



A NEW APPROACH TO UNDERSTANDING AFGHANISTAN'S TRANSITION

COMPARISONS WITH INTERNATIONAL
POSTCONFLICT EXPERIENCE

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ABOUT THE REPORT

There is far too little cross-country learning going into strategic thinking, analysis, and institutional and policy work regarding countries attempting to transition out of conflict, and Afghanistan is no exception. This report, which relates closely to the U.S. Institute of Peace's broader analytical work on the current transition in Afghanistan, is intended to help remedy that deficiency. It draws on analysis and findings presented in their entirety in "Afghanistan in Transition: Looking Beyond 2014-Quantitative and Indicator-Wise International Comparisons," a background paper for the World Bank study Afghanistan in Transition: Looking beyond 2014 (coauthored by Richard Hogg, Claudia Nassif, Camilo Gomez Osorio, William Byrd, and Andrew Beath; Washington, DC: The World Bank, 2013). Comments on an earlier version of this report by Richard Hogg are gratefully acknowledged, as well as comments on the current version by Scott Smith and Andrew Wilder. The views, findings, interpretations, and conclusions expressed in this report are entirely those of the authors and do not necessarily reflect the views of the U.S. Institute of Peace or the World Bank, its affiliated organizations, its executive directors, or the governments they represent.

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[The lack of progress in political consolidation and building political institutions and stability . . . is worrisome and may well affect the prospects for success of the transition process as a whole.]

Summary

- Afghanistan faces its upcoming security and political transition with both strengths and weaknesses following uneven progress since the downfall of the Taliban regime in 2001.
- Among Afghanistan's strengths is its economic performance—including high growth, relatively low inflation, and solid public financial management—and the priority is to maintain progress in these areas and protect gains.
- Among Afghanistan's weaknesses is its recent performance in the areas of governance and rule of law, which has been poor and shows no signs of improvement. Political consolidation and stability are crucial for Afghanistan's transition to succeed.
- Health and education have been improving from very low levels in 2001, but Afghanistan will continue to play catch-up for quite some time to come.
- Aid dependence in Afghanistan has been uniquely high, and large declines during transition will have significant consequences.
- This paper draws its conclusions from systematic comparisons of Afghanistan's experience with those of other countries that have emerged from conflict. The paper's "event study" approach brings out patterns and possible lessons that can inform thinking, analysis, and policy for Afghanistan's current transition and beyond, bearing in mind that any recommendations must be grounded thoroughly in the context of Afghanistan's history and current situation.
- The analysis in this paper can be taken forward by updating it as information for more years becomes available, including more variables, performing sensitivity analyses, and applying the comparative methodology to other countries undergoing transitions from conflict.

A postconflict country's prospects for development depend on how it transitions out of conflict. Cross-country empirical work suggests that countries emerging from civil war face a substantial risk of reverting back to conflict within five to ten years; many countries do, but some do not. Each country's postconflict transition experience is different, with its own unique characteristics, and the international environment, which influences countries' choices, also differs across countries and changes over time. Thus, general lessons from international experience with postconflict transitions should be derived cautiously. Moreover, transplanting analyses, policies, and instruments directly from one country to another is likely to prove disastrous. Grounding analyses and recommendations for a country in a deep and holistic understanding of that country's context is essential. Nevertheless, it is clear that there is far too little cross-country learning going into strategic thinking, analysis, and institutional and policy work regarding countries attempting to transition out of conflict. There are also far too many examples of reinventing the wheel, or mechanical applications of best-practice models from textbooks or other countries, untailed to the recipient country's context.¹ Some initiatives show a lack of awareness of what has worked and not worked in other countries emerging from conflict.

Cross-country learning, combined thoughtfully with a thorough understanding of a country's current reality and history, can improve the chances that development efforts will succeed even in very challenging situations. In this report, we examine the experiences of selected low-income countries as they attempted to move out of violent conflict, with an eye toward informing current policies in Afghanistan. We review a set of quantitative indicators across a group of countries selected for general comparability with Afghanistan, taking an event study approach—that is, evaluating trends in economic, social, and governance data from each country based on the time elapsed from a distinct transition-initiating event.² Our analysis then situates Afghanistan within international experience from two perspectives: trends in Afghanistan since the fall of the Taliban government and change of regime in late 2001 and conditions in Afghanistan at present, using the most recent available data, as it embarks on its current transition. We conclude by distilling key themes and lessons that may be particularly relevant for Afghanistan and putting forward some broader observations and suggestions for further research. Our approach is innovative in that it does not rely on large-sample cross-country regressions at one extreme or individual cases at the other; combining elements of both, it is intended to be neither faceless nor idiosyncratic, and it is hoped that the methodology developed here will be useful for Afghanistan and other countries undergoing transition.

Conceptual and Methodological Approach

We define three clusters of low-income countries emerging from conflict to compare with Afghanistan by first examining country characteristics and experiences to ensure broad similarities and then creating clusters according to socioeconomic development as measured by the Human Development Index (HDI) and the government stability indicator of the International Country Risk Guide (ICRG). Under the event study approach, we align countries' experiences with one another by identifying for each of them a peace agreement, ceasefire, or other event that ended, or at least largely ended, a conflict, allowing us to designate a single transition initiation year—referred to as year zero—in which the country could be said to be beginning to emerge from conflict. This allows us to analyze trends after year zero across countries through graphs and statistical comparisons. We use a fifteen-year time horizon to provide a medium-term perspective, enabling us to evaluate country experiences and assess their performances.

The exercise³ begins with fifty-nine country experiences based on analysis conducted for the 2011 World Development Report (WDR),⁴ which includes countries that experienced periods of fragility or violence between 1978 and 2010. We remove twelve cases from consideration because the countries are either very small or very large. Another eight countries are eliminated for study due to their experiencing little or negligible violence. A further requirement that comparator countries be landlocked, resource-poor, or both—like Afghanistan—omits another nine cases.⁵ We remove two more countries with imprecise transition moments (necessary to establish a year zero) and four other countries that were not low-income at the beginning of transition. This filtering process results in a set of twenty-four comparator countries. Of these, we include five country experiences with recent transition moments—a year zero in 2003 or later—in the analysis, but care should be taken in interpreting patterns and trends in these countries, since it is still relatively early to measure performance and success.

We cluster the twenty-four countries using two measures: progress on HDI and, where there are insufficient data from HDI to assess development progress, the ICRG measure of government stability to separate countries that have seen some progress from those that have not. We first order the countries according to their average annual improvement on HDI, either for the fifteen years after year zero or for the period of time for which data are available if less than fifteen years. Based on HDI progress, countries are then broken into strong performers, middle performers, and weak performers. Countries with insufficient HDI data are categorized as weak performers, excepting three countries with strong showings for ICRG government stability, which are put in the middle performers' category. Table 1 shows the final breakdown.

We review the clusters of comparator countries according to trends and levels for various data and indicators, including key economic variables, basic social indicators, and a number of indicators on governance, rule of law, government effectiveness, and political variables (see table 2). Our choice of indicators was constrained by data availability for comparator countries and especially for Afghanistan.⁶

The event study methodology raises a conceptual question about Afghanistan, since there is an important difference between the current transition in the country and how transition has been defined, viewed, and identified for most other countries. For the comparator countries and in the 2011 WDR, transition is seen as a medium- to long-term process initiated by a transition event that ends or largely ends an ongoing conflict. During the transition period, countries try to move away from protracted cycles of violence and onto a path of stability and sustained development. In this regard, Afghanistan underwent a major transition—which most observers at the time saw as a postconflict transition—starting with the fall of the Taliban regime in late 2001, and there was real progress toward what looked like sustainable stability and economic development in the years immediately following. Looking back, it seems clear that there was a genuine window of opportunity for Afghanistan after 2001, but the trajectory since 2005 or 2006 has become less promising in a number of ways.⁷ Afghanistan now faces major changes of a different nature—though they are also being called a transition—involving the transfer of security responsibilities from international military forces to the Afghan National Security Forces (ANSF) and reductions in aid, as well as a political change with the 2014 presidential election. A reconciliation process that leads to a peace agreement with the Taliban or a durable cessation of hostilities would be akin to the transition initiation events identified for comparator countries. In the absence of such a process, however, Afghanistan's current transition may turn out to be rather different from conventionally defined transitions.

Table 1. Comparator Countries

Country	Year zero	Precipitating event
Strong performers		
Cambodia	1991	Paris peace agreement
Lao PDR	1998	Elections and new economic mechanism
Liberia	2003	Peace deal after end of Taylor regime
Mali	1992	First multiparty elections
Mozambique	1992	Rome peace accord
Nicaragua	1990	Elections
Rwanda	1994	Transition after genocide
Tajikistan	1997	Ceasefire
Uganda	1986	Regime change to Museveni
Vietnam	1986	Doi Moi reforms
Middle performers		
Burkina Faso	1987	Regime change to Compaore
Burundi	2000	Transitional government
Ethiopia	1994	Elections
Guinea	1984	Regime change to Conté
Nepal	2006	New government after ceasefire
Niger	1993	Constitution and elections
Weak performers		
Central African Republic	1986	New constitution
Chad	1990	Regime change to Déby
Côte d'Ivoire	2003	Linan-Marcoussis Accord
Democratic Republic of the Congo	2003	Peace agreement
Eritrea	1993	Independence
Guinea-Bissau	1991	Elections
Haiti	2006	Elections
Zimbabwe	1988	ZANU-PF formed

Source: William Byrd, Gary Milante, and Kenneth Anye, "Afghanistan in Transition: Looking beyond 2014—Quantitative and Indicator-Wise International Comparisons," December 2012, background paper for the World Bank study *Afghanistan in Transition: Looking beyond 2014* (Washington, DC: World Bank, 2013), tables 1 and 2.

Comparisons of Transitions

Figures 1 and 2, 4 and 5, and 8 through 14 below show all data points for each of the selected variables for all comparator countries and Afghanistan. Each figure has four quadrants. Data for Afghanistan appear in the top-left quadrant, the strongly performing cluster of comparator countries in the top-right quadrant, middle performers in the bottom-left quadrant, and weak performers in the bottom-right quadrant. The variable under scrutiny appears on the vertical axes. The horizontal axes show the time elapsed from each country's year zero. The linear trend, average annual level of the variable concerned—or in some figures, the median level—and one or two other summary statistics in some cases are shown as lines in each quadrant. These statistics are based on the observations available for each year and hence may be distorted due to missing data for some countries in some years—for example, if a country's level is quite different from the cluster average for a certain indicator and has data available for only the first several years of transition.⁸

Table 2. Variables and Indicators for Comparative Analysis

Variable/indicator	Source of data
Economic and aid	
Average GDP per capita	WDI
Average annual per capita GDP growth	WDI
Inflation	WDI
Aid as percentage of gross national income (GNI)	OECD
Technical assistance aid as percentage of GNI	OECD
Government consumption	WDI
Agriculture as percentage of GDP	WDI
Services as percentage of GDP	WDI
Industry as percentage of GDP	WDI
Political	
Political stability	WGI
Voice and accountability	WGI
Military in politics	ICRG
Civil liberties/political rights	Freedom House composite
Governance and government effectiveness	
Government effectiveness	WGI
Rule of law	WGI
Control of corruption	WGI
Regulatory quality	WGI
Law and order	ICRG
Bureaucratic quality	ICRG
Social	
Life expectancy	WDI
Mortality rate of children under age five	WDI
Primary school enrollment (total, boys, girls)	WDI

ICRG = International Country Risk Guide. OECD = Organization for Economic Cooperation and Development. WDI = World Development Indicators. WGI = Worldwide Governance Indicators.

