Political Economy Analysis – Afghanistan

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This report was written at the request of USAID as part of an ongoing research project on the evolving political economy of Afghanistan under Taliban rule and is shared with USAID's permission. The report's findings are based on open-source information and background interviews conducted in the fall of 2022. The analysis is provisional.

Table of Contents

Executive Summary

In their first year in power, the Taliban have undertaken a sweeping range of initiatives to transition their militant insurgent group into the country's ruling authorities. Many of these efforts, for the sake of speed, expediency or lack of political vision, retained the overall structure and practices of the former government. But many distinct, politically significant changes were made, and organs of the Taliban's state have evolved at a rapid pace over the past year.

Representative aspects of government were dispatched and replaced with authoritarianism. The open, pluralistic civil society fostered under the U.S. backed Republic was instantly defunded, has been increasingly suppressed, and is now regarded by the Taliban's security sector as a potential vector for violent resistance of their authority.

Over the past year, the Taliban have dramatically re-shaped their own political dynamics, most notably via the emir's reassertion of his supreme authority over the movement. This has shifted the center of power and authority from Kabul, where the cabinet appointed in September 2021 had begun to craft policy and build out the shape of the Emirate's state, to Kandahar, where the emir and many influential Taliban figures reside.

Amid this occasionally turbulent shift, the daily business of establishing and running a government often reverted to informal practices and interpersonal relationships, not unlike a range of interactions and dynamics under the previous Afghan government. Prominent figures within the Taliban exerted influence and carved out space apart from the formal structures of the state, blurring the lines between the movement and the government.

Noteworthy internal competition takes place between Taliban factions, but in relative terms the movement remains the most cohesive Afghan political force of the past half-century (or more). Potentially more serious issues are center-periphery tensions that predate the Taliban, as well as a growing divide in Taliban policy views, with more pragmatic and more ideological perspectives clashing when it comes to girls' education, women's place in the public sphere, the priority of economic prosperity, and other issues. However, the leadership continues to prioritize cohesion and obedience to the emir as a unifying feature of their movement.

Key themes of the Taliban's governance, and of their own internal political economy, include the consolidation of power and the monopolization of political space; an absolute suppression of external criticism and dissent, as well as any indicators of disobedience and potential internal challenges; responsiveness and engagement with traditional, socially conservative stakeholders and constituencies, as well as foreign-funded organizations that offer tangible benefits distributed to Afghan communities.

Findings

- The Taliban lack internal consensus on a detailed political vision but are fully committed to the consolidation of power and the monopolization of political space.
- The Taliban's intent to monopolize power is manifested in how they:

    1) deny public space or official position to political figures who have returned to the country to live under the Taliban's rule, even those whom the Taliban have sought out;

2) spurned political and social organizations that sympathized or supported their insurgency;
3) approach foreign aid organizations, with a steadily increasing trend of interference.

- The Taliban is moving toward sweeping suppression of external criticism and dissent, as well as any indicators of internal disobedience and potential challenges to their organizational cohesion.
- Noteworthy internal competition for status and resources takes place between Taliban factions, but in relative terms the movement remains the most cohesive Afghan political force of the past half-century.
- Potentially more serious issues are center-periphery and ethnic tensions that predate the Taliban, as well as a growing Taliban-internal divide on policy views.
    - Their leadership and members are increasingly debating girls' education, women's role in public, how to prosper economically, and other issues. Yet the role of the emir, the leadership's fixation on cohesion, and lingering wartime attitudes cast doubt on how much internal debate may shape Taliban policy.
    - Current dynamics appear in favor of Taliban who prefer a repressive social engineering state, and also favor the enforcement of loyalty and obedience to the emir.
- The Taliban's relationship toward NGOs versus civil society organizations (CSOs) varies greatly. NGOs engaged in aid and service delivery face varying degrees of interference but are largely permitted to operate across the country. CSOs are more strictly regulated and broadly discouraged from activity.
    - One key factor in the above dynamic may be the intangibility of the benefits of CSO programming; the more concrete an organization's deliverables are, the more appealing. Another critical factor is whether the Taliban perceive activities as apolitical.
    - An exception is a new wave of Taliban-encouraged or sponsored CSOs that appear openly supportive of the government (mirroring a phenomenon that developed under the Republic). These organizations may be regarded as a potential revenue stream for individual Taliban figures, a more coordinated aspect of a propaganda campaign, or both.
- The combination of the Taliban's success in collecting revenue and their intent to further consolidate social and political control suggest that foreign-funded assistance is unlikely to prove effective as leverage to shape their government's behavior. On the contrary, the Taliban are likely to increasingly regard foreign funded activities as just another potential revenue stream.
    - Any form of humanitarian or development assistance is prone to manipulation by the Taliban. Aid/development delivery largely relies on national staff in field locations, which exposes them to Taliban coercion with little leverage or recourse to resist.
- The Taliban appear to regard ulema across the country as a serious civil society actor and constituency of their own, and are engaging with clerics at a local, provincial and national level.
    - There is a high correlation between clerical views that are sympathetic to the Taliban and the access and effectiveness of engagement clerics have with the authorities.

- The Taliban lack technocratic capacity and their government, in many ways, has an unsophisticated approach toward managing the economy. However, they have successfully managed core functions of revenue collection, budgeting, and the maintenance of commercial trade, building on their own experience as a tax-collecting insurgency, often relying on technocrats from the Republic to run customs, finance, and taxation mechanisms.
- At times, the Taliban has attempted to exert control over private sector actors and drivers of economic activity as they do in political and social space. But they have proven somewhat pragmatic on economic issues.
- However, there are signs that the relatively positive macroeconomic and revenue trends may not be sustained. Much of the current revenue collection appears to reflect more effective taxation of international trade and stamping out systemic corruption. With the economy growing very slowly overall, future revenue growth may be quite weak.
- On expenditures, decent budgeting and use of existing state spending modalities may be weakening under pressure from the influence of informal power dynamics, including the emir's treatment of finances.
- There are indications that the Taliban are implementing their opium ban seriously, albeit unevenly across the country and gradually. The bans and eradication go very much against the regime's economic interests and may to some extent undermine its cohesion.

