THE GROWING CHALLENGE OF CORRUPTION IN AFGHANISTAN

Reflections on a Survey of the Afghan People, Part 3 of 4

Yama Torabi, Founder and Director of Integrity Watch Afghanistan
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**ABOUT THE SERIES**

*The Growing Challenge of Corruption in Afghanistan* is one of a series of analytical papers on The Asia Foundation’s recently released public-opinion survey, *Afghanistan in 2011: A Survey of the Afghan People*. The series of essays provide detailed analysis of the survey data on the opinions and perceptions of Afghans toward government, public policy, democracy, and political and social change as interpreted by specialists who have in-depth knowledge of the region. The contributors comment on trends, patterns, and variations owing to Afghan geography, ethnicity, and other factors, and offer policy advice with a long-term view on the future of Afghanistan.

**ABOUT THE AUTHOR**

Yama Torabi is the founder and director of Integrity Watch Afghanistan. He is a political scientist and has worked on corruption, governance, and transparency issues in Afghanistan since 2005. He has a PhD in political science from Sciences-Po in Paris.
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INTRODUCTION

Corruption in Afghanistan is of growing concern both to the Afghan people and the international community. In opinion surveys of Afghans, corruption is consistently singled out as a problem. In international rankings measuring corruption, Afghanistan has remained stubbornly at the bottom of the pile over the past several years. Corruption is now widely acknowledged as having a significant impact on state building, development, and private sector growth in policy documents, and both the Afghan government and the international community have made fighting corruption a stated priority, especially in the current context of transition.

Despite the recent emphasis by policymakers, little empirical study has been undertaken in Afghanistan to assess the impact of corruption beyond its financial implications. What do we know of how corruption has deepened inequalities and the extent to which it has played a role in increasing poverty? Are current efforts enough to reduce corruption to a level that is acceptable to the Afghan people? Have we set realistic goals in our fight against corruption? Do anti-corruption efforts live up to the expectations of the Afghans?

Anti-corruption efforts of the last three years have recorded more failures than successes. The Economic Transition Strategy of the Afghan government, presented to the Joint Coordination and Monitoring Board (JCMB) on November 29, 2011, committed to increase Afghanistan’s ranking in Transparency International’s Corruption Perceptions Index from 176th country to 150th. Two days later, however, it became known that Afghanistan’s ranking in that Index had dropped to 182nd country.¹ Setbacks aside, are we making any progress at all? Have we learned from our failures? Afghanistan tripled its ranking in terms of budget transparency in 2010, but how has this affected corruption?

To begin to answer these questions, we must look at the attitudes of Afghans toward corruption as well as at how Afghans assess existing efforts to curb corruption. In truth, we know little about the characteristics and implication of corruption in Afghanistan, and we have yet to fully explore why so many efforts have failed. Capturing the lessons of the past will be critical to achieving success in transition to Afghan leadership over the months and years ahead.

The data collected by The Asia Foundation this year offers an important basis upon which to assess Afghan opinions about corruption and efforts to combat corruption. This paper, after analyzing the data, offers a few hypotheses as to why those surveyed responded in a certain manner, what may have led them to respond as they did, and what these answers might mean for the future. In so doing, this article provides an opportunity not only to update our knowledge and explain the data, but also to revisit and challenge some assumptions and widely held beliefs regarding corruption in Afghanistan.

THE PROBLEM OF CORRUPTION

Corruption is commonly defined as the “abuse of entrusted power for illicit gains.”\(^2\)

When someone is in a position of power that allows him or her to make certain decisions on behalf of others, and if these decisions provide gains to individuals or groups that generally accepted rules do not otherwise allow, then corruption is implied. Corruption is not only about action—inaction in certain cases can have the same outcome. Examples of corrupt inaction that have surfaced in Afghanistan include the policeman who does not record the complaint of a victim in order to protect the powerful local commander; the local police that have sufficient means yet do not patrol certain areas during the night, with the intention of allowing a gang of criminals to operate with impunity. Corruption also is not limited to the public sector. The officer in charge of ticketing in an Afghan private airline company in Delhi who asks twice the money for a Delhi-Kabul ticket and puts half of that money in his pocket is engaged in corruption. So, too, is the Kabul Bank leadership that knowingly provides loans to ineligible individuals and companies. Finally, despite how it is often portrayed outside Afghanistan, corruption is not limited to Afghans alone. The foreign head of the international agency who takes money allocated for a development project to enhance the comfort of his or his colleagues’ guesthouses, or to pay for the bulletproof vehicle of a minister from whom he expects a favour in return, is committing an act of corruption.

