Photo: Afghanistan.
Asian Development
Bank, 2014

No more standard programming: economic development in fragile settings

Lessons from Afghanistan:
research and development praxis

No more standard programming: economic development in fragile settings

“Practitioners often expect researchers to offer tailored solutions for development interventions. Yet, suggested solutions that stem from research are often dismissed as not practicable, due to ‘real world constraints’”

Bird market, Kabul. Iain Cochrane/Afghanistan Matters, 2007

Study overview

In this paper, we[1] provide some key suggestions that international cooperations should take into account when undertaking economic development in the context of protracted conflict. Our findings derive from research localised in Afghanistan.

Building on five qualitative case studies on economic life and markets in Afghanistan,[2] we summarise the lessons we can learn from observing the outcomes of more than 15 years of international intervention. On this basis, we formulate recommendations on what development agencies should do differently in the country. Lessons from Afghanistan and the according policy recommendations also frame the backdrop for our general suggestions regarding what international development agencies should take into account when undertaking economic development in fragile settings.

A second dimension in the discussion is the difficult collaboration between academics and development practitioners behind development programme design. We observe that practitioners often expect researchers to offer tailored solutions for development interventions. Yet, suggested solutions that stem from research are often dismissed as not practicable, due to ‘real world constraints’.[3] Conversely, the research community does not withhold skepticism about the way development programmes are designed and implemented. This is particularly true for fragile contexts, where critiques include a perceived lack of understanding of socioeconomic structures and lack of motivation in agents.

As authors of this paper, with our backgrounds in academia and praxis, we acknowledge the points of criticism from both sides and try to bring the two perspectives together. We do not provide specific technical solutions (i.e. ‘This is what donors have to do’) and, instead, stay on a broader recommendation level (i.e. ‘This is what donors should consider to be successful’). Like other papers, we decidedly mirror our suggestions that originate in academic research with the ‘real world constraints’ donors face when implementing development programmes (i.e. we consider whether our suggestions are at all feasible when considering legal, political or infrastructural limitations). Through this approach, we open a discussion between academia and practitioners at an earlier stage. This discussion is crucial in helping us to better understand respective needs and limitations in order to design technical solutions that will eventually yield more effective development programmes that are based on cutting-edge findings from evidence-based research. To set the stage for this discussion, we begin this paper with a quick reflection on the respective roles of researchers and practitioners and how both could mutually benefit from one another.

1   The use of ‘We’ in this paper refers to the voices of the two authors, Giulia Minoia and Urs Schrade.

2   The case studies emerged under a six-year multi country research programme: the Secure Livelihoods Research Consortium (SLRC).

3   Real world constraints include the lack of political will, but also challenges that take place at the implementation level, such as difficult logistics in fragile settings or legal issues like procurement.

Early cooperation and the role of researchers and practitioners in successful development programming

Policy makers and designers of development projects regularly claim that research should play a more important role in building development programmes. But how can we translate findings from research into useful information for practitioners? We think the answer lies in understanding the roles academics and practitioners play in development programming.

Researchers are often criticised for not giving practitioners what they need: straightforward and specific advice on what to do and exactly how to do it. The point seems to be that research should 'communicate complexity concisely' (Mallett et al. 2017b). This is, however, not quite fair. Although research must be well-documented and provide contextual details, especially regarding conflict environments, its primary role is not to build tools for development programmes, but to provide an understanding of social rules and social mechanics. It is then the role of programme designers to translate these findings in respective theories of change and subsequent development interventions.

The design of development programmes is de facto not subject to technical considerations alone. Though the latter ideally guides the conceptual approach of a development intervention, there are other vectors that determine programming. These include political objectives, such as development programmes as potential tools for gaining access to specific political powerbrokers; legal obligations (e.g. bilateral cooperations facing difficulties engaging with non-state actors); and practical implementation challenges, including finding technical experts who are willing to work in remote conflict areas. Insights about non-technical vectors that determine development programming are usually reserved for knowledge carriers in development institutions. Due to their vast scope, complexity and sometimes sensitive nature, actors 'outside the club' usually find it difficult to understand these constraints. We suggest in this paper that more contextual knowledge is needed and that donors and development actors should deploy capacity – namely people and financial resources – to understand how their organisational processes could change so they can grasp and tackle the power dynamics of the context where they intervene.

We assume that development programming takes into account both:

- state of the art insights on social rules and mechanisms to design effective impact logic

- the non-technical aspects that are ultimately necessary for making development programmes happen.