Methodology / Process

This PEA was undertaken by USIP, in regular consultation with USAID Mission Afghanistan, from April to September 2022. The below report captures national-level findings on the political economy within the Taliban and more broadly in Taliban-ruled Afghanistan. It offers brief examples of regional variation, where relevant, and includes local anecdotes of identified patterns of behavior and broader themes.

The research is based primarily on remote interviews with Afghans and foreigners who are based in Afghanistan. During this research period, USIP conducted more than 250 structured interviews with Afghan civil society leaders and activists, more than 50 semi-structured interviews with Afghan journalists, researchers and interlocutors engaging with the Taliban, and more than 100 semi-structured interviews with UN officials and aid/development professionals. Additional interviews and discussions were conducted with U.S. and foreign diplomats and officials working on Afghanistan. USIP also hosted or participated in more than 30 expert roundtables during this period, benefiting from knowledge exchange with academics, policy analysts, US government agencies, and other specialists. Additionally, USIP drew from extensive notes and recordings of hundreds of interviews, meetings and roundtables conducted prior to the research period.

The final version of this report, including the attached annexes, caps the second phase of the PEA process. The report's intent is to offer avenues of more focused research, which can be attached as additional annexes. USAID will identify potential topics for follow-on research upon review of this report, and in consultation with USIP. USIP recommends convening one or several structured discussions in order to solicit feedback and to shape the follow-on research agenda that best informs USAID's current in-country programming and meets any other research requirements.

Analysis

Taliban's Power Structures

Formal Structures

The Taliban's political system, in the words of one legal analyst, is "highly underspecified and undertheorized." The Taliban refer to their government as the Islamic Emirate of Afghanistan, the title of the first regime they established in the 1990s, which they used to refer to themselves throughout their two-decade-long insurgency. The emirate is organized around a supreme leader, the emir, believed to be endowed by God with authority to oversee all affairs of state and society. Yet since their takeover, the group has only offered vague insistences that they will rule in accordance with "Islamic law and Afghan values," and has rarely spelled out the legal or political principles that guide their rules and behaviors.

After the finalization of their military takeover in August 2021, the Taliban were quick to adapt their insurgency-era power structures to the contours of the Afghan state, largely as defined by the previous government. They swiftly commandeered state media outlets, named much of their movement's leadership as cabinet officials and provincial governors, only gradually began to pare down select elements of the bureaucracy, and have proven – perhaps surprisingly – adept at revenue collection and border controls. One experienced analyst proposed that the primary difference between the Taliban's Emirate of the 1990s and their first year back in power was their wholehearted acceptance of expansive state authority as a means of wielding power.

Yet the Taliban's transition to administering the country was smoothest in areas of governance they had grappled with during their insurgency. This was evident in their grasp of media and the country's information landscape, and their swift dismantlement of the former Republic's judicial sector – which was seamlessly replaced by their extensive network of arbitration courts. In most aspects of establishing their new state, the militant group struggled to balance a clear priority to consolidate control under its exclusive authority with a host of technical capacity gaps, and a reliance on (Republic-appointed) civil servants to maintain even the most basic services and government functions.

In the absence of a detailed guiding vision for how to structure and administer their state, the Taliban largely defaulted to the shape and structure of what the collapsed Islamic Republic left behind. This was true at the local level, where for years in many provinces the Taliban's creeping influence had diverted or subverted many of the services and functions of district governance. It was also true in Kabul, where the Taliban assigned members of its own leadership to every ministry created by the previous government, except one – the Ministry for Women's Affairs.

But over the course of the Taliban's first year in power, notable changes were made to the organization and staffing of many ministries; likewise, the role of the emir as supreme leader of the Taliban's state has been gradually reasserted and continues to be defined and clarified. All the while, the Taliban tackle crises and leap hurdles in their transition to a governing body by often defaulting to interpersonal relationships and informal avenues of political power and influence; they share this feature of governance with more than one regime in Afghanistan's modern history. Indeed, many of the challenges facing the Taliban are rooted in drivers of conflict and political contestation that long predate their movement – and dilemmas the previous government struggled to address have already confronted the group. These include the (a) historical legacy of Pashtun elites competing with and suppressing other

ethnic communities traditionally excluded from political power; (b) the dilemmas of establishing a central governing authority across such a geographically and demographically diverse territory; (c) the country's lack of infrastructure and industry, and the historical financial unsustainability of Afghan states – which require significant foreign support to survive.

Theme: Monopoly of power

At various points since 2019, all the way up to the first weeks after the group entered Kabul in August 2021, Taliban officials and spokesmen broadcast a range of public statements, diplomacy and informal activity designed to suggest they were open to measures of political inclusivity, either within government or at least involved in consultative mechanisms (commonly erected under the previous government to give an appearance of inclusion). Such promises could have been mere posturing amid negotiations with the U.S., and later with representatives of the Afghan republic.

Some analysts have noted that former President Ghani's flight from the country did not prevent the Taliban from entering into a transitional government that included former Islamic Republic political leaders (in spite of Taliban statements suggesting otherwise); they could have entered the same arrangement reportedly being facilitated by U.S. envoy Zalmay Khalilzad right up until August 15. While true, the vacuum created by Ghani's departure posed an internal dilemma that the group may not have faced otherwise. Compromising and sharing power with adversaries in order to reach Kabul was one proposition; sharing power voluntarily, after already having marched victoriously into the capital and assuming an unchallenged position of authority, was another entirely. Most members of the Taliban may have been persuaded, under the assumption that seizing Kabul might require a lengthy siege or bloody urban warfare, to accept the former. But power-sharing likely would have encouraged speculation that their leadership was allying itself with the 'corrupt,' 'puppet' political leaders of the Western-backed Islamic Republic, or worse, that they were caving to the demands of foreign states.

It is worth noting how unprepared the Taliban was for the situation that unfolded in August 2021, and how this shaped their maneuvers to consolidate power. Officials and leaders repeatedly insist that if then-President Ashraf Ghani not fled, they would have agreed to a transitional government, including figures such as former president Hamid Karzai or Abdullah Abdullah. Even if this narrative has been crafted as post-facto historical revisionism (the group's aggressive summer military campaign is difficult to reconcile with such generous claims), it also amounts to an implicit Taliban admission that the manner in which they came into power was disorderly – and an eventuality for which they were ill-prepared.

