

AFGHANISTAN BEYOND 2014: ASSURING THE LEGITIMACY OF THE AFGHAN STATE BY MASOOD AZIZ

The 2014 deadline of transition from international troops to Afghan security forces is looming. Despite steady growth in the Afghan national army and police, the security of either the country or its region is far from being assured. Notwithstanding the gains by the international coalition in certain parts of the country, post Osama Bin Laden, the Taliban have strengthened even further as evidenced by continued support they enjoy in Pakistan's safe heavens.

This presents policymakers with an urgent dilemma. A hasty withdrawal of international troops beyond the levels planned could risk a dire scenario where a possible collapse of the Afghan government, a takeover by the Taliban within weeks and a return of new terrorist sanctuaries are all too real to ignore. As an accelerated withdrawal is now high on the agenda, what can be done to prevent chaos in Afghanistan and its knock on effects in Pakistan? Is there an effective alternative to a straightforward military strategy, and could securing stability in Afghanistan actually inspire progress in neighboring Pakistan?

Negotiations with the Taliban won't be sufficient to both reduce instability in Afghanistan as well as to assure the elimination of the deadly and increasingly strong networks of extremist groups in Pakistan. What has been missing from the strategies of the past decade is an unrelenting focus on assuring and redirecting the international efforts in helping strengthen and legitimize the Afghan state so that it can stand on its own. Injustice and the exercise of illegitimate power are now key reasons for a disaffected and disenfranchised population. This is precisely where the Taliban find the space within which they thrive and where they seek and obtain support. Closing this gap by restoring a sense of justice and legitimacy will not only make the Taliban an irrelevant entity in Afghanistan, but will also serve as a model for Pakistan where the use of various extremist groups as a geopolitical instrument of asymmetric warfare would no longer be viable or justifiable.

Lack of Legitimacy

A decade on, the Afghan state is exceedingly weak, rampant with corruption and lacks fundamental legitimacy. The Afghan authorities bear much of the responsibility, but international donors must bear an even more significant burden of the blame. Beginning in 2001, an extraordinarily uncoordinated model of international intervention was followed by massive inflows of foreign aid relative to domestic sources of capital, creating a textbook case of a rentier state. Instead of helping to craft institutions capable of establishing the legitimacy of the state via internal revenues and locally accepted governance, donors made the state entirely

dependent on outside forces. This engendered a national leadership with little incentives to undertake any significant effort in being accountable to its citizenry. And in the rush to seek quick military solutions, and sub-contracting the war, donors empowered warlords and their cliques, further weakening the state and exacerbating the perception of injustice. The corollary was that Afghanistan became an extreme case of a state-building enterprise imposed from the outside, resulting in the inevitable failure to deliver stability and with ominous regional consequences.

Where do we go from here? The first step towards redressing the mistakes of the past decade is to help legitimize the Afghan state—a task which has remained endlessly subordinate to military strategies seeking quick, although short-lived, victories. Instead, we need to first reduce the inflows of aid going outside of the government structure, curb the massive spending on a colossal security force not sustainable by the country and focus on helping local authorities establish their legitimacy in the eyes of their citizens by becoming dependent on endogenous sources of revenues.

Afghanistan is not entirely poor. In 2007, the US Geological Survey announced the discovery of large amounts of minerals. Suddenly, a country once seen without a future is now recognized as endowed with significant natural resources. Afghanistan is poised to be one of the world's largest producers of copper and iron. Also discovered were rare earth minerals, such as lithium, which are essential for the high-tech industry. Bamyan's Hajigak iron ore deposit is now estimated to be one of the largest in the world. These newly discovered minerals could potentially be worth hundreds of millions of dollars per year—some estimates put the annual value of the Mes Aynak copper mines alone at \$1.2 billion. Such revenues could lead to a renaissance of the 'real' Afghan economy, and help create thousands of jobs, attract investment in infrastructure and enable further growth of trade and commerce. This is a game-changer not only for Afghanistan, but for the entire region.

The discovery of these resources also raises the possibility of Afghanistan becoming a victim of the so-called resource curse, when overdependence can fuel corruption, conflict and even greater levels of poverty. This is a real danger in Afghanistan, as it is certain to deepen the corrosion of the social contract between state and society, creating even more space for the Taliban to exploit. Preventing this from happening won't be easy. Traditional approaches to managing new natural resources, such as standardizing the bidding process for mine exploration and developing transparent institutions to administer resources and revenues, may take too long to be implemented effectively in Afghanistan.