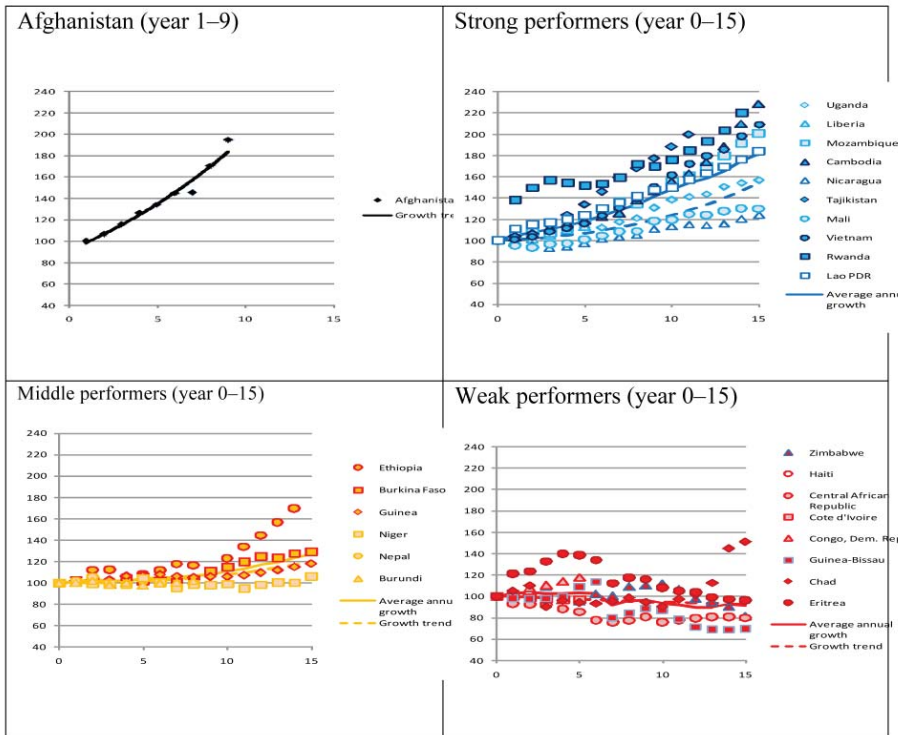
Source: Byrd, Milante, and Anye, "Afghanistan in Transition," table 3.

Quantitative Economic Patterns

Strongly performing comparator countries generally had higher average per capita GDP growth than middle performers, while weak performers on average had negative growth in average per capita GDP (figure 1).⁹ Since 2002, Afghanistan's economic growth has been very rapid, much faster than the average for strongly performing comparator countries and higher than virtually all individual comparator countries.¹⁰ Afghanistan's economic performance would have been more than adequate for success if other elements of transition had progressed reasonably well.

Afghanistan also has maintained control over inflation (figure 2), following damaging hyperinflation in the 1990s. The country implemented a highly successful currency reform and made good progress subsequently in bringing inflation down despite global food and energy price shocks and supply blockages in neighboring countries, which exacerbated Afghanistan's inflation volatility. There seems to be little relation between transition performance and inflation, however.

Figure 1. Growth Performance (average per capita real GDP growth)



Note: Year zero is the base year, with GDP per capita indexed to 100. For Afghanistan, 2002 is the base year since comparable data are not available for 2001 (Afghanistan's year zero).

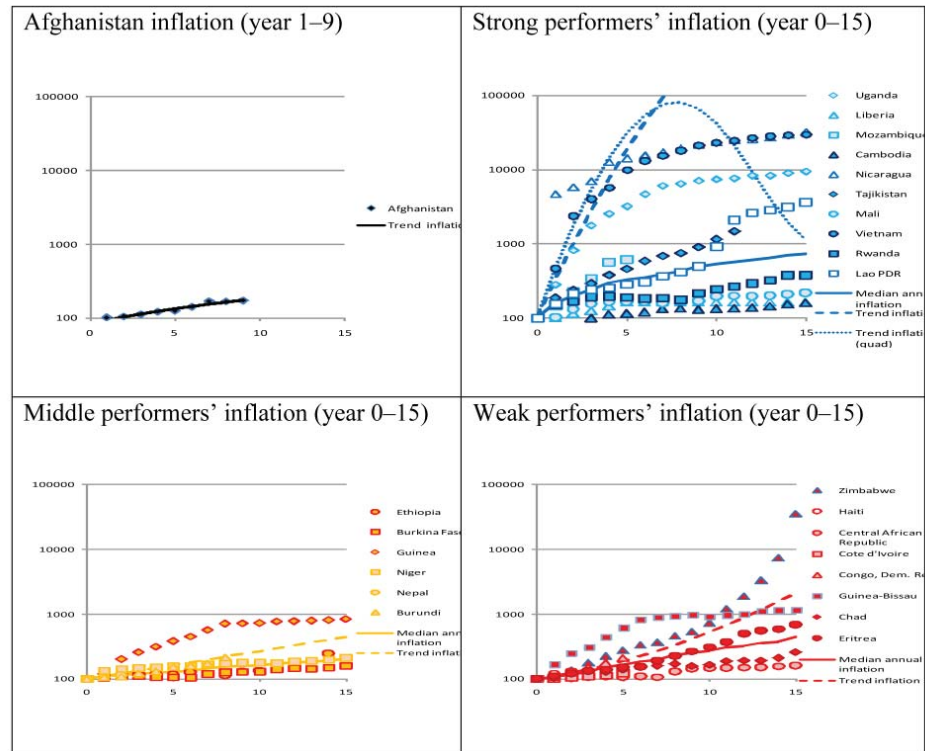
Source: Byrd, Milante, and Anye, "Afghanistan in Transition," figure 5, based on World Development Indicators.

Many strong performers had high inflation in the early years of transition, although inflation rates in several of them declined over time, while middle performers had the lowest inflation on average. Nevertheless, avoiding very high inflation, which Afghanistan has accomplished, is an obvious prerequisite for a sound economy with good growth and employment prospects.

Regarding the broad structure of the economy, middle and especially strong performers demonstrated substantial developmental structural change during transition, with the share of agriculture in total GDP declining on average and the shares of both industry and services rising; poor performers on the other hand saw a rising share of agriculture, stagnating industry, and a declining share of services.¹¹ The broad direction of structural change for Afghanistan has been similar to that in the strong performers' cluster, but the magnitude of the shift has been more toward services and less toward industry, with the share of agriculture declining fairly rapidly. As figure 3 shows, whereas the structure of the Afghan economy in 2002 was broadly similar to that of the strong performers' cluster on average in the initial year of transition, by 2010 (the ninth year of its post-2001 transition) Afghanistan had a higher share of services and a lower share of industry than did the strong performers' cluster on average in the fifteenth year of their transitions.

Revenue mobilization is a core government function and basic indicator of state building, but systematic internationally comparable data are not available for government revenue. However, the impressive growth of Afghanistan's domestic revenue—starting from a very low base and reaching

Figure 2. Control of Inflation



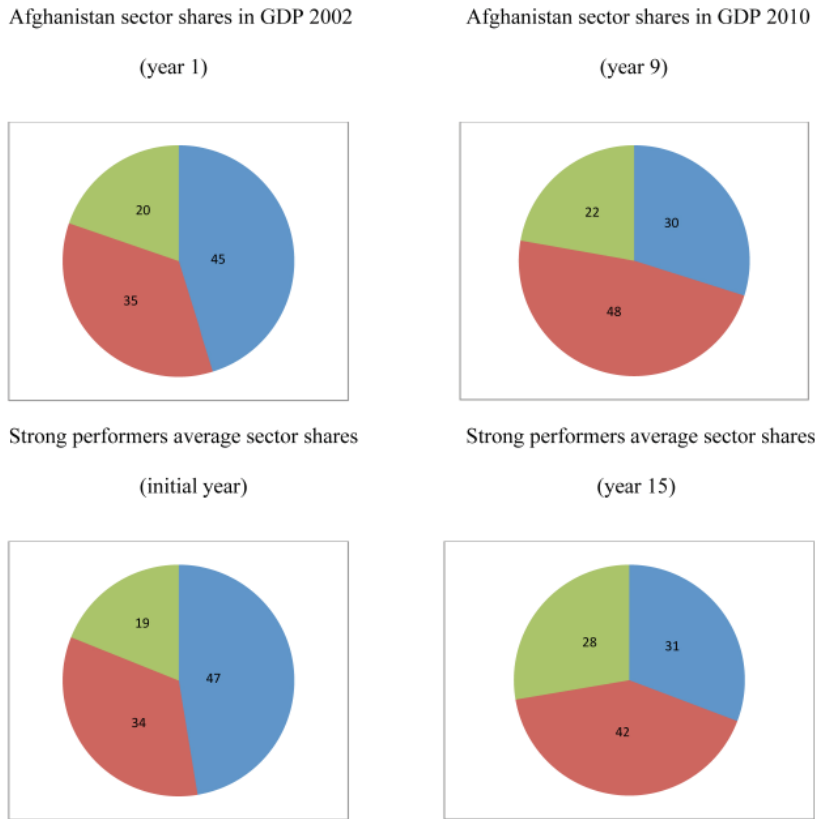
Note: For inflation, GDP deflator at year zero is indexed to 100 (for Afghanistan 2002 since information for 2001 is not available); indexed price levels are shown with log scale.
Source: Byrd, Milante, and Anye, “Afghanistan in Transition,” figure 6, based on World Development Indicators.

around 10 percent of GDP in recent years—means that revenue performance has been comparatively good, although revenue remains lower as a share of GDP than the average for low-income countries. Similarly, comparable public expenditure data are not sufficiently available, but we reviewed government consumption as a share of GDP as a possible partial proxy for the size of government and its expenditures.¹² Afghanistan’s government consumption, at around 10 percent of GDP, has been close to the average for the strong performers’ group and below the averages for other performance groups. There has been a very slight upward trend in Afghanistan, in contrast with slight downward trends on average for all three performance groups of comparator countries, but the differences are small. However, these data do not fully reflect the large amount of donor-financed off-budget expenditure in Afghanistan, much of which is for consumption. Accounting for this, total public consumption in Afghanistan is much higher than in comparator countries.

Aid Levels, Trends, and Economic Effects of Declines

Many postconflict and conflict-affected countries receive substantial amounts of aid, so it is important to review patterns and trends for this variable. Based on definitions and data from the Organization for Economic Cooperation and Development (OECD), trends in total aid as a share of gross national income (GNI) on average have moved downward for all three clusters of comparator countries, though at different rates. Strong performers on average had initially higher

Figure 3. Structural Change in Economy (percent of GDP)



Note: Strong performers' cluster average for year 15 includes a smaller number of countries, since not all countries are more than 15 years into their transition or have 15 years of data; on the other hand, a few countries do not have year zero data so the initial sample is not complete, either.

aid as a percentage of GNI than countries in the other performance categories, but they saw more rapid declines over the transition period, reflecting in part their more rapid GDP growth (see figure 4). Except in 2001, Afghanistan has been more aid-dependent than the averages for all comparator groups. Contrary to international experience—and worrisome for sustainability—aid dependency in Afghanistan has increased, and based on OECD data, the aid-to-GNI ratio has approached 50 percent—extremely high compared to virtually all comparator countries. Moreover, estimates of aid to Afghanistan compiled by World Bank staff (shown as a share of GNI in figure 4) are considerably higher than the OECD data, largely because these estimates include ANSF assistance. The figure shows these estimates as a share of GNI up to 2008, but estimates for more recent years are even higher, reaching around the equivalent of GDP. Thus Afghanistan has become an extreme outlier in aid dependency.