The group has staked out a firm, consistent approach: they are pursuing an exclusive monopoly over state power and many other avenues of authority, including economic activity and social engineering. Early dialogue and outreach to senior political leaders such as Hamid Karzai and Abdullah Abdullah quickly died down; the Taliban's stance toward these two has evolved into a permissive form of confinement. The Taliban's consistent intent to monopolize power has manifested in how they 1) deny public space or official position to political figures who have returned to the country to live under the Taliban's rule, even those whom the Taliban have sought out; 2) have spurned all political parties and social organizations that conveyed quiet support for the Taliban while living under the Republic; 3)

approach foreign aid organizations, with a steadily increasing trend of interference.[1] While the Taliban kept the centralized executive branch of the former government intact, it swept away any vestige of the legislature and any other reflections of an electoral-based system of government.

In this context, the Taliban's decision to form a government consisting entirely of their own leadership was unsurprising, even amid persistent calls from donor states, regional powers, and Afghan civil society to achieve some degree of "inclusivity." Maintaining internal cohesion was also a prevailing concern, both in terms of ensuring that various camps within the Taliban felt they had been allotted some share of power but also by adhering to the ideological expectations of their own membership.

Cabinet Appointments

Within weeks of their entry into Kabul, and only one week after the withdrawal of the last foreign military personnel from Kabul airport, the Taliban announced their "interim" government. They named ministerial appointees for all but one ministry under the structure of the previous government (the Ministry of Women's Affairs was left vacant and later disbanded). All acting ministers were senior leaders within the Taliban; no outside political figures were appointed, and all were men.

In the originally appointed cabinet, thirty out of 33 figures named to senior positions were ethnic Pashtuns, even though Pashtuns only comprise an approximate 40-45 percent of the country's population. In spite of the Taliban's claims to have diversified its membership across all ethnicities, and their lightning-fast campaign that seized northern, non-Pashtun majority areas of the country in 2021, the cabinet's makeup reflected the longstanding ethnic imbalance at the highest levels of a Taliban leadership that has remained largely consistent since the movement's foundation. Various cabinet-level shuffling, including rotation of personnel at the deputy minister level and among provincial governors, has not altered this overwhelming ethnic favoritism; UN offices cite a series of figures from 70-85% Pashtun occupancy of senior roles, countrywide.

The prime minister, Mullah Mohammad Hassan Akhund, held high profile positions in the 1990s Emirate but held a low profile throughout the insurgency. He is an ageing, consensus choice for PM. He is well-respected within the Taliban as a close confidant of founding leader Mullah Mohammad Omar. He has chaired the Taliban's leadership council through most of its insurgency, a prestigious if somewhat ceremonial role; he was never a military commander or operational manager and is considered one of the clerical elite (although not personally close with the current emir and his closest clerical advisors). Hassan's first deputy prime minister is Mullah Abdul Ghani Baradar, one of Taliban's three deputy emirs and formerly head of their political office in Doha, Qatar. The other two deputy emirs were also named to vital posts: Sirajuddin Haqqani, notorious leader of the once semi-autonomous, U.S.-blacklisted Haqqani network, is acting interior minister while Mohammad Yaqoub, famous in the movement as the eldest son of Mullah Omar, heads the defense ministry.

Ministries were allocated, in large part, in accordance with the roughly equivalent roles that leaders had previously held in the Rahbari Shura (Leadership Council), which administered over the group for much of its insurgency. Haqqani and Yaqoub were already splitting authority over the Taliban's military and

[1] On #3, see Kate Clark, "Bans on Women Working, Then and Now: The dilemmas of delivering humanitarian aid during the first and second Islamic Emirates," Afghanistan Analysts Network, 16 April 2023. https://www.afghanistan-analysts.org/en/wp-content/uploads/sites/2/2023/04/Bans-on-Women-Working-FINAL.pdf

security affairs across the country, an arrangement that their designation as ministers appeared to solidify. While a few announcements appeared to signal demotions or promotions of certain individuals, every figure named to the Taliban's caretaker cabinet was already a member of the group's Leadership Council, and most of the 'new' appointees held senior positions in the Emirate of the 1990s. Indeed, for any perceived imbalance in the Taliban's new cabinet, such as the heavy representation of figures from certain tribal confederations rooted in southern Afghanistan (versus other power bases for the movement like the southeast or eastern regions of the country), these imbalances have long existed among the Leadership Council, the composition of which seems to be largely upheld by official appointments.

One of the notable features in the Taliban's initial cabinet appointments was the weight given to individuals with experience serving in an Emirate ministry in the 1990s – rather than to simply divide up the "spoils of war" among battlefield commanders. A few high-profile military leaders, notable for their sway over the group in its insurgency phase, were left without positions in a cabinet that only offers a few security-focused roles. Initially, it was unclear whether the lack of appointments was a slight, or simply revealed unknown unknowns at work within the group's internal politics. Some of these key figures, such as Sadr Ibrahim (the Taliban's top military chief for years), were later assigned official positions at a deputy minister level. Others, notably Abdul Qayum Zakir (who also held the top military command, but was forced into semi-retirement during a behind-the-scenes rift in 2015), have been appointed by the emir to positions of responsibility within the security sector, but how their ad hoc positions relate to the ministries' chain of command is unclear. What has become more apparent in almost all cases of notable Taliban leaders who were not appointed to senior positions in government is that they retain their informal influence within the movement; many have gravitated to Kandahar rather than Kabul (see more on this in section just below).

Over the course of the Taliban's first year in power, senior appointments – which from the start already favored individuals with southern origins and tribal ties – became even more dominated by well-connected southerners, especially those reportedly named by the emir without much internal consultation. In some instances of appointments for mid-level roles, this selection bias may have been less conscious. However, in some prominent and sensitive roles, individuals' background and personal connections to southern leaders appears to be an explicitly desired asset – a measure of trustworthiness. See Annex 1 for a list of cabinet appointees, current as of March 2023.[2]

Since August 2022, the emir has more explicitly taken over the process of appointing cabinet-level and sub-cabinet officials, even extending deep into positions at the provincial level. However, this has not impacted the sensitive roles of security sector ministers or deputy prime ministers, all of whom are top-tier leadership figures in the movement. See next section, and one on the role of emir, further below, for more.