We understand the former in the realm of academia and the latter in the realm of practitioners. Therefore, we believe that thriving new tools and approaches for development interventions can only emerge if researchers and practitioners begin discussions at a very early stage. This means research can avoid offering technical solutions that are not feasible in real life and ensures that practitioners work on the basis of the latest findings from science.

The literature on development has said much on the need to work with existing institutions to avoid predetermined guidelines and technocratic approaches based on 'how things should work' according to westernised standards. Our suggestion, which we acknowledge is easy to embrace in theory but not in practice, is instead for there to be constant feedback between programmatic interventions and analysis, so that a 'work in progress' between praxis and research can support the creation of contextual guidelines (Andrews et al. 2012). This paper in fact echoes the debate around approaches to development, such as Doing Development Differently, Adaptive Management and Thinking and Working Politically (Green 2016; Learning Lab 2018). These provide insights to change organisational processes and make better use of contextual evidence and actors. However, the case studies from Afghanistan that we have been conducting under the Secure Livelihoods Research Consortium (SLRC) suggest that cooperation between research and practitioners is not as good as it could be[4] and that much could be done to build a dialogue between the two. The present paper was written with the aim to support this dialogue.

Lessons from Afghanistan

SLRC case studies on markets and economic life, along with parallel case studies on political settlements, find that the political and economic marketplaces[5] in Afghanistan are deeply enmeshed, with powerful actors often playing key roles in both arenas. And although Afghanistan appears to be an open economy, social regulation restricts competition and participation to benefit those already in power. Hence, we must first consider the dynamics that govern Afghan politics and markets.

Efforts made by international actors to build institutions that could mimic western models has led to them being locked in a false dichotomy constructed around formal and informal structures. As Pritchett and Woolcock explain (2002), institutional mimicry – or the strategy of 'skipping straight to Weber' – has been a core problem in developing countries where governments have been adopting the form of westernised institutions via colonial inheritance or simply by mimicking it.

As we will explain throughout this paper, countries like

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4   One reason for this might be that venues for cooperation are not enough. There are obviously various conferences and other links between academia, policy makers and development practitioners. However, even if intended otherwise, these venues often do not provide enough space to collaborate but rather serve as opportunities to mutually inform each other.

5   The definition of 'political marketplace' is borrowed from: De Waal, A. (2015) The Real Politics of the Horn of Africa. Money, War and the Business of Power. Cambridge: Polity Press.

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Afghanistan are difficult terrain for donors. This is partly because they are places where the formal and informal, (or the 'administratively declared' and 'actual state of the world' according to Hallward et al. (2010)) overlap. In this paper, we will build on an explanation of the functioning of Afghanistan's politics and economy provided by the understanding of its distributional nature, which has core mechanics here referred to as the 'rules of the game' (Jackson 2016; Jackson and Minoia 2016). As Jackson explains (building on the work of Douglas North on elites' control over resources in limited access orders), institutions exist in name, but networks and their connections are what govern access to resources. A networked system of distribution is in fact at the core of these rules, namely a 'network of access' that allows those who have power and resources to extract rents and redistribute them for the benefit of their connections. Through this mechanism, existing networks are kept alive and new market opportunities are shaped.

Consequently, this affects those who are asset poor and have no choice other than to struggle to survive at the margins of powerful networks. For example, being a highly risky environment, Afghan markets force poor rural households to choose low risk activities and therefore low returns.

Box 1: Rentier economy

The term 'rentier economy' builds on Goodhand's description of 'combat', 'shadow' and 'coping' economies (Goodhand 2005). Here, politically powerful actors make use of their connections to absorb and redistribute markets rents to keep their networks alive and functioning, through exclusionary practices for those with less powerful connections. Such rentier economies are clearly visible in provincial capitals such as Nangarhar and Kandahar. As reported by Jackson (2015) in the southern city of Kandahar post 2001, customs revenues have been vital in supporting local elites' struggles for power. According to our informants, the chief of border police at the time, Lieutenant Abdul Raziq, used security staff to control the regulation of imports of mobile phones, electronics, cars and oil into Kandahar. Only those traders who were carefully selected through a weekly auction could import goods from Pakistan through the border at Spin Boldak. The weekly income of the border police from this informal taxation was reported to be roughly USD 80,0000 (Minoia and Pain 2015).