To shed light on concerns that Afghanistan is overly dependent on unsustainable external technical assistance, figure 5 shows available data on technical assistance, or TA (based on the OECD definition of technical cooperation), as a percentage of GNI. With only a couple of exceptions, TA has been below 5 percent of GNI for strongly performing comparators, and the ratio tends to be even lower for middle and weak performers. Not surprisingly, trends have been broadly similar to those for total aid, with the rate of decline in the TA-to-GNI ratio being

somewhat more rapid for strong performers. In Afghanistan, by contrast, there has been a modest upward trend amid wide fluctuations and levels above 5 percent of GNI in all but two years. Moreover, actual levels of TA funding must be substantially higher than the OECD data would indicate, given the much higher estimates by World Bank staff of total aid to Afghanistan, which cannot be broken down between TA and other components of aid.

Overall, the international comparisons indicate that a significant degree of aid dependence at the beginning of transition need not be a bar to sustained progress in transition (see figure 4). However, Afghanistan currently exhibits an extreme and virtually unprecedented level of aid dependence.

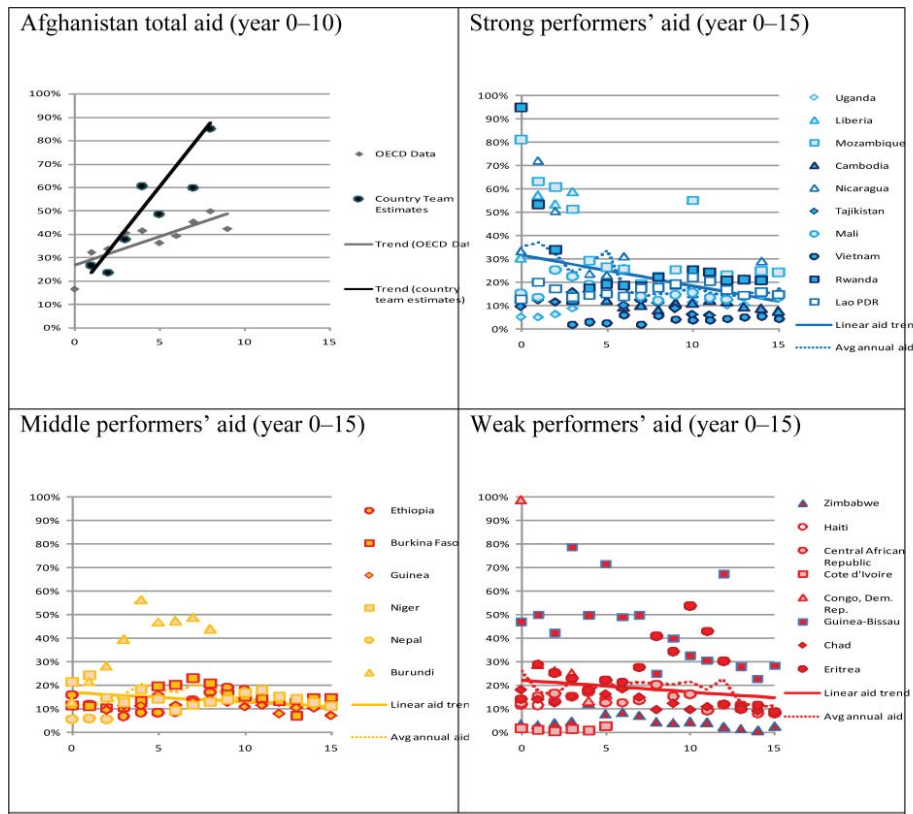
A related issue is the effect of large and, in some cases, sudden drops in aid on postconflict and conflict-affected countries. Aid volatility in general has been a problem for developing countries, as aid has tended to be more volatile than other sources of revenue and financing. Given postconflict and conflict-affected countries' often greater dependence on aid and weaker institutions, aid volatility and aid shocks—in the form of sudden, sharp declines—can be highly problematic. Aid disbursements have tended to be even more volatile in postconflict countries and fragile states than in other low-income developing countries.¹³ Moreover, recent research suggests that negative aid shocks are associated with a higher probability of entering conflict—more than doubling that risk for the average country.¹⁴ Despite these findings, there is little evidence that aid volatility has fallen in recent years.¹⁵

Turning to other examples of highly aid-dependent postconflict countries, Bosnia and Herzegovina, a relatively small middle-income country, received very substantial aid in the year or two immediately after the signing of the Dayton Peace Accords in 1995, peaking at 57 percent of GNI in that year. Thereafter aid declined by a large but steady margin to around one-seventh of its peak level as a share of GNI within seven years (see figure 6) and later dropped by another two thirds. Over the same period, economic growth substantially declined from initially very high levels—reflecting the postconflict economic revival—but did not turn negative even in terms of average per capita real GDP growth. Moreover, growth subsequently revived to healthy levels after the decline in aid ended.

Bosnia's experience with declining aid may appear to give hope that the anticipated drop in aid to Afghanistan will not lead to economic collapse. But many of the relatively positive aspects of the situation in Bosnia may not pertain to Afghanistan. The post-2001 economic boom in Afghanistan may not be so vigorous ten years out, unless a peace agreement with the Taliban insurgency emerges that brings positive economic consequences with it. Aid to Afghanistan may be more volatile than aid to Bosnia was, and moreover, Afghanistan's aid has built up over time and has already been extraordinarily high as a share of GDP for a number of years—increasing the risk that the economy has become more adapted to and dependent on it. Much aid to Afghanistan is for ongoing (and expanding) programs rather than onetime activities, and therefore sharp declines may be more disruptive. Finally, given the enormous amount of aid to Afghanistan and its less favorable situation than Bosnia's, other financial inflows may have less ability to substitute for aid, especially in the short run.

Timor-Leste also received high levels of postconflict aid. As figure 7 shows, aid in the first three years of independence was around 70 percent of GNI, after which there was a rapid but steady decline to around 10 percent of GNI over a period of five years.¹⁶ However, average per capita real GDP growth, which dipped sharply into negative territory in 2001 at the time of peak aid, gradually improved as aid declined rapidly and maintained significant positive levels of growth after aid had reached 10 percent of GNI. Although comparable data from the World Development Indicators (WDI) were not available for Kosovo until very recently, information

Figure 4. Aid Dependency (percent of GNI)



Note: OECD data cover between 2001 and 2010; World Bank Afghanistan Country Team estimates cover between 2002 and 2010. Country Team estimates for aid as percentage of GNI in 2007 (101.3 percent) and 2010 (103.8 percent) are off the chart.

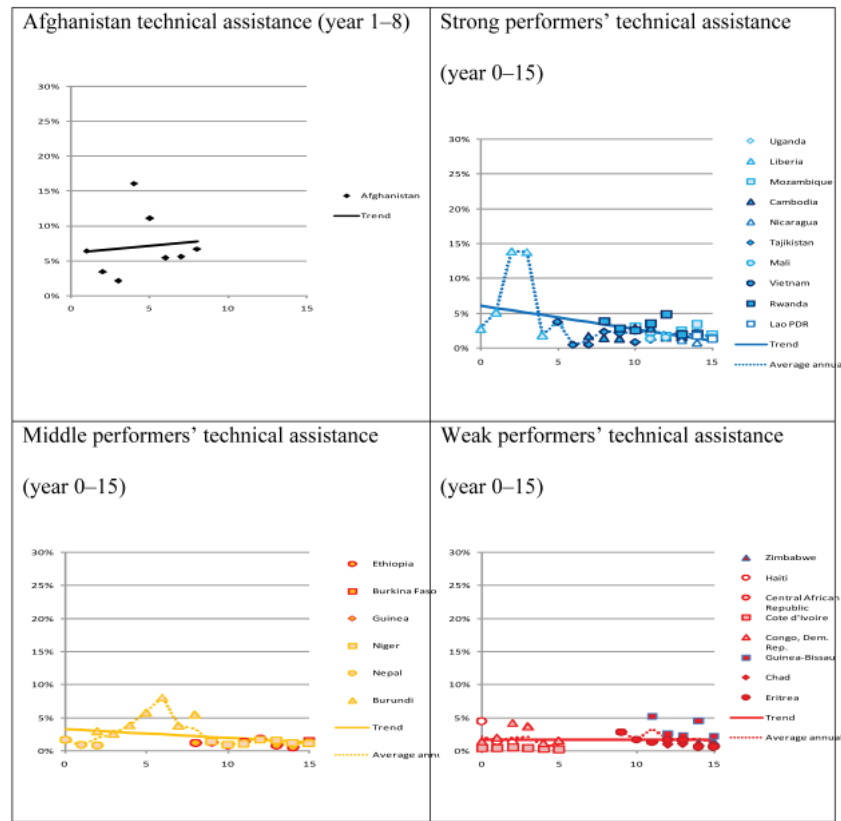
Source: Byrd, Milante, and Anye, "Afghanistan in Transition," figure 7, based on OECD statistics on aid; World Bank Afghanistan Country Team estimates for total aid to Afghanistan; WDI data on GNI.

from other sources suggests that the major decline in aid as a share of economic activity there also did not have a significant adverse effect on growth.

Other examples among the low-income countries in the comparator set also suggest that the adverse effect of declining levels of aid on economic growth need not be great. In Mozambique, a strongly performing comparator country, aid was equivalent to 60 to 80 percent of GNI during the first three years of transition but declined sharply to less than 30 percent over two years and remained between 20 and 30 percent for the remainder of the fifteen-year transition period under consideration. Real per capita GDP, however, maintained an average annual growth rate of over 4 percent and, if anything, slightly accelerated after the sharp decline in aid.

At the other end of the performance spectrum, in Guinea-Bissau, a weakly performing comparator, aid fluctuated widely—between 23 and 79 percent of GNI, peaking in the third year of transition. Average annual per capita GDP growth in the country has been generally negative, but there is no discernible relation between the level of aid and the rate of economic growth or decline. In Eritrea, another weakly performing comparator country, aid started low, grew larger amid fluctuations from the eighth to the twelfth year of transition (in the range of 30 to 54 percent of GNI), and then declined sharply to 9 to 12 percent of GNI in the thirteenth to fifteenth years of transition. Again there is no discernible relation between these large fluctuations in aid and the

Figure 5. Reliance on Technical Assistance (percent of GNI)



Note: OECD data for technical assistance based on category of technical cooperation 2002–08; Country team estimates for technical assistance are not available.

