# ON SHAKY GROUNDS COVID-19 AND AFGHANISTAN'S SOCIAL, POLITICAL AND ECONOMIC

COVID-19 AND AFGHANISTAN'S SOCIAL, POLITICAL AND ECONOMI CAPACITIES FOR SUSTAINABLE PEACE

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In Afghanistan the COVID-19 pandemic coincides with ongoing political, economic, social and environmental crises. It is testing the fragile governance and socioeconomic structures and raising questions regarding how the conflict dynamics and the nascent intra-Afghan peace process will be affected.

The sustainability of a negotiated peace with the Taliban will be a function of success or failure in creating conditions that restore confidence in the economic, social, and political institutions and eliminate the incentives for a continuation or recurrence of conflict. Also, creating conditions for sustainable peace requires addressing the legacies of the conflict, all exacerbated by the pandemic, as well as the longer-term prospects for a broad range of rights, needs and societal priorities of all citizens.

Internally, the impact of COVID-19 has underlined and reinforced the structural inequalities and governance deficiencies. Externally, the pandemic has created uncertainty concerning the modalities of international aid for recipient countries, such as Afghanistan.

Combined, the internal and external implications of the pandemic have added to

Afghans' and international donors' growing vulnerability, insecurity, and frustration with the dysfunctions of governance. The current conditions raise important questions about how and under what conditions aid should be provided to Afghanistan, with or without a peace agreement with the Taliban.

Arguably, the new conditions that have emerged under the pandemic create opportunities for a re-examination and reorientation of development aid modalities. Reintroducing stability in an environment characterized by decades of conflict and uncertainty will require a change in mindsets of national and international stakeholders, however.

Reverting to aid modalities in play before the pandemic and the intra-Afghan peace talks and expecting better results is not a viable option for international assistance.

The systematic pause forced by the COVID-19 pandemic, the forthcoming end of current donor grant pledges by the end of 2020, and the prospects or lack of prospects of a negotiated peace with the Taliban have created a unique opportunity for designing interventions that can generate outcomes and impact towards

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the practice of good governance. Key to such efforts are Afghanistan's nascent and aiddependent civil society organizations.

Empowering and enabling civil society to assume its legitimate place in the practise of good governance will require moving away from a model resting quasi exclusively on upward functional accountability to international donors by civil society organizations as the fund recipients. This entails introducing and strengthening aid models that incorporate downward strategic accountability, whereby international donors and their aid-receiving civil society organizations jointly account to ordinary citizens as the ultimate beneficiaries of interventions.

The sustainability of interventions is a function of the degree to which a given intervention manages to resonate with factors that support

change and has the wherewithal to overcome elements or factors that resist change.

In economic development, efforts to strengthen the economy to yield longer-term socioeconomic benefits are, therefore, a function of identifying and strengthening pre-existing, resilient and productive entrepreneurial activity rather than broad interventions designed based on openended or vague notions, such as "supporting the private sector" in Afghanistan.

Similarly, the sustainability of a political settlement with the Taliban will be a function of the degree to which aid modalities support integration, in the event of a peace agreement, through interventions aimed at generating productive economic activity and incentives for the fighters to become civilians. This will also require supporting incentives for civilians to come to a peaceful accommodation with the ex-fighters, based on shared economic interests.

This brief is based on a research paper prepared by Afghanistan Public Policy Research Organization (APPRO), commissioned by Friedrich-Ebert-Stiftung (FES). The main objective of the paper and this brief is to contribute to reflective discourse among Afghans, particularly civil society, and the international donors with long-term commitments to assist Afghanistan.

The findings are based on an analysis of the available data from secondary sources and data from primary sources collected through interviews with key informants in government, civil society, national and international nongovernment organizations and the donor community.

# **Key Findings**

# **Economic Impacts of COVID-19**

- In many ways, COVID-19 has exacted economic consequences similar to those that occur in a conflict, including loss of livelihoods, inflation in the price of basic supplies, reduced domestic revenue and increased levels of dependency on international support.
- At the macro level, non-agricultural economic indicators contracted in the first half of 2020 as a result of the reduced global economic activity, combined with domestic structural deficiencies in the Afghan economy.
- At the micro level, those who have suffered the most from the economic consequences of the crises includes micro and small enterprises with limited or no capital, NGOs and the vast majority of workers involved in the informal economy, including day labourers.
- The institutionalized prevalence of rent-seeking behaviour and endemic corruption at all levels and in all sectors are likely to channel efforts and resources away from tackling the pandemic to unproductive and destructive economic activity.
- Community networks, which constitute the main coping mechanism for households during various crises, are likely to be heavily strained by prolonged economic hardship due to the pandemic. This will increase the risk of the most

vulnerable or affected resorting to nepotistic networks of powerholders for assistance.