This exploration of the dynamics that govern Afghan political and economic 'market places' explains a pattern of political and economic interaction that is deeply rooted in Afghan cultural social systems. The state in Afghanistan works on a basis that may not be acceptable to western donors but overcoming those complex forms of patronage and clientelism that are de facto setting the political, social and economic framework requires long lasting social change. While it is uncertain to what extent donor driven development activities can facilitate a fundamental and transformative change, it is clear that it will take many more years to happen. For now, if international donors and aid agencies decide to implement (economic) development programmes in Afghanistan they will have to accept that they engage with a system that works according to different rules from theirs. To engage with Afghanistan's economy (and politics) requires engagement with its networks and distributional nature (Jackson 2016).

The above finding poses a serious challenge to practitioners. Where economic development activities reinforce the distributional effects of Afghanistan's economy, they are to likely contradict core principles of development cooperation. For instance, in committing to the realisation of the 2030 Agenda for Sustainable Development, the UN member states only recently specified that development activities should address all segments of society and endeavor to first reach those who are furthest behind (the 'leaving no one behind' agenda). Feeding into the distributional nature of the Afghan economic system appears to have the opposite effect: if returns from economic development are mainly distributed among the powerful, the benefits of development are not equally shared and economic growth is not inclusive.

Contradicting common principles of development cooperation suggests that economic development must be done differently in Afghanistan. This, however, requires international donors and implementing agencies to rethink their approach to economic development. We will see in latter sections, for example, that designers' programmes and policy outputs on rural development have failed to acknowledge the distributional nature of Afghanistan's economy and translate it into programmatic practices.

What did we find?

The evidence suggests that three major factors must be taken into account:

1 **Development actors need to accept that Afghanistan's economy works according to different rules**

There is limited recognition, among policy makers and programme planners, that Afghanistan's economy has its own regulations and dynamics. Most economic development programmes in Afghanistan build on the underlying assumption that markets are neutral spaces of exchange, framed by formalised rules that apply to all actors equally. To improve economic opportunities in this system,

standardised economic development approaches are applied.[6] The following different reasons may explain why there has been such a limited appreciation of Afghanistan's distributional economy:

- Acknowledging Afghanistan's distributional economy and its patronage and clientelist structures would have overshadowed and rendered irrelevant the extensive donor efforts and funding behind the state building exercise.[7]

- The implications of engaging with such a volatile networked system of actors might have pushed international aid agencies to stick to internally validated narratives rather than try new processes to include a wider range of Afghan people in their programmes.

- The international community have so far lacked the analytical categories to describe and then engage with Afghanistan's distributional economy and have therefore decided to ignore it.

Ultimately, there is no doubt that the tools used by development experts to tell 'the' story of the Afghan economy have not considered (informal) vectors of identity and social norms as constraints to economic opportunities. Hence, new analytical approaches are needed to understand Afghan markets and economy and consequently new operational tools for policy.

2 Development actors need to understand how Afghan markets work in practice, in order to shape new programmatic models for economic development

There is very little understanding about the modes of regulation that govern Afghan market places, and even acknowledging the distributional nature of Afghanistan's economy at the outset and designing customised economic development interventions is challenging.

There are many analyses on the shortcomings and constraints of the Afghan economic system. These range from reports on the investment climate and Doing Business assessments at the policy level, to gap analyses in specific value chains at the market and enterprise level. The results of these analyses are important and need to be taken into account. However, they are not enough to design a programme that meets inclusive and people centered development objectives. For instance, a programme that builds on a Doing Business assessment and decides to improve registration of property, protection of minority investments or trade across borders (to promote inclusive entrepreneurship) is unlikely to be successful if it does not

address entrepreneurial constraints rooted in the distributional nature of the Afghan markets and related social regulations at the same time.

Programmes such as the Comprehensive Agriculture Rural Development Facility (CARDF) have adopted a value chain model aiming to provide input services and infrastructural support so as to increase employment, income and business opportunities for the rural masses. In line with the World Bank (2014), CARDF frames input provision, trainings and categorise infrastructure construction as accomplishments, thereby identifying lack of access to credit and information as factors preventing farmers from taking risks. Nonetheless, evidence from case studies has shown informal credit is widely available to farmers and traders in Herat and Nangarhar, but exclusionary practices regulating access to markets are limiting returns for those with no powerful connections (Minoia and Pain 2016; Minoia et al. 2014). This and other examples, such as the Afghanistan Rural Enterprise and Development Programme (AREDP), show that the adoption of value chain approaches has paid very little attention to the social institutions that regulate market exchange and structure risk for less powerful actors in a conflict environment.

