# Governance and Militancy in Afghanistan and Pakistan

By Robert D. Lamb (May 2011)

## *Project Executive Summary*[*]

The CSIS Program on Crisis, Conflict, and Cooperation (C3), formerly the PCR Project, has studied the link between the rise of nonstate armed groups (or *militants,* for the sake of simplicity) and the quality of local governance in Afghanistan and Pakistan: whether a link exists and, if so, what the United States can do about it, if anything. This research, based on more than 250 field interviews and an extensive review of published literature, found that most militant groups do not rely on governance and service provision to gain access to areas or populations that are operationally or strategically useful to them; instead, they use intimidation or personal connections such as tribal or kinship networks. Some groups do exploit grievances related to weak or corrupt governance (e.g., recruiting victims of police extortion), and a subset of those groups offer security, justice, education, disaster assistance, or (very rarely) health care in an effort to win the support and protection of a community.

Within that subset, service provision has given some militants certain tactical and operational advantages, such as access to potential recruits (e.g., in free religious schools) or sources of funding (e.g., through front charities). But with a few important exceptions, that has not generally translated into significant strategic advantages, such as broad public support or lasting territorial control. Militants, it seems, are no better at service provision than the Pakistani or Afghan governments. They often squander their gains by turning too heavy-handed against local populations or becoming as corrupt as the government officials they were trying to displace, alienating their former beneficiaries. To the degree they win popular support, it is due less to the appeal of their ideology than to the fact that people who live in desperate or humiliating circumstances generally accept help when it is offered, regardless of the source.

These findings suggest it might be possible to crowd out militants' limited gains by improving local governance from *any* non-militant source—the state, tribal or traditional institutions, hybrid (formal–informal) systems, civil society, the private sector, or international donors—as long as the benefits of those services accrue to participating communities in real terms. In Afghanistan,

the United States can play a key role in that effort by helping to define and promulgate a clearly demarcated governance agenda for international and Afghan efforts to foster stability, and adjusting U.S. policies to match that modest agenda. The United States can do much less to improve subnational governance in Pakistan directly, but by maintaining official engagement through both military and civilian channels, it can help keep reformers and moderates within Pakistan from becoming marginalized, and thereby offer indirect support to Pakistani efforts to improve and reform governance.

For the purposes of this project, governance was defined broadly in terms of certain public activities: making decisions and rules, providing services, building and managing institutions, and managing or manipulating networks of influence. Given this definition, governance activities can be undertaken—sometimes well, sometimes poorly—not only by individuals associated with states and governments, but by a broad range of state and nonstate actors or institutions, from the local to the national level.

Governance reforms and capacity building in both Afghanistan and Pakistan have endeavored to improve the quality of governance—mainly, the quality of government—with varied results:

- The counterinsurgency (COIN) strategy in Afghanistan, developed mainly by the United States, combines direct targeting of insurgents with efforts to improve the capacity or legitimacy of the Afghan government by training, mentoring, and partnering with Afghan officials, civil servants, and military personnel at the national and subnational levels. It has not been clear, however, how international and Afghan officials prioritize governance relative to other strategic objectives. Activities on the ground suggest different players have different ideas about how important improving governance is, compared to gathering intelligence and capturing or killing insurgents. Among those who do prioritize governance, most seem to have a rather maximalist vision for how capable and how legitimate the Afghan government needs to become—despite the common refrain that nobody is trying to build a Western-style democracy—and are concerned about not having access to resources commensurate with that vision. This research found that international efforts to improve governance have increased important service-provision, technical, and managerial capacities of some government institutions and civil servants at the national, provincial, and municipal levels, with some successful efforts at the village and district levels. It also found, however, strong evidence that, despite complaints about constrained resources, these efforts are scaled far beyond what Afghan society can constructively absorb. Governance in Afghanistan cannot become "good," in the way Afghan and international development strategies and official communications often define it, for at least a generation, and efforts to speed that process—through conventional state-building and democratization activities on a massive scale—are fueling corruption and undermining prospects for stability.

- The Afghan Sub-National Governance Policy (SNGP) was developed to respond to the fact that the central government does not have the capacity to meet all the obligations imposed upon it by the Afghan constitution, which is among the most centralized in the world; subnational institutions lack capacity as well, but they also lack formal authority to act independently from the center (although many subnational officials govern with *de facto* independence). As a consequence, subnational governance has long failed to

improve the lives of most Afghans. The SNGP was intended to "deconcentrate" some formal power from the center to the provinces and districts and build subnational capacity to make local governance more effective. Some national ministries, however, fearing the loss of control over resources, were very reluctant to accept the policy and have been slow to implement it. While security and transparency problems make it difficult to systematically and comprehensively measure the quality and impact of service delivery in Afghanistan, this research did not find evidence that the new processes instituted through the SNGP have made more than marginal improvements (although in some notable areas this seemed to be beginning to change during the study period). It is possible that, with time, real improvements in service delivery will materialize. But given the hesitance demonstrated by some appointed officials to implement the policy, and the disconnect between the capacity state institutions actually have and the level of capacity the implementation plans seem to assume they have, the SNGP almost certainly will take far longer to implement than current plans suggest.

- In Pakistan, the Local Governance Ordinance (LGO) of 2001 devolved significant authority from the provinces to the districts; abolished the position of the provincially appointed District Commissioner (DC); divided the DC's executive powers among an elected mayor, an appointed coordinating officer, and multiple executive officers; and separated its executive from its judicial powers. The LGO reforms generally improved Pakistanis' perceptions of service delivery and inclusion in many areas, at least for a while, and built new institutional constituencies (e.g., district judges) for the separation of powers.

