

## Future Generations

**China**—The Mission of the China program has been streamlined to “sustainable livelihoods for rural China.”

The Green Long March is a demonstration of that Mission, and the last months (in accord with Jim’s dictum) has “continued to streamline the message, map new markets, identify new prospects and make successful solicitations, development new fund raising vehicles, enlarge its request to like donors in the audiences that it is currently working.” While as yet we do not have on the line a full spectrum of donors for the 2009 March, what we do have is a focused message (around energy), new markets and prospects (BP, Lexus, Arcandor, Johnson Controls), enlarged requests to like donors (John Swire & Sons, Suntech, Li&Fung, Zhesan Foundation). Different from the two years before, this year our team has articulated more specific and relevant returns each of these companies can expect in return for participating with the March—and also we’ve articulated dates when they must make payments. Equally important, should the commitment and payment dates be missed; then the March automatically downsizes to operate within the funds it has.

The whole China country team did a superlative job in making this change over the last three months working under guidance from the Executive Vice President, but from the board Caroline Van deserves special commendation. Her focused action on one program is a model for how to make a difference as a trustee.

For the China Program, however, a very important funding challenge remains: our Tibet work. Tibet conservation is our founding success. The global treasures we led in creating (some of the most magnificent places on Earth) need continued help from Future Generations. The attention our organization had to place on starting up the March over the last two years combined with a weakness in developing a Tibet-focused fund raising strategy (such as the above) and very importantly the political difficulties in Tibet made it difficult to work there (and gave us cover for the difficulties above so we did not look bad). But the consequence is that we lost momentum in Tibet. This needs to be turned around. Not only is there important work to be done and work that we are uniquely positioned to do, but implementing that work will continue to distinguish the organization globally and help our overall fund raising; no other international group can do what we can in Tibet.

Note that the funding base for China is focused now. The primary funder is seen to be corporations, whose support will be part of their corporate strategies. This forces a new way upon Future Generations to focus our actions—toward corporations and also toward communities simultaneously. There will be learning pains here. A secondary funder will be family foundations with a particular interest in China. While funding from private philanthropy and government sources will not be turned away, the China programs are being structured to respond to corporations and family foundations.

**Afghanistan** has been the fund raising conundrum that for six years has at times challenged the organization’s very existence, twice hemorrhaging major fiscal crises. While a month ago it

appeared we had adequate contracts so that not only were all country costs covered, but also the North Mountain support costs, the USAID funded contract suddenly collapsed. My recent trip to Afghanistan with strong work by our team may have salvaged that contract. We expect to know by the time of the Board Meeting. The Afghan fund raising strategy follows Jim's dictum

"...continue to streamline the message, map new markets, identify new prospects and make additional successful solicitations, develop new fund-raising vehicles, enlarge its request to like donors in the audiences that it is currently working, etc. And what is most important, to ask board members and the founder/CEO to do what only they can do."

The Afghan Mission is: *Focusing on resourcefulness of Afghan families to enhance their self-reliance for a sustainable future that avoids dependency.* Points of note here are the focus on the family and directing our actions against the growing dependency being promoted by almost all other international work. To achieve that we plan to focus on three initiatives in the next year that are poised to scale up:

- Participation in the National Solidarity Program, engaging more with Seed-Scale. Participating in this program is assured for another year with four district contracts, and in accord with mandate "make additional successful solicitations...in audiences that is currently working" discussions began to link our Engaging People in Peacebuilding Research with this project to initiate larger understanding of this project.
- Our USAID funded contract with the Local Governance and Community Development project is now under review (following what appears to be a hostile audit). To the auditor's surprise we made a powerful rebuttal, and if this stands it is likely that this contract will be renewed and expanded.
- The health research project (Pregnancy History) that points to what may become an innovation in health care cannot be continued as a research project in Afghanistan due to security dangers. However, project findings may be able to be streamlined so it can evolve into a health education program to upgrade Afghanistan's Community Health Workers. A proposal is under discussion with the Ministry of Public Health and a USAID contractor that would apply our blended learning expertise in setting up a Certificate program for the continuing education of the CHWs.
- A new program (targeted to grow significantly) is being planned, the purpose of which will seek to assemble lessons from the best development projects across Afghanistan (projects increasingly isolated) and extend their lessons nationwide through community radio, a medium that not only can cross into insurgency areas but also to women isolated inside homes. A national network of partnerships will be established where the intent is to take the partial answers that each project possesses and link these to show Afghan families the full range of options possible in health, literacy, income generation, agriculture, conflict resolution, and the like.

Among the above five areas, to keep our presence in Afghanistan, Future Generations must win contracts in at least two, contracts that total at least two million dollars a year, although at this level North Mountain will not recover all its administrative costs. Significant synergies will be

achieved (programmatically and financially) if three or more of the above contracts are achieved, and in that event North Mountain will more than recover its administrative costs.

Contrasted with all other programs now underway in the Future Generations family, all the above (those underway and those planned) will be funding by government grants, in particular the Afghan Government through donor supplied funds or USAID through subcontracts. Adopting this funding strategy requires setting up our Afghan program in a very different manner from our other programs. It requires larger scale projects than Future Generations customarily has (there are 1,000 employees now with our LGCD project), very specific forward planning, and careful project implementation in order to meet promised deliverables.

This strategy also carries some significant risks (as we learned this fall) because of the rising insecurity in Afghanistan and the fact that this exposures us for default and perhaps penalties should our performance not meet contract specifications, a danger that gets double complicated by the always present and high risk of corruption in Afghanistan.

**Peru**—operates with the following mission focus: Future Generations Peru enables self-reliant community change through the entry point of improved health in the poorest, most remote homes.