Dimensions such as conflict and risk and the role of social institutions in structuring market exchange have been also neglected by policy documents such as the World Bank Agricultural Sector Review (ASR) (World Bank 2014). The analytical lens of this review was built on production and abstract projections of potential productivity changes, such as integrating small holders into value chains of commercial agriculture. It assumed that a focus on first-mover areas with high value crops suitable for exports could have brought better yields in agriculture and access to non-farm rural income-earning activities, fuelling demand and migration to cities, as well as waged employment. The ASR 'first mover approach' was in essence focusing on high potential areas, assuming a trickle-down effect. But this perspective paid no attention to the conditions under which past Green Revolutions occurred (e.g. state protection from global competition and protection of smallholders, plus rising urban demand). Moreover, the ASR forgot to consider the mix of licit, illicit and aid driven actors that forge Afghan markets today (Minoia and Pain 2017; Ghiasy et al. 2015).

It is tough challenging but necessary to include the mechanics of the social institutions that are shaping Afghan economy in a Theory of Change. With few exceptions from field-based research, donor agencies shape programmes with little evidence on how the Afghan market is actually regulated. Moreover, the analytical skills, capacities and tools for building an understanding of how Afghanistan's

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6 Examples here include approaches for value chain upgrading, the improvement of the enabling environment or vocational training and skills development.

7 As Jackson outlines, the international actors' governance efforts prior to 2010 focused on Kabul leaving the provinces to carry over what was left from previous governments. For a detailed exploration of the international intervention in Afghanistan and their efforts to build national and subnational governance, see Jackson, A. (2016) Seeing like the Networked State: Subnational Governance in Afghanistan. Report 12. London: SLRC.

economic system 'really' works are not available in most development agencies. This includes the understanding of the social norms, expectations and relationships that regulate individual access to economic opportunities, as well as shortcomings such as technical skills or red tape.

3   Development actors need to complement standard economic development approaches that address constraints rooted in social norms, obligations and relationships of trust

We have little experience in supplementing standard economic development approaches with tools and modes of delivery aimed at addressing the social norms, expectations, and relationships that determine de facto the distribution of economic opportunities in Afghanistan. This means that even if we could fully understand the (informal) regulations that govern the Afghan market, we would face difficulties in translating our knowledge in the design of economic development programmes.

A case study on urban labour markets, focused on young women and men's access to the tailoring sector of Kabul, revealed the role of gender, ethnicity and social relationships in gaining participation or exclusion to employment opportunities. Although the women and men interviewed were facing different constraints in accessing and keeping their jobs, the study suggested, not only that social inequality has a gendered nature, but that 'ties of affiliation' and loyalty usually linked to a male kin, are reproducing inequalities and denying autonomy for both women and men (Pain and Mallett 2014: 4). Although this case study on the tailoring sector has shown that women entering the market with no patriarchal support could have been exposed to violence and ostracism, gender can be considered just one dimension among others (e.g. class, cast and social status) that intersect to construct a social identity (Mallett and Pain 2018 (forthcoming)). As a case study on the saffron economy in Herat has shown, only women belonging to wealthy and powerful families could exceptionally inherit and own the land, while for the majority of women in rural Herat, the saffron market merely represents an opportunity to perform seasonal low paid waged labour (Minoia and Pain 2016).

Following this example, practitioners should ask themselves how they can design and implement programmes to address barriers to economic opportunities that have their origin in identity (e.g. ethnicity, gender or economic status). This is a complex question with several possible answers. Elaborating sophisticated responses may take time and money. Despite this, many donors and implementing agencies avoid confronting the issue. However, not recognising the social institutions that shape Afghan economy has repercussions for the impact of programmes and policies. As we have seen,

these reinforce existing practices of exclusion from economic opportunities. We must consider the implications of this when looking at the political and technical constraints that the organisational culture of donor agencies presents.
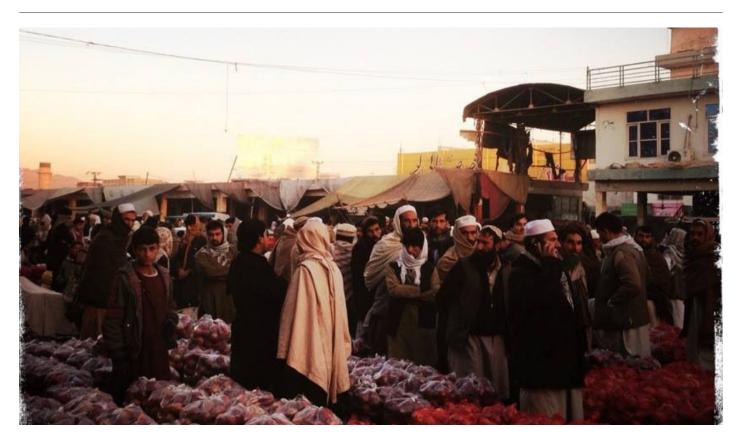
What development agencies should do differently in Afghanistan