- The LGO lapsed in January 2010 when Pakistan's National Assembly unanimously passed the 18th Amendment to the constitution, one of the most important reforms in Pakistan's history. The 18th Amendment cleared up some long-standing jurisdictional issues; devolved responsibility for dozens of services from central to provincial ministries; empowered provincial governments to design their own local governance systems; and required (for the first time under a civilian regime) that provinces hold local elections. Because none of the provinces have held local elections or passed legislation establishing new local governance systems, real ambiguities have existed regarding where local authority lies. This was a problem particularly during the response to the 2010 floods. In all provinces, the politics of how to structure local governance still has not been settled. Nonetheless, the unanimity of the 18th Amendment's passage, the fact that local elections are now constitutionally required, the desire of many in government and civil society to improve and reform governance, and the institutionalization of constituencies for the separation of powers all make it more likely than not that the 18th Amendment reforms eventually will take place, although a clear risk remains that an entrenched political class will seek to weaken or slow reform. If implemented, these reforms would be conducive to stability.

After many years of relative inattention, U.S. policies toward both countries—the Obama administration's Afghanistan-Pakistan strategy, security cooperation and the Kerry-Lugar-Berman aid bill to Pakistan, and some of the newer programs in Afghanistan—are much more closely aligned with local realities and strategic imperatives than they were before 2009. In some cases, however, ambitions should be set lower to match what can realistically be achieved in the

short term, implementation should be better aligned with strategic and development goals, and data on spending and implementation should be made more publicly accessible. Many of the new policies and programs are still in the early phases of implementation, and it will take time for tactical and operational effects to be observed, and even longer for any gains to be translated into strategic progress. Modest objectives and the patience to achieve them, therefore, must be critical elements of efforts to foster stability in both countries in the short term.

## Research Design

The research team's staff and consultants traveled to 16 cities and regions in Pakistan and Afghanistan, and interviewed more than 250 civilian and military officials, legislators, judges, academics, journalists, lawyers, business managers, development professionals, activists, religious leaders, community elders, tribal leaders, and other members of civil society, individually and in focus groups, to explore a wide range of issues related to governance and militancy. An extensive literature review of militant groups in Afghanistan and Pakistan mapped out the militant terrain and identified what was known about the ideologies, objectives, strategies, tactics, and evolution of such groups. The interviews and focus groups, and a review of studies on local governance in the region, were designed to gather qualitative data on the main governance problems; their effects on local attitudes toward state, nonstate, militant, and foreign actors; and the status and likely evolution of ongoing governance reforms. In both countries, information was collected about security, justice, health, education, and disaster-response activities that were undertaken by formal (state), informal (traditional or tribal), hybrid (formal–informal), civil-society, militant, and international institutions operating at the provincial and district levels.

- The Afghanistan analysis focused on the disconnects among constitutional design, institutional capacity, and *de facto* authority, and reviewed national and international efforts to redress those disconnects, particularly the Sub-National Governance Policy (SNGP) and the civilian components of the counterinsurgency (COIN) campaign.

- The Pakistan analysis focused on the relationships among state weakness, regional insecurity, and the rise of militancy, and reviewed ongoing efforts to reform subnational governance, particularly the devolution of powers under the 18th Amendment to the constitution and the Local Governance Ordinance (LGO) of 2001, which lapsed in early 2010.

Additionally, six cases of governance, at multiple levels of analysis, were studied for a more detailed understanding of the relevant dynamics in Pakistan:

- *Khyber-Paktunkhwa* (KPK) province, formerly North West Frontier Province (NWFP), plus three different subnational governance systems within KPK's sphere of influence:

    o *Chitral* district, a settled area of KPK, formerly governed as a Provincially Administered Tribal Area (PATA), with little militant activity;

- o *Swat* district, a settled area of KPK, still treated as a PATA, with substantial militant activity; and

- o *Khyber* agency, a Federally Administered Tribal Area (FATA), governed by the Frontier Crimes Regulation of 1901 (FCR) under the (federally delegated) authority of KPK's governor, with significant militant activity;

- *Southern Punjab,* a region of Punjab province, with increasing militant activity; and

- the *flood response* by local, national, international, and militant actors in 2010.

The overall research design was motivated by a recognition that problems of governance and militancy in societies in conflict rarely involve state actors and nonstate combatants only; usually, traditional institutions, criminal organizations, private influence networks, civil society organizations, and foreigners are involved as well. For that reason, the absence of effective governance by state actors would not necessarily imply the existence of a political vacuum that militants could exploit. Throughout Afghanistan and Pakistan, many different types of groups challenge state authority at the subnational level, and some provide services and security to communities—at varying degrees of quality—in places where the state is absent or malign.

This project, therefore, studied what services were provided by formal, informal, hybrid, international, and militant groups, to see how those services compare, and what that comparison implies for efforts to negotiate stable governance arrangements:

- What does governance look like at the subnational level in Afghanistan and Pakistan? Who makes decisions, resolves disputes, and provides essential services (e.g., state institutions, political patrons, tribal or religious leaders, militant groups, charities, internationals, etc.)?

- What is the relationship between those who provide services and those who receive services? What motivates those who provide services to do so, and what motivates people to support or oppose them?

- Do problems of local governance (such as corruption, ineffectiveness, or elite capture) contribute to the rise of militancy? Does providing services give militants any lasting influence among key communities? Where they exist, do parallel or "shadow" governments give militants any strategic or operational advantages against the state or other local governance institutions?

The research for this study was conducted between March 2010 and March 2011. The remainder of this policy brief summarizes the results, beginning with the literature review of militancy in Afghanistan and Pakistan. The discussion of the militant terrain is followed by the findings and implications of the Pakistan study, then those of the Afghanistan study.