For its financing, Future Generations Peru has been operating under a four-year USAID grant that concludes this next year. Unfortunately this grant has not covered its full costs as there was a match requirement. In addition, other Peru related (but not USAID billable) costs also required adding institutional monies. Fundamentally, the challenge for Peru has been that to run our national program we had too narrow a funding base. There is very little private philanthropy and USAID interest in Peru.

But now going forward, the Peru program has benefited significantly from the following aspects of Jim's dictum: "map new markets, identify new prospects and make additional successful solicitations, develop new fund-raising vehicles, enlarge its request to like donors in the audiences that it is currently working, etc."

We are currently working to get corporate support for Peru through one or several mining companies. Under Peruvian law, a mining company must reinvest four percent of its revenue into the communities around which its mines operate. Seed-Scale appears to offer these communities a significantly more effective way of community engagement than the gifting of services approach that has been employed until now. The Peru Country Director working together with the Executive Vice President contacted twenty five mining companies, met with twelve and have follow up meetings representing different degrees of potential with the following companies:

- Anglo/American. A follow up meeting with Daniel Taylor, Laura Altobelli, and Vic Arrington, with Tim Beale, General Manager, to brainstorm possible solutions to their potential \$ 400 million social investment program in the Cajamarca region.
- Barick Gold. They have requested that we submit a proposal to the province of La Libertad for a multi year contract in the range of \$ 3-4 million. Discussions have commenced and the proposal is being drafted.

- Buenaventura. A follow up meeting will be scheduled to discuss a pilot project with Future Generations Peru.
- Hoschschild mining company. They have offered to set up a follow up meeting with their CEO and head of corporate responsibility. Our contact is with the CFO.
- Castrovierreyna mining company. This is a small gold mining company with revenue of approximately \$ 10 million. The CEO is interested in a follow up meeting.
- Minera Quechua. Requested a small \$ 100,000 proposal to work in the Cusco region where we currently have the majority of our activities.
- Extrata. Operates in Cusco. They may ask us to do a small baseline survey. We may not decide to pursue this due to small scale.
- Volcan. A very large company. Agreement reached for follow up meetings.

Several very positive features warrant basing our Peru program on income from the extractive industries. First, these companies have a lot of money they need to invest; unlike all other options for Peru the extractive industries appear to be able to pay all our operational costs. Second, the extractive industries have made long-term commitments to their communities, a feature that connects very well with the Seed-Scale approach. While targeted funds from donors such as USAID and private philanthropy may be possible for Peru (a discussion is underway now for conservation work with the Moore Foundation) the future of Future Generations Peru appears to lie with the extractive industries (a significant departure from prior fund expectations). Finally, mining companies for the most part have a positive CSR reputation in Peru and are the primary source for most community development initiatives.

For Future Generations Peru to be fully self-supporting and effective, it is essential that the above contracts exceed a million dollars a year of revenue. At two million dollars a year, the Peru country program will probably become a positive revenue generator.

If the mining support does not come through promptly, given an increase needed in unrestricted funds in the final six months of the USAID grant, the Peru program will be cut back so our outlays match our income from USAID.

**Arunachal**—the mission of Future Generations Arunachal is to work statewide to promote integrated community change and conservation.

But first, affecting finances, an immediate payment of funds (at an amount to be determined) will need to be made soon to the families of the three staff members who recently died. Doing so is the Arunachal tribal custom since Future Generations does not own the customary wild ox (*mithun*) which would otherwise be expected. A thoughtful utilization of staff and trustee end-of-year personal contributions will be to this important cause of solidarity.

Major progress was made during September 2008, in accord with Jim’s dictum, to “to streamline the message, map new markets, identify new prospects” with the expectation then that once 2009 commences of “making additional successful solicitations.”

The Arunachal program of Future Generations has an obvious source of potential funding in the very generous grants that come to this state from India’s central government. Over the years,

repeated efforts were made to secure such funding but these have been now abandoned when bribes were expected in excess of 30% of the grant totals. A second intriguing source of significant potential funding was from corporate interests investing in the state's very large hydroelectric sector. These initiatives also failed. There are at this time no significant donor sources on the horizon. So, the planning is shifting to building self-financing, a strategy with a number of components and which will take years to evolve.

At the same time that the financial challenge is noted, it must also be noted that in no other area where Future Generations works is there such a natural, wide-open community-based entree for applying the Seed-Scale approach. It is for that reason that Future Generations has continued to gather unrestricted institutional funds to apply to Arunachal Pradesh work. But from the streamlining exercise of this past autumn, a plan is shaping for how to build the in-state financing of this program; to do so, some aspects of prior work will be dropped. Now, as a result there are five major initiatives:

- Taking the very significant achievements in community-based health (that were pioneered in our Sille site) to extend these through the State Health Department. These aspects are twofold: community-based management of primary health facilities growing off our learning from the CLAS experience in Peru (we took Arunachal leaders to Peru to study that) and also using the state's primary health centers to educate a significant proportion of the mothers of Arunachal. *Note the funding strategy here has been to move our independently-funded, experiment-proven innovations back into government funding for scaling up.*
- Scaling up the significant achievements of Women's Action Groups/Men's Farmers Clubs/Youth Future Clubs through promoting the evolution of Future Generations Arunachal from an NGO model of operations to a dues supported society model of operations. *While dues are unlikely to be able to even pay for one-quarter of the costs, this is a step toward both financial self-sufficiency and it should also cause members to feel more empowered and promote the scaling up.*
- Extending the achievements of Women's Action Groups/Men's Farmers Clubs/Youth Future Clubs into other organizations so they can be similarly effective in social mobilization. Particularly promising initial groups for such sharing of methodology are the Catholic Church, Village Panchayats, the Donyi Polo Mission, etc. *In this instance the financial support will be the budgets of these other organizations.*
- The Pregnancy History Research project morphed into an experiment to measure the impact of the Women's Action Groups/Men's Farmers Clubs/Youth Future Clubs model. It will combine the empowerment that comes from the pregnancy history sharing with the array of other actions that have been developed over the last decade by these groups. Three new sites were selected for this experiment, places where no prior work was done by any group. (For this a baseline survey, it was on returning from the most remote of the three sites that the fatal accident occurred to our three ladies.) During 2009 the improved intervention will be designed and introduced. Then a year later, plus every year thereafter, subsequent surveys will be conducted to measure impact. *For this project external funding must be raised from sources not yet identified (but some hope exist for Gates funds).*

- The proceeds from the Travel & Leisure Auction are to support ecotourism in the Siang Valley. How these funds will be utilized remains currently not yet finalized.