Data from the latest Asia Foundation survey capture this diversity. When respondents are asked about the kinds of corruption that affect them personally, Afghans respond with more than 70 types ranging from public administration and elected bodies to private sector, international aid, and the Taliban.\(^3\) While the majority of these responses concern public institutions, one is surprised to find responses such as unemployment, illiteracy, and moral corruption. These are not corruption per se but are associated with it in the mind of the respondents. This indicates that corruption now covers almost every sector, manifests itself through a variety of forms, practices and activities, is undertaken by a multitude of actors, and has many underlying factors.

Widespread corruption in Afghanistan is not cultural. Most Afghans see the present level of corruption as far graver than that of earlier times. The majority of respondents of the IWA 2010 survey believe that Karzai’s rule (2001-2010) was mostly marked by corruption compared to the last five previous regimes. Corruption also is seen by Afghans as inconsistent with Afghan culture and mores. Most surveys of Afghan opinion show Afghan condemnation of corruption on moral and religious grounds.

According to The Asia Foundation study, what has changed over the years is the perceived causes of corruption in Afghanistan. Five years ago, in one of the first surveys on corruption, most people stated that corruption existed because civil servants were not

\(^2\) This is the one place where a citation is needed. Alternatively, the author could remove the quotation marks, and make it his own definition.

\(^3\) The Asia Foundation, 2011. Afghanistan in 2011: A Survey of the Afghan People, Kabul. Q-24: On another subject, please, tell me what kind of corruption affects you personally the most? Please give me two examples? (Open-ended Write down up to two responses)
paid enough. This was the argument Afghans commonly used to rationalize why they had to pay bribes in exchange for specific public services, such as obtaining a vehicle registration document, a passport, or a driver’s licence. The low-income level of civil servants was the underlying justification. This was a rationalization popular with government officials as well, even at the highest levels of government. It was as if poverty forced people to commit corruption. The fallacy in this logic, of course, is that it implies that the well-off are not as corrupt as the poor. Moreover, few questioned why corruption was not that high in other periods of Afghan history when poverty was more extreme and Afghanistan was not receiving billions of dollars in international aid. Since the study of five years ago, public perceptions of corruption have changed. While the poverty of civil servants is still perceived as one driver of corruption, corruption now is also attributed to the lack of sanctions, weak government control, and the absence of law enforcement. The Asia Foundation 2011 survey shows that respondents consider corruption as the biggest cause of crime after unemployment.

Surveys of Afghan opinion repeatedly put corruption as the third biggest problem after insecurity and unemployment, with the notable exception of the United Nations Office on Drugs and Crime (UNODC) 2010 survey that places it as the biggest problem of Afghans. The Asia Foundation 2011 survey identifies corruption as the third biggest problem (21%) after insecurity (35%) and unemployment (23%). And it is again, for the second consecutive year, the second reason for pessimism of the respondents about Afghanistan (16% in 2011 and 27% in 2010). Administrative corruption is perceived as the second most important failure (25%) of the government after insecurity (32%). This is a significant improvement over the results of the 2010 Asia Foundation survey, in which failure to fight corruption was tied, at 30%, with insecurity in being cited as the biggest failure of the Afghan government. Nonetheless, there is little change in citizen perceptions of their government actually tackling corruption, and the gap is striking between areas of perceived government success, such as education (85%) and poor perception of Afghan government success in fighting corruption (35%).

The Asia Foundation surveys are perception surveys, and it should be noted that Afghan perceptions of corruption appear to be greater than what Afghans in fact report they experience. This is shown notably in Table 8.6 of The Asia Foundation 2011 survey (below) where judgments as to the rise in corruption doubles as respondents are asked to move their judgement from corruption in their daily life (30%) or neighbourhood (25%) to Afghanistan as a whole (55%). The major interaction citizens have with their government is with sub-national authorities, and these form the majority of their corruption experiences. However, people tend to see the state in the centre as more corrupt than the state they experience in their district or province.