## The Militant Terrain

At the beginning of this project, the state of public knowledge as reflected in English-language literature was fairly shallow with respect to the link between governance and militancy in either country. The literature review found the following:

- With respect to governance broadly defined, it was known that some militant groups seek explicitly to establish an Islamic state in the region, such as the Taliban-affiliated insurgents fighting the Afghan state (e.g., the Haqqani network), while some groups mix political and religious motives in other ways (e.g., a political party, Jamaat-e-Islami, established the militant groups Islami Jamiat Tuleba and Hizb-ul-Mujahideen).

- Other militants are interested less in establishing an Islamic state than in enforcing their interpretation of Islamic law *(sharia)* locally. Among these are groups that have established mosque-based private courts to resolve disputes, or private enforcers to punish behaviors considered immoral or un-Islamic (e.g., Tehrik-e-Nifaaz-e-Shariat-i-Muhammad, or TNSM, began as a peaceful movement but evolved into a militant group, with armed enforcers, that eventually came to control Pakistan's Swat valley region).

- With respect to service provision, some militants are known to have engaged in charitable activities, providing stipends to the families of members killed in action, emergency assistance to victims of disasters (such as the massive flooding in Pakistan in 2010), free religious education to poor children (usually including room and board), and even some limited health services. Some charities in Pakistan are splinters or direct creations of militant groups, making the nature of their continuing relationship unclear.

- Much of this activity (dispute resolution, sharia enforcement, and service provision) takes place in environments where state institutions are absent, weak, or corrupt. That has led to published speculation about what motivates militant groups or their affiliated charities to provide services in such areas—whether their motivations are mainly strategic (to win support, or to recruit fighters, as in insurgent commander Gulbuddin Hekmatyar's high school in an Afghan refugee camp in Pakistan), mainly religious (as part of the *da'wa,* or call to Islam), or some combination of both.

Afghanistan and Pakistan are both characterized by the presence of a large number and wide variety of militant groups, and the literature review found that the objectives, strategies, and tactics of militant groups are influenced by ideological and ethnic factors, regional politics, and the support or demands of external actors:

- In both countries, many militant groups have non-religious motivations for their use of violence. These include secessionists (e.g., nationalists in Balochistan, Pakistan), political sectarians (e.g., MQM in Sindh, Pakistan), organized criminal networks (e.g., opium traffickers in Afghanistan), warlords (e.g., military commanders from the Afghan civil war), and tribal militias (e.g., *arbakai* in Afghanistan, *lashkars* in Pakistan), among others.

- In Pakistan, religious ideology plays the main role in differentiating among militant groups, because recruitment generally centers around religious schools *(madrassas)* and mosques, which are sect-specific: Shi'a or Sunni, for example; or, among Sunnis, Deobandi, Barelvi, or Ahl-e-Hadith.

   o However, not all religious militants are also religious sectarians, that is, militants who attack members of other religious sects (e.g., Sunni *versus* Shi'a, Deobandi *versus* Barelvi). Islamists, for example, have pan-Islamic political objectives (e.g., an Islamic state), while self-declared *jihadi* groups see themselves as defending Muslims in Afghanistan or Kashmir against non-Muslims. (These categories are not mutually exclusive; for example, some jihadis defend Muslims they consider "good" against those they consider heretics.)

   o Beyond these differences in objective (i.e., sectarian, political, or defensive), religious militants are further differentiated by their strategies (e.g., how they define the "near enemy": India, Pakistan, or Afghanistan) and tactics (e.g., whether they permit suicide attacks or allow the killing of fellow Muslims).

- In Afghanistan, ideology plays a much smaller role in differentiating among militant groups. Most religious militants there are Deobandi Sunnis, and so tend to agree on basic theological principles (they are in the minority, as most Afghans are Sufis). Instead, ethnic and tribal networks account for most divisions among Afghan militant groups, while a shared association with the former Taliban government, a shared vision of a future Islamic state, or a pragmatic expectation of ultimate victory are the main factors keeping the leaders of different groups in alliance.

Finally, the literature was unambiguous about one point: Pakistan and Afghanistan have many people who live in very poor or desperate circumstances, and basic services are in great demand. One of the main objectives of this study was to determine the degree to which the provision of such services by militants—whether motivated by strategy or religious duty—gives militants any strategically significant influence among recipients. The next two sections address that question.

## Governance and Militancy in Pakistan

In many places in Pakistan, the national, provincial, and district governments have no significant presence, provide inadequate services, are corrupt, or abuse citizens in other ways. In those places, informal systems and practices often play a governance role, and in a subset of those areas hybrid systems have been set up to give official sanction to informal authorities or practices (e.g., alternative dispute resolution by sharia courts). Moreover, many civil society and international aid organizations provide services throughout Pakistan.

Very little is known about militant activities that do not involve violence, but this study turned up scant evidence that local service provision by militants is either widespread or welcomed. There are significant gaps in governance and service delivery in many places, and in at least some cases this has provided an opportunity for militants to win some local support by

attempting to fill those gaps (e.g., resolving disputes and enforcing sharia by TNSM in Swat and by Lashkar-e-Islam in Khyber). But this is the exception, not the rule.

- Most militant groups provide few essential or emergency services, if any; most are no better at governing than the Pakistani state is; and most that have tried to govern have quite rapidly alienated the communities they controlled (e.g., after TNSM and Lashkar-e-Islam turned abusive and corrupt, they lost the support of their respective communities). In short, Pakistani militants are not very good governors, service providers, or first responders.