**India**—Nationwide work by Future Generations India remains on hold pending both clarification of its mission and its funding. A meeting of the Board of Directors of Future Generations India on November 11<sup>th</sup>, pointed to the possibility of transforming this organization into a funding strategy like that used by The Nature Conservancy, using India's significant new hyper-wealthy as the bankrolling agency in which moderate sized private conservation areas are created to which the wealthy will have access. The above is just one option. Considerable more planning is needed for the strategy for Future Generations India.

*During this next year it is a priority to move some funding strategy forward. Unless activities scale up in the next year Future Generations India may be in some jeopardy of losing its very desirable tax-exempt status.*

**Research Projects** (Peace, Conservation, Pregnancy, Himalayan, Primary Health Care/publish, Seed-Scale). By and large, each of these projects has a funding base that covers costs. Each project currently is supported by foundation funding (with the exception of the endowment supported Himalayan project). Foundation funding is an ideal support strategy for these programs, an area of funding the organization understands. *As continuing research is fundamental to developing the forward motion of Future Generations*, a significant need is to raise funds to pay the salary of the Director of Research, and continuing funds to enable both institutions to persist in their global leadership on understanding the dynamics of social empowerment.

**General Support**—Retirement of the \$1,300,000 long-term debt is a priority, for which monthly payments of \$15,000 must be made. The most promising way to retire this debt will be to apply a percentage of each project's overhead to debt retirement, beginning June 30, 2009 with the commencement of the new fiscal year, a percentage to be determined with the preparation of the new budget during the spring of 2009. In addition, another institutional loan exists of \$300,000. Therefore the total debt retirement obligation is in the order of \$200,000 per year.

**FutureGenerations**  
**Board of Trustees Meeting—May 15-16, 2009**  
**North Mountain**  
**Agenda**

**Friday, May 15<sup>th</sup>**

- 2:00 Meeting Begins, Adjustments to Agenda  
Approval of Minutes from Nov 21, 22, 2008
- 2:15 Q & A about Three Country Programs (China, Arunachal, Peru)
- 3:30 Discussion: Small Organization with Large Scope (See President's Report)  
Challenges of Management; Role of North Mountain as Partner  
Role of Being Global from North Mountain Base  
Challenges of Presentation; So the Structure is Easy to Understand
- 5:00 Close of First Day's Meeting
- 6:00 Dinner at Dan'l's Home

**Saturday, May 16**

- 9:00 Report from Grad School Board Meeting  
New foci (regional option, new formats, year structure & languages)  
Status Classes III & IV  
Status Accreditation
- 9:30 Report from the Nominating Committee  
Discussion on New Trustee Candidates  
Report on Presidential Search  
Election of New CSO Board Chair
- 10:30 Financial Matters  
Financial Report FY 2009  
Approval 2000/10 Budget (CSO & Grad School separate votes)  
Authorization for separate audits & Additional savings accounts
- 11:30 Fund Raising Responsibilities & Opportunities
- 12:30 – 1:30 Lunch
- 1:30 Presentation on Afghanistan, situation and options ahead
- 3:00 Break
- 3:30 Implementation of Global Vision  
Role of 100 Nodes of Change  
Role of Country Strategic Plans (See Proposal in Board Book)
- 5:00 Meeting Ends (Scheduling Board Meetings Nov 2009 & May 2010)

5:30

Dinner at North Mountain Office



## **Nation-Building as Violence**

*The issue is not who should rule Afghanistan, but rather how. And the answer is devolution of power and local governance under a constitution that can be owned by all.*

By Aziz Hakimi<sup>1</sup>  
07 May 2009

Much of the current debate on Afghanistan is focused on efforts to understand the changing dynamics of the ongoing conflict and its impact on stability and reconstruction programs that were launched after the ouster of the Taliban regime in late 2001. Forming a large part of this debate are self-serving proposals by the international community - chiefly the United States - to 'manage' the conflict and prevent a total collapse of the present regime, led by the unpopular Hamid Karzai. Most of these proposals aim at the consolidation of a 'security state', funded largely by Western arms and money, primarily to prevent the reconquest of Afghanistan by the Taliban and its global jihadists and to reduce the potential for attacks against the United States and Western Europe. Genuine peace building initiatives are sidelined in favour of short term stability goals in Afghanistan and cheap popularity votes in Western capitals. Unfortunately, this very focus holds the promise of greater instability.

On 27 March 2009, President Obama launched his Af-Pak policy amidst much fanfare. The central element of this strategy is aimed at focusing greater US and allied resources in Afghanistan and providing greater financial support to Pakistan to fight a resurgent Taliban. On the ground, the Af-Pak policy has provoked contradictory reactions from Afghans. Some Afghans are concerned that the policy sets limited security goals for US involvement in Afghanistan, while neglecting the need to promote human rights and a broader nation-building agenda. Others view the increased US assistance with alarm, fearing the intensification of conflict. The question is whether the intensification of conflict will eventually lead to a lasting peace or will it back fire and prolonging the war. Relations between the Afghan government and the US administration are already strained because of mounting civilian casualties by NATO and US forces.

