

# Reconstruction: Things to Consider Before we Attempt any Actions

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## INTRODUCTION

Over the past two decades Afghanistan has been plagued by continuous warfare, periodic drought and famine. It is estimated that over 2 million Afghans have died during this period and another seven million are facing starvation due to famine this year. In addition, two-thirds of the population is illiterate, and large numbers of children do not live past the age of five due to many factors such as starvation, disease, and landmines. There is also virtually no infrastructure: no paved roads, electricity, or clean water, and there has been no effective central government for the past three decades. The wars and the rule of the Taliban have also destroyed many of the basic elements of civil society and good governance.

The past several decades of conflict have been exceptionally difficult for the people of Afghanistan. Hostilities have created deep-seated resentments among the different ethnic groups. The conflict, mistrust, an absence of a political consensus on how to begin reform, no democratic traditions and weak institutions has all combined to constrain economic and political initiatives. In turn, delays in donors providing funds and agreements on how to implement reform programs have prevented the country from embarking on the path toward political stability.

The end state of reconstruction is stability, rather than a starting off point. Consequently, the people have experienced continued declining living standards, staggering unemployment and little progress in creating the conditions for peace and economic development. Afghanistan is currently adrift politically and economically, and the future does not look any better.

## **BACKGROUND**

A year after Taliban were defeated, daily life in Kabul is a struggle for most. The defeat of the Taliban brought hope that a semblance of normal urban life for the first time in a decade. This opened the way for hundred of thousands of refugees to return. With it came the hope of opportunities for those with skill or money to invest in the future. But the benefits of the war have been bestowed only on the lucky or well-connected few, while the burdens of the rapid growth, dilapidated infrastructure and continued economic stagnation have fallen on everyone else. When it comes to make substantial investments, would-be investors complain that red tape, security concerns and the overloaded infrastructure have deterred them from making any long-term vestments.

## **PROBLEM**

The initial step toward establishing a new government in Afghanistan is the beginning of a long and difficult process. Absent a comprehensive and attainable plan for nation rebuilding in Afghanistan, the United States may find that despite its victory on the battlefield, it may be unable to adequately achieve its long-term security objectives. Stability and economic development will not begin in earnest unless the Afghan government muster the commitment and resources and develop a plan that has the support of not only the international community but also the people. There is no denying that achieving social and political stability and sustainable development will take years to develop. Nor will progress towards these goals be smooth or automatic. Frustration with the lack of improvement in people's daily lives fuels renewed social conflict and fosters impatience with democracy.

There is no question that rebuilding Afghanistan is politically and economically costly and fraught with unforeseen peril. However, if the United States fails to assume a leading role in such a mission it runs the risk of winning the military conflict, but failing to secure a meaningful or lasting peace. Compounding the problems are internal and external economic and political factors. Unless the internal and external complications are addressed in tandem, it is unlikely that the primary strategic objectives of the United States and its allies can be achieved.

## **FUNDS COMMITTED**

It is estimated that Afghanistan will need \$815 million for humanitarian and reconstruction projects next year. The money would go to the government to fund programs including mine clearance, emergency feeding, health, education, repatriation of refugees and reconstruction. The World Bank, the United Nations and the Asian Development Bank estimated last year that Afghanistan needed about \$10 billion, while the Afghanistan government requested \$17-\$20 billion.

President George W Bush has signed into law the Afghanistan Freedom Support Act (AFSA) authorizing more than US\$3.3 billion in economic, political, humanitarian and security assistance to the war-shattered Central Asian nation over the next four years. The

new law provides for the recovery of Afghanistan with economic, political, humanitarian and security assistance.

### **NOT ENOUGH**

Yet the Afghan officials have complained that the pledged cash is insufficient for a country torn apart by 23 years of war. They have also complained that not enough was channeled through the government. The government is telling donors that fewer resources need to come through the United Nations, more should go directly through to the government — either through the budget or trust funds that the government is setting up.

Funds will not yield the expected positive results, because of civil conflicts, weak institutions and poor governance. The international community needs to make an extraordinary effort to create the conditions for peace, stability and prosperity in Afghanistan if reconstruction is to work and stability achieved. The international community has a clear stake in achieving peace, stability and prosperity in Central Asia. Not only will instabilities adversely affect the welfare of the people but also of the region. Continued instabilities will also affect other countries in the region economies and societies as well. A stronger and longer-lasting commitment to reform and cooperation by the major donor countries themselves is an essential condition to overcome the legacy of disintegration. Without this commitment, no regional strategy can be effective.