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Percentage of the people who think the amount of corruption has increased in various facets of life and levels of government (Q.27a-e)  COMPARISON BETWEEN 2006, 2007, 2008, 2009, 2010 AND 2011

<table>
<thead>
<tr>
<th>Corruption has been increased</th>
<th>2006 (%)</th>
<th>2007 (%)</th>
<th>2008 (%)</th>
<th>2009 (%)</th>
<th>2010 (%)</th>
<th>2011 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>In your daily life</td>
<td>24</td>
<td>21</td>
<td>24</td>
<td>23</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>In your neighborhood</td>
<td>28</td>
<td>21</td>
<td>25</td>
<td>24</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>In your local authorities</td>
<td>-</td>
<td>31</td>
<td>33</td>
<td>32</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>In your provincial government</td>
<td>50</td>
<td>45</td>
<td>45</td>
<td>41</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>In Afghanistan as a whole</td>
<td>60</td>
<td>57</td>
<td>57</td>
<td>54</td>
<td>53</td>
<td>55</td>
</tr>
</tbody>
</table>

THE INSTITUTIONALIZATION OF CORRUPTION

An important aspect of corruption in post-2001 Afghanistan is its institutionalization. This trend is difficult to measure through public opinion surveys, although it is implicit in some of the perception data. The Asia Foundation data indicates high perception of corruption over the years, at all levels of government.


<table>
<thead>
<tr>
<th></th>
<th>2006 (%)</th>
<th>2007 (%)</th>
<th>2008 (%)</th>
<th>2009 (%)</th>
<th>2010 (%)</th>
<th>2011 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>In your daily life</td>
<td>42</td>
<td>47</td>
<td>51</td>
<td>53</td>
<td>55</td>
<td>56</td>
</tr>
<tr>
<td>In your neighborhood</td>
<td>40</td>
<td>43</td>
<td>48</td>
<td>50</td>
<td>50</td>
<td>47</td>
</tr>
<tr>
<td>In your local authorities</td>
<td>-</td>
<td>48</td>
<td>53</td>
<td>53</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>In your provincial government</td>
<td>66</td>
<td>60</td>
<td>63</td>
<td>61</td>
<td>65</td>
<td>64</td>
</tr>
<tr>
<td>In Afghanistan as a whole</td>
<td>77</td>
<td>74</td>
<td>76</td>
<td>76</td>
<td>76</td>
<td>76</td>
</tr>
</tbody>
</table>

Source: Table 8.3 in The Asia Foundation 2011 survey report.

The question that must be answered is why Afghans have this perception? That answer is best arrived at through qualitative studies, as set out below, which address corruption as a system, including inter-linkages among different forms of corruption, and complex regulatory and legal issues involving land and property.

Central to the growing complexity of corruption in Afghanistan is the current strength of patronage networks and the consolidation of patronage politics that at times flirts with crime and criminal networks. Patronage has been a persistent feature of Afghan power sharing for centuries, but it has now become the dominant feature, and its association with criminal activities is of great concern. In today’s Afghanistan, there is little space for non-affiliated individuals to be able to make their way to the upper echelons of the state without the support and backing of a patronage network or the help of one of the dozen big patrons of Afghan politics. Unfortunately, the dominance of patronage politics is directly linked to corruption. Patronage networks have repeatedly protected individuals,
leading to an environment of impunity for corrupt officials or brokers. In many cases, honest officials have been barred from access to positions of responsibility and power. This corruption of public office has reduced the political will of others in government to fight corruption. In this context, the goal of public servants becomes to maintain power, and incentives are strong for officials to maximize individual and factional gains over serving the needs of constituents.

Today, all of the major patronage networks are engaged in self-serving economic activities, some licit and others illicit. This narrow economic focus has eroded the popular support or acquiescence these patronage systems once enjoyed. The targets for these networks are wide ranging, from land and real estate to private security, from banking to drug trafficking, from mining to contraband of cigarettes or oil business. In a recent paper, the Afghan Analyst Network rightly asserted that, “Afghanistan’s executive is thus a body that rules effectively in terms of protecting its power but underperforms in terms of governing.”