This week President Hamid Karzai of Afghanistan and President Asif Ali Zardai of Pakistan are in Washington for a summit meeting with President Barak Obama to discuss the implementation of this strategy in their two countries. President Karzai is up for election at a time when relations between Afghanistan and the US are at an historical low. However, domestically he is looking strong against his opponents. On the other hand, President Zardai of Pakistan is bedevilled by a spreading Taliban insurgency and domestic political opposition. The success of the Af-Pak strategy is already in grave doubt.

---

<sup>1</sup> The author is a political analyst based in Kabul, and currently country director of Future Generations in Afghanistan.

## **Nature and Dynamics of Conflict in Afghanistan**

The conflict in Afghanistan is generally explained by narrowing down the causal factors to the roles of the Taliban and al-Qaeda, and the impact of competing policies of regional powers. Understanding the regional dimension of the Afghan conflict is crucial to success in achieving stability within Afghanistan. However, internal factors must also be addressed if there is to be genuine long-term peace and stability. Afghans, followed by the international community, have developed the habit of blaming everything on Afghanistan's neighbours and other regional powers while ignoring the conditions at home. While it is important to deal with the regional 'spoilers', it is equally important that Afghans put their own house in order and stand united against foreign interference. It is Afghanistan's own internal weaknesses and the abuse of power by the political elites that have allowed foreign interference to prosper and internal cohesion to suffer.

The mainstream narrative has failed to produce an accurate or useful understanding of Afghanistan's internal dynamics and the challenges it faces in its attempts to emerge from more than three decades of social, political, and economic turmoil. The oversimplified, unidimensional description produced by Western analysts and media ignores many essential features of Afghan historical identity, society, culture, politics, and economy. Based as they are on this imperfect understanding, the efforts by Western powers to reshape the country's political and economic systems have had devastating results for the people of this country. And Afghans themselves have not done a better job. Most Afghans are too remote to fathom the policies of their political elites, developed in conjunction with Western allies, and those who do understand them have been too timid to question their relevance or to point out their disastrous implications for future development.

## **Internal Colonialism**

Centralised state power and state control over the Afghan people and territory was developed substantially during the reign of Amir Abdul Rahman Khan, from 1880 until 1901. Known as the 'Iron Amir', he single-handedly contributed more to piecing the country together than any ruler before or since. In his two decades of iron-fisted command, he built a strong, centralised state with a preponderance of coercive resources – all thanks to large subsidies from the British. Abdul Rahman Khan was the first central ruler to seriously attempt to break the power of the tribes and local strongmen. He put down many rebellions using a combination of government regular forces and tribal *lashkars* (tribal levies), who were whipped into action by the rhetoric of jihad. Political opposition was defeated on the battlefield – and, alternately, bribed and co-opted, fragmented or exiled; tribal and religious traditions were likewise co-opted to gain legitimacy.

Despite all his efforts, however, the Iron Amir failed to destroy tribal power. Maintaining a large standing army necessitated the expansion of bureaucracy to extract wealth by taxing trade and agriculture. To feed, clothe and pay his army, he also relied on external support, mainly from Britain. However, these resources were not sufficient for the efficient running of government, nor to support expanding state structures. The agrarian economy of Afghanistan suffered severely from the over-taxation, while the Amir's policy of isolation and overall economic policies condemned the country to remain something of an impoverished country. His rule ended with his death in 1901. In the end, the Amir left to his successors a consolidated if terrorised state. The Amir's Barakzai successors, all members of the Mohammadzai family, remained in

power first as amirs and then as kings of Afghanistan until 1973. Although they gradually liberalized his coercive policies, the damage to the country was profound and lasting: Afghanistan remains an impoverished and provisional space.

The conventional narrative explains the failure of Afghan governments to build a strong, centralized, and unified modern state in terms of the country's geophysical, sectarian, and tribal fragmentation; the territory is inhabited by a multiplicity of Pashtuns, Tajiks, Hazzaras, Uzbeks, Turkmen, Baluch and other smaller ethnic groups, all with internal subsets of identity and allegiance. These factors have indeed been obstacles to centralised state-building. But the specific policies and practices of the Kabul governments since 1880 have cumulatively reinforced disunity. Being traditionally weak, Afghan governments manipulated existing religious, regional, and tribal differences to weaken potential opposition, playing off one socio-cultural group against another. Far from destroying tribal power, these efforts reinforced a fierce and highly competitive independence that persists to this day. The current regime of President Hamid Karzai actively promotes this policy to strengthen its own weakening position.

### **Defunct Nationalism**

The genesis of the Afghanistan state and economy provided an unstable brew as Afghanistan evolved into the modern era in the closing decades of the twentieth century. Starting in the early 1950s, growing vulnerability in terms of dependence on foreign aid and expertise, hostile foreign policies toward neighbours, especially the newly-born Pakistan, massive spending on development and security projects, radicalisation of the educated elites, and the ill-fated liberalisation of the 'New Democracy' era – all of these combined to produce massive pressure on the Afghan state and society. Balancing these contradictory demands proved a handful for both the royal government of Mohammad Zahir Shah (1933-1973) and for President Mohammad Daud Khan's regime (1973-1978), who came to power with the help of the Afghan Communists party (People's Democratic Party of Afghanistan) in 1973. An 'autocratic nationalist', Daud Khan's response to the growing political unrest was extreme violence, unleashing the state's modern coercive means against his opponents.

Five years later his regime was brought down by his onetime Communist allies, when they launched their Marxist revolution in April, 1978. The Afghan Communists, eager to accelerate the pace of change and development, embarked upon a radical reform program that provoked armed resistance throughout the country. Internal feuding between Parcham (flag) and Khalq (masses) factions of the Afghan Communist party, persisting local resistance, and the government's inability to deal with it effectively invited the Soviet invasion of December 1979. But outsiders had no more success than the Barakzai Pashtuns in imposing unity; the country has yet to recover from the turmoil.

