State Capacity and Conflict: Evidence from Afghanistan

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Abstract - Government corruption represents pathological interactions between the central state and local power structures that can cause internal armed conflict and shape its course. To investigate the interplay of corruption and conflict, we build a multiagent model of corruption mechanisms and processes in the Afghan drug industry that sheds light on whether corruption causes conflict or results from conflict. If the latter is true, combating corruption may prove futile if it simply results from conflict. We then investigate how corruption shapes the course of the conflict and show that the initial capacity of the Afghan state produces different trajectories of conflict.

Keywords: Afghanistan, Conflict, Corruption, Multiagent modeling, Social simulation

1 Introduction

The theory of the modern state is grounded in the historical experience of early, modern European polities. The form that the European state took after centuries of subsequent development became the ideal type that was exported around the world, most notably in the post-World War II era. Few contemporary developing states fully realize the ideal in practice, but can our received body of theory still help us to understand their processes of state building? We argue that they can, but that the abstract theorizing focused mainly on ruler incentives must have firmer microfoundations in the interactions of the ruler and the ruled. Many of the purported differences between developed and developing states, such as the form of government, the level of corruption, and the existence of militias or other privately organized security forces alongside state military and police institutions can be explained by embedding state building processes in the actual practices of individuals and households in a given territorial domain. Outcomes in the developing world that seem like perversions of the European state building process are more understandable and reconcilable with theory when viewed from the bottom-up rather than the top-down tradition that pervades the literature.

Contrary to the prevailing discourse, Afghanistan enjoys a relatively long history of statehood. After long periods of fighting with the Moghuls and Safavids, Ahmad Shah Durrani consolidated the Durrani rule in an area later called Afghanistan. During 1950 – 1970, urban areas of Afghanistan acquired fledgling characteristics of a modern state with a reasonably functioning central government and bureaucracy. The nascent modernization of the Afghan state had already widened ideological, religious, and ethnic cleavages in the country by 1978 when the Soviets invaded Afghanistan. State policies like land reform and institutions like codified law faced stiff resistance from the conservative, fiercely independent countryside that considered them foreign and incompetent. The Soviet invasion simply ignited informal mechanisms for creating, maintaining and expanding population political support. The fight against the Soviets and the Kabul government during 1979 – 1989 further transformed these mechanisms into the dominant modus operandi of the Mujahedin commanders as the new elite who mastered innovative resource extraction schemes and fused them into financing daily skirmishes with the central government forces and the Red Army, and developing patronage networks and popular support on the other. By the end of the 1992 – 1994 civil war, formal state institutions had degenerated into access points for competing Mujahedin patronage and protection networks.

Informal processes of garnering popular support give rise to statehood by establishing and maintaining elite power in anarchic contexts (North 1981; Olson 1993; Tilly 1992) and simultaneously foil it by undermining the institutions and capacity of the incumbent state, measured as the ability of the state to efficiently counter threats to its existence. This measure of state capacity captures the likelihood of the emergence of alternative governance bodies by the efficiency of an incumbent state in meeting citizens’ needs, if it is compelled to do so, for example by the prospect of a successful revolt by the population. Yet, assuming service provision as the raison d’être of the incumbent state can be misleading. In narco states like Afghanistan and Mafia states such as Macedonia and Nigeria, the state acts as an armed private enterprise whose leaders use state institutions for personal gain. In this case, even if a large fraction of the population enjoys public services provided by the state, state capacity should be measured against the mechanisms through which the elite acquire and maintain popular support, not merely the governance efficiency. A large-scale multiagent simulation of rural Afghanistan makes it possible to
investigate the dynamics of competing “governments” with respect to private actors to pursue maximum personal gain. In particular, we wish to answer the following question: How do individuals or households on the one hand and power brokers on the other hand mutually interact in the process of war- and state-making? The purpose of the modeling effort presented in the article at hand is to provide a baseline for scenario based analysis and decision support in future work.

In Section 2, we review the state building literature. In Section 3, we outline the problem of governance and state capacity in Afghanistan. In Section 4, we describe our model and present the results in Section 5.

