Businesses as development agents or business as usual?
- The case of mobile telecommunications industry in Afghanistan

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## Generic business-development relations

<table>
<thead>
<tr>
<th>Business as tool for development</th>
<th>Business as development agents</th>
<th>Business as the cause</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>Solutions for development</td>
<td>Race to the bottom</td>
</tr>
<tr>
<td>Tax revenue for the state</td>
<td>Collaborative innovation</td>
<td>Tax avoidance</td>
</tr>
<tr>
<td>Investments</td>
<td>Targeting the base/bottom of</td>
<td>Downgrading and</td>
</tr>
<tr>
<td></td>
<td>the pyramid</td>
<td>outcompeting local</td>
</tr>
<tr>
<td></td>
<td>Direct market-based transactions with the poor</td>
<td>Increasing inequality and poverty</td>
</tr>
<tr>
<td>Trickle-down effect</td>
<td></td>
<td>Fuelling conflicts</td>
</tr>
</tbody>
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What characterizes CFAE

- Lack of state implies ‘areas of limited statehood’
- From state/government to a focus on governance between various state and non-state actors
- Engagement of business in development driven by other mechanisms than regulations
- Increased role of non-state actors in responding to massive and urgent needs for development
The Afghan mobile telecommunications industry

• Consists of 6 operators – 4 MNCs
• Creates jobs - + 100,000 employed direct and indirectly
• Generates tax revenue for the state – $200 million
• Covers around 27 million subscribers – reaching 90% of people in populated areas
• Offers innovative m-services for banking, health, education and agriculture

Source: http://mcit.gov.af/
Study focus: Operating ‘glocally’ in CFAE?

- Local business-society engagements driven by a global agenda on CSR
Study focus: Political role of business in CFAE

- Coping with both the formal and informal governance structures is challenging
- Risk of delegitimizing the state
Study focus: Business as development agents

• Barriers
  • Short-termed and unsustainable engagements
  • Commodification as the main driver of innovation for development
  • Managerial mind-set for complex developmental issues

• Opportunities:
Core findings on role of business

Opportunities
Easier to define and engage in 'development'

- Socio-economic impact through both products and indirectly
- Potentials for collaborations with donors, development actors and CSO
- Engagements can be driven by enlightened self-interest

Challenges
Coping with parallel governance structures in CFAE

- Addressing responsibility with conventional and non-conventional actors necessary
- Addressing development – what and for whom
- Aligning commercial and developmental interests in CFAE
Conclusion

Business as development agents or business as usual?

- Context matters – even more than before
- Businesses have room for manoeuvring in CFAE with/without state, donors, development actors
- Win-win-win situations possible - but require strong collaboration between PS, donors, state, development actors and CSO
- Roles of (for-profit) businesses in CFAE need further scrutiny
Thank you

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