The international community has been investing a large amount of resources in the institution building exercise in Afghanistan over the past 15 years but, as we have described above, personalised networks run the state and the economy. This means institutions are depending on personalised interests rather than acting as autonomous entities.

The observation of commodity markets can explain this well. First of all, we observe that the lubrication and production and trade is facilitated by extensive but circumscribed networks of informal credit that can stretch across borders from Afghanistan into Pakistan and function only on the basis of personalised trust and personal relationships. The logistics of networks that control fruit and vegetable trade in eastern Afghanistan, spanning from Jalalabad to Pakistan, illustrate this point. A small elite has leveraged links to a former governor (Gul Agha Sherzai) to create a cartel. This trading elite has managed to manipulate the onion market, setting prices and therefore controlling volumes and restricting credit to smaller traders to prevent them from entering the market. This small network of elite traders also benefits from connections that make use of the Afghanistan Chamber of Commerce and Industry to collude with the border police in order to manipulate customs taxation and reach Karachi at a lower price. Meanwhile, district level traders have been denied access to markets, making it harder to secure favourable rents and profits (Minoia et al. 2014).

Box 2: Markets in Afghanistan

Common categories in use to describe markets do not apply to Afghanistan. Wholesalers and retailers are simply names that do not describe what the actors do. As in the saffron market of Herat, where city traders engage in production through lease and land acquisition, recruiting labour, processing and exporting. Similarly, saffron growers who are also members of village elites have employed farm labour, provided credit and exported saffron (Minoia and Pain 2016). This example clearly suggests that power is a category to be taken into account while engaging analytically and politically with Afghan networks. Given the unwritten social rules that construct the Afghan economy, non-compliance with them is arguably not an option. Additionally, these rules play at many different levels: the higher the arena of power, the more actors are detached from their familial and ethnic ties.

Jalalabad morning market. Giulia Minoia/AREU, 2018.

This example of governance over the economic marketplace illustrates that a relationship of accountability between the citizens and the state does not apply in Afghanistan. However, international agencies have been unthinkingly building institutions by following a well-known framework that sees democracy and development happening through the establishment of a Weberian model. Yet, in a highly risky environment with low generalised trust, personalised trust in others is vital for navigating economic life, and funds and resources are driven towards personalised interests. So, what is the role of institutions, other than representing a means to achieve personalised goals? We know that the state that has been shaped by international aid has supported an economic environment where the very political factors blocking growth are in place: predation, rent seeking behaviours and limited investment in public goods (Williams et al. 2009).

While Afghanistan's budget still heavily relies on shrinking aid funds, donor agencies need to shift their perspectives and programmatic actions. A first step here might be to relate to and work with Afghanistan and its hybrid political order (Boege et al. 2008). As in many other so-called 'failed states', the state in Afghanistan is just one actor among many others that share legitimacy and authorities. Tribal elders, warlords and religious authorities may all have official appointments and still carry out their personal interests and those of their kin. Therefore, engaging with this existing fluid order and the individual actors who dispense power and resources is a

requirement that development agencies need to consider. Such a shift in the organisational culture of development agencies would present enormous implications. We will explore these technical, political and moral challenges in the next two sections, while the third will propose some adjustments to programmes cycles needed in order to start engaging with the Afghan context under different terms.

Key challenges

1. Development agencies must engage with personalised actors and institutions

The findings described above strongly suggest that international development actors need to work with personalised actors and institutions[8] to undertake economic development that is typically considered successful. This is, however, challenging for various reasons. From a technical perspective, working with a networked hybrid system requires agencies to start a discussion on adjusting implementation modalities. This includes legal questions on topics such as securing rights under international law, as well as fiduciary risks such as procurement issues. Experience shows that legal aspects and issues of procurement are difficult to tackle. Donors and implementing agencies are almost always public institutions dealing with tax payers money and, for good reasons, are bound to their national and international standards. We emphatically do not suggest bypassing such rules and regulations, but would encourage a proper

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8   We refer here to 'personalised actors' and 'personalised institutions' as collective bodies that carry personal interests rather than collective ones. In a context of low generalised trust, personal ties are essential to navigate politics and economic life (Fukuyama 1995; Rocha Menocal et al. 2008).

assessment of what is possible and what is not under current legal settings. This will enable us to determine whether it is realistically possible to work with non-state actors.