The royal governments and Daud Khan's republic continued to favour Pashtuns in all areas of state policy. Official nationalism espoused the cause of 'freeing' the Pashtun tribes of Pakistan and eventually uniting them with Afghanistan. No surprise, then, that Afghanistan's other communities showed little enthusiasm for the state's irredentist project. As in the past, any future moves to try and consolidate a cross-border Pashtun homeland will not only further deteriorate relations with Pakistan, but has the potential to spark ethnic and sectarian tensions inside Afghanistan.

Even before the 1978 coup and the long years of conflict that ensued, the national or patriotic idea was weak and underdeveloped. In this regard, one is forced to speak less of some hypothetical all-embracing Afghan nationalism, than of rival ideas of the nation held by the country's different ethnic groups. Nationalism as such lacked broad appeal, except for the small and unrepresentative educated elite, mainly in Kabul. During the war against the Soviet forces and the factional fighting that followed their withdrawal, ethnic, tribal and sectarian divisions worsened, leading to further fragmentation and the emergence of local power holders or warlords. It could be argued that during this period, Afghans were 'neither one people nor one political community'.<sup>2</sup>

Afghan nationalism remained an elite concept, and its development was deeply intertwined with the Mohammadzai family as *amirs* and kings of Afghanistan. In fact, evidence suggests an intimate link between modernisation, nationalism and the institution of monarchy in Afghanistan; the masses were largely un-involved. The lack of mass support for state-driven nationalism and the difficulty of non-Pashtun groups to identify with it subsequently ensured that it did not evolve into a national consciousness. Afghanistan has made some progress since the 1950s, much of this has been restricted to Kabul and its small circle of educated elites. Even this group was deeply divided along ethnic lines, with the Pashtun elites often claiming to represent the entire population, and the non-Pashtun bitterly resenting their virtual monopoly of power, which has markedly changed during the last three decades, allowing non-Pashtun military and political groups to control power today.

The only time a sense of national feeling developed was in time of foreign invasion, as seen against the British colonial forces in the 19th and the Russian occupation forces in the 20th centuries. This took the form of national resistance, a duty to safeguard the independence of the homeland against foreign invasion. After 1978 a more lasting sense of what has been described as "territorial national identity,"<sup>3</sup> a "national identity as Afghans and citizens of Afghanistan, a sense of belonging to one country,"<sup>4</sup> developed as a result of the harsh experience of civil war and exile. This factor was largely responsible for the emergence of a minimum national consensus on the need to maintain the country's territorial integrity.

The initial support given to the mainly Pashtun Taliban when they began their conquest of Afghanistan in 1994 can be explained in part by the significance the majority of the Afghan people attached to the national territory. The declared aim of the Taliban – to re-unite the country and disarm rival military actors – initially won it considerable sympathy and support. Over the

---

<sup>2</sup> Hyman, Anthony (2002), "Nationalism in Afghanistan", *International Journal of Middle East Studies* Vol. 34, p.299.

<sup>3</sup> Schetter, Conrad (2005), "Ethnoscapes, National Territorialisation, and the Afghan War", *Geopolitics*, Vol. 10, p.62

<sup>4</sup> Hyman (2002), p.311-361.

next 5 years, they extended their power throughout Afghanistan, leaving their main military rival, the Northern Alliance, headed by the formidable Ahmad Shah Masoud in control of only a small portion of territory in the northeast. The Taliban utilised brutal measure for re-unification, but their rule made it clear that spatial integrity was one thing and national social integration quite another, particularly in the absence of a common ideology. Indeed, the Taliban's capture of the entire country held the possibility of destroying the fragile balance of power between ethnic groups, and held the threat of undermining the very unity of Afghanistan as a multi-ethnic state. Indeed, Taliban rule did deeply divide the Pashtun and non-Pashtun populations, who saw in the new rulers a repeat of the 19th-century Pashtun-driven internal colonialism, marked by massive violence and countless atrocities.

### **From Top-Down to Bottom up State-Building**

Given this extended history of unsuccessful state-building, how appropriate is it today to speak of 'nation' and 'state' in the context of Afghanistan? As a country, Afghanistan has always lived beyond its own means, thereby jeopardising its national independence and economic security. As a society, no serious thought has been given to the fact that the goal of constructing a capable, effective and modern nation state has been based on unrealistic expectations and a wrongful reading of global historical processes. These goals have not reflected the national imagination, but only represented the narrow interests of the ruling elites.

Today, following seven years of failed experiments after the American invasion of Afghanistan, it simply does not make sense to view the problem of state-building in the same light as much of conventional development theory tends to do. The present set of problems is unlikely to be solved by simply capacitating and liberalising the state itself – especially in a situation where deep divisions exist over the very definition of the Afghan polity. As experience has shown, simply strengthening the state might only increase conflict in places where the state is viewed as representing narrow interests, intent on lording it over the country's various communities.

Mounting evidence seems to demonstrate that promoting the European nation-state model is inappropriate for dealing with the crisis of political order in societies in which political and social control has traditionally rested upon localized loyalties and regionalized polities. In view of the violence ravaging every aspect of life in Afghanistan, it is clearly time to forgo the forcible creation of a highly centralized ideological state and to resist unleashing its coercive power on a highly fragmented society with a strong tradition of resistance to arbitrary and centralized rule. Surely a more realistic goal for the short, medium, and long terms would be to aim at constructing a significantly decentralized state that require few resources and is closer and more relevant to the people. So long as the diverse and scattered Afghan people hold competing ideas of what their nation is and should be, the only reasonable way to achieve political stability in Afghanistan is to disperse power away from Kabul, which has been the perennial seat of conflict.

