads: there are several million extensive producers, as they are called, people that move from one place to another, depending on the season. And in a semi-arid country like Afghanistan, there's not a whole lot of land to go around. As a result, land ownership and land stability are fundamental to people's survival, quickly making it a political issue. For example, there have been summer time clashes between the Kuchi nomadic herders, who are Pashtuns, and the Hazara people, who are Shiites that live in the central highlands, every season since 2002. The clashes have been over summer rangelands that are important for the livestock of both groups to make it through the winter and to the market.

When we talk about water, there are various different elements that we need to think about. One is drinking water. In fast growing Afghan cities, there's a critical lack of drinking water for many people. Only about 50% of the population actually has access to clean drinking water and it's a growing problem. Another aspect of water is irrigation. For a country that typically has very poor water infrastructure, the management systems are actually pretty good. This is especially true in the North, where there are traditional water management systems, known as the *mirob* system, which means water master or water leader that manages to balance upstream and downstream communities fairly well. Given scarce resources, Afghans do really quite well at maintaining reasonable agricultural output.

Heinrich-Böll-Stiftung: Over the last years, due to various reasons, we have seen a rapid increase in urbanization in Afghanistan. How do you think this affects natural resource management?

Renard Sexton: Urbanization is a global trend we've seen. Afghanistan was noted before the NATO invasion as being one of the last truly rural societies, but this is changing. Land prices have gone up and places that were formerly agricultural or grazing areas have become residential zones. This change has opened up a big market for illegal land grabbing and sharing. Even government lands are being taken and sold on the market.

There has not been a clear way forward on this issue and that has caused a great deal of conflict. One issue in that sense is that there are numerous competing titling schemes that have gone on over the last 30 years. There's the old monarchy system, where land was handed out by the crown to supporters; there's the Soviet system, where land was expropriated and in some cases communalized. During that same period, there was some private property under the PDPA (People's Democratic Party of Afghanistan). During the Majahideen period, the government also handed out land to supporters, similar to the system under the Taliban regime and even today's regime. Every successful government has used land as a means of rewarding its supporters and punishing its enemies. As a result, it's often unclear, who owns what land; there are both formal and informal claims to the land. There is so much demand for this land, especially in urban areas, for both building and settlements, that it is causing an enormous amount of conflict and political rancor.

Heinrich-Böll-Stiftung: What do you think is the most pressing natural resource challenge at the moment for Afghanistan?

Renard Sexton: That's certainly a challenging question in the sense that there are so many challenges that Afghanistan faces today in this sector. I would argue that the water situation would be the highest priority because that is where one can expect the largest return on investment. The mineral sector is highly variable; we're not really sure what may or may not come out of it. Most of it's going to be captured by elite actors, warlords, and political manipulation. As I mentioned earlier, it seems that there won't be a whole lot of public benefits to come out of it. Similarly on the land issue, it's going to be challenging. Before you can really make improvements, the titling issues need to be sorted out.

The water sector is a place where governance is relatively good, as I mentioned; and investing in water can also produce energy. It is, however, a place where Afghanistan needs to make some arrangements with its neighbors; most of the river basins don't have water sharing agreements with the neighboring countries. In addition, water infrastructure is typically a highly public good in the sense that it is hard to steal a canal or to expropriate a dam. There are certainly means for corruption, for example in the construction of a dam. You can hand out the construction contracts to your cronies and you can ensure that the canals for your political allies are the ones that get the attention first, but it is something that even if you do patronage politics, there are still spillover effects that have positive benefits for the whole population. That's really the place where solid investments could produce both livelihood and political benefits for the country over the next ten years.

Heinrich-Böll-Stiftung: You just mentioned the influence of regional boundaries and trans-boundary water issues. Could you speak a little bit more about that?

Renard Sexton: Afghanistan is blessed with incredible mountains, where each winter, a great deal of snowpack comes, in the form of frozen precipitation. In fact, about half of Afghanistan is completely frozen and almost inaccessible during the winter months. During the rest of the year, that snow melts, and almost overnight becomes quite impressive rivers that flow for several months. That water is fundamental to agriculture, it's fundamental to livestock because it allows the grasses to grow. Unfortunately, after the snowpack has completely melted, the rivers are almost entirely dried up by the end of summer time. And because there are limited structures for holding the water during the drier periods, a lot of the water is lost and just continues downstream into the neighboring countries. Over time, the agricultural operations of neighboring countries like Iran and Pakistan, as well as the Central Asian neighbors to the North, have become quite reliant on the water flowing down stream. Schemes to retain some of that water, whether it's for hydroelectric power, agriculture, industrial use, or for drinking, has been met with no small amount of resistance from Pakistan and Iran. So while you could argue that Afghanistan holds a strong claim to that water, the downstream neighbors, who are substantially stronger in many ways, are not going to be very happy with the idea of Afghans using more of it. There has to be some kind of an arrangement that's made over time or else we're going to see more situations like the Salma Dam project. A project where Iran actually interfered with the construction of the dam, which is being built by India, in an effort to prevent it from coming online, and as they feared, slowing down or indeed perhaps for up to a year stopping the flow of the Hari River. This is the type of issue that Afghanistan is worried about, and it is clearly a political one, as opposed to a technical resource issue.

Heinrich-Böll-Stiftung: Do you see any possibility of civil society actors, on both sides of the border or primarily in Afghanistan, getting involved to support trans-boundary water agreements?

Renard Sexton: Certainly. Civil society is fundamental for this, especially when political elites see their interests in one particular area, for example in generating revenues. Civil society

often has the voice of communities that need water on a regular basis and so that voice is a measure of accountability that can put pressure on the political elites to do right by them rather than to be looking after themselves. Civil society can help to erode if not eliminate the patronage politics that I was talking about earlier and help to make the winning coalition a little bit bigger.

Heinrich-Böll-Stiftung: Thank you very much for this overview and insight on the issue of natural resources and conflict in Afghanistan.

Renard Sexton: Of course. Thank you very much for having me, it was my pleasure.

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Expert Talk, Monday, October 28th 2013, 10–12 a.m.

Renard Sexton (International Expert on Resources and international Development, New York University, USA)

Jawed Noorani (Socio-research specialist in Mining Sector and Scientific Coordinator, Integrity Watch Afghanistan, Kabul)

Khwaga Kakar (Advisor to the Ministry of Foreign Affairs of Afghanistan and Researcher on Water Issues, Kabul)