## Group of 78 Annual Policy Conference 2012 "Military Intervention: Lessons from Afghanistan"

## Notes for Presentation by Nipa Banerjee, University of Ottawa Ottawa, September 29 2012

Today, I will focus on analyzing the state of development in Afghanistan, following international interventions of the past ten years, with special emphasis on examining the extent to which the essential security, governance and development tasks can be led by Afghanistan rather than by the international community. An analysis of this nature must, essentially be based on reflections on the accomplishments and the failures or underperformances of the last decade.

Much of what I would say today is based on not only my research but my own firsthand experience.

The foreign troops entered Afghanistan after 9/11, in October of 2001. The troops were followed by the development set- international aid agencies and organizations- government and non-government. For the purposes of my presentation, the first question to ask is what have been the major positive <u>and</u> negative impacts of this large foreign presence. The second question I will address is: how sustainable the positive changes would be after the exit of the foreign troops and impending reduction in the volume of development aid.

With respect to positive impacts of the foreign presence, the immediate result of the war following 9/11 was the removal of the brutal regime of the Taliban, resulting in the country thriving under a semblance of security with the help of foreign troops' surveillance. The win in the war was followed by adoption of a constitution and establishment of a transitional government, with some excellent ministers in place. The double digit growth attained was not the greatest achievement because it is not unexpected in new nations starting from a zero base. Afghan currency was introduced and stabilized. Because of the efforts of a handful of visionary and competent ministers, a country that started with almost zero capacity in governance and service delivery to the citizens began a "state building process", albeit under extreme constraints and almost 100% dependence on the international community's financial assistance.

State building for a new nation incorporates building and strengthening of institutions that deliver governance and basic services. Building of state institutions was the first essential for

establishing the legitimacy of the new state of Afghanistan, to win the loyalty, confidence and support of the citizens. At least a small start was made towards achievement of this goal.

Progress, albeit limited, was made in delivery of establishing the base for provision of certain services, such as access to education, primary health benefits and micro-credit for income generation. Significant progress was made in promoting rural development. Modest start was made in reforming the public finance management system.

Despite some skepticism about the country not being ready for a democratic election, in 2004 the election, based on universal adult franchise, was a resounding success. I observed with delight, hundreds of women with babes in their arms lining up for hours to exercise their voting rights, with men watching their women's enthusiasm with indulgence. The 2004 election was not ushering in democracy at gun-point. No guns were allowed within the polling stations. Freedom of the media also developed in leaps and bounds in these years.

Other than the visionary Afghan ministers, a factor which I believe contributed to some of the initial positive developments is just the absence of the Taliban. Opening up of education to children, especially to girls, and the rights of women to work, were not necessarily products of international community's efforts although their presence might have helped. Actually, the absence of the brutal regime of the Taliban and its extreme fundamentalist principles of governance removed the initial barriers for women.

I will now briefly touch on some of the negative impacts of the decade-long presence of the international community and their policies and activities in Afghanistan.

I support efforts of those international donors and agencies which provided financial support to the national programs developed and implemented by Afghans. But the majority of international donors created parallel mechanisms to deliver the same services as the yet-under-developed Afghan institutions struggled to provide. Basically, these donor programs undermined the government efforts and the cause of legitimacy. Over the decade, a disproportionate amount of aid investment (roughly 80%) have been programmed and implemented by the donors and their own contracted agencies, not giving the opportunity to Afghan institutions to develop capacities of planning, implementation, monitoring and accountability. Despite the donor supported technical assistance the Afghan institutions remain weak due to the poor quality of the experts provided, or assistance being supply driven based on the whims of the donors, not driven by the needs identified by Afghans.

A disproportionate amount of aid has also been directed to the provinces where international troops have been fighting the insurgency. Donors poured roughly \$57 billion into Afghanistan since 2001, much of it into the volatile southern provinces, as a part of the international

community's strategy of hearts and minds win of Afghans against the insurgents. The very poor remote and the northern provinces have not benefitted equally from this uneven aid allocation.