The problem of state failure is no doubt the biggest international challenge of our times. Today there are many places in the world where states are either weak, on the verge of failing or have collapsed altogether. This problem has become so acute that the traditional development discourse has changed markedly in recent years, partly in recognition of the central role played by the state in countries ravaged by war, poverty, famine and underdevelopment. The neoliberal discourse, based upon the belief that political stability is a by-product of economic development

is now seriously contested. From being a secondary concern of development, state-building now occupies a prominent place in academic and donor discourse. Considerations of security and concerns about international terrorism have increased the sense of urgency to help weak, failing, and failed states to recover the capacity for effective governance. Rebuilding an accountable, legitimate, and effective state is the primary task facing Afghanistan. It is an immensely challenging task, and success or failure alike will have profound consequences both for the people of Afghanistan as the primary stake holders and for international engagement with that country. In view of recent warnings that Afghanistan may never make it as a full-fledged nation state, the need and urgency to critically examine the country's past and current efforts is obvious.

### **Constructing Nation-state at the Margins of the World**

The concept of the nation-state should not be regarded as the *only* or indeed the *preferred* analytical variable in discussions about consolidating political power in territories that have traditionally been viewed as existing—or, more often, have been compelled to exist—at the margins of the modern world. In these areas, the state is only one organization among many social entities. Borderlands have not always been inimical to national interests. Border societies have constituted the first line of homeland defense against foreign invasions. To protect their traditional mode of life, borderland societies have also resisted domestic intrusion and coercion. Afghanistan has been and continues to be described as a regional borderland, acting as a geographical buffer that marked the edges of imperial control in the nineteenth century and struggled with liberal power<sup>5</sup> in the twentieth century. The colonial frontier is a geopolitical area at the edge of politically and militarily controlled imperial space: a zone of transition of low administrative intensity outside the centres of empire. These colonial frontier territories have made uncertain transitions to postcolonial independent nation-states. The once-vibrant and prosperous lands of Asia sitting on ancient trade and pilgrimage routes have experienced great difficulties in developing state systems that provide security, representation, and welfare to all.

We need an alternative approach to helping Afghanistan to overcome both current and future challenges of fragmentation and violence. Such an approach must set aside the conventional European nation-state model, which attributes conflict to the weaknesses of the central state, manifested in the inability of the state machinery (army, police, bureaucracy) to assert itself forcefully. An alternative approach must draw upon an alternative reading of how borderlands interact with the modern state. In this interaction, the ability of a central, secular, national political authority—namely the state—to overcome various competing societal forces (considered as a key requirement for the emergence of modern state) is not only irrelevant but actively counterproductive. Instead, the governments of emergent borderland nations need to minimize confrontation between the state and rival outlying contenders for power by supporting an integrative or federal model of political organization to achieve a more peaceful coexistence.

Afghanistan has enjoyed relative equilibrium and stability when relations between its microsocieties and the state have been interactive and cooperative. The constitutional Loya Jirga (grand assembly) convened in 2003 to produce a constitution provided an opportunity to Afghans to codify such relations. Unfortunately the opportunity was wasted; no real public

---

<sup>5</sup> Traditional liberalism as a doctrine stresses individual freedom, free markets and limited government.

debate took place to offer alternative views of Afghanistan's development. Today the need is even more urgent for a fresh approach to state formation in borderlands, one that involves re-imagining the state and its relationship with borderland communities.

Despite years of brutal civil war, ethnicized politics, and many excesses against each other, the various ethnic groups in Afghanistan have stayed committed to the territorial integrity of Afghanistan, a fact that can be explained by the trauma of exile and loss of homeland during the years of conflict. This *territorial national identity* can hardly be anchored to any common values, traditions of experience, since any definition of national values has inevitably failed in the context of the cultural heterogeneity of Afghanistan. Instead of attempting to impose a "one size fits all" template of a centralized nation-state, the Afghan rulers should allow existing rival identities to operate within a loose national framework. It is time we looked for models of political organization, social control, and economic development that are flexible enough to accommodate the diverse situations of these borderland societies.

### **Rebuilding Nation-Building**

Reconstructing an accountable, legitimate, and effective state has been identified as the primary task currently facing Afghanistan. But the question of what kind of state Afghanistan should have deserves serious thought. The answer should not simply be reduced to ending the Taliban insurgency. The Taliban are not the only source of conflict. Conflicts in Afghanistan are many and are often local. Today the central government remains weak; it has not been able to extend its power and influence beyond Kabul. Some observers have welcomed this development; they argue that centralized state weakness in Afghanistan should not be viewed negatively. For decades external donors have promoted an ineffective, centralized hegemony in Kabul while disregarding the outlying areas. Today many of the international reconstruction efforts remain concentrated in the capital. What Afghanistan needs is a distant but benevolent and legitimate state, regarded as a broker or an ally helping to establish a favourable local balance of power and influence – working with rather than against local and regional power-holders. The state should be effective without being intrusive.

The foremost issue facing Afghanistan today is not security per se; nor is it the creation of a central government with a standing army and effective bureaucracy. The challenge lies in balancing local and regional powers in a manner that minimises human conflict. The internal and regional dimension of the conflict is closely related and requires coordinated action.