The challenge that patronage networks pose to modern statehood must be seriously considered by the international community, which has only recently acknowledged the problem. The huge inflows of international aid have obviously fed Afghanistan’s patronage networks, and had a negative impact on the integrity of the system that is supposed to fight corruption. Afghanistan received 15.7 billion USD in 2010, which is the equivalent of Afghan GDP. There is no effective mechanism to counter potential abuses. Oversight mechanisms of the donors have been overwhelmed, while insecurity makes it impossible for many donors to go and visit the projects they fund. Some have even institutionalized the absence of oversight. Massive inflows of aid also mean pressure to spend quickly, which has often led to parallel systems lacking in accountability, and non-participatory or discretionary decision-making.

ISAF’s Task Force Shafafiyat is seeking to address the negative impact of international and coalition assistance by looking into criminal patronage networks. While this is laudable, given ISAF’s limited mandate in fighting corruption it is unlikely that Task Force Shafafiyat, alone, will be able to curb the dynamics of criminal patronage networks. In general, fighting corruption must be predominantly the work of national authorities who, at present, are by and large unwilling or unable to combat the problem effectively. Still, increased attention to criminal patronage networks by the international community will help prevent the kinds of mistakes the international community, including the military, has committed in the past. There is evidence that some of the private security firms, logistics providers, and construction companies that have received funding from international players in Afghanistan either belonged to or were linked to individuals associated with criminals and criminal patronage networks. Without proper oversight and vetting of contractors, it was almost inevitable that a part of the 15.7 billion USD that Afghanistan received in foreign aid in 2010 would be diverted through abuses. According to the World Bank, the fact that large financial inflows have been channelled

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outside the national budget, with a relatively low level of accountability for their usage, has made international aid a major source of rent, patronage, and political power.\(^9\)

The response of the Afghan government to the influence of the patronage network has been an oft-repeated commitment to depoliticize the civil service, yet without tangible success. President Karzai has pledged to ensure that the appointments of civil servants are not made on the basis of their political affiliation, but there is no comprehensive strategy to achieve that goal. The structures established for depoliticizing the civil service themselves have been permeated by patronage networks that compete for power and influence through access to public administration. It is not clear which part of the government the political will could come from to depoliticize the civil service. While perceptions vary across regions, The Asia Foundation survey showed that one third of respondents (37\%) felt that the Afghan government is not doing enough to fight corruption. To sum up, neither the government nor the international community has plans to reform patronage politics and commit to a real strategy to increase accountability and fight corruption.

Another important driver of corruption is the interconnectedness of the land, real estate and construction sectors. According to a report presented by the Afghan government at the 2010 London Conference on Afghanistan, corruption in land and real estate is the main driver of corruption in the judiciary, while police corruption is highly associated with drug trafficking.\(^{10}\) The reason given for this is the complexity of Afghanistan’s legal regime. Afghanistan lacks an overarching and enforceable legal system to provide necessary security for land rights and define a clear framework for land disputes. Land rights are defined by a variety of legal sources such as the constitution, state law, sharia, civil law, and customary law that are at times contradictory.\(^{11}\) Land disputes are common within such a legal chaos, as attested to in numerous surveys and studies.\(^{12}\) The Asia Foundation 2010 and 2011 surveys, for instance, indicated that 21\% and 24\%, respectively, of community disputes that required the collaboration of external actors were land disputes. In such cases, people took their cases to state courts in 41\% of cases while 43\% took their cases to local shuras and jirgas. There was a tendency to perceive state courts as corrupt amongst those who took their case to local shuras and jirgas. In addition, the percentage of people satisfied with the rulings of the local shuras (36\%) is higher than those who referred their cases to state courts (21\%). Finally, when such traditional mechanisms either do not exist, as is the case in urban areas, or does not offer a satisfactory outcome for the disputants, the better-connected and more resourceful people pay more and buy judgements. The authority to decide over land issues often rest with the state courts.