### **SUCCESSFUL MODELS**

There are two successful models of Post Conflict Reconstruction, The Marshall Plan in Europe and the MacArthur Plan in Japan. Since that time, the United States has done a dismal job in assisting in Nation Building. These two attempts were different in many ways; the effort in Europe was mainly to provide funds, goods and security so that Germany could reestablish its democratic society. Japan on the other hand was very different. Japan was a feudal system that needed dismantling before a democratic system could be established.

In many ways, Afghanistan is like Japan. MacArthur's task in Japan was to create a modern, democratic state from a feudal society. The challenge facing the US and international community is to rebuild Afghanistan into a stable national state from scratch. The challenges in managing Afghanistan after the Taliban could be even more daunting than in Bosnia. Ousting Taliban may be easy compared with keeping Afghanistan from erupting into perpetual civil war. Peace requires a long-term U.S. commitment the administration has yet to pledge. There needs to be a long-term commitment similar to what was given to Japan at the end of WW II in order to create the security necessary to begin reconstruction.

### **NATION BUILDING**

The entire Central Asia region has a strong interest in Afghanistan's reconstruction, longer-term development, and in avoiding slipping back into conflict. The longer-term and region-

wide benefits of peace need to be fully reflected in the policies of the countries concerned. The regional public good element in conflict prevention suggests that there will be a need for international cooperation at the regional level to achieve these objectives. In view of the legacy of conflict, starting out with small steps and cooperation in specific spheres that yields timely results may make sense.

Resource management—human and financial—is essential for the reconstruction of Afghanistan, but aid management and funding have a major impact on the effectiveness with which these resources are utilized. Indeed, sound aid management is necessary to ensure that aid does not become part of the problem rather than part of the solution—something which has occasionally happened in the past and which Afghanistan and the world can ill-afford.

The international community plays a major role in this effort, because a legitimate Afghanistan government is not in place and has the support of the people. The first thing the government must do is create a reasonably and realistic budget. Within the government, there is a clear need for a reconstruction agency or other similar counterpart arrangements for the reconstruction program, with meaningful provisions to ensure that the reconstruction agency does not end up competing with and detracting from the regular machinery of government as the latter builds up its capacity over time.

Economic policies and key structural issues must not be neglected, even in the early period when the focus is naturally on urgent short-run relief and reconstruction activities. Examples include the land reform, implementing non-inflationary macroeconomic policies, putting in place a private sector-oriented growth strategy, and having a sensible external policy stance (exchange rate management, trade policy, etc.), among others. Fortunately, and as is the case so frequently in economic policy-making and reform, what is most important is not detailed micro-management but rather avoiding major policy mistakes.

## RECOMMENDATIONS

Some have argued that the United States' primary interest in Afghanistan ended with the destruction of the Taliban and al-Qaeda network, and that other nations and international organizations should play the leading role in rebuilding the Afghan state. The United States, however, must be realistic in its expectations and should proceed with a set of well-established benchmarks in mind. The approach of the United States should thus be driven by four goals:

1. First, the United States must not assume the primary responsibility for nation building. It is clear that without a sufficient nation rebuilding effort Afghanistan may slide back into unmanageable chaos, which could again pose a threat to regional security and to the direct security interests of the United States.
2. Second, UN mediation and peacekeeping efforts, without U.S./NATO military involvement and financial inducements, are almost certain to fail.
3. Third, without sustained U.S. political leadership and a commitment to non-intervention by neighboring states, there is a real possibility that the unstable

situation in Afghanistan will spawn the creation of new terrorists or other destabilizing networks.

4. Fourth, the U.S. nation rebuilding effort will be watched carefully by our allies and future potential coalition partners and will influence their willingness to support future efforts. It is therefore in the United States' interests to ensure it plays a constructive and leading role, while setting clear and attainable objectives.

The government must do the following:

- Continue urging the World Bank and Inter-American Development Bank to increase social sector lending, make reductions of poverty and inequality central to their programs, and policies, and institutionalize effective mechanisms for civil society participation in monitoring and shaping their operations.
- Ensure that the national and international reconstruction programs are carried out in transparent and accountable ways and create mechanisms for participation by Asian civil society in defining long-term economic and development policy.
- Secure adequate levels of U.S. economic assistance and economic resources to carry out U.S. commitments to support the process.

There is no existing legal framework in Afghanistan to build upon. The challenge of creating one from scratch will be even greater than that faced in Rwanda after the 1994 Genocide. But this is an area in which international organizations have a great deal of experience and a fairly good track record, provided adequate financial support of this effort is available. While the United States should play an active role in the development of a strategy and in the funding for a transparent government, it should not divert significant military or civilian personnel into the operation.