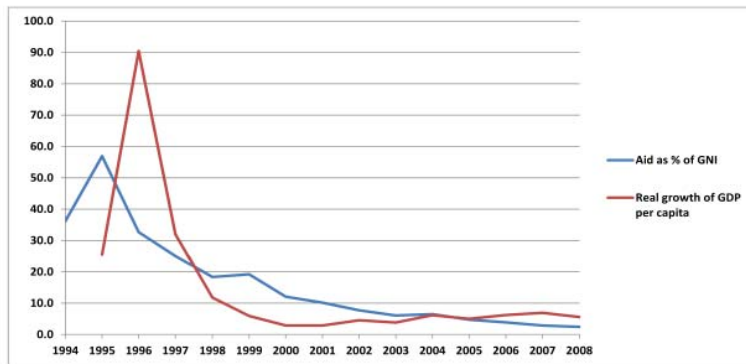
Source: Byrd, Milante, and Anye, “Afghanistan in Transition,” figure 8, based on OECD statistics on Technical Cooperation and WDI data on GNI.

annual growth of average per capita GDP—which was negative from the ninth year onward but, if anything, slightly less negative during the final three years of transition.

There are, however, prominent cases of a sharp cutoff in aid, often for geopolitical reasons, wreaking havoc on the recipient country. The adverse effect on the economy tends to be secondary to the disastrous consequences for a country’s fiscal position, security sector (if that was externally funded), regime stability due to political economy implications and disruption of various interest groups, and more generally in terms of precipitating conflict (including most directly through disintegration of security forces). The cutoff of aid to Somalia during its civil war in the late 1980s resulted in a worst-case outcome. The army collapsed due to lack of pay and other funding, deserters and units joined warring militias, and state collapse accelerated. The abrupt cutoff of Soviet aid to the Najibullah regime in Afghanistan precipitated that government’s collapse and the subsequent destructive civil war.¹⁷

Governance, Political, and Other Indicators

Given the nature of qualitative and perceptions-based indicators and what they are trying to measure, the pitfalls of constructing index-based variables,¹⁸ and issues associated with surveys of expert opinions, the conclusions we draw from them need to be treated with particular caution. As perceptions are involved in setting ratings—often foreign perceptions—they can be subject

Figure 6. Aid and Growth in Bosnia and Herzegovina, 1994–2008

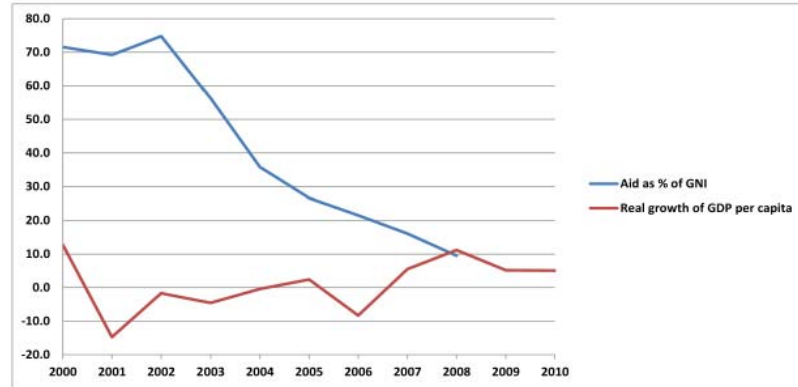
Source: World Development Indicators

to a number of biases, including whether or not a country gets greater attention in the media as well as changing trends in opinion. Widespread international perceptions of improvements in Afghanistan after 2001 gave way to increasing pessimism in the latter part of the decade. Evaluating trends may be more reliable than comparing levels of ratings across countries. Even with these caveats, where differences in indicators are striking across the different performance groups, there can be greater confidence that they are meaningful.

Restoring security and the rule of law are seen as critically important elements of transition, and there is a clear upward trend in the Worldwide Governance Indicators (WGI) rule of law measure for strongly performing comparator countries (figure 8). Rates of improvement are on average slower for the other two performance clusters. In the weak performers' cluster, most countries saw declines or at best stagnation.¹⁹ The middle performers do about as well in rule of law indicators as strong performers on average, but this is attributable to high ratings for a single country, Ethiopia. For Afghanistan, both levels and trends for the rule of law indicator are strikingly poor, with the country starting out at one of the lowest levels of any comparator and further declining since 2002. Only a few other countries, such as the Democratic Republic of the Congo (DRC) and, briefly, Guinea-Bissau, are even close to Afghanistan in this regard.

In controlling corruption (also as measured by WGI), no striking trends over time are evident on average for any performance group (see figure 9). Levels of this indicator are slightly lower on average for the poor performers' cluster, but the difference is small. Some countries show significant trends of improvement or deterioration, but such variability can be seen in all three clusters. Afghanistan is significantly below the averages for all comparator groups in this indicator—in fact, below all but a couple of observations for any countries—and has exhibited a declining trend with some ups and downs.

Trends in the WGI government effectiveness indicator (figure 10) show a clear upward direction with some fluctuations for the strong performers' cluster. For middle performers, there is no clear trend, and for weak performers, there is a slight downward trend that masks significant declines for a number of individual countries. In other words, the trends for this indicator are associated with clear differences in performance during postconflict transition. For Afghanistan, the indicator first rose and then declined, starting and ending well below the averages for all comparator groups and below nearly all country observations beyond a year or two after transition initiation excepting the DRC. Afghanistan's performance puts it near the bottom of the poor performers' group.

Figure 7. Aid and Growth in Timor-Leste, 2000–2010

Source: World Development Indicators

However, it seems unlikely that overall government effectiveness in Afghanistan in 2010 was worse than in 2003 or 2004, when government functions were just beginning to be restored. This suggests that trends over time—and the negative reversal starting in 2005 in particular—may be more reliable for such perception-based indicators than absolute levels. Moreover, the negative trends contrast with evidence of steady progress in improving concrete elements of government effectiveness in Afghanistan, such as public financial management and effective service delivery through national programs, most notably health care and rural community development. The indicator may not be fully capturing such improvements, perhaps because they are not widely known, but it does seem to capture perceptions of government ineffectiveness in other respects, as well as reflecting the limited reach of government in parts of the country due to worsening insecurity.

The political stability indicator (also WGI) increased substantially for the strong performers' cluster and also, on average, for the other two clusters, although in both of the latter there are a number of examples of declines, particularly in the latter part of the fifteen-year transition period (figure 11). For Afghanistan, the indicator started out at a fairly low level and has progressively declined to below any other individual country-year observation, except for a couple of observations for the DRC. As with the government effectiveness indicator, trends in the political stability indicator are worrisome. While such patterns need to be interpreted with caution—for example, the expanding Taliban insurgency, and not only political issues on the non-Taliban side, may have been a factor in this indicator's deterioration—the trends in comparator countries and the decline in Afghanistan suggest that it reflects serious political problems carrying risks of instability. In this light, the political dimensions of transition and political strategy in Afghanistan cannot be neglected or downplayed.

Recognizing that indicators of democracy may be less reliable than other indicators, figure 12 shows trends and patterns for the Freedom House Composite Score regarding civil liberties and political rights. All three comparator clusters show improving trends—represented by a downward movement in the indicator—with strong and especially middle performers moving somewhat faster than weak performers. However, this indicator is characterized by wide differences across countries (especially among strong performers), persistence of ratings often over considerable periods of time, and step changes; so average trends must be interpreted cautiously. Afghanistan saw a sharp improvement after the fall of the Taliban regime in 2001, further improvements through 2005, and significant deterioration in 2008 and 2010. In 2010, Afghanistan's rating was less "free" than the averages

The negative trends contrast with evidence of steady progress in improving concrete elements of government effectiveness in Afghanistan, such as public financial management and effective service delivery.

for all three comparator clusters, although several countries in each cluster had weaker ratings than Afghanistan—more so, and for more countries, in the strong performers’ cluster. Thus patterns of international experience are ambiguous, with no clear messages for or about Afghanistan.²⁰

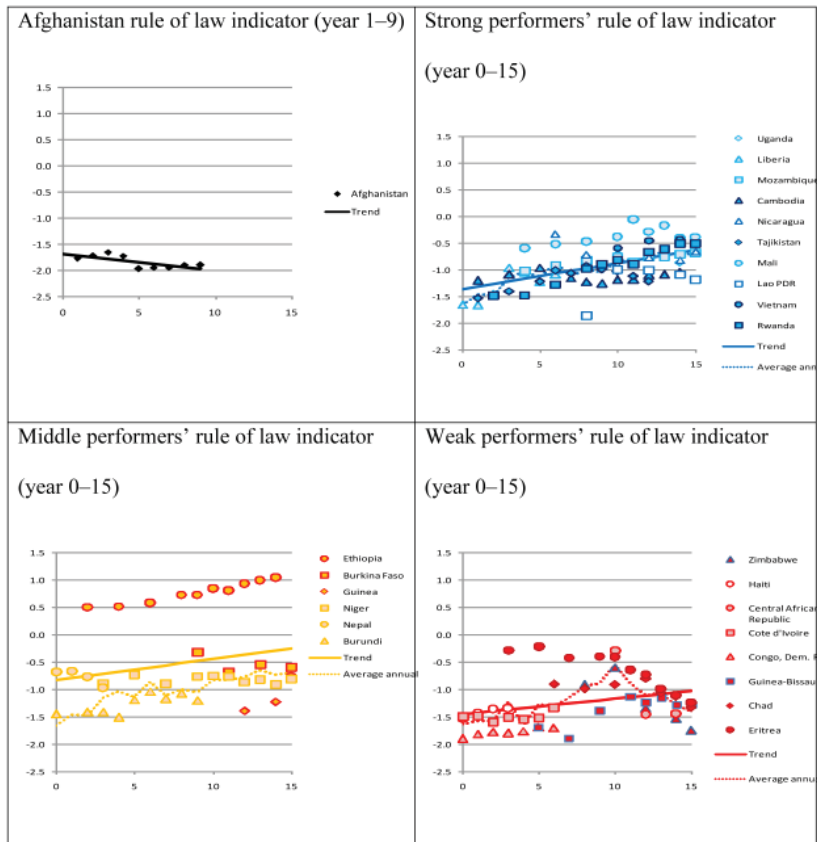
Social Indicators

Social indicators are extremely important measures of development and a government’s ability to provide effective social services. The comparative analysis is applied to three key social indicators: life expectancy, the mortality rate for children under the age of five, and total primary school enrollment rate for boys and girls. This reflects a focus on key social outcomes²¹ as well as limitations on the data available for Afghanistan and some comparator countries for other indicators.