In the construction sector, corruption is abetted by the bureaucratic complexity that results from multiple layers of laws and regulations. Azizullah Luddin, the Head of


\(^{11}\) Civil-Military Fusion Center, 2011. From Dispute to Resolution: Managing Land in Afghanistan, October 2011.

Afghanistan’s High Office of Oversight, stated to participants at the National Anti-Corruption Conference of December 11, 2011, that building a residential block with many stories required Afghan citizens 512 steps while a construction permit for a commercial skyscraper required 609 steps. As a result, no one in Afghanistan enjoys a legally enforceable right to build or develop properties. Individuals are left to bribe their way through the system and those benefiting are the ones who are better connected, have the money to pay, and enjoy the protection of officials in institutions dealing with construction issues: the municipality, the judiciary and the police. More than a third of respondents in The Asia Foundation survey reported that they had encountered corruption when applying for a job, or when seeking official documents, among other services. This environment has huge consequences for clean business and foreign investments. It has pushed the ranks of Afghanistan down the ladder of Doing Business reports. Indeed, while Afghanistan is ranked 30th country in starting a business and it is the 162nd (out of 183) country when it comes to dealing with construction permits. The ranking for registering property has fallen down over the last three years from 167th (out of 182 countries) in 2010 to 170th (out of 183 countries) in 2011 to 172nd (out of 183 countries) in 2012.\textsuperscript{13}

Since 2001, land capture and possession have unfortunately become the currency of power and central to accommodation of political elites and circles. The infamous example of the Sherpoor town in Kabul is case in point. Bulldozers were sent in August 2003 to destroy some slum houses of the poor and part of the Defence Ministry’s property, in order to clear the area for Afghan transitional cabinet residences. (Subsequent investigation showed that most of those ministers except two were given plots in Sherpoor.) This scheme has unfortunately been repeated over and again, with impunity. Illegal distribution of land in effect has become a form of currency, used by the executive to buy the allegiance of political elites. The Kabul municipality recently received orders from the executive to distribute plots of land in Dasht-e-Padola among an important group of elected members of parliament. The Kabul landscape has become a dense geography of illegal townships popping up. Half a dozen individuals under the patronage of Afghan political elites and high officials distributed more than 80% of the new land inside or in the periphery of the Kabul city.\textsuperscript{14} These lands were partly distributed to ethnic constituencies, but the main driver has been economic. The big urban landlords have an important advantage in an environment where no one enjoys enforceable property rights.

Land, real estate, and construction are not isolated issues. Many former warlords have transformed themselves into a politically connected market oligarchy. They see investment in these sectors as part of a broader economic diversification strategy that encompasses private security, drug trafficking, banking, logistics for the international military, oil and gas, imported medicines, etc. Typically, the money gained illicitly is recycled into land, construction and real estate. But, money laundering is not the only source of cash. International money either through generous contracts for the construction


\textsuperscript{14} Upcoming Integrity Watch Afghanistan publication. A study of Shahraks – residential towns – in Kabul.
of infrastructure projects, private security, or logistics provide additional resources. Furthermore, by providing good salaries, international funding has contributed to the creation of an Afghan middle class that can buy property, in effect creating clients for the real estate oligarchy. Finally, private banks owned by the circle of political oligarchs who receive the deposits of the aid-dependent middle class and aid agencies have also significantly invested in real estate. Kabul Bank, for example, before its collapse, had invested heavily in the real estate market and built many buildings such as Gulbahar Centre close to the Presidential Palace. Azizi Bank also has invested in many buildings, through Onyx Construction Company. There are certainly many examples of clean business in these sectors, but the general dynamic of this market has significantly contributed to the emergence of a black economy that sustains a system of corruption.

CONSIDERABLE BUT MOSTLY UNKNOWN EFFECTS

The fact that corruption in Afghanistan has now become a major challenge and has become entrenched in all areas of life is widely recognized. What is less understood is its impact. It is generally accepted that corruption affects the state-building process, the development gains, and the progress achieved in terms of rule of law, access to basic public services or free market. But what do we know exactly about the specific effects of corruption in all these sectors?