A large proportion of aid has been channeled through the Provincial Reconstruction Teams (PRTs) established in various provinces under commands of the international forces, and driven by short term political and military objectives of the troop-contributing countries.

Some nations claim that through the PRT programs, they tried to connect the people with the government. Very little evidence of this is found as many provincial governors and tribal heads we talk to are unaware of any consultative process before or after the launch of programs by the PRTs. I leave out here consultative processes with power brokers, such as, Walli Karzai.

The so-called quick impact projects implemented by the military have run contrary to long term development strategies; and because so much money had to be spent so fast, consultations with villagers to determine needs were often put aside. Overall, development investment of the PRTs in the provinces has had little impact on Afghan state legitimacy or institution building. Critics view PRTs as major barriers against the efforts of the Afghan state for state building.

The international community's much acclaimed counterinsurgency efforts for security enhancement underestimated the importance of involvement of the indigenous actors and improving the capacity of the indigenous government and indigenous security forces to fight insurgents. The international armed forces would have had better chances of success in counterinsurgency warfare with a policy of strengthening the capacity of the local forces. The more capable and legitimate the indigenous security forces were the better would be the capacity of the local state in governance and in preventing Taliban aggression (local or external). The policy of training of Afghan national army and police, at the center of the transition strategy and the international community's exit strategy, was introduced too late when the insurgency already strengthened several folds since 2001. With increasing inside attacks on foreign soldiers by Afghan trainees, faith on the transition strategy is rapidly declining. Since joint foreign and Afghan security forces operations were stopped, transition has been hanging on a thin string.

Other negative impacts include too much of inflow of aid, without appropriate planning and inadequate accountability structure, fuelling corruption both in internationally led programs and in the government, in effect, destabilizing the country and delegitimizing the government. Too much of aid funds generated competitions and conflict over aid resources, often along factional, tribal and ethnic lines.

With a set of positive and negative impacts of the international presence in the background, I move to outline a few features of the current situation and comment on the sustainability prospects of the achievements, before I move to reflect on the future.

Aid investments largely by-passed the poor. Currently, 42% of Afghans live below the poverty line, earning less than a dollar a day. Unemployment is estimated to be 8% and severe

underemployment 48%. 40% percent of people are illiterate, with women's illiteracy hitting 85%. Today, many of the Kabul roads are paved, mobile phone companies are advertising on giant bill boards and posh supermarkets and restaurants are catering to expatriate population and a handful of rich Afghans, shopping for jewelry and latest I-Pads and Smart phones. Are these indicators of economic development?

The value of aid is questionable in the absence of any information on how much of the shares of the billions of dollars of aid are benefiting poverty stricken children who are lost in the fog of war, several of whom were killed by a suicide bomber as recently as three weeks ago. How many boys will be without jobs and give in to the Taliban enticement, perhaps finishing their lives as suicide bombers while in their teens? How many girls will be illegally married by the time they are 12, and die at labor, their yet undeveloped wombs struggling to deliver babies? Abuse of women and their lock out from the justice system continue unabated. While quoting numbers of children who started going to school, we neglect to quote the dropout rates or mention the number of school going girls burnt with acid or poisoned, or number of schools designated for girls with no girls registered. The obstacles facing Afghan girls are both "herculean and heartbreaking," to quote an expert.

In another area- microfinance- an instrument for poverty reduction, no credible information of income generated (if any) from micro credit is available.

Drug production continues to be a curse. UNODC reports that revenue accrued by the opium constitutes 25% of the licit GDP of Afghanistan.

In the infrastructure sector, roads built with millions of dollars are already falling apart due to poor quality material used and lack of maintenance. The Kabul-Kandahar road is no longer usable by non-terrorists. Research has exposed the state of the poorly built shoddy new school buildings, already in need of repair.

Democratic development retracted, with the 2009 election fractured with fraud and also absence of well-capacitated institutions, such as the civilian police and a justice system, for protection of the democratic rights of the people, in the longer term.

An element, which high level Afghans consider a serious deficiency contributing to insecurity and weak governance, is inadequate leadership capability throughout the country. Most of the ministers who contributed to the earlier successes of the new Afghan state are no longer in the cabinet. Without strong leadership institutional capacity in any sector cannot be developed easily or sustained.