The escalating violence has produced an ongoing reassessment of the situation, and a new consensus is emerging that a military solution is impossible. Instead, the realisation has dawned that a political solution is necessary to end the conflict, an important element of which is outreach and reconciliation with armed groups opposing the government. A broad-based national dialogue is needed to facilitate reconciliation with the Taliban and other insurgents fighting the regime in Kabul and foreign military forces operating under NATO and U.S. Coalition commands. The offer of entry into the political arena, in return for respecting the Constitution and laying down arms, is a familiar exit strategy from civil wars around the world. In principle, power-balancing and power-sharing are key factors in the quest for reconciliation and peace. Yet this is qualitatively different from the concept of reconciliation that asks individuals to give up fighting and integrate in the post-2001 political order, as some Taliban and several Hezb-e-Islami

fighters have already done. Many of them ran successfully for Parliament, and some have been rewarded with high administrative positions. In this scheme, however, the terms of integration are laid down by the government, and the official expression captures its one-sided nature: these individuals are said to have 'reconciled' with the government.

In tandem with reconciliation efforts, the national dialogue should also propose a framework for the devolution of state power and resources out of Kabul to the local level. Devolving political power to village, district and provincial levels would reduce the tension at, and pressure on the centre. Unless Afghanistan is transformed into a multi-level state where dynamic interactive relationships are established between the central authority and the various communities – and among the latter through appropriate institutionalised processes of political, economic, social and security reconstruction – the Afghan people are likely to remain in the wilderness for years to come.

The conflict's regional dimension can be addressed by working with the governments of the region, especially that in Islamabad, to address the threat of insurgency within Pakistan and its spill-over into Afghanistan. The international community, especially the U.S. government, can play an important role in promoting an environment conducive to peace in Afghanistan and the region, including the resolution of tensions between India and Pakistan, between Saudi Arabia and Iran, and between Iran and the West.

After a century of misrule, the people of Afghanistan are in desperate search of the means with which to govern themselves. The issue is not *who* should rule Afghanistan, but rather *how* it should be ruled. The mechanism most often being mentioned is centralised government, controlled by an alliance of some combination of ethnic groups. Yet the painful lessons of Afghanistan's history have been that strong, centralised government in any form leads to abuse of power. The current conflict in the south is not simply one thrown up by the Taliban insurgents. The blatant abuse of power by centrally appointed officials, mostly from the Popalzai and Barakzai branches of the Durrani Pashtun and often with links to the drug trade, has resulted in the victimisation of rival tribal groups, who are then forced to seek protection by joining the Taliban.

The international forces simply view these groups as anti-government and hence legitimate targets of their military operations – producing more victims and generating more grievances. This strategy has neglected the underlying tribal dimensions and the abuse of power by government officials who pursue their own individual and group agendas at the expense of public interest. Bad governance and abusive practices, widespread corruption, disregard for the rule of law and lack of justice play an important role in the nature and transformation of conflict at the local level. These factors further complicate the conflict scenario, and are often not sufficiently addressed. Yet the generalisation of the conflict, by attributing it mainly to a monolithic Taliban, has prevented a comprehensive and genuine solution to the seemingly pervasive and increasing violence in Afghanistan.

Instead, what Afghanistan needs is a loosening of centralised power and help in envisioning and creating decentralised or devolved governance within a strong national constitution in the sense that it attracts ownership of all communities. The current government should embrace the



principles of community self-governance at the village, district and provincial levels. Such a governance framework will be expected to provide a substantive degree of representation and legitimacy by allowing greater self-government, instead of incorporating all rivals into the centralized state. Incorporating rivals into the centralized state has led to more rather than less conflict, because of disagreement over distribution of central power among the various contenders for power. This is the only alternative to the current plan of arming militias, enhancing the state coercive power and reducing Afghanistan to a 'security state' – one governed by a few strongmen who can keep the country stable, can prevent the Taliban and al-Qaeda from retaking Afghanistan, and using its territory for attacks against the Western world. The only way that such goals can be met, actually, is for the focus to revert first to Afghans themselves, particularly those outside of the capital.

## Using Participatory Budgeting To Meet Community Health Priorities in Peru

The International Budget Partnership published the following article by Laura C. Altobelli, Country Director for Future Generations Peru, in their most recent newsletter. The IBP is a leading advocate of openness and public accountability, in order to make government budgets more responsive to the needs of low-income people.

---

Health care in the community of Las Moras in Huánuco, Peru, consisted of a poorly equipped one-room health post staffed by an auxiliary nurse and visited by few patients. Then in 1994, the primary health care facility in Las Moras and about 250 others throughout the country were incorporated into a new government-community partnership for the delivery, management, financing and monitoring of primary health care services, called the Shared Administration Program. The program formed committees of locally elected community members, called Comunidades Locales de Administración de Salud (CLAS), into private non-profit associations to collaboratively manage government funds for primary health care services. This gave communities not just a voice in priority-setting and oversight but also direct control over public funds for expenditures on infrastructure, equipment and human resources. Since the inception of CLAS, Future Generations, a private non-profit organization, has worked with the government, civil society and local communities to design the CLAS system and build the capacity of communities to thrive within the CLAS framework.

As a result of participating in the CLAS partnership, the Las Moras Health Center built additional consultation rooms and a birth center, purchased necessary equipment and supplies in a timely manner and increased the staff to 36 members, including doctors. It now supports a system of community health promoters, who are trained and supervised by health personnel to do monthly visits to families with pregnant women and children under two years old for check ups, referrals, and health education. This system of outreach and support has quadrupled the level of coverage for maternal and child health care.

Las Moras is not an isolated success story, CLAS has spread across the country, improving health care coverage and the efficiency of service delivery. CLAS committees now oversee one-third of all government primary health services. CLAS is supported by the national government's health sector financial and administrative systems and is also able to mobilize — through participatory budgeting, donations, prepayment schemes, or other means — complementary resources from local municipalities and other governmental and non-governmental entities to meet health sector goals. This unique strategy of direct community involvement has resulted in more public and private funds for local health facilities and greater efficiency in the use of these resources to increase the quality and utilization of health services. Studies show that CLAS achieves greater coverage of key health services for mothers and children, greater equity and higher levels of satisfaction than traditionally operated public primary care services.