Corruption’s impact on state-building and governance has been highlighted through many studies. Corruption erodes the legitimacy of state-building and democratization. The Asia Foundation 2011 survey, for instance, shows that while Afghans associate democracy with general freedom, they do not associate it with less corruption, more rights, laws, and more inclusive government. Asia Foundation data confirms what Afghans ordinarily hear on the street: Democracy and free market mean chaos for the ordinary Afghans and opportunity for the more powerful. According to Asia Foundation data, ministers in the government are perceived by 48% of the respondents as serving their own interests as opposed to serving the interests of the Afghan society (31%). In other words, Afghan perceptions of corruption have negatively affected Afghan perceptions of government officials. Court officials fare similarly while members of parliament earn a slightly better rating. In comparison, only 34% of the respondents perceive that religious leaders serve their own interests and 45% perceived that they serve the Afghan society.

The relation between corruption and conflict is blurred. Yet it is not difficult to see that corruption in law-enforcement institutions deprives citizens and communities from a conflict-resolution mechanism. State courts are much less trusted and perceived as fair (59%) than local shuras and jirgas (79%) in Asia Foundation data this year. This is consistent with data from other surveys. IWA data in 2010, for example, showed that one third of respondents reported a form of conflict generated in their town or village due to corruption. This has been the case for land, water, and electricity. The Taliban certainly are aware of the connection, and repeatedly denounce corruption within the state.

15 See for instance, AREU, 2010. Corrupting the State or State-Crafted Corruption? Exploring the Nexus between Corruption and Subnational Governance, Kabul, 2010
Corruption in general generates a feeling of injustice amongst the citizens and feeds frustration and support for the insurgency.

More research is necessary to better understand the link between corruption, development and poverty. We know that high-level corruption disrupts the fair allocation of resources, notably those coming from natural resources and the extractive industries, and can lead to a "resource curse." We intuitively understand that the quality of imported medicine and food, when those responsible for inspection are corrupt, translates into a cost in terms of public health. But these need to be better quantified.

Corruption’s effect on access to public services is more evident. The Asia Foundation survey notes that in order to receive services, it is clear that in most cases bribes have to be paid. For many basic public services such as accessing healthcare, applying for jobs, receiving official documents and dealing with the police or the courts, respondents encountered some level of corruption at least half of the time.

*Whenever you have contacted government officials, how often in the past year have you had to give cash, a gift or perform a favor for an official? (Q-28a-j, Base 6348)*

<table>
<thead>
<tr>
<th>Institution</th>
<th>In all cases (%)</th>
<th>Most cases (%)</th>
<th>Isolated Cases (%)</th>
<th>Bribes paid (sum of All, Most, and Isolated Cases) %</th>
<th>No bribes paid %</th>
<th>No contact with officials %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public healthcare service</td>
<td>3</td>
<td>13</td>
<td>22</td>
<td>38</td>
<td>30</td>
<td>31</td>
</tr>
<tr>
<td>Afghan National Police</td>
<td>4</td>
<td>12</td>
<td>19</td>
<td>35</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td>When applying for a job</td>
<td>4</td>
<td>13</td>
<td>17</td>
<td>34</td>
<td>24</td>
<td>41</td>
</tr>
<tr>
<td>Judiciary/courts</td>
<td>6</td>
<td>13</td>
<td>16</td>
<td>35</td>
<td>20</td>
<td>44</td>
</tr>
<tr>
<td>To receive official documents</td>
<td>6</td>
<td>12</td>
<td>16</td>
<td>34</td>
<td>22</td>
<td>43</td>
</tr>
<tr>
<td>Admissions to schools/university</td>
<td>3</td>
<td>10</td>
<td>14</td>
<td>27</td>
<td>32</td>
<td>40</td>
</tr>
<tr>
<td>Officials in the municipality</td>
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<td>11</td>
<td>13</td>
<td>30</td>
<td>23</td>
<td>47</td>
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<td>State electricity supply</td>
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<td>9</td>
<td>13</td>
<td>25</td>
<td>27</td>
<td>46</td>
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<td>Customs office</td>
<td>4</td>
<td>10</td>
<td>12</td>
<td>26</td>
<td>22</td>
<td>52</td>
</tr>
<tr>
<td>Afghan National Army</td>
<td>3</td>
<td>7</td>
<td>10</td>
<td>20</td>
<td>38</td>
<td>42</td>
</tr>
</tbody>
</table>
Corruption in the education sector in Afghanistan is mainly within the institution as opposed to a user-institution relationship, although of course the corruption within the institution has a deleterious effect on users, that is, the students. Ghost-teachers and those teachers that are double-registered are the two dominant forms of corruption.\(^\text{16}\) Paperwork, such as shifting from one school to another, also requires some small bribery.