[2] For a more detailed breakdown of cabinet appointees, their biographies and other influential figures in the Taliban government, see "The Taliban's Takeover in Afghanistan – Effects on Global Terrorism," Konrad Adenauer Stiftung and Countering Extremism Project, December 2022, pages 15-29. https://www.kas.de/documents/252038/22161843/Taliban%C2%B4s+Takeover+in+Afghanistan.pdf/af8a59b9-195e-c4cf-d084-640a595ab490?version=1.1&t=1677762843828

Insurgency-Era Practices, Applied to Government

The Taliban's caretaker government should be seen as an exercise in legitimizing and elevating the insurgency roles held by many in the Leadership Council to the status of a sovereign government.

Yet the Taliban also had compelling internal political motivations to simply plug their leadership into the ministries of the former government. Their movement consists of numerous camps and factions, all of which likely expected representation in whatever form the initial government took. This juggling act is made easier with a large number of ministries, to dole out proportionally; it is also possible the Taliban did not disband or temporarily shutter some government offices out of concern it would implicitly admit their movement did not possess the technocratic capacity to run them. Yet with figures and factions now entrenched in a 'caretaker' government arrangement, any reduction of the state's breadth according to political or theological principles will likely foment tension among the 'winners' and 'losers' when it comes to cabinet seats. This is underscored by the fact that major power brokers within the leadership have all retained their "interim" roles, even amid a growing level of ministerial restructuring and personnel shuffling at the deputy minister and director-general level. This notably includes all three deputy emirs, Baradar, Haqqani and Yaqoub.

The Taliban leadership's deliberative, consensus-driven decision making defined elite politics of the movement during most of its insurgency and appears to steer much of the work of the Taliban's cabinet. But this approach, which prioritizes accommodation of the wide range of competing interests within the Taliban, is ill-suited for the sheer scale and scope of the demands of administering a modern nation state. Leadership deliberations, delayed the appointment of provincial-level and local officials for three months, have impeded any progress on establishing a more permanent structure of government, and by spring 2022 had led to serious instances of internal debate and policy stall. A further complication is that the highest offices of the Taliban government have increasingly deferred final decision making authority to the emir, who since the first months of 2022 began to boldly reassert his supreme authority over major affairs of state.

When the cabinet was initially appointed in September 2021, the emir, Sheikh Haibatullah Akhundzada, did not have his role explicitly announced or explained at the press conference announcing the caretaker government, but Taliban figures present affirmed that the entire government would be overseen by Haibatullah. The same day, Taliban traditional and social media channels began to celebrate the restoration of the "Islamic Emirate of Afghanistan," the same name as the Taliban's regime that ruled most of the country from 1996-2001 and the title the group applied to itself throughout their insurgency. Official statements have since adopted the title "Emirate," although a number of minor ambiguities remain in the formalities of the state (including the title of the government printed on new Taliban-issued passports, which remains unchanged from the Islamic Republic).

Significance of Government's 'Interim' Status

The Taliban have now spent more than a year maintaining a public narrative that their government is an "interim" framework, with repeated – though always vague – suggestions from spokesmen and officials that a more stable and formalized structure of government will be established in the future.

The group's reasons for presenting their government an interim, caretaker cabinet are not fully known, but several motivations likely played a factor.

At the time the cabinet was initially announced, armed resistance was being put down in Panjshir province the same week; international military forces had only withdrawn from the country the week prior, and the Taliban continued to display surprise, even shock, among their rank and file and leadership, at the speed and seamlessness with which the group entered Kabul. Pronouncing the cabinet as "interim" may have simply been a hedge by the Taliban, as a potential off-ramp in the event that developments might have prompted significant political concessions (which, according to interviews with individuals who participated in peace talks only weeks prior, the Taliban seemed willing to consider – albeit under very different circumstances).

While cautious hedging may have been an initial motivation for declaring the government as temporary in nature, as time has progressed the value of maintaining the government as an interim setup may lie more in the avoidance of controversy among the Taliban's own membership, and among conservative Afghan social constituencies the Taliban seem to value. Any system of governance established by the Taliban will require adherence to Islamic and Afghan values. Yet in spite of the Taliban's insistence that their group – and their group alone – should interpret and determine what those values are, once set in stone those determinations will invite challenge and dissent, even from among their own ranks, which the Taliban do not appear prepared or willing to engage with. A constitution, or even elements of a written legal code, would likely trigger policy debate within the Taliban and more broadly among the Afghan public, delegitimizing the group's claim to represent both Islamic and Afghan values.

Various Taliban initiatives, including two major gatherings or shuras of ulema from across the country held in Kabul and Kandahar in July and August, should be understood as maneuvers to ensure tightly-affirmed consensus among important stakeholders – perhaps even coerced to a degree, if necessary – which the Taliban appear to consider necessary steps before staking their legitimacy to a clearly defined system. Until then, the group appears keen to follow longstanding patterns set during its insurgency, employing ambiguity as an approach to public policy and governance as a means of maintaining shifting internal coalitions. Indeed, this was also feature of the Taliban's Islamic Emirate from 1996-2001, when the founding emir Mullah Mohammad Omar named an "interim" cabinet that was never replaced with a formal government.

Some analysts have speculated that the Taliban have withheld any major announcements or determinations on a permanent system of government with international considerations in mind, perhaps out of concern that such moves would preclude formal diplomatic recognition, a seat at the UN or other external incentives. But the Taliban's patterns of behavior and regard for conditions set by the international community thoroughly debunk the notion the group is prioritizing international recognition – and moreover, testimony from interlocutors within and close to the Taliban reveal their leadership does not have the consensus deemed necessary for such a significant set of steps.