Although the CLAS system does not cover the entire country, recent legislation has given municipal governments the responsibility of managing primary health care and requires them to open their budget processes to the public. In the context of decentralization, the central government of Peru is concerned with increasing the role and capacities of municipal

governments, many of which serve small rural or peri-urban districts. Municipal governments have historically invested their small budgets in local infrastructure with little accountability to their constituents. Extending municipal governments' purview to include primary health care delivery heightened these concerns about capacity and accountability which is reflected in the legislation's requirements for municipalities to open their budget processes to public participation and to produce results-oriented budgets. Even with the broader health care mandate, only a portion of municipalities' revenues are currently distributed through participatory budgeting. There is little information about how well this process is actually working, but there are indications that the process is evolving.

Future Generations supports the CLAS system's participatory budgeting and local collaborative management by linking both of these functions more effectively with the communities served by CLAS and thereby helping the health system to strengthen its relationship with local municipalities. The goal is to develop an effective and efficient community-oriented health model based on incorporating participatory and results-oriented budget processes into municipal oversight of primary health care service delivery.

Future Generations trains teams of municipal officials, health sector personnel and community representatives to work with local communities to develop a strategic vision based on local data and community priorities and a work plan to implement the vision. For community priorities that require resources from outside the community, projects are presented in the annual participatory budgeting process. Municipal officials have found this an ideal method for ensuring that they satisfy community needs and demands as required by law and learning community organizing skills that bring them closer to their constituents.

The effort to increase transparency by opening public decision making and social control to public participation contributes to decentralization in Peru. The aim of programs like CLAS is to empower citizens, communities, and institutions to collaboratively manage the use of public resources, achieving the goals of equity and sustainability through shared local governance of social services and development investments. Following these principles, the Las Moras community in Huánuco has significantly reduced chronic childhood malnutrition, won recognition from the Ministry of Health and the National Society of Industries in Peru, and serves as a national observation and training center for replicating the CLAS model in other regions of the country and abroad.

**Strategic Plans**  
**Requirements for Future Generations Country Programs**

---

**Objectives:**

- To promote a process by which Future Generations country programs have a growing ability to achieve their respective Mission Statements.
- To move forward the process of creating a robust global collaborative of interdependent organizations.
- Advancing toward greater self-reliance and simultaneous interdependence is part of the Future Generations “100 Nodes of Change” Vision.

**Caveat:**

Creating a plan is not the objective, but progress in the processes outlined. Certain aspects of the process are more needed now than others (for example, fund raising) but a larger strategy places country programs on trajectories toward the important above objectives.

**Points of Note:** The motive for pressing country programs toward autonomy is:

- Internally in each country to build self-reliance and in-country capacities to grow to scale within national demand. (Current absence of such a strategic matrix is now hindering each country’s operations and growth.)
- Autonomy status for a given country organization in no way suggests separating that organization from the global Future Generations.
- Global momentum points clearly to organizations now being linked to share ideas, resources, and gain efficiencies—but where governance and decision making are localized. Future Generations (even in its name) should be leading this movement.

**Progress:**

Future Generations, as evidenced by discussions over the last four years at Trustees meetings, has been headed in this direction. (It aligns with the Vision Statement of “100 Nodes of Change.”) An example of progress from 2008 was the Peru-Arunachal cooperation on health management; another example is the role of Nawang from the China/Pendeba program in support of both Arunachal and Afghanistan operations; a further is Claire from the China program supporting North Mountain operations. These examples are just tiny starts to what can grow into global, mutually supporting organizations. Further and important opportunities expand exponentially as the alumni network is included.

Today, there are eight legally distinct organizations worldwide plus the alumni in 21 countries. This is the base that we currently have to work with.

## ***Expectations for a Country Organization Moving To Autonomy Status***

The following are broadly stated expectations to be addressed by country strategic plans. When adequate progress is made toward these, consideration can be given to move programs toward autonomy status. It may be (for example Peru where special tax issues function) that even as achievements show ability for autonomy, the country program will still be kept legally part of the US organization.

### **Clarity of Mission**

The two US organizations share a common Mission statement; however, the other organizations have found it beneficial to create separate Mission statements. By and large, now every country program has strong, relevant Mission clarity.

### **Effective Governance**

Governance, in accord with institutional values, recognizes the three-way partnership to engage the Top-down of government and international institutions, connect to Outside-in functions of education and innovation, and represent the Bottom-up voice. (Currently the US operations are weak in this; the Arunachal operations are certainly the strongest.)

In accord with Future Generations values, it is essential that country governance be authentically of that country. As the global Future Generations collaborative matures, it is essential that it not be a benevolent American presence.

### **Financial Management Base**

The policy that has been in place since 2004 as the essential requirement for autonomy status as a Future Generations organization is clearing two sequential fiscal audits without problem notes of any kind.

Financial management includes both expenditure management and also fund raising capacity. While it is not presumed that autonomy status requires a country program be totally self-supporting (one strength of a global collaborative is that we help each other raise funds) a practical target is that each country raise at least two-thirds of its fund needs.

### **Programs**

Seek “best in class” status in respective countries—Mostly programs already have momentum underway toward this goal. A systematic base of rigorous program evaluation must be in place.

### **Staffing Requirements**

Administrative staff (to have organizational permanence) must cover: a skilled leader, a technically competent and experienced deputy, and solid financial management. These three requirements can be met in varying ways.

Technical staff cannot cover the broad expertise that typically undergirds Future Generations operations. The answer to this challenge is partnerships—but for partnerships to bring the expert contributions needed, the Future Generations teams must pay further attention to engage top-notch people in addition to those already in place. At a minimum, in any office there must be at least two focal points of recognized national class expertise.

*Prepared for Board of Trustees Meeting 15, 16 May 2009*