

Pathways out of Conflict and Fragility.
What does building state capacity mean?

Lessons from Afghanistan

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Scope

- Fundamental function of a state is to provide security – without that what is the meaning of ‘capacity’ & ‘capability’ as route out of conflict?
- Start from the field to reverse ‘state centric’ bias
- Engage with donor practice
- Sources

Starting from the ground

- A tale of two provinces – Badakhshan & Balkh
 - Contrasting social orders – different cultures, geographies, economies and political histories;
 - Badakhshan: mountainous, poor, marginal, Tajik
 - Balkh: plain, irrigated, regional centre, ethnically diverse
 - Effects of these on the regional elite, economic rents, interaction with donor's and P/E trajectories since then;
 - Badakhshan: no political settlement
 - Balkh: from warlord to governor
 - In both opium poppy has 'struck back' in 2011

- Using the opium lens:
 - Where has it returned?
 - What explains the location specific nature?
 - The reasons given for the return
 - Tolerated in the south
 - Bias in funding levels to the south
 - Increasing livelihood insecurity & poverty
 - Failure of government to meet promises
 - The return of insecurity to the north
 - Within a context of ‘booming’ urban economies

Province	Total planned/ committed government & donor spending for 1386 in \$m	Estimated provincial population in '000	Spending in \$ per capita
Kabul	2,021.51	3335.2	606
Nimroz	62.94	137.4	458
Helmand	325.33	807.5	403
Zabul	70.72	265.9	266
Farah	112.02	448.8	250
Jawzjan	116.77	468	250
Kandahar	235.82	1037.1	227
Uruzgan	63.47	306.6	207
Paktika	72.08	380.7	189
Parwan	100.95	579.3	174
Bamyan	61.66	391.1	158
Balkh	171.43	1122.6	153
Paktiya	69.6	482.4	144
Badakhshan	118.13	831.2	142
Panjsheer	18.33	134.4	136
Khost	66.36	502.7	132
Nuristan	15.78	129.6	122
Nangahar	158.69	1309.4	121
Laghman	46.86	390.1	120
Samangan	37.8	338.3	112
Badghis	45.92	433.8	106
Herat	139.75	1611.2	87
Kunar	32.84	394.1	83
Dai Kundi	31.86	403.3	79
Kapisa	30.28	386.3	78
Faryab	67.7	868.8	78
Baghlan	56.89	789.5	72
Takhar	54.05	855.5	63
Ghazni	66.98	1073.7	62

- The increased supply of public goods – health and education
 - But physical security and welfare have declined
- The existing social order [limited access order]
 - Relationship based;
 - Informal
 - Regional
- State reconstruction or state formation?

The reconstruction 'state building' model

- The creation of an open access order based on open competition in the political and economic sphere
- Market based development
- 'Skipping to Weber' ...creating the formal ...rule based versus discretion
- Assumption of a blank slate

The signposts along the route:

- The Bonn Conference ...division of the spoils
- National Development Strategy
- Securing Afghanistan Future
- Afghanistan's National Development Strategy
- The Afghanistan compact

Problems of State Building Policy

- The technocratic model of state building
- Light state and market driven development
- Priorities:
 - Food security versus market driven agriculture;
 - Instruments – democracy a means or an end?
 - Sequencing and ‘good enough’
- The shrinkage of development space

Problems of practice

- Imported policy models and ‘best practice’
- Competing agendas
 - The incompatibility of multiple goals
 - ‘War on terror’; “Countering the insurgency”; “The war on drugs”; “Building the state”
 - The clash of values
 - E.g The role of the police
 - E.g The role of the market
 - E.g. Contracting out health delivery
- All tactics and no strategy

- Donor behaviour
 - On and off budget (90% externally funded, 75% off-budget)
 - Ministry Selectivity
 - Regional funding (see slide)
 - Competing models (District development)
 - Patrimonial practices
 - Good Governance initiative, NDS
 - Public-private partnerships reinforcing bureaucratic centralisation
 - Effects on local governance
 - Scale of funding (creating the rentier state) and tyranny of urgency
 - ‘Where more is less’

Support to MRRD & MAIL

Table 1. Core and external budgets (Millions of US\$) for MAIL and MRRD

	MAIL			MRRD		
Year	Core budget	External Budget	Core as % total budget	Core budget	External Budget	Core as % total budget
2005 (1384)	0.55	18.11	3.5	132.65	9.97	92.9
2006 (1385)	16.96	37.96	30.9	274.66	13.79	95.2
2007 (1386)	45.70	446.28	9.3	346.38	181.93	65.5
2008 (1387)	55.895	264.171	17.5	592.397	381.435	60.8

Source: Ministry of Finance database

Questions of means

- “Hearts and minds” – ‘money as a non-lethal weapon’
- But practice:
 - “In every province profiled for this report, current and former insurgent commanders and government officials point to the paradoxical relationship between the insurgency’s growth and the ill-advised policies and actions of Afghan and international forces attempting to counter it. A counter-insurgency strategy that has long rewarded volatile provinces with more money and greater attention from Kabul and coalition forces has created perverse incentives and distorted the economy. For insurgents, criminal networks and corrupt government officials alike, the financial rewards of insecurity are preferable to a stable security environment in which political power is derived directly from performance and service delivery.” ICG, 2011

Trying to make the state omelette without breaking the eggs

- Hoping for an intersection between livelihood support, state building and aid
 - Basic service provision
 - Community Development (the National Solidarity Programme)
 - Hearts and Minds
 - Stabilisation

The public text of success

- Basic health services, MRRD etc: the technical enclaves (and their discontents)
- CDCs
- Microcredit etc
- But the problems of evidence

Engaging with the logic of the existing social order

- Limited access order ...based on relationships and restricted access to rents
- Pervasiveness of informality
 - Credit
 - Customary structures
- Institutional Bricolagethe formal subject to the informal e.g. appointments, CDCs, credit
- Diversity
- Variable degrees of public good provision and security

The logic of incentives

- Capacity is a technical matter
- The issue is the incentives for the elite to change behaviour
- The lessons to be drawn from Balkh
 - The need for heterodoxy
 - Where less might be more
 - The need for strategy