An interview with Omar's eldest son and interim defense minister, Mullah Yaqoub, conducted the same day a U.S. drone strike killed Al Qaeda chief Aymen al-Zawahiri in downtown Kabul, included a vague but revealing statement on the interim status of the government. Yaqoub said, "So far, there is no decision made about it. I think for a while it will go on as an acting government, and depending on Afghanistan's condition, we will take the next step."

Lack of a Legal Code

One of the greatest areas of ambiguity lies in the Taliban's lack of a foundational text for governance or any real form of written legal code. At the macro level, the absence of standardized policy – or even

political and legal principles to guide policy – have resulted in one of the Taliban's most surprising and underreported postures. Their Ministry of Justice has asserted that the 2004 constitution, which established the U.S.-supported Islamic Republic, is technically operative, except for those sections which violate Islamic law (no comprehensive list of violating sections has been made public, though chapters on the presidency and the legislature have been flagged). On the other hand, statements from senior Taliban – including more than one offered by the emir himself – reject the values and specific rules featured in this constitution, and in many instances its tenets obviously not being enforced as claimed.

In the framing of several Islamic law scholars and regional experts, "the law [in the Taliban state] is portrayed as largely preexisting the political sphere and as waiting to be discovered rather than to be made, particularly through an independent judiciary." Whether or not the Taliban's judiciary is independent from the rest of their power structures is debatable. But the notion of law as a constant, dictated by God and only in need of interpretation by a select few, helps explain the Taliban's nonchalant lack of a national legal code, given that the group has always maintained its primary benefit to the Afghan people is providing law and order. Taliban-affiliated interpretations of Islamic law ***are*** the nation's legal code; some of these are beginning to be written into findings by the Supreme Court, other court organs and the Dar-ul Ifta, but much of it is left to local and case-specific ruling by religious judges.[3]

The inaccessibility of the law to anyone outside of the Taliban, other than clerics of approved religious orientation, also sheds light on the opaque nature of their cabinet appointments, and indeed, the changes applied to the structure of government since their takeover. While the Taliban never codified a constitution or even the governance "charter" that Mullah Omar commissioned top clerics to debate and draft, they have referred back to laws and decrees enacted during their first emirate. Indeed, the structure of the current executive branch, down to featuring multiple deputy prime ministers and outlining the role of the Ministry of Propagation of Virtue and Prevention of Vice (MoPVPV), matches the outline found in the 1996 "Law of the General Principles of the Organization and Jurisdiction of the Ministries of the Islamic Emirate". The Taliban drew a detailed blueprint from their 1990s "interim" cabinet structure – and very likely a great deal else from edicts of that era, without publicly attribution or acknowledgement.

In this context, the Taliban's incremental and seemingly arbitrary series of changes appears less the byproduct of internal dysfunction and the group's lack of transparency seems more relevant. While consensus is clearly not unanimous on a number of issues, and likely quite divided when it comes to the ideal structure of the state, a basic intellectual framework – and series of precedents, at least available as options or learning experiences – exist for the Taliban to draw from. They have simply remained secretive about much of this, without any presumption of participation by non-Taliban political actors or Afghan citizens.

[3] See Haroun Rahimi, "Islamic Law, the Taliban, and the Modern State," Islamic Law Blog, 31 March 2023. https://islamiclaw.blog/2023/03/31/islamic-law-the-taliban-and-the-modern-state/
See also M. Bashir Mobasher, Mohammad Qadam Shah and Shamshad Pasarlay, "The Constitution and Laws of the Taliban, 1994–2001: Hints from the Past and Options for the Future," International Institute for Democracy and Electoral Assistance (IDEA), 2022. https://www.idea.int/sites/default/files/publications/the-constitution-and-laws-of-the-taliban-1994-2001-hints-from-the-past-and-the-future-en.pdf

Civilian Relations

Since the group's inception, the Taliban – through their court system, as well as local officials holding consultative and arbitration sessions with local stakeholders – have implemented Taliban priorities and dealt with matters of community concern in a highly traditional manner. Other than guidance issued by the Taliban's upper echelons of leadership on how commanders and fighters ought to interact with civilians, there was no "rule of law" under the insurgency's shadow governance – nor has any been instituted since the group took over the country.

The most significant shift in the Taliban's daily interactions of governance has been the group's assumption of management positions in the provincial and district offices of line ministries. In the vast majority of these offices across the country, civil servants remain in all positions other than a single supervisory or management role, in many cases with the previous manager stepping down but continuing to serve as a "deputy" (the Taliban have told UN and aid officials that 98% of civil servants were appointed under the Republic; exact numbers are difficult to verify but observers estimate around 90% in provincial/local offices). In the absence of ministry guidance, these offices are dictated by the individual judgment of local Taliban appointees, which has sustained a great degree of regional variation in Taliban "policies" or community relations – a staple of the group's insurgency-era modus operandi.

Many of the Taliban's practices in daily governance and interaction with civilians retain the same character as during the final stages of their insurgency, especially outside of urban centers/in rural areas where they have operated more comfortably for years – and where civil-Taliban relations have evolved.

The Taliban's relations with civilian communities evolved a great deal over the course of the insurgency, driven both by the group's need to secure at least some level of tacit community support in order to achieve military objectives, and by those communities' survival instincts. Yet with the Taliban in a dominant position among Afghanistan's armed actors, the military imperatives – and the need to seek sanctuary among local communities – don't exist in the same way today. What new factors continue to compel local compromise and accommodation appear to vary greatly, from one province – or even one district – to another, with patterns emerging along ethnic community lines, as well as whether or not the Taliban have long-established relations and presence in a given area.

[Note: The above section requires further research. USIP recommends several case studies at the provincial level, with locations and methodology to be scoped in consultation with USAID.]

Evolution of Government Structure

While the Taliban deferred to the structure and the daily operational procedures of the previous government in the first weeks and months after they assumed power, since then ministries have undergone a host of organizational changes.

Many of these changes adhere to a theme of streamlining redundancies, cutting or restructuring roles/functions perceived as unnecessary. For instance, the number of deputy ministers – and the entire portfolios they oversee – have been significantly reduced and consolidated in each of the security ministries (e.g. from nine to five deputies in Interior), as well as others. Many of these reductions are related to how many positions were anchored in U.S.-provided security assistance under the former government; a number of offices oriented toward Republic-era foreign relations have been cut or shuttered entirely.