Life expectancy increased significantly for strong and middle performers on average and declined for weak performers (see figure 13), though trends in some individual countries differ from the overall cluster trends.²² Mozambique, in the strong performers’ cluster, had declining life expectancy during most of its transition period after an initial rise, while Eritrea, in the poor performers’ cluster, had steadily rising life expectancy. As in the strong and middle performer groups, life expectancy in Afghanistan has been improving steadily, but since it started from a very low base, at forty-eight years it remains well below the average for all comparator groups and

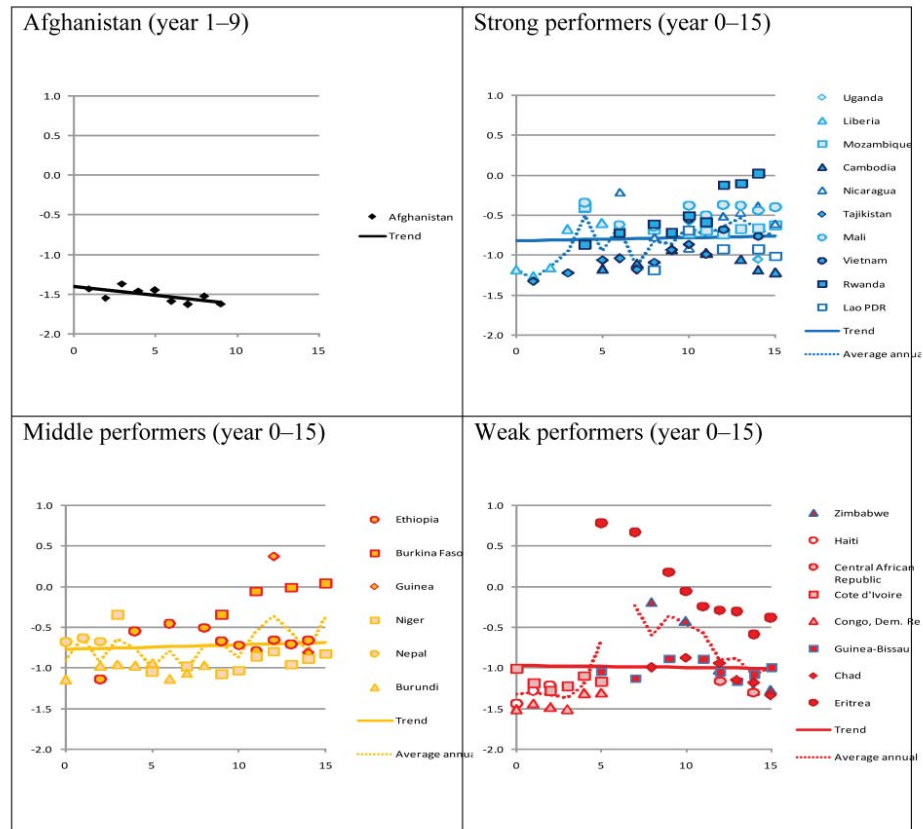
As in the strong and middle performer groups, life expectancy in Afghanistan has been improving steadily, but it started from a very low base.

Figure 8. Rule of Law (WGI)



Source: Byrd, Milante, and Anye, “Afghanistan in Transition,” figure 16, based on Worldwide Governance Indicators.

Figure 9. Control of Corruption (WGI)



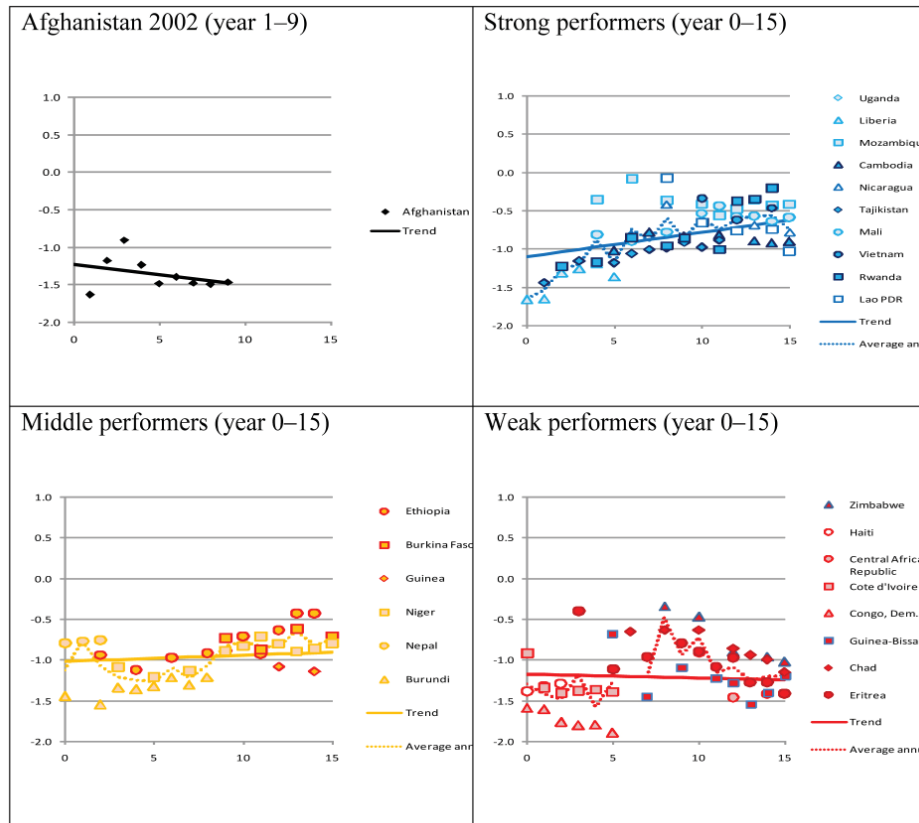
Source: Byrd, Milante, and Anye, "Afghanistan in Transition," figure 14, based on Worldwide Governance Indicators.

below most individual comparator countries except for some sub-Saharan African countries devastated by HIV/AIDS. Thus, while the trend in Afghanistan has been similar to that of strongly performing comparators, in absolute terms, life expectancy there remains low.²³

The under-five mortality rate declined moderately for middle performers and more significantly for strong performers. The average mortality rate actually rose on average among poor performers (see figure 14), though this is partially due to Haiti's inclusion in the data; Haiti is an outlier, and its transition started only recently. There is great variation in the level of this important social indicator across countries within each cluster, though trends for the strong and middle performers moved uniformly in the downward direction, an exceptional finding among all variables and indicators studied in this paper. Such uniformity was not evident among weak performers: Many improved, but some saw stagnating or rising child mortality. Afghanistan has seen a steady decline in the under-five mortality rate, similar to the average trend for the strong performers cluster. Moreover, approaching one hundred deaths for every one thousand live births, Afghanistan's estimated rate is similar to the average for strong performers. However, data for this indicator tend to be unreliable, so trends need to be interpreted with caution.

The striking feature of trends in net primary school enrollment is that, with very few exceptions, there are steady increases in total, boys', and girls' net primary enrollment ratios throughout transition.²⁴ Hence, for the vast majority of comparator countries, success or failure in transition is not linked to increasing primary school enrollments. This should not be taken as an argument

Figure 10. Government Effectiveness (WGI)



Source: Byrd, Milante, and Anye, "Afghanistan in Transition," figure 15, based on Worldwide Governance Indicators.

against prioritizing primary education, for which there are sound development justifications. But investing in and expanding primary education should not be seen as a major factor in a postconflict transition performance—certainly not by itself—for sharply increasing prospects for success. This finding is broadly consistent with an observation from the Human Security Report Project, based on multicountry studies and econometric analyses, that during many conflict periods, educational outcomes actually improve on average.²⁵

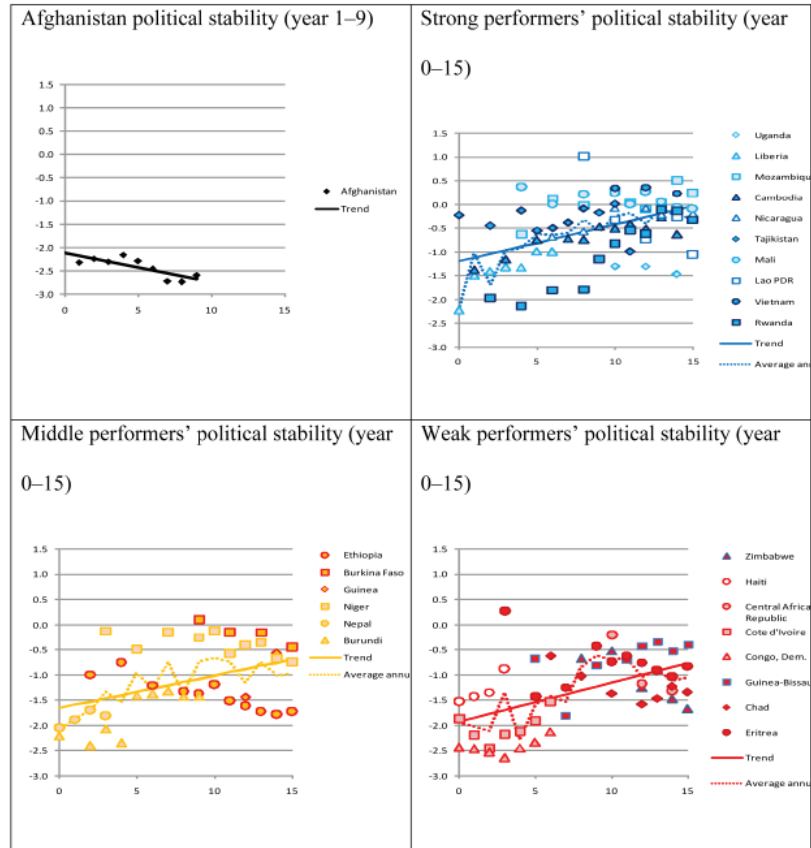
Data on net primary school enrollment ratios for Afghanistan are limited and not strictly comparable to those in the dataset for comparator countries, but it is well known that Afghanistan has made major progress in expanding primary education since 2001. The estimated net primary school enrollment ratios in Afghanistan of 68 percent overall in 2010 and 55 percent for girls reflect a dramatic expansion of primary education during the previous decade, especially for girls, whose education was publicly forbidden and very limited in practice under the Taliban regime. Moreover, the figures for Afghanistan, though likely overstated, are not dramatically outside the range of levels seen across comparator countries, although well below those of strong performers.

Net primary school enrollment ratios... reflect a dramatic expansion of primary education during the previous decade.