- To the degree militants have won support in communities where they have provided services, that support has come as a result of either desperation (the recipients would have taken help from any source) or intimidation, neither of which offers deep or lasting support; or it has come from tribal or sectarian linkages, alliances of convenience, or religious inspiration, none of which has much to do with service provision. Instances when militant-provided services have created converts to the cause are the exception.

- Most militants, therefore, do not receive much lasting benefit from service provision, dispute resolution, disaster response, or other "state-like" activities. It is not even clear that militants linked to charities get much credit for their charitable work; anecdotal evidence suggests the charities get credit *as charities,* but there is little evidence to suggest that such credit accrues to the militant movement behind them. The gains from charity are mainly tactical or operational (e.g., facilitating recruitment or gaining access to charitable donations). But with few exceptions, that has not generally translated into significant strategic advantages, such as lasting public support or territorial control.

- The facts that governance gaps can be filled by militants for tactical and operational advantages, but that those advantages derive mainly from desperation or intimidation and not conversion or conviction, suggest that it is possible to crowd out even the militants' limited gains with improvements in local governance from any non-militant source—the state, tribal or traditional institutions, hybrid (formal–informal) systems, civil society, the private sector, or international donors—as long as the benefits accrue to the communities themselves in real terms.

Governance gaps look different in different places: how Pakistanis are governed depends on where they live. Pakistan has multiple systems of subnational governance, with some areas governed by the provincial or district governments, some administered directly by the federal government, some autonomously governed, some with special status, and some officially governed in ways that do not match their legal status. In some cases, that creates confusion with respect to who has authority over different types of decisions and services. But even where roles and responsibilities are clearly delineated, the quality of governance is not very high in most of the country—significant problems of official corruption and poor management exist at all levels. Traditional institutions, patronage networks, criminal organizations, and insurgents all have been pretenders to the throne of local governance in one place or another.

Two of the main contributors to the confused lines of formal authority in Pakistan have been the relationship between the central government and the four provinces, and the relationships between the provincial governments and their districts.

- The main source of tension between the center and the provinces has been ethnic, as the central government and military are dominated by Punjabis who have historically been reluctant to devolve authority to smaller provinces and the ethnic groups that dominate them. This has been the leading factor, for example, in the Baloch separatist movement, and the earlier nationalist movements by Pashtuns, Sindhis, and Urdu-speaking Muhajirs.

- Province-district tension has mainly been due to politics. Elections at the district level and below have only ever taken place in Pakistan's history when there have been military governments at the center. Those local elections have always been on a non-party basis, which has enabled independent local politicians to emerge outside of the major political parties (which dominate the provincial governments), thereby giving the military governments a base of support outside the party system. Consequently, when civilian governments—elected on a party basis—have held power in the center, the major parties have had an incentive not to hold local elections. Instead, provincial governments have used an earlier system under which they appoint a District Commissioner (DC) as the primary administrator at the district level. This has created tensions with local independent politicians and smaller parties, especially those who once held elected office but now are marginalized.

During Gen. Pervez Musharraf's tenure as president (1999-2008), he passed the Local Governance Ordinance (2001), which followed this same pattern: the LGO devolved significant authority from the provinces to the districts by abolishing the provincially appointed DC position and separating its powers among multiple institutions: a *nazim* (mayor), elected on a non-party basis; a District Coordinating Officer (DCO), appointed by provincial governors and subordinate to the nazim; multiple Executive District Officers (EDOs) to oversee service delivery through line ministries; and district courts and institutions for speeding dispute resolution. These moves generally improved Pakistanis' perceptions of service delivery and inclusion in many areas, at least until the economic recession of 2008, and built new institutional constituencies (e.g., district judges) for the separation of powers.

After Musharraf left office and was replaced by a civilian government, the National Assembly unanimously passed the 18th Amendment to the constitution, in January 2010. The 18th Amendment broke the pattern of previous civilian governments in that, instead of abolishing local elections, provinces were now constitutionally required to hold local elections. In addition, it clarified the division of labor between center and province by definitively devolving responsibility for dozens of types of services from central ministries to provincial ministries. And rather than specifying the structure of local governance that provinces would be required to implement, the 18th Amendment left it to the provinces to design their own local structures.

While this reform settled the center-province tensions, it did not settle the province-district tensions. As the LGO lapsed, the nazims' terms in office also ended, leaving them without a position, and the DCOs, previously subordinate to the nazims, acted as unelected district administrators. Moreover, none of the provinces held local elections within the time required—

nor since. Real ambiguities therefore exist regarding who has authority at the local level. This became particularly problematic later in 2010 when massive flooding challenged the capacity of government at all levels, and the ambiguities at the local level delayed the response in many areas. In all provinces, the politics of how to structure local governance—for example, whether nazims are to be subordinate to DCOs or *vice versa,* and whether judicial authority will remain separate from the executive as it was under the LGO—still has not been settled. Still, the unanimity of the 18th Amendment's passage, the fact that local elections are now constitutionally required, and the institutionalization of constituencies for these reforms all make it more likely than not that these reforms eventually will take place in a way that is generally conducive to stability.

The U.S.-Pakistan relationship has a very complicated history, and recent events—particularly the discovery and killing of Osama bin Laden in Abbottabad, and the Raymond Davis scandal that preceded it—have only demonstrated how complicated it is. Still, changes to U.S. policy, particularly on security cooperation and foreign aid, have aligned American activities and programs more closely with strategic imperatives and local realities than they had been before 2009. But the new policies and programs are still in the very early phases of implementation, and progress will not come quickly—if at all. It is unlikely, for example, that the United States can play anything more than a catalytic role in improving Pakistan's capacity for stabilization, and not even that will be possible as long as some Pakistani institutions continue to believe that supporting certain anti-American and anti-Indian militant groups serves Pakistan's strategic interests.