2 State Building

The predominant approach to state building is known as the predatory theory of the state. Predatory theory encompasses a variety of approaches developed across the social sciences to explain how the administrative apparatus of the modern state was formed as a byproduct of rulers seeking to increase their income (Bates 2008; Levi 1988; North 1981; Olson 1993; Tilly 1992). A ruler is “predatory” in the sense that he seeks revenue from the population under his control subject to constraints in the environment—he preys on his subjects for revenue. Mancur Olson’s (1993) approach illustrates the extremes of predation. Olson’s stylized account of state building consists of a world in which roving and stationary bandits prey on local populations. Roving bandits arrive and extract the maximum amount of revenue from a population under their coercive control. Roving bandits engage in the complete theft of a population’s productive resources. This leaves the population with no wealth to reinvest for future production, thus the bandit must move on to exploit other populations. Even as the roving bandit moves on, the previously exploited population has little incentive to invest more resources in production than would generate basic subsistence for the household for fear the bandit will return. At the other extreme is the stationary bandit. A stationary bandit settles down in one spot rather than roam the countryside to pillage and engage in complete appropriation of resources. A stationary bandit will still extract resources from society, but will need to regularize such extraction and limit it to an amount that will allow the population to save wealth to reinvest for future production. The stationary bandit thus sows the seeds for its own revenue generating success by allowing society to keep enough wealth to live and invest in the future. The stationary bandit is therefore willing to provide security for the population under its rule to protect them from other roving and stationary bandits who might covet their wealth. Both roving and stationary bandits therefore engage in predation, yet it is the stationary bandit who recognizes the constraints imposed on its extraction as well as the exchange relationship it implies for a long-term relationship with the population it rules.¹

North (1981: 21) grounds his work in a discussion of property rights, since “the essence of property rights is the right to exclude, and an organization which has a comparative advantage in violence is in the position to specify and enforce property rights.” In North’s view the state exchanges protection and justice for revenue while devising property rights that maximize its revenue subject to the constraints posed by opportunity costs to its subjects for foregoing alternate rulers. Bates (2008) has recently applied this approach to the problem of state failure in Africa. Much like Olson’s bandits, Bates crafts a tale about “specialists in violence” who obtain wealth by seizing it from a subject population or charging them for protection. The population itself has patrons who negotiate with the ruler, as they also protect or prey upon the population. Over time, political order prevails when the ruler engages in protection (instead of theft) and patrons deliver revenues (rather than without tax payments or steal from each other). States began to fail in Africa when the oil shocks of the 1970s reduced global demand for commodities. Trade taxes generated from these commodities also declined leading to a crisis in public revenue for the state. The ruler then turned to theft, especially as the wave of democratization in the aftermath of the Cold War led rulers to heavily discount the future. Political order thus broke down, leading to some rather dramatic failures across Africa. Thies (2010) similarly suggested that increased revenue capacity might prevent civil war onset, but found little evidence that this was the case in a global sample of states in the post-1960 era. Interestingly, he also found that most natural resource revenues seemed to accrue to states, rather than to rebels who are thought to draw upon or covet such resources resulting in civil war.

Charles Tilly’s (1985; 1992) work highlights the role of external conflict as an important constraint on predatory rulers, and is also often known as bellicist theory. According to Tilly (1985), rulers engage in four principal activities. They engage in war-making, which consists of eliminating or neutralizing potential external rivals to their rule. In early modern Europe, war-making was often the stimulus that set the state building process in motion. Rulers also engaged in state-making, which includes activities designed to neutralize or eliminate internal challengers to his rule. In the early modern period, Tilly notes that war-making and state-making were often inseparable activities, since borders and subject populations were not nearly as clearly delineated or exclusively controlled as they are in the contemporary international system. Yet, we should recognize that in many areas of the contemporary world, the same situation

¹ See Dewal and Wise (2010) for a multiagent implementation of Olson’s (1993) predatory model.
prevails despite clearly delineated borders on the map. In addition to war-making and state-making, rulers also engage in protection of the population that supports his continued rule. Finally, in order for any of these activities to occur, the state must also engage in extraction. Without revenue, the ruler can accomplish nothing. The process of extraction then produced much of the administrative apparatus that formed the modern state, as taxation became a regularized feature of rule that enabled large, standing armies. The need for revenues pressed the state to engage in a variety of other activities beyond its original four, to include the production and distribution of goods, the adjudication of disputes and the like. In some cases, the need for revenue led to more democratic forms of governance when the ruler had to acquiesce to popular authority. Empirical work that has applied Tilly’s bellicist line of reasoning to the contemporary world has received mixed support. Centeno (2002), for example, argues that war did not produce extraction in the form of regularized taxation in Latin America. Thies (2004; 2005; 2006; 2007) finds that external conflict in the form of interstate rivalry produces increased tax revenue across the developing world, while internal rivals to the state generally reduce such revenues.