In other instances, the restructuring of ministries appears to have been driven by internal deliberations over how different elements of the movement are represented and assert themselves in particularly prized ministries. Interlocutors report this is especially true within the Taliban's General Intelligence Directorate (GDI), which is not dominated by any single faction or major leadership figure. While the motivation of internal politics appears evident in the restructuring of line ministries and other formal government offices, it is extremely difficult to assess, as even well-informed interlocutors often lack context.

Another emerging theme, especially since spring 2022, is the Taliban's consolidation of control over offices that oversee aid, development and other internationally funded activities in the country (many of these rest in the Ministry of Economy, but not exclusively). Aid and UN officials report that a number of mid-level and mid-senior positions, which had been occupied for the first 8-10 months of the Taliban's rule by Republic-appointed civil servants, have since been dismissed and replaced with Taliban loyalists. This trend extends beyond personnel appointments, as it includes a wave of increasing encroachment by certain offices into the practices of aid organizations – perhaps most notably in the emerging requirement for NGOs and agencies to sign restrictive/invasive MOUs. In several ministries, women technocrats have been told that male relatives should come to their offices in their place, while they stay at home; interlocutors report that the Taliban clearly understand the women in question would continue doing the work, only removed from public space.

Politically or ideologically charged alterations to government structure have also taken place in more than one sector, often related to Taliban perceptions of Western influence in the previous government (or simply a lack of sufficient adherence to a *sharia*-based system). The justice sector illustrates this trend, where the Taliban system of arbitration courts have largely replaced local outlets of the previous government's structure, and senior religious clerics affiliated with the movement now populate a similarly-titled, but quite distinct, "supreme court" with ambiguous functionality. The Ministry of Justice's (MoJ) departments have been significantly reshaped in Kabul, including stripping key functions and authorities from the attorney general's office. Many of these changes, it must be noted, are related to provisions concerning the protection of and access to justice for women. However, the limit of changes at the MoJ also reveal the lack of a comprehensive vision for government structure. Prosecutors' authority, for instance, has been dramatically weakened by the Taliban's reforms, which do not suggest a clear role for prosecutors in the way cases are brought to trial, but prosecutors have not been eliminated as positions within the ministry. Rather, they remain in a state of bureaucratic limbo, and serve as an indicator of how piecemeal, and in many cases simply reactive, Taliban changes to government structures may be.

Finally, major changes to the executive branch have revolved around incorporating the unique role of the emir into the state. The inconsistently incremental manner in which the emir's authority has been explained, or more often revealed without explanation, suggests the Taliban themselves have been adapting to changes as they go – not implementing a restructuring planned in advance. These changes to the executive branch are as follows (but these seem fluid and should be assessed regularly):

- The Republic-era Administrative Office of the President has been retitled as the Administrative Office of the Prime Minister (also serving his deputy prime ministers, notably Baradar).
- There is also an Administrative Office of the Emir, which consists of a less-rigid staff and apparatus based in Kandahar.

- Finally, there is an Administrative Office of the Arg (the compound of palaces in Kabul historically home to heads of state), which primarily functions as a waystation for all memoranda and items of business raised by the ministries. The Office of the Arg determines which issues should be dealt with by the prime minister, which to call for resolution by the assembled cabinet, and which should be sent to the emir for ultimate review.

It remains murky to what extent and how formally these offices engage with government affairs; anecdotal reports suggest a disorienting mix of bureaucratic paper trails along with highly personalized, potentially flexible relations between the different offices. One consistent theme as of September 2022 is the growing assertiveness of the emir and his increased issuance of decrees (some in the absence of previously traditional consultation).

Role of the Emir

Kabul vs. Kandahar: dueling power centers

For the first six months of their rule, it appeared as if the cabinet, chaired by the prime minister's office, would shape governance policies — but ministers have been increasingly overruled on issues large and small by the emir, Sheikh Haibatullah Akhundzada, based in Kandahar.

In theory, the Taliban have always regarded the emir's authority as absolute. According to the Taliban, the obedience the emir commands, and the unity this obedience is meant to foster, is what differentiates the Taliban from every other mujahideen faction that fought over and preyed upon a fragmented Afghan nation. In practice, however, the emir—even the Taliban's first emir and founder, Mullah Mohammad Omar—has always presided over a highly egalitarian, horizontal movement, with deliberation and consensus-building at the core of important decision-making. When the U.S. intervention scattered the Taliban's leadership across various sanctuaries in Pakistan, distancing many of them from their insurgency's future battlefields, field commanders were given progressively greater autonomy for years; the ability to enforce edicts from on high was strained thin. The emir's authority was rarely openly questioned or publicly challenged, but for much of the insurgency, the emir and his lieutenants were careful to avoid testing the limits of obedience. After Mullah Omar's hidden death (the scandal that nearly tore the movement apart) became public in 2015, the emir's authority rested on consensus among leadership more than ever.

This was a dynamic for which Haibatullah – who had a reputation as a consensus-seeker, to such an extent that his deliberative style was often characterized as weak – seemed well-suited. His rejection of most public appearances, including conventional ceremonies that might befit a head of state, contributed to popular perceptions of his meek profile – even though this closely adhered to the precedent set by founding emir Mullah Omar, who also grew less consultative and increasingly autocratic throughout the era of the first Emirate.

Early signs: empty ministries, missing personalities

By January 2022, Kabul interlocutors reported that the Office of the Emir (described above) had begun to review, and in some cases interfere with or even overturn, an increasingly longer list of ministerial actions and edicts. Also in December 2021 and January 2022, aid agency and NGO workers reported that, when attempting to schedule meetings with senior ministry officials in Kabul, they were informed by ministry staff that their superiors were not in Kabul – that they effectively spent most of their time in Kandahar.

After the emir's last-minute extension of the ban on girl's secondary education, implemented on 23 March, it is evident these were early indicators of what foreign diplomats now call a process of the "Kandaharization" of government. They describe "dueling centers of power" between Kabul- and Kandahar-based Taliban. See Annexes 9 and 3 for further detail.