There is some evidence of resilience in economic activity, particularly in clustered micro and small enterprises mostly concentrated in population centres throughout the country. These cluster are unique in their built-in sustenance arrangements based on networks of traditional guilds and trade associations.



Closed central market on the banks of the Kabul River, April 2020 Photo © FES / Mariam Alimi

## **COVID-19 and gender dynamics**

- Women and girls are among the most vulnerable under the pandemic. While restrictions in women's access to rights and participation in society go well beyond the implications of the pandemic, there are worrying signs that the sense of emergency for dealing with COVID-19 overlooks women's specific needs and the pursuit of gender equality more broadly.
- Women and girls have less access to health care and information, limiting detection and treatment of coronavirus cases. As primary caregivers to dependants in the household, women and girls are among the most vulnerable to coronavirus infection.
- Genderdiscriminationandinstitutionalized misogyny translate into high risks of gender-based violence and abuse in a context in which access to protection services for survivors is limited. Many women's organizations with mandates

to provide social support to women and children report having to interrupt their activities because of the pandemic.



Woman and her children begging on the streets of Herat, April 2020 Photo  $\ensuremath{\mathbb{O}}$  FES / Mohammad Aref Karim

## **COVID-19 and social cohesion**

- At the community level, networks of support and cooperation appear to have been sustained. This includes extended networks of family and friends, neighbourhood support and traditional modes of assistance by wealthier members of a community to the more vulnerable neighbours. In urban centres, new forms of mobilization through social media have emerged in response to the pandemic. The scope and effectiveness of these networks, however, are uneven and volatile.
- At the national institutional level, there has been a lack accountability by officials regarding the handling of resources to manage the pandemic. The public views institutional officials as either serving their personal interest or as more concerned about reporting to international donors as a means to ensure the inward flow of international funds rather than serving their constituencies.
- The already weak trust in the government's ability and legitimacy has weakened further in response to reports of misappropriation of resources intended to address COVID-19.



Civil society activists distributing masks, Herat, April 2020. Photo © FES / Mohammad Aref Karim

#### **COVID-19 and NGOs**

- COVID-19 has raised unprecedented operational, technical, financial and safety challenges for national NGOs.
- Local NGOs report facing challenges in adapting their modes of operation to pandemic conditions and finding the necessary resources for doing so.
- For NGOs that provided direct support to communities, limitations on physical interaction has undermined their standing in the communities.
- The vast majority of NGOs in Afghanistan are dependent entirely on donor funding. With the bulk of international aid for NGOs aligned with activity-based budgets, the inability to carry out activities as planned has meant the loss of access to operational funds.
- Competition among NGOs over resources has been exacerbated by concerns about decreases in international funding. Heightened competition among NGOs runs the risk of undermining efforts to mobilize for and collaborate on how best to ensure that voices of citizens are heard during the intra-Afghan peace talks.

# State-civil society relations beyond COVD-19

 The crisis, due to the combined impact of the pandemic, internal political strife and the start of the intra-Afghan peace talks, have underlined the divide between the State and civil society, with the government deciding and civil society organizations mostly protesting.

 The government has been reluctant to share information about its actions to address the pandemic.



Anti-corruption mural: "Procurement money is your money; cut off the hands of the corrupt", Kabul, 2018 © APPRO / Oriane Zerah

#### COVID-19 and the war economy

- Afghanistan has not completely transited out of a war economy. There have been improvements in human capital development and macroeconomic management. There are also systemic institutionalized rent-seeking working through kleptocratic and nepotistic networks, parallel structures of governance that challenge and undermine the government's ability to govern and high-return illicit economic activities.
- For those who profit from the war, the continuation of the conflict is economically more profitable than political stability.
- Without clear prospects for licit and stable sources of income to replace livelihoods drawn from armed conflict, narcotics and a range of criminal activities, reintegration of the fighters will be a daunting task.

