

International aid pledges fall far short of Afghanistan's basic needs

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The International Conference on Reconstruction Aid for Afghanistan, held in Tokyo from January 21 to 22, ended with just \$US4.5 billion in grants and loans being pledged toward rebuilding the war-ravaged and famine-stricken country. Some \$1.8 billion will be paid this year, with the remaining \$2.7 billion trickling in by 2006.

United Nations general secretary Kofi Annan, US Secretary of State Colin Powell and Japanese prime minister Junichiro Koizumi, among others, delivered homilies to the conference on the determination of the world to assist the long-suffering Afghani people. The amount pledged though is insufficient to restore even the most basic government and social infrastructure. The UN had estimated that a minimum of \$10 billion was needed over five years, with \$15 billion needed over a decade, while Afghani officials had put the figure at between \$30 and \$44 billion over a decade.

The UN estimates that the interim Afghani government, which was assembled in Bonn in December, needs \$1.3 billion in immediate financing—\$237 million for recurring costs such as salaries, \$376 million for de-mining operations and infrastructure reconstruction and \$736 million for urgent humanitarian and food relief. At present, it is bankrupt. Only \$9.7 million of a \$20 million “start-up” fund pledged to it by the major powers has been paid and that was exhausted last week paying the country’s 170,000 civil servants, teachers and health workers for the first time in six months.

Hospitals and schools do not have the most basic necessities. Water supplies, telecommunications, electricity generation and the road system are barely functioning, in part due to the impact of US bombing. Seven million people are totally dependent upon international food aid and five million Afghanis are still

living as refugees both outside and inside the country.

A January 11 report on Afghanistan by aid agency Oxfam notes: “There is widespread starvation in the sense that hundreds of thousands of people will only have enough food this winter to keep themselves alive and will have to undergo starvation for various periods as a way of eking out supplies. Suffering on this scale is widespread and mortality—which is ‘normally’ high in Afghanistan—will certainly increase in many places.” At present, only 40 to 80 percent of food requirements in the country’s central highlands and west are being met and low rainfalls indicate Afghanistan is set to suffer a fourth consecutive year of drought.

The response of the major capitalist powers to this social crisis was a combination of contempt, arrogance and bullying.

The United States led the way, pledging just \$296 million this year and refusing to make any longer term commitment. This compares with the estimated \$4.5 billion it has spent bombing Afghanistan and the \$48 billion additional defence spending foreshadowed last week by the White House.

The Bush administration took a similar approach to his father’s after the 1991 Gulf War against Iraq—pressuring other countries to foot the bill. In particular, the US sought to extort large contributions from Japan, the European Union and Saudi Arabia, all which co-chaired the conference with Washington.

Unlike 1991, when the US government collected billions of dollars to pay for the war, the purse strings of the other powers were barely loosened for Afghanistan.

The Japanese government, which has cut its foreign aid expenditure by 10 percent, pledged just \$500 million, of which only \$250 million is to be paid this year. The remainder will not be delivered until

mid-2003. Saudi Arabia, which the US had expected to provide a quarter of reconstruction costs, offered only \$220 million, spread out over three years. The 12 European Union member states and the EU commission pledged just \$495 million this year, with Britain promising an additional \$295 million over five years and Germany a further \$362 million over four years.

Other US allies that have given enthusiastic support to the “war on terrorism” also demonstrated a distinct disinterest in financing Afghanistan’s government. Australia pledged only \$40 million, while Turkey offered just \$5 million. Iran pledged \$500 million over five years, while China, India and Pakistan, all vying to establish influence in Kabul, offered \$100 million each.

Even to get these amounts, the Afghani government was compelled to give a series of guarantees and commitments to the major powers and international lending agencies such as the World Bank.

US Treasury Secretary Paul O’Neill bluntly told new Afghani prime minister Hamid Karzai to “keep his government small” and “avoid lavish spending”. In deference, Karzai made guarantees throughout the conference that his administration would be lean, combat corruption and allow foreign audits of its budget.

The pledges of the major powers will not be handed over to a central fund, but distributed directly from Washington, Tokyo and Brussels, ensuring the Afghani government will be on a tightly-controlled leash. It is likely that Kabul will be forced to purchase goods from or give contracts to companies based in the donor countries.

Lending institutions extracted a guarantee from Karzai that his regime would “assume responsibility for the foreign debt incurred by all previous [Afghani] governments”. Afghanistan owes \$5.5 billion—nearly four times its 1999 Gross Domestic Product of \$1.55 billion. Each year, Kabul will need to raise over \$100 million to simply meet the interest payments. On top of this, close to a quarter of the amount pledged at the conference, one billion dollars, will come from the World Bank and Asian Development Bank in the form of non-interest loans, which the Afghani regime will also have to find the means of repaying.

Karzai was also pressured to maintain the previous Taliban regime’s ban on opium-poppy cultivation in Afghanistan. Under conditions where opium is one of

the few crops that earn peasants an income, and where various regional militias and tribal groups engage in drug trafficking, enforcing the ban will be difficult. It will drain the new government’s treasury and ignite opposition to it.

It is already clear Kabul will spend a significant proportion of the \$4.5 billion on developing and equipping a new Afghani army and police force, not basic needs like clean water and education. Much of Afghanistan is currently controlled by regional and ethnic-based warlords and powerbrokers. The major powers are putting pressure on Karzai to bring them under control. Justice Minister Abdul Karimi announced on January 22 that the interim authority would break the “different powers in different areas” and conduct a nation-wide purge of ex-Taliban. Defence Minister Mohammed Fahim has stated he wants British and US assistance to construct an army of up to 250,000 troops.

The emphasis on security reflects the economic and strategic interests of the major powers, particularly the US, to establish a stable environment to exploit the resources of Afghanistan and more importantly of the neighbouring Central Asian states with their large reserves of oil and gas. As EU Commissioner for External Affairs Chris Patten noted: “Afghanistan has oil, gas and minerals, and these will be attractive.” Aware of the expectations of his audience, Karzai dutifully gave repeated assurances his government would uphold the free market and was enthusiastic for foreign investment.



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