Sign of a major shift: March 23 decision

The emir's assertion of his authority came into public view on March 23 2022, when he overturned the long-promised return of girls to high school at the last minute. Given the reported broad-based support from among Taliban leaders (including all three deputy emirs) and the significant press coverage the development accrued, this was perhaps the most publicly exposed policy disagreement in the Taliban's history. In the days and weeks that followed, Taliban figures in Kabul and across the country privately vented frustration and dismay over the decision, even as spokesmen emphasized the movement's unity and denied the existence of any differences of opinion.

In overturning a policy endorsed by so many of the movement's top figures at the last minute, Haibatullah reasserted the authority of the emir in a controversial new way; in recent years the emir had seldom overturned such a strong consensus among the movement's elite.

Since then, other policy issues have stalled as pragmatic Taliban leaders defer to the emir – either preemptively or after being overruled. The emir reportedly seeks counsel from ultraconservative Taliban clerics and individuals based in Kandahar, at times forgoing consultation or dismissing the council of previously critical voices in the movement's top echelon of leadership.

The March 23 reversal clarifies how the Taliban have historically approached the notion of consensus. In the leadership's deliberations (especially under Haibatullah), reaching consensus has not historically entailed deference to a majority opinion, especially not if objections are raised on the grounds of ideological or religious purity. Rather, consensus is reached only after any such objections are retracted or withheld.

Researcher Ashley Jackson has persuasively assessed that Haibatullah's decision to not allow girls to return to school likely reflected both a personal assertion of his authority and a growing resentment among the movement's senior clerical circles that they had been excluded from policymaking taking place daily in Kabul. Reports that a small minority of ultraconservatives objected to the resumption of girls' education should be contextualized: There is an entire constituency within the Taliban, consisting of clerics and rank-and-file alike, concerned that the movement has not moved quickly or completely enough toward harsh visions of a "pure Islamic state." Two speeches the emir gave in July 2022, at the ulema gathering in Kabul and the next week at a mosque in Kandahar, both included assertions that a truly, purely Islamic state had not yet been established and stated that harsh hudud punishments would be restored in the future. Taliban-affiliated social media discourse, as well as field interviews with Taliban members and sympathizers, reveals significant enthusiasm for this prospect.

Taliban reactions to the March 23 decision on teenage girls' education, and related restrictive edicts that followed, made it clear that the movement contains more than one constituency. For the foreseeable future, the emir has aligned himself with several harshly conservative stances – but perhaps more importantly, his approach of asserting authority over policy is indirectly defining the scope and structure of the state. The trajectory of the Taliban's still poorly-defined government is oriented toward one-man

autocracy, to a degree unseen in the movement since Mullah Omar presided over the affairs of the first Emirate.[4]

Kandahar circles: inner and outer

The emir's challenge to the majority's opinion is more understandable in light of the administrative apparatus and political interests forming in Kandahar. According to Afghan researchers and several foreigners who have traveled to Kandahar, concentric circles of access and influence have coalesced around the emir. An inner circle, consisting of longstanding comrades and fellow clerics, close advisors, and messengers, is surrounded by a plethora of Taliban, young and old, powerful and ambitious, all representing diverse interests within the movement—yet, a great many of them only representing elements of southern Afghanistan. Sources based in Kandahar or who visit regularly report that the emir spends a good deal of time meeting with the Kandahar ulema council, which is notable both as an influence on ideological discourse and as a body that includes prominent political figures and families.

The perspectives, perceived threats, and priorities that exist in these Kandahar circles do not, according to the interlocutors, capture the full spectrum of views within the Taliban—which, of course, only represent a fraction of the beliefs and values of the Afghan people. That said, these ultra conservative Taliban Kandahar circles are not as uneducated or unexposed as many have characterized; a great deal of wealth, regional cosmopolitanism and political influence is now present and engaging with Taliban leadership in Kandahar.

There are notable Taliban stakeholders and influencers who have barely set foot in Kabul since the takeover, remaining or settling instead in Kandahar. These figures represent several distinct factions and formidable figures, many of whom were never incorporated into the formal structures of government – or only very loosely. Several factors play into this gravitational pull:

- The historical example of Mullah Omar remaining in Kandahar throughout his tenure, tasking subordinates to go to Kabul and manage the daily grind of governing a country, still holds powerful sway among many Taliban, and is especially meaningful to those with southern roots.
- A corollary to the deep admiration for the emir's aloofness from politics is a deep suspicion, widely held in the 1990s and only hardened in the 20 years since, of the corrupting, sinful influence of Kabul. This characterization reportedly remains in use in internal Taliban discourse.

[4] On the first emirate, see Kate Clark, "Bans on Women Working, Then and Now," as well as Mobashir et al, "The Constitution and Laws of the Taliban, 1994–2001."
One unpublished report on the leadership of different emirs characterized them thus:
1) the *charismatic* style of Mullah Omar, a humble village preacher who led an ultra-traditionalist network of madrassa student, which had captured a gutted, barely functioning state apparatus, upon which it attempted to graft its traditional strictures.
2) The *patrimonial* dynamic that reigned during the insurgency among all top-tier Taliban leaders (including emir Akhtar Mansour), which stemmed from the decentralized structure of the insurgency, adopted to fight against the occupation. Military commanders came to wield significant power by virtue of their control over fighting networks and local political economies.
3) Emir Haibatullah lacks both patrimonial and charismatic authority, and came into power facing powerful rival networks. But he has anchored decisionmaking in Kandahar and marginalized many of the movement's military leaders, empowered by his advanced credentials of *religious authority*.

- The superiority complex some in the Taliban attach to Kandahar also includes an ethno-tribal dimension with deep historical roots; the region of greater Kandahar has produced most of Afghanistan's rulers over the last 300 years.
- In addition to, or perhaps regardless of this cultural context, the most critical factor appears to be power politics: Many Taliban in these circles are in Kandahar, rather than Kabul, likely because they perceive it as the true center of power within their movement. Even among Taliban leaders appointed as ministry heads or deputy heads, a number of them spend more time in Kandahar than they do in the capital.