Eleven years after international troops entered Afghanistan, people still live in the state of war. Common Afghans tread the line between life and death every day.

The US troops surge with a high price tag of not less than \$100 billion a year proved to be not cost effective. Violence remains critically high in various areas of the country. Some reversal of

insurgents' momentum in the North is detectable; and consequentially, some expansion of government influence in these areas is possible. But movements are rather negative in the east and the south and south east and even in the West that was relatively secure earlier.

Mediation with insurgents is hardly progressing. Only about 10% of over 31,000 insurgents reconciled and most are lower level foot soldiers, with little power. A very disturbing news item I read was that some insurgents who took lead in violence against women- beheading women and stoning women to death- are now living peacefully reconciled under the peace program.

A consensus exists on Pakistan's critical role in influencing Afghanistan's security. Non-Afghan terrorists play the role in provision of sanctuary and promoting terrorism, allegedly supported by the Pakistani Inter-Services Intelligence (ISI). Denial of safe haven to Al Qaida can be interpreted as positive so far but the trend can be reversed.

In the midst of insecurity and governance chaos, an economic slowdown is predicted by the International Financial Institutions (IFIs). The unrealistically high level of aid (estimated at \$15.7 billion in 2010) almost equalling the country's GDP, cannot be sustained. Analysts say that the impact of declining aid on the economic growth is unlikely to be too high because most international assistance is not spent in Afghanistan. A large percentage of what is even spent in Afghanistan leaves the economy through imports, expatriate profits and outward remittances. Yet, with the drawdown of the military forces and inevitable increase in insecurity and likely reduction in development assistance, real GDP growth is predicted to be reduced to 5-6% from a double digit figure, especially if agriculture performance is poor, if major mining investments do not materialize or aid declines too quickly instead of a gradual and planned drop. Underemployment will increase, with declining financial inflows to labor intensive services and construction industries, which benefitted from war economy and aid-financed job opportunities.

The worst impact of transition will be on the fiscal situation, with a projected financing gap of 25% of the GDP by 2021/22, which will not be manageable even with a robust revenue growth. Operations and maintenance costs and wage bill for the security operations (including army and the police salaries) will constitute close to 18% of the GDP. Today's heavy reliance on the so called "second civil service" of externally funded high level Afghan officials will contribute to the fiscal gap.

Too quick a pace in transition of security responsibility and premature and aggressive draw down of troops will be risky both from military, political and development points of view. Afghan opposition leaders' verdict is that a regional conflict will mutate as a proxy-led civil war, with disastrous consequences, making return of the Al Qaeda inevitable.

Afghan leaders do not want security at the expense of breaking down their country along ethnic lines. They want a unified Afghan nation, profiling unity in diversity. This will be possible conditional upon priority reforms- electoral, justice, legal reforms- undertaken with the support of the international community.

In fact, to avoid the expected negative impacts of transition in all areas, Afghanistan must continue to rely upon external funding and technical support, with Afghanistan taking a lead.

The truth is that a large gap between the claims of international policy makers and the reality continues. It is time to be honest about Afghanistan as we all face a desperate situation. Every year over the last decade generals and politicians in view of a disastrous situation looming, produced a new strategy: development zones; PRTs, counterinsurgency and nation-building; Afghanistan Compact and Afghanistan National Development Strategy; Paris Declaration and aid effectiveness principles; partnering and mentoring; military surges; civilian surges; reconciliation. None has been successful. Yet, western nations claim improvements and being "on track", when we are off the rail and our claims disconnected with reality.

To conclude, political or military solutions and development progress are not and cannot be left in the hands of the western nations. That task belongs to the Afghans. The west should continue to provide financial support- development aid and adequate military support- so that the Afghan State does not collapse and is able to prevent the Taliban from mobilizing. Such a strategy will force the Afghan government to assume responsibility; force the insurgents and neighbors to accept their relative weaknesses; and provide a basis for credible solutions. I believe Afghans can find such solutions with strong leadership and international community's support.