Yet, the problem with most of this literature is that the theory is quite stylized, and pitched at a very abstract level—often in the form of “fables” (Olson 1993; Bates 2008). The contemporary applications and empirical tests are also pitched at a very grand scale: “Does war produce increased tax revenue or does reduced revenue lead to state failure?” What the predatory theory literature needs is a way to more closely connect this body of theory to the interaction of individuals or households, patrons, and rulers. We can begin to do this using the work of Margaret Levi (1988). Levi (1988: 10) nicely encapsulates the major features of work in the predatory theory tradition in her approach, which recognizes that “rulers maximize revenue to the state, but not as they please.” The main constraints that operate to limit the ruler’s predation include their bargaining power vis-à-vis their agents and constituents, transaction costs in the revenue extraction process, and their own discount rates. These constraints will determine the exchange relationship between the ruler and various groups within society.

The bargaining power of a ruler will increase the more he is able to monopolize a society’s resources, including economic, political and coercive resources. The process of monopolization may involve the elimination of rival suppliers of such resources, or it may mean that the ruler ensures that he is a party to all exchanges of resources whether or not rivals are the primary producers. Since state rulers license and regulate the production and distribution of resources in society, they are subject to lobbying and rent seeking behavior. While rent seeking or corrupt behavior may be inefficient, Levi notes that it may be functional for the state to encourage such behavior as a means to the end of increased revenue for the ruler. Since resources are distributed across the population, it is often the case that groups in society may be in a privileged bargaining position with the ruler. Rulers are therefore likely to make different deals with different groups based on the leverage that each might have in terms of economic, political or coercive resources. Levi (1988: 12) concludes that “rulers can use the same state organization as both a productive enterprise and a protection racket.”

Rulers also need to figure out methods to reduce their transaction costs in creating policies, monitoring, measuring, and enforcing compliance with their revenue demands on society. Bargaining itself is a transaction cost, as identifying appropriate societal patrons with which to bargain and reaching agreement can be costly. Rulers have several options to pursue to attempt to reduce the costs of compliance through the use of coercion, creating normative or ideological compliance, and quasi-compliance. Coercion is the most costly option, since the use of force to make people pay taxes requires the ruler to contract with agents who carry out the aforementioned monitoring, measuring and enforcement. Normative or ideological compliance, meaning that individuals pay taxes because they feel it is the right thing to do, is difficult to instill in many societies. This is especially the case in societies where the population does not feel they are benefitting from the provision of public goods in exchange for their taxes. Quasi-voluntary compliance may often be the most efficient option, since the payment of taxes is voluntary while failure to comply will still be met with coercion if the cheater is caught.

Finally, rulers’ discount rates affect their choices concerning revenue extraction. The discount rate is a function of rivalry over rule, that is, internal and external substitutes for the current ruler. A ruler’s discount rate is low when there are no substitutes and high when there are substitutes. Rulers with low discount rates have an interest in setting the appropriate conditions for generating future revenues, while those with high discount rates will find themselves with the incentive to act more like Olson’s “roving bandits” or Bates’ version of African rulers faced with impending democratization in the late 1980s—theft, rather than more measured extraction policies that leave wealth to be reinvested in productive activities.

In general, the expectation is that rulers will create and put in place institutional structures and procedures that increase their bargaining power, reduce their transaction costs, and lower their discount rate. The resulting formal and informal institutions will maximize their revenue, but need not maximize societal welfare or promote economic efficiency. Levi (1988: 34-38) also reflects on the structural constraints that condition the ruler’s bargaining power, transaction costs, and discount rates. The primary structural constraints include the economic structure of the state, the international context, and the state’s form of
government. The ruler will try to shape all three structural factors, even as they constrain the ruler at any given point in time. In terms of economic structure, the level of development and ownership of productive forces affect revenue extraction. On the international front, the existence of rival states who are substitutes for the ruler, the ability of other states to profit from the production occurring in a ruler’s state, and the revenue capability of the state’s international trade are critical. Finally, rulers will seek to alter their form of government if necessary.