#### COVID-19 and the intra-Afghan dialogue

- The pandemic has added another layer of complication to the already-difficult conditions under which the intra-Afghan peace talks were to take place.
- The United States continues to grapple with pandemic-related domestic public health issues and political crisis while

remaining the actor with the most interest and influence in the peace talks with the Taliban. Troop withdrawal by the United States ahead of the scheduled timetable as a means to offset the negative image of mismanaging the pandemic for election purposes presents an insurmountable risk for Afghanistan in efforts to reach an equitably negotiated peace agreement with the Taliban.



Photo © APPRO / Oriane Zerah

### Accountability in international response: Moving forward

- Regardless of the outcome of the peace negotiations, international donors are likely to remain central actors of governance in Afghanistan, and their funding decisions and actions will continue to affect the structures and activities of the State, operations of NGOs and the conditions of citizens at large.
- With the conflict parties recognizing the need for sustained international aid, international donors have leverage to influence the setting of an agenda for peace and thus to call for clear provisions on the fundamental rights of citizens.
- The global impact of the pandemic, however, has placed additional strain on the ability of international donors to support Afghanistan. This raises important questions about the future of development and humanitarian aid programming and whether and how its modalities could be rethought to focus on impact and sustainability.

# Ways forward

What can help in decision-making in the current circumstances is an objective reflection on how to do better by doing things differently. Major factors in the current circumstances are the ongoing conflict, attempts at bringing peace, aid dependency of the Afghan government and non-government actors alike and the pandemic placing unprecedented pressure on the alreadyweak structural and institutional arrangements. Compounding these factors is endemic corruption, deep-rooted misogynous views of women in society, environmental degradation and threats from climate change, the latter being the main driver of internal displacement. Faced with these major and interrelated factors, none of the stakeholders, internal or external, can expect to continue the same as before and achieve better results.

A sea change is needed in the mindsets of multiple international stakeholders to move from addressing emergencies using the ageold aid modalities and upward models of accountability towards more downward and strategic accountability, so that interventions resonate with experiences and practical needs of those they aim to benefit, and effect change rather than impose.

Faced with the inability or unwillingness of the government to effect an inclusive, transparent and accountable mode of governance in all matters pertaining to the peace negotiations and fighting the pandemic, civil society writ large and the international donors that support them have a unique opportunity to do new things and expect better results. To this end, the following objectives need to be met:

- 1. Use the COVID-19 crisis and the peace negotiations as opportunities for practising good governance in aid decision-making and provision and public policymaking.
- 2. Define new modalities and priorities for international aid in Afghanistan beyond the intra-Afghan peace process and the

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COVID-19 pandemic.

- 3. Support resilient, productive economic activity.
- 4. Enable and empower civil society beyond their current status as local implementers to active governance stakeholders.

Meeting these objectives will require efforts to generate dialogue on how best to address the following questions in the short, medium and long terms:

# Short term

- 1. Despite the persistence of corruption, institutionalized patriarchal arrangements and social fragmentation, how can international aid better address the immediate needs of Afghans in their diversity with interventions to combat COVID-19?
- 2. Despite the persistence of corruption, institutionalized patriarchal arrangements and social fragmentation, how can international aid better address the immediate needs of Afghans in the peace process?
- 3. In interventions relating to the pandemic and the peace process, what combination of aid provision should be the aim, from on-budget funding and off-budget funding through multilateral mechanisms (such as the Afghanistan Reconstruction Trust Fund) to the direct funding of national non-government entities?

## Medium term

- 1. How would a peace agreement affect the modalities of international aid provision for Afghanistan?
- 2. Specifically,
  - a. if there is a peace agreement, how would the decisions regarding assistance in the short term (above) translate into longer-term aid provision?
  - b. if there is no peace agreement, how would the decisions regarding assistance in the short term (above) translate into longer-term aid provision?

# Long term

- 1. How can relations between stakeholders in development be more efficient and effective through better information sharing, coordination, cooperation and collaboration towards creating conditions conducive to sustainable peace in Afghanistan?
- 2. What can be done to shift the focus from upward functional accountability to downward strategic accountability?

Cover picture: Daily labourer waiting for employers in Kabul, April 2020 Photo © FES / Mariam Alimi

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