Afghanistan's Current Situation in International Perspective

Turning to Afghanistan's situation at the beginning of its 2011–14 transition from an international comparative perspective, the country's performance as measured by key economic variables during the past decade has been impressive (figure 15).²⁶ Its average per capita GDP has grown in

Figure 11. Political Stability (WGI)



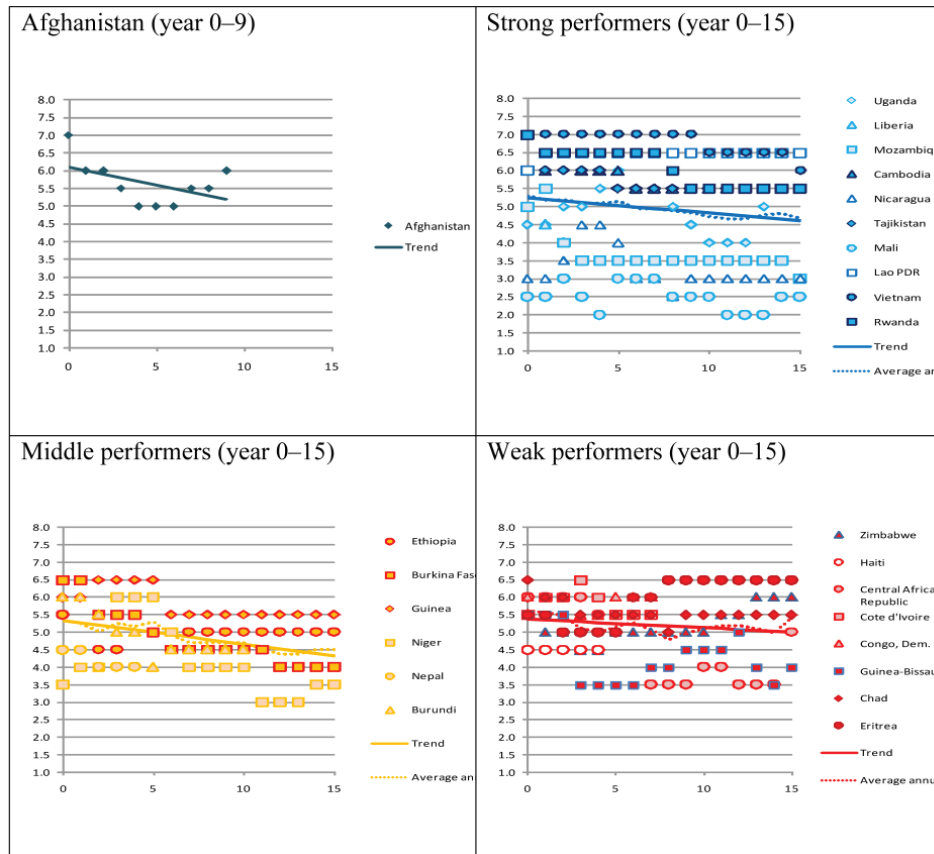
Source: Byrd, Milante, and Anye, "Afghanistan in Transition," figure 17, based on Worldwide Governance Indicators.

real terms at twice the average rate seen in strongly performing comparator countries, and its level has reached around the average level for strongly performing comparators, even though some of those countries started out with per capita GDP levels far higher than Afghanistan's. Inflation in Afghanistan has been significantly lower than the average among strong performers, although the difference is slightly less in comparison with the weak performers' cluster, and middle performers actually had somewhat lower inflation than Afghanistan.²⁷

In key social indicators, Afghanistan started out from a very poor base but has progressed significantly since 2001, reflecting large investments in social services as well as rapid economic growth (figure 15). Nevertheless, bridging the seven-year gap in life expectancy between Afghanistan and the strongly performing comparators will take a long time—perhaps twenty or twenty-five years if the rate of increase seen in the past decade continues. On the other hand, the mortality rate for children under the age of five in Afghanistan has dropped sharply and is already substantially lower than the average for strongly performing comparators.²⁸

With Afghanistan's deteriorating political stability (according to the WGI political stability indicator), the gap between it and the strong performers' cluster has increased substantially since 2001 and is quite large (figure 16). It would be even larger if we compared it with the end points of transition of the strong performers' group. The gap is all the more striking since comparators in all three performance clusters generally saw improvements in political stability during transition.

Figure 12. Political Liberties and Civil Rights (Freedom House Composite Score)



Note: The Freedom House composite score of political rights and civil liberties is an inverted 1 to 7 point scale, where 1 is most free and 7 is not free; thus, a downward trend reflects an increase in freedom.

Source: Byrd, Milante, and Anye, "Afghanistan in Transition," figure 13, based on Freedom House composite score of political rights and civil liberties.

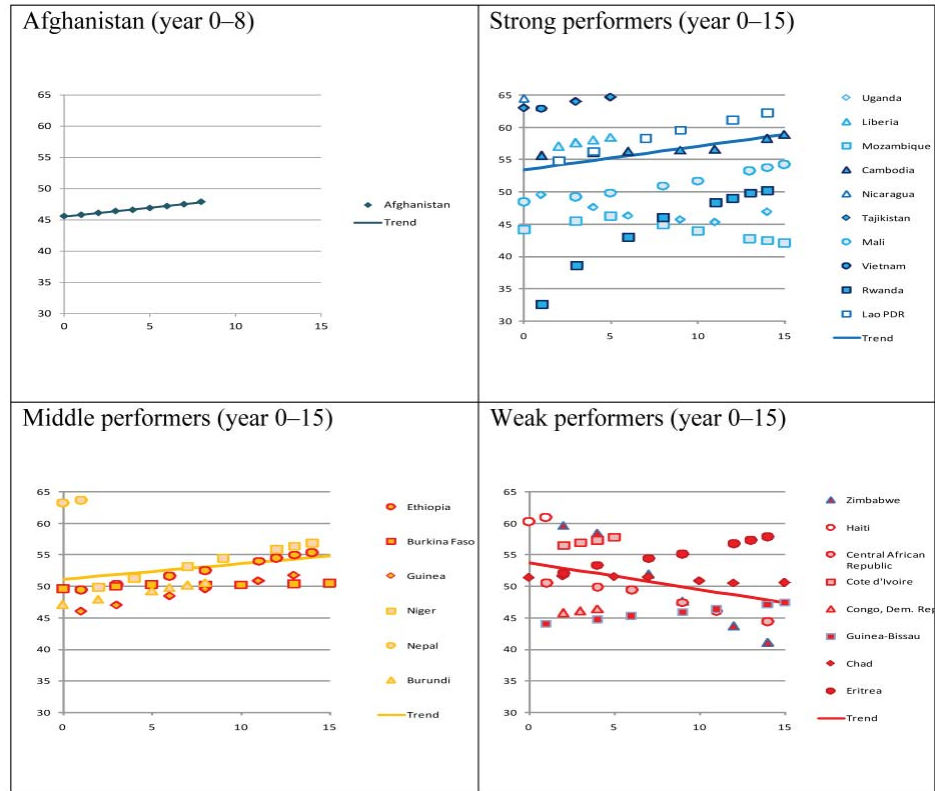
So the deterioration in political stability in Afghanistan is obviously a serious concern and needs to be reversed.

The rule of law (WGI) also has deteriorated steadily in Afghanistan, and the gap compared with strong performers during their transitions has become quite large (figure 16). As noted earlier, it can be questioned whether the rule of law in Afghanistan really declined in the years immediately after 2001, but based on other information as well, there is no question that the situation currently is highly problematic in many parts of the country. The substantial upward trend for strong performers regarding the rule of law suggests that it is associated with success during transition.²⁹

Voice and accountability (WGI) in Afghanistan remained steady or improved slightly for a number of years but then deteriorated in 2008 and especially in 2009 to a rating lower than in most comparators (figure 16). However, trends in this variable are not very clear or significantly different across comparators, and unlike political stability and rule of law, Afghanistan's ratings (except to some extent in 2009) are within the range seen in all three comparator clusters.

Afghanistan's government effectiveness indicator (WGI) improved sharply in 2003 and 2004 but declined to slightly below its 2002 level by 2008 and 2009. This is lower than all strong and middle performers among comparator countries in the latter part of their transition periods, and there is a large gap with the strong performers overall (figure 16). However, the

Figure 13. Life Expectancy (years at birth)



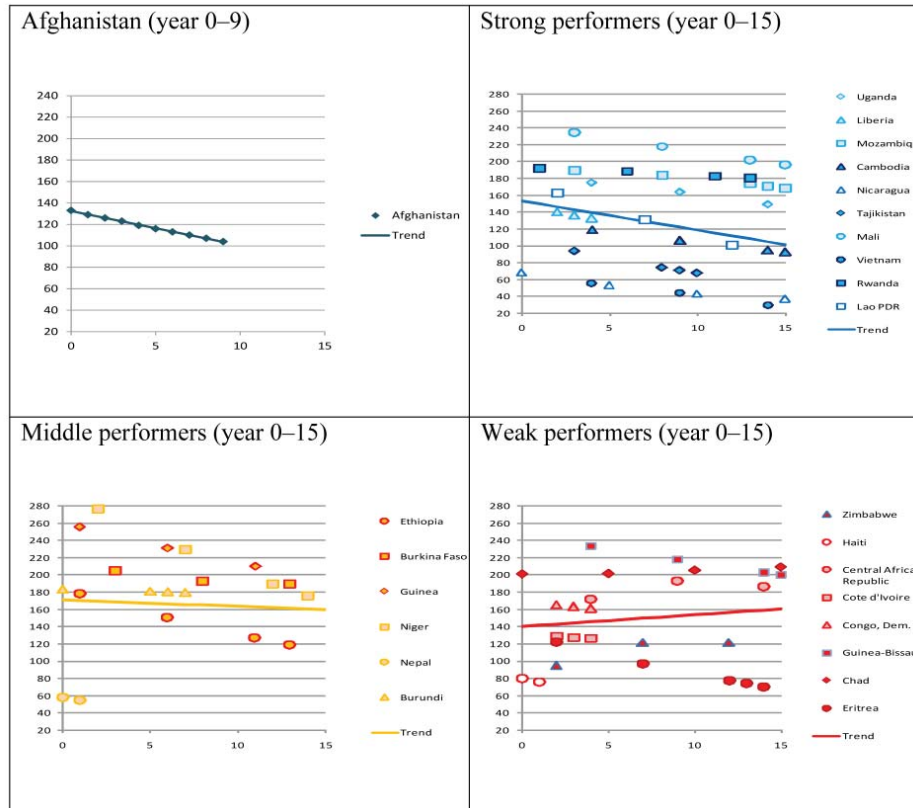
Source: Byrd, Milante, and Anye, "Afghanistan in Transition," figure 24, based on Worldwide Development Indicators.

progress Afghanistan achieved between 2002 and 2004 suggests that the gap could be narrowed substantially within a few years if the deterioration can be reversed. Also, as noted earlier, this indicator may not fully capture improvements in concrete elements of government effectiveness that have occurred since 2001.

Survey and other evidence has indicated that corruption is a very serious problem in Afghanistan, so it is not surprising that Afghanistan's rating for control of corruption (WGI) has deteriorated amid fluctuations and is well below the average levels of all three clusters of comparator countries, in particular strong performers (figure 16). However, as there is no clear trend overall in this variable for comparator countries or clusters during transition, the indicator does not shed much light on the level of corruption, the degree of damage corruption has caused during the transition process, or its influence on the prospects for success. Regulatory quality (WGI) has improved somewhat in Afghanistan but remains well below the average during transition for strong performing comparators (figure 16). At the rate of progress observed from 2002 to 2009, it would take Afghanistan seventeen years to reach the strong performers' cluster average.

Table 3 summarizes where Afghanistan currently stands in relation to the strong performers' cluster of comparator countries. Having seen mixed and uneven performance across the different indicators over the past decade, Afghanistan faces its upcoming transition with both strengths and weaknesses, with questions about preserving gains made in some areas and narrowing the wide gaps seen in others.

Figure 14. Mortality Rate of Children under Age Five (deaths per thousand)



Source: Byrd, Milante, and Anye, "Afghanistan in Transition," figure 23, based on World Development Indicators.

Themes and Lessons for Afghanistan’s Transition

Our analysis suggests several possible lessons that can inform policy recommendations for Afghanistan’s current transition and beyond. As emphasized earlier, lessons from international experience must be thoroughly grounded in an understanding of Afghanistan’s current context and the environment and constraints that the country faces. Keeping this in mind, this section distills some themes that seem particularly relevant for Afghanistan and its current transition.