Despite the general “ruler-oriented” perspective offered by Levi and other predatory theorists, we can infer the perspective of individual households. Households themselves will also be concerned with their bargaining power vis-à-vis local patrons and the ruler, transaction costs, and estimates of ruler discount rates. Any individual household is likely to have little bargaining power vis-à-vis the ruler of the state, since it is unlikely to command a sizeable enough share of economic, political or coercive resources of the society to serve as a match to the ruler. Yet, households may band together under the leadership of a household that possesses the political, economic or coercive capacity to organize an effective bloc of support or opposition to the ruler. Such a patron may supply protection in exchange for a share of an individual household’s productive activity in much the same way as predatory theory expects rulers to engage in an exchange relationship with their subject population. A household serving as a patron to other households adds an additional level of interaction between the ruler and the ruled, serving as an important bargaining constraint on the ruler. That patron may, depending upon the amassed economic, political and coercive resources at its disposal, increase or decrease the bargaining, transaction and discount rate of the ruler. Either the patron will support or oppose the ruler depending on the nature of the bargain struck. Support may be bought via patronage, thus ensuring household level compliance with ruler revenue demands via the patron as intermediary. Failure to achieve a bargain could result in a patron mobilizing households in opposition to the ruler, thus increasing his discount rate. Individual households may choose a patron in part based upon previously struck bargains, or the lack thereof, with the ruler.

3 Governments, Local Rulers, and Governance in Afghanistan

Theory postulates that rulers create and put in place institutional structures and procedures that increase their bargaining power, reduce their transaction costs, and lower their discount rate. However, in many cases reported in recent history, potential rulers are confronted with a more or less rudimentary state structure. A ruler would then not only have to deal with his populace, but also with representatives of the state. Official state structures become overlaid by personal relationships and vice versa. Take for example the case of China during the warlord period of 1916–1928. While the power of the central government was in decline, warlords rose to power and consolidated regional power centers (Gungwu 1968: 268; Roberts 1989: 27). They were lords of an area they effectively controlled by virtue of their capacity to wage war (Sheridan 1966: 1). In doing so, they built alliances on the basis of patronage, mutual biographies, marriage, kinship, and local relationships (Roberts 1989: 30). But the central government never ceased to exist. Reno (1998) describes similar cases for Sub-Saharan Africa; Richani (2002) for Colombia. In our research we focus on Afghanistan.

Whereas the central state in Afghanistan maintains a strong presence in the cities, its influence continuously declines towards the peripheries. Since it came into existence as a state, rural Afghanistan was characterized by the presence of a weak central state. Local strongmen were in charge of running the rural areas, often in competition with the government. Traditionally these strongmen led local communities as khan, malek and maulawi. Since 1978, qomandans, the military commanders of Mujahedin factions fighting the Soviets and the central state, gradually replaced traditional leaders in most parts of the country. These commanders competed with some form of central government for control over all periods of post-1978 armed conflict: During the fight against the Soviets and the government (1978-1991), the civil war (1992-1994), the war with the Taliban government (1995-2001), and the post-2001 Karzai government, Kabul has remained the seat of central state in Afghanistan. Yet, ruling over Kabul is not tantamount to ruling the country. Central government control lies on a continuum running from the unlikely end of full government control to an equally unlikely end of full strongmen control. What means and processes have local strongmen put in place to compete with the central government?

To develop an appropriate understanding of this matter we need to appreciate the fact that local strongmen are not disjointed from the central government. Numerous points of contact remain connect local leaders and the central government through district and province executive offices and justices, the Afghan National Police and Afghan National Army units. Local strongmen have embedded themselves into the government hierarchy—and vice versa. Depending on the status of the strongman and the status of the government official, arrangements can be made to accommodate both parties, from the symbolic acts of showing mutual respect to practical maneuvers of establishing personal relationships and expanding patronage networks, to institutionalized arrangements for exchanging funds for protection. Depending on how local strongmen share their zone of influence with the government, they position themselves such that their
bargaining power increases relative to the central government.

Local strongmen also have to establish, maintain and increase their bargaining power against other local strongmen. War-making in the sense employed by Tilly (1985) comes in many colors. Relying on arrangements with the central government to keep other local strongmen in check is a primary candidate. Amplifying the virtues of rural leadership techniques to mobilize popular support and build a local power base is another. Misdaq (1990) has identified tribal and ethnic leaders called khan, malek, arbab or akhund depending on the prevalent language in a region, members of the ulema, and saints as ideal type elites in Afghanistan who can build bridges across tribal and ethnic cleavages at times of crisis and organize the populous for a common purpose. They do so by redistributing resources as devout Muslims, avid speakers, and brave and credible warriors (Azoy 2003; Janata and Hassas 1975; Roy 1994, 1995). In more recent years Mujahedin commanders have often successfully played combinations thereof in conjunction with a distinct criminal energy to foster local power and support. Some local leaders like Ahmad Shah Massud, Rashid Dostum and Ismael Khan have risen to powerful regional positions.