Another critical challenge is to decipher who actually has legitimacy and authority in Afghanistan's socioeconomic landscape. In the previous section, we have argued that development agencies lack the analytical skills, capacities and tools to understand the social vectors and identity factors determining the access to market opportunities in Afghanistan. These analytical shortcomings also arise when it comes to identifying those who influence Afghanistan's socioeconomic system beyond the institutions that are formally responsible. Likewise, standard assessment tools in economic development have 'blind spots' when it comes to understanding their roles and the agendas of these actors. We therefore strongly suggest that development agencies should extend their analytical toolbox in order to understand the power structures and politics that frame Afghanistan's economy.

There is also a need to discuss what engagement with personalised actors and institutions might mean in terms of technical implementation. While it might be obvious that we need to look beyond the standard economic development toolkit, alternative options are not necessarily obvious at a first glance. We suggest deducing answers from the overall goal of development programming. Referring to Sustainable Development Goal (SDG) 8, we may assume that economic development programmes generally aim to promote inclusive and sustainable economic growth, full productive employment and desirable work for all. As discussed earlier, recent research highlights that this objective cannot be achieved through the improvement of employability or Doing Business indicators alone. To improve access to economic opportunities for all – or at least for more people – the politics and power based constraints structuring and regulating the socioeconomic environment in Afghanistan need to be addressed as well. Since these constraints are first and foremost political in nature, the logical consequence is that economic development programming should take up more politically informed approaches.

2. Working politically: a moral dilemma for development agencies

For development actors, the decision to work politically is challenging for various reasons. This is because there are very few approaches in economic development that consider political engagement in their basic design.[9] Moreover, we have little experience regarding their strengths and weaknesses. Thus, we highly recommend investing in the development of modes of economic development that are more political in nature. The application of the 'thinking and working politically' (TWP) approach to economic development programming might be a fruitful first step in

this regard. It is clear that developing new approaches needs to include testing in the field with rigorous monitoring and evaluation for learning purposes. Another crucial challenge is to find adequately skilled staff who can combine both the technical expertise needed for economic development interventions and the diplomatic capabilities to work in a 'politically smart' way. One solution may be to train economic development experts in TWP, but we also recommend rethinking the composition of programme staff, such as by linking economic experts and political experts in one team.[10]

Finally, aside from any technical difficulties, working with personalised networks also represents a moral dilemma. The powerbrokers who will actually be engaged with may have reputations as violent actors, who may have played a dubious role during and after the Taliban regime, or who might be known for cases of corruption. Working with such powerbrokers may put the reputation of development actors at stake, both in Afghanistan and at home. Donor agencies often claim to be honest brokers because they are partnering with the 'legitimate state', with the mandate of indivisible development goals (e.g. the SDGs), rather than dealing with clientelist structures. Risk-mitigating strategies and do-no-harm concepts of development action usually build on this understanding of impartiality. Engaging with personalised networks alters the role of development actors, making them more political players in the game. Equally, this may bear enormous political costs for decision-makers at home. Political opposition and an awareness of the norms of civil society in donor countries will certainly lead development actors to question cooperation with structures that hold a questionable track record.

Whether or not it is crucial to engage with personalised networks is a thorny subject for donors to address. The decision to stop playing safe and act politically in conflict environments can lead to 'having to get one's hands dirty' and this will threaten donors' perceived integrity in the public sphere. Equally, as Slim writes, it is in a context of protracted war that 'helpers' easily find themselves in an encounter with what is considered 'evil'. In this situation, no matter how long the spoons are, they will soon be 'dining with the devil', so to speak, and accepting moral compromises (Slim 1997: 245).

The following question for development agencies is therefore who can accept engaging with personalised networks and how to engage with the elites. And how can we pick the right elites hoping for trickle-down effects from their networks, so that a wider range of the population can benefit from development interventions? Evidence from the field repeatedly shows that, in a personalised hybrid political order, actors have multiple roles. As Pain has described in a study on village context in Afghanistan, village institutions present the same layered structure we observe in markets.