A Two-pronged Strategy

To address these challenges, an alternative two-pronged strategy should be considered. The first step would entail the establishment of a cash transfer of natural resource revenues directly to the citizens of Afghanistan. Direct cash transfer programmes are and have been operating in about 45 countries and have had a significant impact on development. They have been adopted by organizations including the World Bank. In Mexico, for example, a cash transfer programme that reached a quarter of the population in exchange for school attendance and health clinic visits has been very successful. Studies of this programme found that (a) participating children had a 12 percent lower incidence of illness, (b) were 33 percent more likely to be enrolled in school, and (c) were 23 percent more likely to finish 9th grade. Meanwhile, a programme for schoolgirls in Pakistan's Punjab, increased enrolment by 11 percent. In addition, Bolivia and Mongolia have both established programs to link their natural resource revenues to finance cash transfer programmes, including copper and gold mines funding Mongolia's 'Child Money Programme.'

The adoption of such a structure would allow for the distributed cash to be taxed as normal income. This is vital in Afghanistan as it would not only draw in resources to the state, but would also entice it to build its own tax collection capacity to recover part of these funds. In such a way, the government will be forced to depend on citizens for revenues, creating greater accountability. And because one of the key problems facing Afghanistan is a loss of trust in the authority of the state, and because this will be an important source of income for Afghans, such a programme would give citizens a direct stake in their country's future and an incentive to ensure that management of the country's resources is carefully monitored.

The second pillar of this strategy is tied to the National Solidarity Program (NSP). When first established in 2003, the NSP sought to empower Afghans in rural areas and at the grassroots by establishing local governance bodies called Community Development Councils in villages across the country. Cash grants were then given directly to these elected bodies to help them carry out small-scale rural projects. Over 20,000 communities across the country benefited from the programme, which is now recognized as one of the most successful efforts in rural South Asia. Importantly, the NSP engaged the citizenry by helping them make decisions for themselves and to date it's still the only significant development programme affecting over two-thirds of the rural population, and in all 34 provinces of the country.

As a final step, what I am proposing is to link the cash transfer structure described above with the National Solidarity Program. This is a natural link. The NSP requires cash grants to function in the implementation of its community-based development projects. It is also by definition a governance programme, assuring transparency at the village level and helping link state and local efforts together. Ultimately, because decisions are made within the local community and projects are conceived and then run by community members, the programme was successful in combining development and security together—a goal still eluding most programmes attempted in Afghanistan.

Further, directly allocating a significant portion of the mineral revenues via cash transfers allows Afghans to decide how to spend the income. One of the fallacies of development aid is the belief that outside donors know better where and how funds need to be spent. Instead, allowing people to choose how to spend their allocated funds actually leads to better economic and social outcomes. As the Nobel laureate Amartya Sen has reminded us, development is about freeing people from the yoke of poverty, not dictating to them how they should behave. In fact, most spending by those receiving cash transfers are for education, health and sanitation, so they go well beyond mere consumption and are investments in both economic and social capital formation.

In today's Afghanistan, the Taliban's strength is directly proportional to the weakness and inability of the government and its international partners. The insurgency is not gaining ground because it can articulate a better vision for the future; it is doing so because the absence of a legitimate state creates strategic space the militants are adept at exploiting. Despite bin Laden's death and temporary military gains, as long as that space exists, we cannot win against the insurgency.

Not Too Late for Afghanistan

It is still not too late for Afghanistan. In light of extremists looking to gain new ground having been emboldened by uprisings in the Middle East and their sanctuaries in Pakistan, Afghanistan now represents a new security architecture and a buffer between Iran and Pakistan. The endgame in Afghanistan can only be achieved if the state is able to develop both the narrative and the means of ensuring the future of its people.

Connecting the NSP with cash transfer programmes would establish a powerful set of strategies to help secure an effective transition to Afghans. It will restore a sense of justice, which is foundational to Afghan society and will offer its leadership one final opportunity to become more accountable to its people. At the same time, as the legitimacy gap is closed, the Taliban will no longer be able to offer a viable alternative to the affected population. This, in turn, will serve as an enduring model making the patronage of extremist groups in Pakistan neither acceptable nor feasible any longer.

Beyond 2014, assuring the legitimacy of the Afghan state is thus central to all strategies as it will render the Taliban irrelevant and make it possible to pave the way for stability in an increasingly precarious region.

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