The advent of the Taliban from 1994 further complicates the picture. Until the fall of Kabul in 1996, Afghanistan had two central governments, one in Kabul, the other in Kandahar, both of which were dealing with unruly local leaders in the periphery of the country. Between 1996 and 2001 the Taliban never fully extended their power into the more remote areas of Afghanistan. They too had to make arrangements with tribal leaders in the Southeast and South of the country. Since the Taliban started to reorganize in 2003 and 2004 they gradually built alternative government institutions such as shadow governors and police chiefs, and Sharia courts in importance districts. However, the Taliban are plagued with a dilemma: On the one hand, they have a stake as “legitimate government”, on the other; they need to project the image of an opposition movement locally grown to counter the central government.

Afghanistan currently faces a power struggle between three, virtually concurrent governments: Karzai and the Durrani Pashtun elite, the Burhanuddin Rabbani government elite, and the Taliban. Each of these governments struggles with the unruly local leaders in the countryside, leaving them with ample options to consolidate their power base and the “governments” with plenty of uncertainties. Local leaders can increase their bargaining power against rival local leaders and the central government by organizing their tailor-made qawm or solidarity network (Azoy 2003). They can also lower their transaction costs in the revenue extraction process, avoiding costly armed conflict by establishing viable arrangements with their rivals and the central government prevents; and costly uprisings by serving some of the population needs, because the Afghan countryside has accepted resource extraction if it entails both accumulation and redistribution of resources (Roy 1994). Hence, alternative governance in rural Afghanistan does not mean accepting the government or a “warlord”, peace or war. It simply signifies a “critical impasse” (Richani 1998); an arrangement in which everyone profits by adopting a high discount rate because no one can reasonably estimate what the future brings. Individual welfare foregoes public welfare and, eventually, the population bears the brunt.

4 Modeling the Emergence of Following in Afghanistan

Geller, Łatek and Mussavi Rizi (2011) and Łatek, Mussavi Rizi and Geller (2010) describe a country-scale multiagent simulation of rural Afghanistan with farmers, traders, and power brokers as basic agent classes, operating across multiple contexts and making a variety of decisions. Farmers allocate land and decide when to harvest. They too had to make arrangements with tribal leaders in the periphery of the country. Between 1996 and 2001 the Taliban never fully extended their power into the more remote areas of Afghanistan. They too had to make arrangements with tribal leaders in the Southeast and South of the country. Since the Taliban started to reorganize in 2003 and 2004 they gradually built alternative government institutions such as shadow governors and police chiefs, and Sharia courts in importance districts. However, the Taliban are plagued with a dilemma: On the one hand, they have a stake as “legitimate government”, on the other; they need to project the image of an opposition movement locally grown to counter the central government.Łatek, Axtell and Kaminski 2009). Figure 1 outlines the static structure of the model.
Model initialization and structure, including georeferenced weather and soil data, and demographic data on the household level, and agent behaviors all are empirically informed (Mussavi Rizi, Łatek and Geller 2010). The model has been validated across geographic, temporal, and societal scales against real-world, out-of-sample data (Geller, Mussavi Rizi and Łatek 2011; Mussavi Rizi, Łatek and Geller 2010). Figure 2 depicts a sample of simulation output of wheat and opium prices from 2002 to 2009 at the farm gate, city level, and at the country border, plotted together with the corresponding real data. The simulation runs open loop and all decision scenarios are on realistic time scales.

In order to address the questions posed at the beginning of this paper we have to extend the model as follows: (a) Power brokers should be susceptible to the needs of the people and respond to them; (b) they should act as intermediaries between the people and the government and vice versa. In a later step we anticipate endogenizing the emergence of power brokers. Figure 3 depicts this process.