Corruption in the physical infrastructure sector such as roads, clinics, schools, water supply, and irrigation are amongst the most common, but yet insufficiently documented in Afghanistan. There are multiple factors facilitating corruption in infrastructure – and here criminal patronage networks are clearly at play. But the project cycle itself presents many vulnerabilities.\(^\text{17}\) The pernicious effect for citizens and communities lies in the deprivation of basic infrastructures, as well as land disputes.

While the ones that suffer the most when the quality of basic services is affected by corruption are the poor, this category of population is also hit the most by the unjust tax that bribery and corruption impose on it. The poor are hit the most by corruption not only because of the financial burden on them, but also because they are the less socially and politically connected. The patronage system does not work for their benefit. This is typically the case when the conflict that opposes the poor and rich requires a higher level of investment in social capital and bribes. The poor more often than not are on the losing side in case of land and property disputes. As a result, issues such as the land regime become one of the largest drivers of poverty.

**FAILURE AND SUCCESSES OF ANTI-CORRUPTION EFFORTS**

Given the challenges that corruption poses to Afghanistan and the international community, efforts at curbing corruption to date appear far too modest, often ill-suited, badly-informed, and narrow-minded. As a result, if there are some anti-corruption successes, they look like islands of integrity. Isolated reforms at this stage cannot bring about a bigger outcome if they are not connected.

There are multiple Afghan anti-corruption initiatives. One such effort is the budget transparency that is the basis for overseeing how public resources are allocated and spent. Afghanistan tripled its ranking last year in the International Budget Index.\(^\text{18}\) The Afghan Ministry of Finance under the leadership of the Deputy Minister in charge of Budget has shown significant commitment and taken many steps to further improve budget transparency. However, there are still many areas for improvement that can be achieved in the months and years to come if budget transparency is to succeed in fighting corruption more effectively. One area concerns the budget process itself. Afghanistan today is a long way from the period when the Ministry of Finance alone drafted the budget. But the process still needs to be pushed down to the provinces and districts. If anyone wants to check the stated expenditure with the reality at school or clinic level, it is a challenge. There is no breakdown of expenditure at the district level, let alone the

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school or clinic level. The best information available is a statement of expenditure at the provincial level.

Another important and emerging area is the decisions on public resource allocation that happens outside of the normal budget process. So far, this has been the case with international aid, most of which is channelled off budget. Most importantly, some current discussions about contract concessions in the extractive industries are going in that direction. Budget transparency is about money coming in and going out of the state purse. However, if a discussion about an important investment on public infrastructure such as railways is taking place outside of the normal budget process that requires cabinet and parliament approval, there is a risk that the integrity of public institutions in ensuring a proper budget process be diminished. So far, these discussions under the leadership of the ministers of Finance and Mines are held with decent transparency, but it is not yet clear whether direct investment by foreign or private mining companies will be integrated into the public budget. Another angle for this can be through the framework of the Extractive Industries Transparency Initiative (EITI), for which Afghanistan is actively seeking compliant member status by the end of 2012. Compliance with EITI standards ensures a higher level of transparency and will prevent corruption in this sector. The discussion on how to integrate social and barter payments as revenue has been ongoing within Afghan EITI for a year now.

While budget transparency, EITI, and public finance management are important preventive measures, initiatives that are dubbed as anti-corruption are mainly implemented or led by the High Office of Oversight (HOO). On the preventive side, one important measure is government officials’ asset declaration and verification. The HOO has so far registered the wealth of 2,500 civil servants out of 5,000 according to Azizullah Luddin, but many in high positions have not yet obeyed. The most important dimensions, however, are still lacking. First, the law needs to expand the declaration to include close family members such as brothers and wives. Often in Afghanistan, the wealth of a government official is in the name of a brother. Second, all declarations without exception should be made online. So far only 93 declarations have been published in government newspapers and as of mid-December 2011, there is nothing published online. There also is a need to enhance the legal framework to make sure that declarations stay in the public domain for 15 to 20 years. Third, both legal framework and capacity are needed to verify the assets declared by civil servants.