9   See the 'Doing Development Differently' Platform quoted in Section I. Another notable approach is 'making [the] market work for the poor' (M4P).
10 We have suggested this approach elsewhere for appropriate assessments of conflict potential and do-no-harm strategies (Schrade et al. 2017).

Members of customary authorities have simply become members of CDCs under the National Solidarity Programme, crafting what Pain has named a process of institutional bricolage (Pain 2016). Again, village elites can foster a developmental attitude and provide access to public goods, such as education. Conversely, they could be highly exploitative (e.g. towards rural labour).

It has so far been clear that a system of sanctions to secure powerbrokers' compliance to legal standards and rules is not in place in Afghanistan. And a remaining open question is whether international agencies are willing to engage with such a hybrid regime. If development agencies are to engage with existing elites and actors in their policies and programmes, an investment in new analytical tools must be made in order to explore the variables through which the behaviour of such elites can be predicted and, consequently, how to engage in a negotiation process with them.

3. Development agencies must plan long term but accept the flux

There are a few dimensions to take into consideration when focusing on economic recovery and development in Afghanistan. There is a need to be more modest with regard to expected results and more grounded in the inception phase analysis. More grounded analysis is needed, where ethnography can play a strong role, but can the life cycle of programmes follow the high volatility[11] of the context? Can we do this while planning long-term? Can we engage with the 'real' actors in the economic and political processes, and can we allow ourselves to work with the messiness and discomfort of the political processes of economic life?

We think that some of the challenges reflected in the previous questions can be solved when organisations start to experiment outside the path they know well. One suggestion is to operate with more flexibility on the activity side, while maintaining long-term objectives. At present, most programmes are planned on the basis of logical frameworks or comparable result models. By default, programme objectives and activities are set when the programme begins. On the basis of the Theories of Change that underpin respective approaches of development, activities are deduced with the expectation that they will eventually lead to the achievement of the objective. While this modus operandi appears alluring (and is useful for budget planning), it ignores the reality in volatile (post-conflict) societies. Above, we have explained that common approaches in economic development often fail to consider the rules that determine access to markets in Afghanistan. However, even a more adequate consideration of these factors would probably not be expedient, due to defining activities too narrowly at each stage of programming. The

socioeconomic environment in Afghanistan is changing too fast for this to be a successful strategy.

Guided by the long-term objective, programme activities would ideally be adapted to the ever-changing environment on a constant basis. Monitoring and evaluation (M+E) should play a more important role in this regard. Beyond looking at the costs of a programme and how its rollout performs, M+E needs to become a plausible instrument for programme steering and learning. The contribution of activities to the achievement on the overall programme objective should be persistently subject to M+E. This allows for the agile adjustment of interventions as soon as the environment alters (particularly the fluid and quickly changing interests of personalised networks). Moreover, M+E activities should be supplemented with methodologically well designed indepth analysis at each stage of development programmes. This allows for improvements to learning capacities in order to close the gap between existing economic development approaches and the realities of Afghanistan's economy (see above).[12]

We are keenly aware that more flexible programme planning comes with a lot of technical challenges on the operational side. Logistical issues may limit flexibility. Bigger questions are probably related to budget planning, procurement and other legal dimensions. These issues are closely linked to the accountability of donor governments to their constituents (i.e. tax payers). We encourage a serious discussion about how to mitigate these risks. A promising approach might be an investment in communication among all relevant stakeholders in donor countries (e.g. among parliament, civil society and media). It needs to be entirely clear that, without flexible programming at the activity level, development interventions will not be successful in Afghanistan's fluid socioeconomic settings.

Implications for policy: lessons from Afghanistan for economic development in the context of protracted conflict

A crucial question here is how policy and programming for economic development benefit from research in a context of endemic risk, violence and hybrid regimes.

The recognition of Afghanistan's social economy and its distributional nature may have helped western donors in terms of rethinking their approach to sustaining growth in the country. Over the past 15 years, international actors have arguably 'done harm by doing good', as they have often fed the rent-seeking behaviour of Afghan networks and their powerful actors. Therefore, new tools for policy and programming should help identify the formal and informal actors who have given shape to what Afghan markets are today and help us understand how they function after years of

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11 See Jackson and Minoia (2016): 'Volatility' is itself part of the 'rules of the game'. As the future is too risky to predict, actors adopt a short-term horizon plan to limit risk exposure. Volatility is a structural feature that helps explain why the system has been functioning for many years in the same manner, despite political alliances changing from week to week.