At the bottom of the social segmentation are ordinary farmer and trader households. There are two essential input variables for their daily decision making process: livelihood and security. Livelihood is proxied by realized and expected gains and losses of economic activity. Security is proxied by encountered and expected interdiction and eradication. Based on this information and deliberations about future gains and losses, farmers and traders decide whether to corrupt power brokers. The price is negotiated between the two parties based on fictitious learning. Power brokers compete for traders and traffic since traders are able to “vote with their feet.” Farmers are discouraged from buying protection if the price is too high. The interaction segment between local farmers and traders on the one hand and power brokers on the other, is only the lowest level of an elementary hierarchy of district, provincial and country authorities. The total budget for policy enforcement policy allocated to each segment is a dynamic input to the model that depends on historically allocated force levels.
The local population—represented as farmer and trader households—lends support to power brokers as “corruption”. The local power broker himself then transfers the money onto higher echelons of the hierarchy. The expectations of each party are clear: Farmers and traders expect security, thus improvement in economic conditions; power brokers expect to enrich themselves and enhance their position in the hierarchy. What the populace gets back in return is protection and more favorable economic conditions. Hence, resources are accumulated and redistributed, military power is established and essential local government services such as security and economic development are provided. In other words, the ruling classes create institutional structures and procedures that increase their bargaining power through security and economic levers; reduce their transaction costs by executing mutually agreed procedures and longstanding relationships, and lower their discount rate by reducing uncertainty through establishing norms and institutions.

5 Simulation Results

With this simulation in place we can address a variety of questions, pertinent to state capacity and conflict in Karzai-era Afghanistan, such as:

- What income percentage do farmers and traders allocate to corruption and what does this mean for their profits?
- How much income do power brokers generate from corruption?
- What hierarchical social networks emerge as a result of broker-to-broker transfers?
- How does a changing security environment influence the power brokers’ revenue stream?

From our simulation results we find that the trafficker protection market in Afghanistan is worth at least USD 200 million a year. That is, traffickers are paying about USD 200 million per year to power broker protection racket. They enforce the interdiction policy that creates the insecurity for traffickers—and eradication for farmers—and are in a position to mitigate the risk of being interdicted—eradicated. Broken down to the individual level this means that 75% of traders and traffickers out of 50,000 pay a yearly average fee of USD 5400. Are model also indicates that 1% of a trader’s revenue allocated to protection reduces trader’s profits between 5 and 10%.

Figure 4 shows the dynamics of the protection market during times with and without intervention. It can be seen that in the period without intervention—the first 50 months—a stable situation emerges where traders pay a constant stream of protection money to power brokers. Once enforcement starts the percentage of protection money from their total stream of income traders allocate to paying power brokers decreases (solid blue line). Resulting from a deteriorated security situation, competition over providing protection increases amongst power brokers. In other words, who provides protection to whom at what price need to be renegotiated between traders and power brokers. Once the enforcement period ends, protection rates as percentage of trader revenue increases again.

Figure 5 adds a more structural view to these results. It shows a simulated, emergent network of transfers among 40 power brokers in Regional Command (RC) South. Small red dots signify power brokers making about USD 100K per year; large, solid blue circles signify power brokers making about USD 80M per year. The network shows that red dots tend to have a higher number of outdegrees than blue circles. This indicates—and that is what our simulation data tells us—that most income for larger power brokers stems from other traffickers and brokers, whereas the income sources for smaller power brokers are largely from farmers and small traders.

A variety other questions can be addressed using our simulation framework, such as

- How much money can power brokers extract over time, from whom and in which areas?
• What is the relationship between economic boom, corruption, and population support for the government?

6 Conclusion

We have built a socio-cultural model of rural Afghanistan in which

• Locals serve as a source of labor; can engage in banditry and in smuggling on behalf of traffickers;
• Traffickers and legitimate traders organizations and individuals are interested in moving licit and illicit goods;
• Power brokers work out protection arrangements between traffickers, traders and security forces and resort to banditry strategically;
• Bandits roam the landscape and roads targeting unprotected traders and smugglers, and evade security force.

At this stage the model produces two results: Emergent broker-to-broker networks and competition for protection due to enforcement.

We would like to highlight to preliminary insights from this work:

• State capacity in Afghanistan is not only about what the state can deliver and what not and therefore must be delivered by private actors. It is also about how competing “states” and “governments” arrange themselves with private actors for the pursuit of maximizing personal profit.
• In contrast to Olson (1993), due to competition agents cannot extract whatever they like from the population, even when able to rove around in a geographically non-stationary system.

Despite the fact that our model produces a credible account of the emergence of a rentier system in Afghanistan, plenty of work remains to be done. For example, we intend to endogenizes class, location and hierarchies. Also, in the current implementation enforcement is not costly. The ultimate goal, of course, is to use the model for running scenarios for decision support.

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