Another preventive measure reiterated in the London and Kabul conferences in 2010-11 is the simplification of public service procedures. The work of simplification has begun for many public services by a multitude of actors. But it is far from clear than this effort is resulting in any changes. Simplification has become a mere buzzword for anti-corruption in Afghanistan, making little sense. The HOO has tried it with vehicle registration in the Traffic Department without any success. Procedures have been simplified but users still report the same level of bribery if not higher. Harakat, an independent Afghan-managed organization that aims to improve business environment,

has tried it with the Kabul Municipality, but the Kabul Mayor complained in April 2011 that it had simply made things worse. The HOO is now working on the construction permit paperwork referred to earlier in this study, with between 512 and 609 steps. But it is doubtful that such regulatory simplification will change anything given the flaws in the regime of land entitlements itself? Generally, what “simplification” has overlooked is the world behind the procedures. Bribery in vehicle registration represents a business that collect millions of dollars a month and those who run it do so with the protection of powerful networks. Construction generates bribes amounting to hundreds of millions of dollars and benefits a wide range of networks. In sum, these anomalies in public procedures are just the tip of the iceberg. Simplification efforts in these sectors are merely addressing the symptoms of criminal patronage dynamics rather than the disease itself – a disease for which Afghanistan does not have a strategy.

Finally, the law-enforcement approach has so far been marred by failure. All investigation and prosecution attempts of high-profile officials so far have failed. And given the impunity that this category enjoys, the attorneys have generally been reluctant in investigating even low-level civil servants. The failure of the Major Crimes Task Force (MCTF) after the episode that followed Mr. Salehi’s arrest was a case in point. The man who headed the MCTF now lives out of the country for fear of his life. The Afghan government pledged in London and Kabul conference to amend the penal code that is 40-years-old and does not define any punishment for many emerging criminal forms of corruption. But this is not yet finalized. HOO officials have repeatedly pointed their finger at the Attorney General’s Office (AGO) for not following up on the cases for which the HOO has engaged in preliminary investigation. The AGO’s response is that the evidence presented to it was not sufficient to pursue the investigation. Similarly, the Afghan government has repeatedly blamed foreign governments – mainly British and American when specified – for not handing over former government officials under investigation. These foreign governments retort that they have not received a proper formal legal request.21 All this blame game either inside the Afghan government or with the international community leads the Afghan public to one conclusion: the ineffectiveness of the law enforcement agencies in fighting corruption.

The failure of the government’s simplification policy and of law enforcement efforts should be seen in the larger context of fragile states, and of why certain anti-corruption approaches can be effective in the fragile state context while others fail. While there is still some debate regarding the concept of a fragile state, there is a general understanding that states are considered fragile when they are unable to govern a population and territory, or build a social contract that will ultimately improve state-society relationship.22 Afghanistan, by this definition, is a fragile state. Fragile states like Afghanistan are often confronted with an abundance of aid that can be misused. Coupled with high citizens’ expectations, international aid can often turn into public disappointment and public cynicism.23 In this context, counting on the state alone to solve

21 Most recently, President Karzai slammed Washington in a high-profile conference for providing refuge to former Central Bank director, Qadir Fitrat. The U.S. ambassador’s immediate response was that no formal legal request has been made.
problems such as corruption significantly limits the options. With weak state capacity and limited legitimacy, the top-down approach can hardly be effective. On the other hand, citizens’ expectations for public accountability, and citizen intolerance for corruption, as revealed in the Asia Foundation survey 2011, can easily be tapped into, through social mobilization and other bottom-up approaches.\textsuperscript{24} There are many bottom-up initiatives launched in Afghanistan over the recent years to increase accountability and fight corruption. These should be promoted, even as pressure continues to be applied, by the international community and by Afghans themselves, for greater transparency and effective government action at the top to combat corruption.