12 In this regard, the Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ) has recently begun a process to discuss and elaborate on possibilities for institutional learning from economic development for stability programming.

war, aid dependency and low state capacity. However, we can distil a few key points from the lessons learnt in Afghanistan, which international development agents should take into account when 'doing economic development' in the context of protracted conflict. These should guide future joint work between researchers and practitioners.

Policy implication:

Team up early, invest in understanding the rules of the game and translate them in feasible programming:

It is vital to invest in understanding what the 'real' rules of the game are. This requires enhancing analytical capacities and tools to understand barriers to economic opportunities beyond standard Doing Business or technical constraints. There should be a particular focus on vectors of identity, social regulations and the power of personalised institutions and networks. As the Afghan example shows, the distributional economy functions through institutions carrying personalised interests in a hybrid regime where state actors share power, legitimacy and capacity with non-state actors, such as clans and militias. Due to weak formal institutions, economies in areas of limited statehood generally tend to be structured by hybrid governance forms and informal social regulations. We suggest close interaction between research and praxis to decipher both the power and politics and the rules and regulations that structure the economies subject to development intervention. Research should provide an understanding of social rules and mechanisms structuring the economy as a basis for jointly discussing possible Theories of Change entailing economic development.

From here, programme designers should translate the outcomes of the discussion in realistic development interventions. To implement the much needed indepth exchange between researchers and practitioners, we suggest establishing multi-stakeholder platforms that take place on a frequent basis. These platforms need to go beyond existing conferences or workshops. Currently, encounters between researchers and practitioners tend to have the character of mutual information events rather than being structured to develop joint solutions on the basis of both socioeconomic insights provided through academia and the practical constraints donors and implementing agencies are facing. These could take the form of task forces or regular working groups that include stakeholders from political contexts, international organisations, donor agencies and academia.

Policy implication:

Supplement standard economic development approaches with tools that address social barriers to economic opportunities and test them in the field:

On the basis of attempting a better understanding of the rules of the game in various contexts, we further suggest a collaboration between research and praxis to build modules and tools for economic development that address constraints originating in informal and social regulations. Due to the very nature of these constraints, there should be a focus on the development of politically informed approaches, with the objective of extending the standard economic development toolkit (i.e. training and Doing Business reforms) via further practical options. Despite this, new approaches should not be too narrow and should be supported by continuous learning experiences. This would require testing of programmatic processes in the field through niches of experimentation within teams working in different disciplines and backgrounds, in order to break the organisations' standard routines and play outside the safe space of guidelines. Ideally, this would pave the way for decision-makers to plan for future programming, building niches of experimentation outside the typical path and setting long term objectives for economic development, but relying on flexible activities in the short-term and feedback from well designed and consistent data analysis at each stage of the programme. Such processes may, over time, create meta level best practices that could be deployed by development organisations to work with contextual knowledge, rather than replicating guidelines from one setting to another.

Policy implication:

Engage with institutions for what they do rather than for what they resemble:

The most important lesson we can draw from Afghanistan is the necessity to engage with personalised networks and actors for successful development. We will only understand the rules of the game if donors decide to accept the hybrid political orders typical for fragile settings and engage more closely with non-state actors that share legitimacy and authorities. In turn, this will enable new approaches in successful economic development to emerge.

Deciding to engage with systems such as personalised networks and interests is difficult for development agents, considering the far-reaching implications of such a choice for the organisation's identity, its structure, culture and members. Implications are not only technical and strategic: a shift in bureaucratic routines clearly requires the acquisition of new and more adaptable analytical and programmatic frameworks. Such a change of perspective will also challenge the habit of building programmes in accordance with approved best practices, where rewards are more common for those who are averse to risks and decide to conform. Further, engaging with non-state political orders involves legal issues, such as procurement processes, analytical skills for professionals and a more political approach to development.

Engaging with the personalised networks of local elites represents a shift from working 'impartially' with the 'legitimate' state and may therefore become a moral dilemma and political risk for donors. This challenge remains if tools are available to pick the right elites, namely those who are more development oriented and who can assure that trickle-down effects from aid funds will benefit the poor. For this purpose, researchers and practitioners need to jointly develop methods, test analytical categories and use variables to help them understand and respond to elite behaviour.

This briefing was written by Giulia Minoia and Urs Schrade. Giulia is an Ethnographer and Social Researcher working for the Afghanistan Research and Evaluation Unit (AREU). Urs works with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)'s sectoral department on economic policy and private sector development. This publication reflects the personal opinion of the authors.

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