Despite the many challenges to governance and stability that exist in Pakistan, the risk that some group or coalition of religious militants could take over the Pakistani state, the way the Taliban movement ended up controlling most of Afghanistan in the 1990s, seems rather exaggerated. A change in government is more likely, and the main risk there is that, if some of the smaller militant or populist parties need to be brought into the governing coalition, the new government's platform might need to include some policies that could compromise economic stability or the security of minorities. If insecurity were to grow in too many places at once—due to population movements from Afghanistan, political violence in Karachi, the growing separatist movement in Balochistan, increasing activity by anti-state militants, or anti-government protests that turned violent—the security forces could become stretched too thin to effectively enforce order, protect nuclear materials, and prevent the emergence of militant safe havens.

Despite countervailing trends—such as the demonstrations in *support* of the man who assassinated Punjab Governor Salman Taseer for opposing the death sentence of a religious minority accused of blasphemy—there are reasons to be hopeful regarding the capacity and willingness within Pakistani society to counter militancy. The 18th Amendment certainly is a move in the right direction. A recent military review is likely to lead eventually to increased military professionalization; the Pakistan Army has already demonstrated its capacity to counter militants when it wants to, as it did in Swat and South Waziristan. In general, Pakistanis are theoretical Islamists and operational democrats: they support sharia and anti-blasphemy laws in general terms, but in practice they do not vote for religious militant political parties to any significant degree, and tend to express real disgust at some of the punishments meted out by sharia enforcers (e.g., flogging, forced marriage, amputation, and beheading). Many young professionals yearn to leave Pakistan because of high levels of corruption and poor economic

performance, and that is a sign they have little hope for the future—but it also suggests a strong demand for good governance and political and economic stability.

The Enhanced Partnership with Pakistan Act (EPPA), popularly known as the Kerry-Lugar-Berman bill (KLB) after its sponsors in the U.S. Senate, was signed into law by President Obama in October 2009. The EPPA was designed to triple the amount of U.S. aid to Pakistan to $1.5 billion per year for five years, align that aid more closely with U.S. and Pakistani priorities, and impose new accountability mechanisms to reduce the chances that aid might be diverted from its intended use. Governance is not prioritized in the sense of being a significant category of aid in its own right. But it is an integral part of program design to partner with government institutions at the national and provincial levels and build their capacity to carry out energy, agricultural, and infrastructure projects and deliver health and education services. Early signs indicate some shortcomings in accountability, partnering, and transparency, but in truth it is too early to judge the EPPA program a clear success or failure: new programs take time to design, longer to implement, and at least a few years to show measurable results. It is clear the U.S. government is still struggling to define how it will measure progress on governance or even service delivery, but that does not mean progress is impossible or unlikely. Enough people in both countries desire progress that, if the overall relationship can be stabilized, the EPPA programs have at least a fighting chance of making small but real contributions to both Pakistani governance capacity and the U.S.-Pakistan relationship.

## *Implications for U.S. Policy*

The United States cannot do much to improve subnational governance in Pakistan directly. However, in the way it engages with Pakistan, it can help to keep reformers and moderates from becoming marginalized, and thereby offer indirect support to Pakistani efforts to improve and reform governance.

**Stay engaged.** U.S. policymakers in the Obama Administration and Congress should recognize that Pakistan does have many reformers and moderates within its security establishment, civilian government, and society at large. It is in the direct strategic interest of the United States to empower those who abhor militancy (particularly those who do not see Pakistan's and America's security to be incompatible in principle) and to marginalize those who support it (particularly those anti-American elements in and out of government). The U.S.-Pakistan relationship is difficult today, and there are calls on both sides for disengagement. But the benefits of continuing, and indeed deepening, engagement outweigh the costs:

- First, the United States has only limited influence within Pakistan as it is. Engagement gives Americans access to Pakistani decisionmakers, some of whom have been cooperative, including on intelligence sharing and counterterrorism operations. It is not clear how disengagement could improve that access or cooperation—but quite clear how it would decrease what little influence the United States does have.

- Second, development projects and military training give Americans and Pakistanis an opportunity to work together, which in at least some cases has built understanding and trust. If nothing else, they can build capacity and professionalism and expose some Pakistanis to American values—such as civilian control over the military. Disengagement

during the 1990s, for example, blocked an entire generation of Pakistani military officers from receiving U.S. training that would have exposed them to a powerful military institution with the self-restraint and self-confidence to submit to civilian rule; it would have exposed them as well to critical thinking, the laws of war, human rights, and the protection of civilians, in addition to basic and advanced war fighting. Within Pakistan's security institutions today there is an incipient recognition of the need to reform, modernize, and professionalize. Maintaining or deepening military-to-military engagement would position the United States to encourage those attitudes and help to crowd out at least some of the more hardline views within the security establishment. Maintaining or deepening engagement in development and diplomacy would likewise empower those professionals and moderates within the Pakistani government and civil service who want Pakistan to be—and to be viewed internationally as—a responsible state; to disengage now would be to abandon them, which certainly is not in the U.S. interest.

- Third, U.S. counterterrorism officials need human intelligence within Pakistan, and disengagement would only further constrain the potential for recruitment.