- **Afghanistan faces transition with both strengths and weaknesses**, following uneven progress since the fall of the Taliban regime in 2001. In some respects, the country’s performance has been unusually good, even compared with countries that managed to achieve strong recoveries and successful transitions after conflict. Afghanistan has seen high economic growth, relatively low inflation, solid public financial management, and some effective national programs providing basic services. Maintaining progress in these areas and protecting the gains made, which will be at risk during transition, should be a priority. In other respects, there has been significant progress, but the gap with strongly performing comparator countries remains very large due to the low baseline Afghanistan started from in 2001. This is the case for social indicators such as life expectancy. In other areas, especially governance and political variables, Afghanistan’s performance in recent years has been poor, and the gap with strongly performing comparators is very large and growing. The deterioration

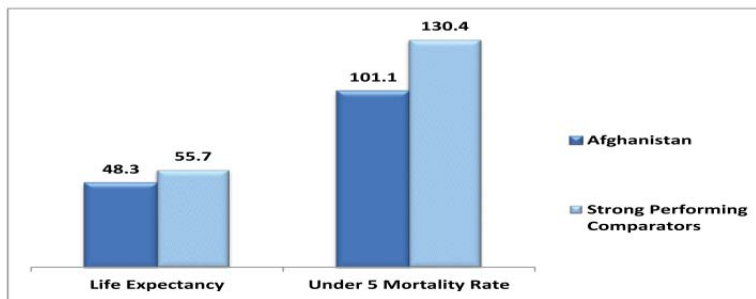
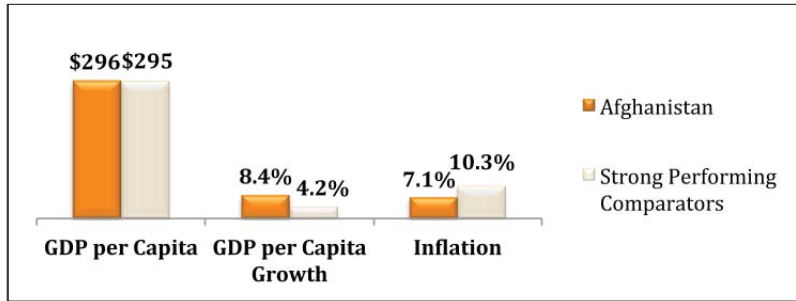
In some respects, the country’s performance has been unusually good, even compared with countries that managed to achieve strong recoveries and successful transitions after conflict.

in political stability, rule of law, and government effectiveness needs to be reversed. Finally, aid dependence in Afghanistan has been almost uniquely high among comparators, and the anticipated large decline in external resources flowing into Afghanistan can be expected to have significant consequences.

- **Afghanistan will face the challenge of maintaining robust economic growth** during and beyond transition. The key question is whether growth can be maintained at robust (even if somewhat lower) levels with better employment generation in a declining aid environment—and likely with continuing conflict and insecurity in parts of the country. International experience clearly demonstrates that robust economic growth is associated with successful transitions and poor economic growth with weak performance during transition. Causation can flow both ways, but economic growth and associated employment generation is an important ingredient of a successful transition.
- **The gap between Afghanistan and other countries in key social indicators remains large.** Afghanistan has made substantial progress, but the country started from a very low base in 2001—among the worst in the world. As strong performers have continued to improve during their transitions, Afghanistan will be keep playing catch-up in this respect for some time to come.
- **Abrupt cutoffs or sudden sharp reductions of aid could be highly problematic for Afghanistan.** A review of other countries' experiences suggests that the adverse economic effects of declining aid can be much less than expected based on the sheer amount of aid at peak levels. But aid volatility is a problem for developing countries, particularly those that are fragile and affected by conflict. International experience and Afghanistan's history—notably in 1991 and 1992—suggest that Afghanistan's fiscal, political economy, and political and security situations are vulnerable to large, sudden drops in aid. This is especially true of the support for Afghanistan's large security forces, which can become ineffective or turn against the government if they are not funded or paid. Limiting the fluctuations of aid to Afghanistan, programming steady reductions in aid rather than sharp drops, and improving the quality of aid—including by channeling more of it through the government budget directly and via the Afghanistan Reconstruction Trust Fund—would mitigate the risks associated with declining aid.
- **Afghanistan's deteriorating governance and rule of law indicators are a concern.** Qualitative, perceptions-based indicators need to be interpreted with caution. But for government effectiveness and rule of law, they tell a clear story: progressively declining ratings for Afghanistan compared with substantially increasing ratings for most strongly performing comparator countries and stagnation, declines, or slower improvements for middle and especially weak performers. These trends—combined with the central message of the 2011 World Development Report about the crucial importance of citizen security and justice, as well as other evidence about the importance of strong institutions not only for development but also for mitigating conflict risks—suggest that Afghanistan is starting its upcoming transition in a problematic position.
- **Political consolidation and improved political stability is crucial.** Afghanistan is starting its current transition in a weak position, with a declining and very low rating for political stability. The country faces disputes between the executive and legislative branches, uncertainties over prospects for peace negotiations with the Taliban insurgency, limited progress

Programming steady reductions rather than sharp drops would mitigate the risks associated with declining aid.

Figure 15. Gaps in Key Economic and Social Variables



Note: GDP per capita for Afghanistan is latest available; for comparators, the average for entire period. For GDP growth and inflation, Afghanistan is the average for period data available; for comparators, the average for all countries during transition.

Source: Byrd, Milante, and Anye, "Afghanistan in Transition," figure 1 and annex table A.1.

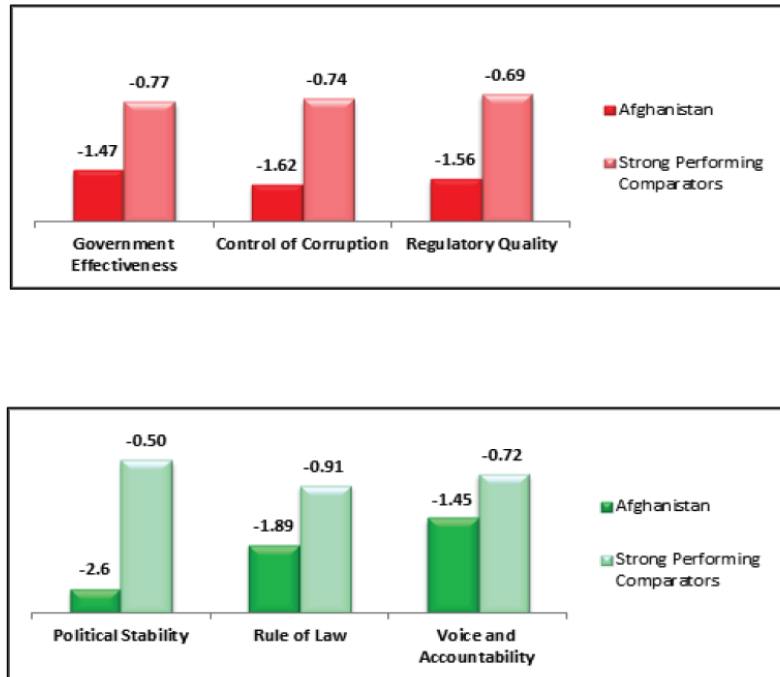
Note: Data for Afghanistan are most recent available; data for comparators are average of all observations during transition period.

Source: Byrd, Milante, and Anye, "Afghanistan in Transition," figure 2 and annex table A.1.

in political normalization, and issues and risks associated with the 2014–15 election cycle, which will occur as international forces complete their transfer of security responsibilities to the Afghan government. The lack of progress in political consolidation and building political institutions and stability following completion of the process mandated by the 2001 Bonn Agreement in 2004–05 is worrisome and may well affect the prospects for success of the transition process as a whole.

This paper has only scratched the surface of the richness and diversity of international experience with postconflict and conflict-affected transitions and how it can inform policy in Afghanistan. While caution, selectivity, and adaptation to Afghanistan's situation and context are essential, a number of the lessons put forward are relevant to Afghanistan's current transition. It is necessary to acknowledge the disadvantages and risks that Afghanistan faces so they can be managed better, mitigated, and possibly converted into opportunities. Avoiding excessive optimism or undue pessimism, there is a need for more informed, holistic, consistent, and strategic policies oriented also toward the period beyond 2014.

Figure 16. Gaps in Political Variables, Rule of Law, and Governance Indicators



Note: Data for Afghanistan are most recent available; data for comparators are the average of all observations during transition period.
Source: Byrd, Milante, and Anye, "Afghanistan in Transition," figure 4 and annex table A.1.

Note: Data for Afghanistan are most recent available; data for comparators are the average of all observations during transition period.
Source: Byrd, Milante, and Anye, "Afghanistan in Transition," figure 3 and annex table A.1.

Broader Observations and Areas for Further Research

Our analysis represents a first exploration that can and should be taken forward in the future. Promising areas for further research include updating both international and Afghanistan-specific data as information for more years becomes available; adding more variables to the comparative analysis for which sufficient data are, or subsequently become, available; conducting sensitivity analyses to assess the extent to which broad patterns and trends are affected by variations in the underlying parameters, assumptions, and classifications; and applying the methodological framework to other countries undergoing transitions from conflict.

The database for the empirical research conducted in this paper is a moving target. The World Development Indicators—the source of most of the quantitative data used in the international comparisons—are frequently updated, and past data are retroactively adjusted as corrections are made or earlier estimates are revised. For Afghanistan, such retroactive changes have been most prominent for social indicators such as life expectancy and the under-five mortality rate, making it challenging to appropriately situate Afghanistan within broader international experience.³⁰ Retroactive revisions do not occur for perceptions-based qualitative indicators, but information for new years as they elapse can significantly affect trends, given that there are less than a dozen data points for Afghanistan since 2001. All this means that updating Afghanistan-specific and, to a lesser extent, international data (for those countries with less than fifteen years transition experience) potentially could affect some of the findings. It would be worthwhile to update the present analysis perhaps in a year or two.

Table 3. Afghanistan's Performance and Current Status Relative to Strong Performers Cluster

Variable/ indicator	Afghanistan trend	Trend of strong performers	Current gap	Comments
No gap or small gap with comparators				
Real average per capita GDP growth	Very rapid	Rapid	None	Growth in Afghanistan has been faster than in virtually all comparators; need to maintain robust growth even if at somewhat lower rates
Average per capita real GDP level	Rising sharply	Rising	None	Continuing growth—especially employment growth—and avoiding recession will be key
Inflation (GDP deflator)	Very low	Not so low	None	Need to maintain good performance in controlling inflation during transition
Government consumption	Flat	Flat	Not significant	Government consumption for Afghanistan substantially higher due to external budget
Mortality rate of children under age five	Improving from low base	Gradually improving	None	Data issues for Afghanistan important to maintain and build on progress
Intermediate gap or mixed pattern				
Structure of economy	Rapid change	Rapid change	See comment	Afghan structural change appears to a large extent aid-driven; need for new growth drivers
Voice and accountability	Steady then deteriorating	Modest improvements	Large	Recent decline for Afghanistan worrisome, but trends in comparators mixed during transition and not sharply upward
Civil liberties and political rights	Improving then deteriorating	Small positive trend but levels vary greatly	Small but growing	Recent deterioration is worrisome, and if it continues will place Afghanistan well below most comparators
Regulatory quality	Improving somewhat	Improving	Large	Further improvements needed, as this may be a factor in facilitating private sector growth
Life expectancy	Improving from low base	Improving	Large	It will take Afghanistan a long time to catch up to average level of strong performers
Primary enrollment ratio	Improving from very low base	Improving	Large	Afghanistan still behind, but trends in this indicator not closely associated with success of transition in comparators
Large or very large gap				
Aid as percentage of GNI	Rising, extremely high	Falling steadily over time	Extremely Large	Declining aid during transition will have serious effects; large, abrupt fall would be much worse
Technical assistance (TA) as percentage of GNI	Fluctuating and > 5 percent of GNI	Fluctuating at lower levels	Very large	TA will also decline; need to improve quality of TA and transition to core government capacity
Political stability	Deteriorating	Improving	Very large	Afghanistan's poor performance relative to most comparators (in all clusters) underlines the seriousness of the political stability issue
Rule of law	Deteriorating	Improving	Large	Reinforces widespread concerns about worsening rule of law in Afghanistan; adverse trends need to be reversed
Government effectiveness	Declining after initial rise	Improving	Large	Declining trend is worrisome and needs to be reversed, will be challenging with falling aid
Control of corruption	Low and declining	Higher, variable across countries	Large	Corruption in Afghanistan very serious, but much variation across countries (including strong performers) and no clear trends

Expanding the list of variables in the comparative analysis is another promising way forward. While the data requirements are substantial—that is, sufficient information to cover most comparator countries' fifteen-year transition periods as well as the country subjected to the comparative analysis—it would be worthwhile to include additional quantitative and qualitative perceptions-based variables to explore their patterns and associations. Some international databases, particularly those with survey-based qualitative indicators, do not cover Afghanistan at all, which was a major constraint for this paper. This may become less of a problem in the future and would not be an issue for work on other countries already included in these databases.