- Finally, many of Pakistan's problems are reflected in a cultural sense of weakness or humiliation, particularly in regards to India. Given the relative strength of India's military, size of its population, and strength of its economy, it should not come as a surprise that Pakistan would develop nuclear weapons, use irregular forces as a proxy army, and seek as much military hardware and training as possible. Publicly criticizing Pakistan for engaging in (strategically rational) asymmetric behaviors serves mainly to remind Pakistanis of their strategically vulnerable—and humiliating—position with respect to India, and thereby helps elevate the profile, resolve, and influence of Pakistani hardliners. A constructive relationship with the United States—one in which Pakistanis are conspicuously treated with respect, privately discouraged from the more destructive policies of hardliners, and otherwise empowered to protect and serve their own citizens as well as possible—could serve to moderate this dynamic. An angry disengagement, as seems to be the direction the public conversation about U.S.-Pakistan relations is going, would only contribute to the vicious cycle of humiliation and hardliner response.

**Give Kerry-Lugar a chance.** The U.S. development programs in Pakistan implemented under the Kerry-Lugar-Berman act are still too new to be judged for the degree to which they can make a real difference in Pakistan's capacity for service delivery. In their overall design, however, they are a step in the right direction. There are serious concerns among U.S. policymakers about the Pakistani state's capacity to maintain stability. While the fear of state failure is rather overblown, it undoubtedly is in the U.S. interest for Pakistani government institutions to function well in general, as a well functioning government would inspire less opposition. To the degree U.S. aid works to that end, therefore, it should be maintained: it is difficult to see how cutting aid to Pakistan would contribute to the U.S. interest in a capable Pakistani state. Any changes to Kerry-Lugar should be designed to strengthen capacity or reduce contributors to instability—not remove the possibility to strengthen capacity.

**Add trade to aid.** The Pakistan-American Enterprise Fund has been proposed to reprogram some Kerry-Lugar funds to support Pakistan's private sector with an emphasis on financial

capital and technical assistance to small and medium businesses (which constitute about 90 percent of private enterprise in Pakistan and contribute about 40% to its GDP). Private sector development is certainly key to Pakistan's economic recovery—which itself is a key factor in Pakistani stability—and such a fund would be helpful. But the United States would contribute to Pakistan's recovery even more by making it less expensive for Pakistani businesses to export their products to the U.S. market: lowering tariffs on Pakistani imports would improve Pakistan's economy without harming the American economy.

## Governance and Insurgency in Afghanistan

As much as a third of Afghanistan's population is dependent on international food aid, according to some sources. Widespread corruption among police and in the courts make it very difficult for crimes to be prosecuted and conflicts to be resolved; and many Afghans are routinely extorted, for bribes for services or safe passage on highways. The needs in Afghanistan are great, and the government is not meeting them in most places. Therefore, when help from non-government sources is available—whether from international aid organizations, opium traffickers offering jobs, or the Taliban shadow court system—Afghans generally accept it. But they accept it not because they like foreigners or support the Taliban's political objectives, but because they need the help. As in Pakistan, problems of governance in Afghanistan create opportunities for insurgents to win support in neglected communities, but the insurgents are not very good at direct service provision. It is likely, therefore, that improvements in local governance from any non-insurgent source would reduce opportunities for insurgents to exploit grievances, and would crowd out whatever short-term advantages the insurgents get from what few direct services they actually provide.

Subnational governance reforms have been attempted, but the challenges are great. Afghanistan has one of the most centralized constitutions in the world atop one of the most decentralized societies in the world. The central government, however, does not have nearly as much capacity to govern at the subnational level as the constitution requires. Moreover, significant problems of official corruption and poor management exist at all levels—center, province, district, municipality, and village—and legal ambiguity exists over which subnational institutions have authority for making decisions, resolving disputes, and providing services. Traditional institutions, patronage networks, criminal organizations, and insurgents all compete with the government and each other for authority and influence at the local level.

- *Village.* Afghanistan has between 4,000 and 40,000 villages, depending on how rural population centers are defined. Historically linked weakly to the center, village affairs traditionally have been managed through patronage networks (e.g., large landholders, tribal or kinship links, military commanders) and informal village assemblies *(jirgas, shuras,* etc.) dominated by prominent or respected individuals called elders *(maliks, khans, arbabs,* etc.). Three decades of war and population displacement have degraded traditional authority, while military commanders (or warlords), religious leaders *(mullahs, imams, maulvis, qazis,* etc.), and other powerful or malign figures have gained prominence; many villages are dominated by "malign" actors such as insurgents or organized criminal networks (some of whom are also state officials). The Afghan constitution calls for elected Village Councils but does not stipulate their mandate or

revenue sources; in any event, elections have not taken place and are not likely to for years. Community Development Councils (CDCs) have been stood up in thousands of villages as a participatory mechanism for identifying development priorities, and there has been talk of broadening their mandate until official elections can take place, as they are the only state-sanctioned decision-making bodies that function at the local level.

- *Municipality.* Depending on how you count, Afghanistan has between 34 and 217 cities and towns. The largest of these were relatively cosmopolitan places until the devastation of the civil wars and takeover by the Taliban in the 1990s. Most of Afghanistan's economic activity and management capacity are concentrated in its urban areas and, unlike other subnational units, municipalities do have legal authority (and some have capacity) to collect and keep their own revenue. The constitution calls for elected mayors and councils, but elections have not yet taken place, and only a few municipalities have CDCs. Urban courts exist in some places, but many are slow and corrupt, a common complaint about the Afghan justice system in general. Some informal assemblies make decisions and resolve disputes, but they compete for authority with formal institutions, power brokers, and "malign" actors.

- *Informal settlements.* With little capacity for urban planning, land titling, or even census taking, most urban areas have slums that are not officially recognized and therefore receive few government services. Very little research has been done on the populations and internal dynamics of these areas. It is likely that governance involves some combination of self-help, informal assemblies, and dominance by power brokers and organized criminals, but very little is known for certain.

- *District.* Afghanistan's 364-402 districts are headed by governors who are supposed to be hired by Afghanistan's Civil Service Commission (CSC) based on merit, but the CSC often is pressured by politicians to hire unqualified but politically connected people. They have no direct authority over service-delivery departments (health, education, justice, etc.), which report to the center through the provincial line ministries. Police and courts are generally weak, and many are corrupt. As with villages and municipalities, no District Council elections have taken place, but like village CDCs, District Development Assemblies (DDAs) do operate in most places. Though weaker at the district than the village level, some shuras and jirgas are active, and some have appointed their own district governor. Regional power brokers and some warlords have significant influence in many areas, and in most districts the main Taliban group has installed its own "shadow" governor. Some districts, therefore, have formal, informal, and shadow governors all competing for influence against one another.

- *Province.* All 34 provinces have a governor appointed by the president, and like district governors, the provincial deputy governor is supposed to be hired based on merit but is often appointed based on politics. Provincial Council elections have taken place, but the councils have little real authority and are "toothless watchdogs" at best. Line ministries and police chiefs report directly to central government ministries, giving governors little influence over much executive-branch activity. Provinces do have some revenue-collection authority, but must remit all tax receipts to the central government and can get it back only through a laborious, lengthy budgeting process. Patronage networks, power

brokers, organized criminals, and warlords have significant influence in many regions, and the Taliban have installed shadow governors in almost all provinces.

In short, subnational governments—all branches (executive, legislative, and judicial) and all levels (municipalities partially excepted)—generally lack authority and capacity, have no independent tax base, are dependent on the center for funding and authorities, and have to depend on international donors for resources and training. These dependencies mean that, to the small degree any accountability exists at any level of government, it goes up and out—to the central government and international donors—but not in and down to citizens and local officials. Corruption and abuse are common among many government officials. But even those capable civil servants, political appointees, and elected officials who otherwise are dedicated to the public good—and there are many in Afghanistan—need to spend more of their time building relationships and cutting political deals with high-level bureaucrats and international donors than with lower-level officials and Afghan citizens. Inevitably, some important concerns of citizens will receive a lower priority than they would under a system in which there were habitual interaction between service providers and recipients.

Decentralization is often recommended as a remedy to give subnational officials the authority and incentives to govern well and accountably at the local level. But worldwide, decentralization often has made more sense in theory than it has worked in practice—and to the degree it has been tried, so far this has been the case in Afghanistan as well.

- The March 2010 Sub-National Governance Policy (SNGP) was designed to "deconcentrate" power from the center to the provinces and districts to make service delivery more effective. While it is difficult to systematically and comprehensively measure the quality and impact of service delivery in Afghanistan (due to security and transparency problems), there is little evidence that the new processes instituted through the SNGP have made more than marginal improvements in most places. It is possible that, with time, real improvements in service delivery will materialize, but it almost certainly will take far longer than current implementation plans suggest.

- National officials and their subnational appointees have strongly resisted any robust decentralization, out of concern for national stability or for their own authority and privileges. Therefore, no decentralization proposal is likely to be accepted by the country's leaders if it is presented to them as a devolution of authority, which implies they would lose benefits; rather, it must be presented in terms of burden sharing (i.e., with subnational and nonstate institutions). That way, the cost-benefit calculation would be more likely to favor the burden sharing. An example of a burden-sharing approach would be a revenue policy whereby the center increases revenue it receives from provincial and district governments by providing direct incentives to increase revenue collection, for example by immediately refunding to the subnational unit some portion of any revenues submitted to the center; that would give subnational units more fiscal independence while preserving the centralized system and improving the center's tax receipts.

The counterinsurgency (COIN) strategy in Afghanistan combines direct targeting of insurgents with efforts to improve the capacity or legitimacy of the government by training, mentoring, and

partnering with officials, civil servants, and military personnel, and in some cases involving them in community development. The results have been mixed, however, with greatly improved capacity and service delivery in some areas, and not much change elsewhere. That is due partly to the ambiguous role governance actually plays in the strategy, and partly to a set of assumptions about the role governance *should* play:

- It is not clear whether strategic objectives on governance are intended to build the legitimacy and capacity of President Hamid Karzai's government, the executive branches of the provinces and districts, certain friendly government officials and power brokers, or the system of governance as described in the constitution. It also is not clear how governance is prioritized with respect to short-term tactical needs (e.g., intelligence, sometimes received from malign actors) and other strategic objectives (e.g., targeting of insurgents, often with collateral damage that angers many Afghans).

- Among those who prioritize governance, most seem to have a rather maximalist vision (if not commensurate resources) for how capable and how legitimate the Afghan government needs to become—despite the common refrain that nobody is trying to build a Western-style democracy. Governance in Afghanistan will not become "good"—in the way it is framed in international and Afghan development strategies, official communications, and aspects of the military effort—for at least a generation. The international effort to speed that process, through conventional state-building and democratization activities on a massive scale, seems out of proportion to what actually can be achieved in the short term.

- In fact, a major catalyst for Afghanistan's corruption is the sheer amount of international attention and uncontrolled money entering the country in the form of military contracts, expensive aid projects, democratization and electoral reforms, technical capacity building, pressure for formal decentralization, international contractors and advisers, and other common elements of international state-building portfolios. Compared to Afghanistan's needs and problems, these efforts are inadequate; but compared to what Afghanistan can realistically absorb, these efforts are excessive and corrupting.