While we consider our methodology, assumptions, and classifications to be fairly robust, sensitivity analyses could be conducted to ascertain whether and to what extent the results may change with different choices for certain elements of the study for which we have exercised a degree of discretion. For some countries, an element of judgment is involved in choosing its year zero—when the country began its transition out from conflict—so it might be useful to check whether any of the broad patterns and findings change with alternative choices for year zero for those countries. It may also be useful to change the classification groups, perhaps from three in the current approach to two: that is, strong performers and weak performers. While the Human Development Index seems the most appropriate variable to measure individual countries' overall performance during transition, it may be useful to explore alternative secondary performance indicators for countries that do not have sufficient HDI data to assess performance. Finally, it may be worthwhile to explore whether the vintage of countries' transitions—for example, whether a transition started around the end of the Cold War or later—affects findings and patterns.

The comparative methodology developed in this paper could certainly be applied to countries other than Afghanistan; however, the filtering process to generate a list of relevant comparator countries would need to be modified to be suitable for the selected country. Other countries initiating transitions away from conflict may not face the conceptual issues that Afghanistan's 2001 transition creates, given the country's subsequent history and the current security-focused and political transition. By the same token, another country may not have the prior transition initiation and decade of transition performance that, for Afghanistan, could be compared with international patterns and trends. In these cases, comparison at time of transition initiation with different clusters of comparator countries at the beginning, middle, and end of their transitions would be the primary mode of analysis.

We close with a few broader observations. First, we envisage our approach as a flexible tool and one among several—including the findings of large-sample econometric studies, qualitative comparisons with individual countries based on case studies of experience, and reference to the specific history of the country under study. When different modes of analysis present a consistent picture, the robustness of findings is enhanced. Second, and related, the methodology, analysis, and findings presented in this paper should be seen as a work in progress and subject to further development and improvements. Possible avenues forward have been discussed in this section; others may emerge during further experimentation. Third, even though some of the patterns and associations found in the comparative analysis are striking, they do not necessarily imply causation in any direction or illuminate whether a common factor may be influencing both transition performance and the variable concerned. Fourth, the findings in this paper need to be interpreted in the context of Afghanistan's current situation; they should not be understood in the abstract or ahistorically. Finally, it is hoped that this paper will generate interest in conducting further research, using this methodology, on different countries in transition.

Notes

1. There are some important exceptions however. The National Solidarity Programme (NSP), an effort inspired by the Kecamatan Development Program in Indonesia, went through a period of design adaptation to make it suitable for the Afghanistan context. The extra time was well spent, and NSP is one of the small number of highly successful development programs in Afghanistan.
2. See William Byrd, Gary Milante, and Kenneth Anye, "Afghanistan in Transition: Looking beyond 2014—Quantitative and Indicator-Wise International Comparisons," December 2012, background paper for the World Bank study *Afghanistan in Transition: Looking Beyond 2014* (Washington, DC: World Bank, 2013), figures 5–27 for detailed figures comparing Afghanistan with the different clusters of comparator countries, and the annex of the same paper for comparative data in tabular form.
3. Documented fully in Byrd, Milante, and Anye, "Afghanistan in Transition," 5–6, and tables 1 and 2.
4. See World Bank, *World Development Report 2011: Conflict, Security, and Development* (Washington, DC: World Bank, 2011).
5. Although the Democratic Republic of the Congo has substantial underground mineral resources, it is kept on the list of comparators because much of its resource wealth is scattered and not easily accessible.
6. See all observations for all three comparator clusters presented graphically and briefly discussed in Byrd, Milante, and Anye, "Afghanistan in Transition," figures 5–27, which also presents data for Afghanistan where available.
7. For a discussion of changing trends and missed windows of opportunity in the years immediately after 2001, see William Byrd, "Responding to Afghanistan's Development Challenge: An Assessment of Experience During 2002–2007 and Issues and Priorities for the Future," World Bank South Asia Region PREM Working Paper Series no. SASPR-11, Washington, DC, October 2007.
8. We took this approach because removing all countries with any missing data would have drastically reduced the number of observations, making any patterns and associations derived less meaningful and discarding possibly valuable information on countries with some observations but not a complete set of data.
9. This association between average per capita GDP growth and performance as measured by HDI is not surprising since economic growth is a component of HDI. However, this relationship does underline the importance of economic growth both in HDI and in transition performance.
10. This very rapid overall economic growth has been achieved despite significant year-to-year fluctuations and, in the initial years after 2001, included a large element of recovery from the protracted conflict.
11. See Byrd, Milante, and Anye, "Afghanistan in Transition," figures 10–12.
12. *Ibid.*, figure 9 for the available data and a brief discussion.
13. The coefficient of variation of annual real official development assistance (ODA) disbursements in sub-Saharan African countries from 1998 to 2007 averaged 0.65 for postconflict countries, 0.62 for other fragile states, and 0.39 for nonfragile, non-postconflict countries; see James K. Boyce and Shepard Forman, "Financing Peace: International and National Resources for Postconflict Countries and Fragile States," background paper for *World Development Report 2011: Conflict, Security, and Development* (Washington, DC: World Bank, 2011), table 1, 37. The *World Development Report* itself (see box 6.7, 195) argues that the volatility of aid tends to increase the longer a country has been in conflict, faced high homicides, or been fragile.
14. Richard A. Nielsen, Michael G. Findley, Zachary S. Davis, Tara Candland, and Daniel L. Nielson, "Foreign Aid Shocks as a Cause of Violent Armed Conflict," *American Journal of Political Science*, 55, no. 2 (April 2011), 219–232.
15. See Aleš Bulíř and A. Javier Hamann, "Volatility of Development Aid: From the Frying Pan into the Fire?" working paper no. WP/06/65, International Monetary Fund, Washington, DC, June 26, 2006.
16. Figure 7 only covers the period since Timor-Leste became independent; very substantial international aid was provided for several years before this.
17. See William Byrd, "Lessons from Afghanistan's History for the Current Transition and Beyond," U.S. Institute of Peace Special Report no. 314, Washington, DC, 9.
18. See, e.g., Francisco Gutiérrez, Diana Buitrago, Andrea González, and Camila Lozano, *Measuring Poor State Performance: Problems, Perspectives and Paths Ahead* (London: London School of Economics Crisis States Research Centre, 2011), and Javier Fabra Mata and Sebastian Ziaja, *Users' Guide on Measuring Fragility* (Bonn: German Development Institute and UNDP, 2009).
19. In this case, the modest upward trend on average for weak performers is a result of some countries with lower levels for this indicator having early data available, whereas other countries with higher (but declining) levels have data only for later years in their transition. Given missing data, the trend lines for this and other indicators may not fully capture the average of trends for individual countries during the full fifteen-year period of transition.

20. Certain other indicators are presented and described in Byrd, Milante, and Anye, “Afghanistan in Transition,” but not in this paper. Some indicators offer no significant differences among countries, and some trends are difficult to interpret, while for some indicators data are not available for Afghanistan.
21. In education, the appropriate outcome indicator is the literacy rate, but this changes slowly over time and may be subject to wide differences in definition and measurement, which limits comparability. Thus we use the net primary school enrollment ratio, recognizing that this also faces some data issues.
22. The declining trend for the poor performers’ cluster may have been accentuated by the changing sample: Some countries with higher life expectancy than the cluster average have data only for the first couple of years, for example.
23. A recent survey indicates a sharply higher life expectancy of sixty-four years, or around sixty-one years if some reporting issues are adjusted for (see Afghan Public Health Institute and Central Statistics Organization of Afghanistan, *Afghanistan Mortality Survey 2010*, published in 2011). However, concerns have been expressed about the validity of these findings, particularly because of problems and shortcomings of fieldwork in the current security environment in many parts of Afghanistan. Moreover, this new estimate has not been accompanied by information on past trends and levels, rendering it impossible to use in the quantitative comparisons in figure 11. Further developments with respect to this survey will need to be monitored.
24. See Byrd, Milante, and Anye, “Afghanistan in Transition,” figures 25–27 for international data on net primary enrollment ratios.
25. See Human Security Report Project, *Human Security Report 2012: Sexual Violence, Education, and War: Beyond the Mainstream Narrative* (Vancouver: Human Security Press, 2012). Those findings, as well as the patterns of primary education trends during transition brought out in this paper, suggest that a global trend of increasing primary education may offset country-specific associations with conflict or postconflict transition performance.
26. Only selected variables and indicators are discussed here; data are shown from several perspectives for all three performance-based clusters in Byrd, Milante, and Anye, “Afghanistan in Transition,” annex. In the charts discussed below, with few exceptions, Afghanistan in the most recent year for which data are available is compared with the average level of the corresponding indicator for the strongly performing comparators’ cluster during the entire period of transition, not at the end point (for which data for only a limited number of countries are available). Out of the ten countries in the strong performers’ cluster, for many indicators—particularly those that are more qualitative—observations for the fifteenth year are available for only five countries. As the strong performers’ cluster is characterized by general improvements in most performance indicators over the fifteen-year transition period, using the averages for the entire period rather than for the end point tends to understate the gap that Afghanistan would need to bridge in order to reach the average performance level of this cluster at the end point of transition.
27. See Byrd, Milante, and Anye, “Afghanistan in Transition,” annex table A.2.
28. It should be kept in mind, however, that the worldwide trend of declining under-five mortality rates means that Afghanistan’s level may reflect global advances not apparent in the data for other countries where transitions started fifteen or more years ago.
29. However, there are some examples in the other clusters of improvements in rule of law despite weaker overall transition performance.
30. In fact, Afghanistan’s trends for the two indicators changed from significant improvement over time to near-stagnation and then back to steady improvement during the period while this study was conducted due to revisions of WDI estimates for earlier years. Since individual annual observations were not based on separate data points but on interpolation among a very small number of estimates, their reliability further suffers and should not be considered as very high.



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