## *Implications for U.S. Policy*

Given that governance by insurgents who attempt to govern is, on balance, no better than that by other Afghans, small, steady, and real improvements in local governance from *any* non-insurgent source—the state, tribal or traditional institutions, hybrid (formal–informal) systems, civil society, the private sector, or international donors—would probably be enough to keep most Afghan communities from turning to insurgents for services and other support (although it would not stop insurgents from killing opponents or using intimidation to coerce support). The United States can play a key role in marginalizing insurgents by helping to define and promulgate a clearly demarcated governance agenda for international and Afghan efforts to foster stability, and adjusting U.S. policy to match that modest agenda.

**Decentralize burdens, not benefits.** One of the central dilemmas of formal governance in Afghanistan is that, by constitutional design, subnational units depend on the center for nearly every aspect of governance, but in actual fact the center is incapable of carrying the full burden

the constitution places on it for subnational governance. Many central government officials (and the subnational appointees beholden to them) are unwilling to relinquish their right to carry that burden, lest they also lose the privileges that go with it: prestige, influence, the right to dole out patronage, and, for some, opportunities for graft. Provincial and district governments do not have the authority or resources to do much without the central government's involvement (or international support). The country's traditional and tribal institutions have been so degraded by decades of war that they are at least as susceptible to corruption by criminals and infiltration by insurgents as state institutions are. Clearly, then, no one set of institutions is capable of governing constructively without the others. The burden needs to be shared among national, subnational, state, and nonstate institutions.

- For any decentralization scheme to work in the short term, it should be designed and presented as a way of helping central government officials share the burden of governing, not the benefits of governing.

- Creative burden-sharing policies would seek to give subnational units more independence from the center without threatening the centralized system. Fiscal burden sharing, for example, could increase the revenue the center receives from provincial and district governments while giving those subnational units more fiscal independence; by immediately refunding to those subnational units some portion of the revenue they submit to the center, fiscal burden sharing could increase the subnational unit's incentives to collect taxes for the center (because the more local governments raise, the more they keep without strings attached) and center's incentives to permit subnational tax collection (because the more independence the center allows, the more revenue it receives).

- Given the level of U.S. involvement in Afghanistan, American policymakers do have some degree of influence over governance reform efforts, and that influence should be used to encourage the design of reforms that decentralize burdens rather than benefits.

**Leave slowly, but steadily.** The drawdown of U.S. troops from Afghanistan is scheduled to begin this summer, and the current debate among American policymakers is over how steep the off-ramp should be. This debate implicitly turns on the question of governance: when U.S. forces leave, policymakers need to be sure that whoever is running Afghanistan is willing and able to suppress the anti-American ambitions of Afghan insurgents and affiliated groups. At the moment, Afghan governance is nowhere near capable of doing that on its own. It has neither the capacity to oversee, nor the resources to pay for, its own security forces, and NATO has far too few trainers available to build those forces to the levels currently planned. Building up under-trained security forces in the absence of civilian institutions capable of paying them or holding them accountable for results and abuses—and then expecting them to maintain stability before they are capable so that international forces can withdraw more quickly—is not a strategy that is likely to lead to lasting gains in stability. For political and fiscal reasons, U.S. forces do need to begin withdrawing from Afghanistan. But Afghan governance—broadly defined to include the public activities of national, subnational, state, nonstate, formal, and *de facto* power holders— needs to be built to a basic but sustainable level along the way. Even then, both civilian and military institutions will require international support for the foreseeable future. The objectives of building governance, however, need not be ambitious.

**Go small.** Governance in Afghanistan does not need to become "good" in American terms, just "good enough" in Afghan terms—or perhaps even just "not bad" as compared to how things are today. A modest agenda for international support to Afghan governance, scaled to how much advice and assistance Afghanistan can actually absorb—not how much it needs—would be more achievable in 2-4 years than an agenda that endeavors to build modern state institutions up to the "good governance" standards of most international donors (an ambitious standard reflected in the current Afghan National Development Strategy, the communiqués of official international conferences on Afghanistan, and the earlier Afghan Compact).

- A modest governance agenda might (1) encourage and enable Afghans who hold *de facto* power—at any level of government, or informally—to govern in a way that is predictable, minimally acceptable to most Afghans in their sphere of influence, and friendly to U.S. security, and (2) endeavor to create a system capable of removing the very worst abusers from power. These objectives are not, in principle, incompatible with longer-term political development (and could, in fact, provide a stronger foundation for it than current efforts), and therefore could be used to redesign and rescale plans and policies for national and subnational governance in the short term.

- Achieving this more modest vision, however, will require smart politics and uncomfortable trade-offs: deciding whether to marginalize a power broker who is an intelligence asset but whose abuses alienate Afghans; finding ways to empower individuals and communities who have demonstrated their commitment to stability; identifying barriers to community self-sufficiency and removing them; determining how to measure how much advice and aid Afghanistan can absorb; and deciding which contracts and programs to cut and which are worth protecting from cuts. These trade-offs are unavoidable, but the prospect of following least-bad paths should not be a deterrent when other, more palatable paths are simply not realistic.

- A major catalyst for Afghanistan's corruption is the sheer amount of international attention and uncontrolled money being fire-hosed into that country in the form of military contracts, expensive aid projects, electoral reforms, technical capacity building, formal decentralization, international contractors and advisers, and other common elements of international state-building portfolios. Tightening that spigot would go a long way toward drying up important sources of corruption and instability.

To suggest that U.S. objectives in Afghanistan should be more modest is not to suggest that a rapid reduction of aid and a rapid drawdown of forces are recommended: with a too-rapid reduction, the Afghan economy would suffer a devastating recession that could exacerbate other drivers of instability; with a too-rapid drawdown, Afghan civilian, military, and traditional institutions would not be able to keep up with the ongoing requirements of stabilization. Perhaps the most promising path to stability has two lanes: modest objectives—but the patience to achieve them.