Impact of "Kandaharization"

Jackson's assessment of internal Taliban dynamics was strengthened by events in the weeks that followed the March 23 decision, as a raft of social restrictions were issued in the emir's name and enforced by emboldened officials with the Ministry for the Propagation of Virtue and Prevention of Vice (MoPVPV); it appeared as if the movement's most conservative, doctrinaire members had taken the emir's intervention as a call to action. It appears that a number of senior clerics had begun to feel increasingly shut out of shaping the new government, a government that to them, and many others among the Taliban's ranks, had not done nearly enough to distinguish itself from the foreign-backed republic they had fought so bitterly to topple and replace.

From April 2022 onward, the office of the emir issued directives with an apparent intent to steer the Taliban's government back onto an ideologically pure trajectory, empowering the MoPVPV to act in its traditional role as a harsh morality police among society, but also as a sort of "internal affairs" branch of the Taliban itself, rooting out corruption and perceived misbehavior. To date, the ministry has not established its own capacity to act as a law enforcement or security arm of the state; its officials neither issue punishment nor carry out detentions – though more than one instance of MoPVPV leaning on the GDI or other security officials to carry out detentions on their behalf has been reported by international organizations.

This empowerment of the MoPVPV to both police Afghan citizens and to exert influence over other Taliban ministries adheres to themes of moral purification repeatedly addressed in the emir's public remarks. But it has also generated an unprecedented amount of openly discussed discontent or resentment within Taliban ranks. A wide range of Taliban officials who engage with foreigners or key Afghan interlocutors have expressed displeasure with the religiously authoritarian priorities the MoPVPV is setting (and the course the emir appears to be setting for the country, writ large). This discontent has taken on the distinct political feature of conspiracy theorizing about the bad-faith intentions of neighboring powers. Several Taliban interlocutors shared a version of the unlikely theory that Emir Haibatullah must be under the sway of Pakistan's intelligence service, which is manipulating him into a series of unwise decisions designed to weaken Afghanistan and ensuring it cannot pose a threat to Pakistan.

The Taliban have further signaled the importance of religious legitimacy by convening two "grand ulema gatherings" this summer, the first in Kabul in July (with over 4000 in attendance) and the second a month later in Kandahar (roughly 3000). While the attendance of these gatherings did not exclusively consist of clerics (several estimates ranged from 1/4 to 1/3 of attendees being business owners and other social leaders), the public messaging, framing and agenda of these gatherings asserted the primacy of religious stakeholders in the Taliban's social contract. This is underscored by the amount of

time and frequency the emir reportedly spends with the Kandahar ulema council, some members of which include his closest confidants.

One of the most critical developments in governance relating to the emir's growing authority relates to the centralization of decision making on expenditures. More than one international organization present in Kabul and elsewhere in the country reports that the Administrative Office of the Emir has, since summer 2022, begun to wrestle control of collected revenue and budgetary decisions from the cabinet. This centralization of financial authority has long-term ramifications for the Taliban's political future. Already, the Taliban's centralization of revenue collection has left unanswered a series of questions on how the previous profits from illicit and criminal activity might be replaced, or how Taliban stakeholders involved might be otherwise incentivized. The allocation of resource management to the single figure of the supreme leader, or even just the circle of advisors close to him, further shrinks the opportunities for entrenched interests within the Taliban to recoup losses from insurgency-era models of profit and patronage.

The emir's assertive influence over senior appointments is reshaping the landscape of Taliban leadership – to date, trending in a direction of even more lopsided representation of southern-origin members in the top ranks of government. In late September, a series of announced cabinet shuffles included the appointment of Habibullah Agha, the chairman of the Kandahar ulema council, as Minister of Education. Habibullah, as suggested above, is reportedly one of the emir's closest confidants; his placement in the education ministry after months of internal debate and widespread dissent over the decision to extend the ban on girls' high school suggests – whatever the forthcoming policy directives – the emir's desire to secure an even tighter grip over education policy.

Informal Authority(ies)

Overlapping Portfolios and Personal Favors

Even a year after the Taliban's takeover, many daily interactions with government offices prove more effective when interpersonal connections and influential Taliban figures are called upon – regardless of whether these individuals are formally responsible for the matter in question. This appears true in many cases for representatives of foreign organizations and for Afghan civilians. NGO managers, UN aid agency officials, UNAMA political officers and Afghans all describe an occasionally labyrinthine system of approaching multiple Taliban "gatekeeper" figures, to solicit support for an ostensibly routine bureaucratic interaction. At times, multiple gatekeepers aligned with various camps of the Taliban will send a request back and forth among themselves, asserting their inability to intercede but later stepping in effectively.

At times, the context behind confusing lines of authority borders on absurd: one aid official described a growing need to liaise with the Minister of Rural Rehabilitation and Development, Mohammad Younus Akhundzada, even though their issues should have fallen under the Ministry of Economy's purview. The Minister of Economy, Din Mohammad Latif (one of the few Tajik members of the Taliban's leadership council), had proven uninterested in engagement with this and other organizations; unresponsiveness and delay from that ministry was resolved via outreach to Younus, who had previously managed Taliban engagement with NGOs as the head of the relevant insurgency-era commission. Pre-existing relationships bore fruit and Younus resolved a series of obstacles for the agency, permitting its work to progress over the past year.

More than one foreign liaison with the Taliban strongly recommends a "layered, overlapping" approach to engagement with the authorities. A line ministry official, even a senior figure within the Taliban, may claim an inability to perform their assigned task for half a dozen different reasons, ranging from a 'jurisdictional dispute' with other factions, concern that a controversial request may draw Kandahar's attention, or simple solicitation of bribes or favors. The importance of a layered approach becomes even more essential when seeking government authorization or support for activities outside of Kabul, in provincial locations; Kabul's power landscape consists of both formal and informal stakeholders, and the local activity site likely will as well.

It is critical to note that the Taliban's organizational culture is rooted in interpersonal relationships, encapsulated in the Pashto term *andiwali*, loosely meaning friendship or comradeship but also connoting networked affinities and ties. For the Taliban, making a phone call to a personal connection in order to secure support for an official task is not a dysfunction or disruption to the state's business. On the contrary, bureaucratic compartmentalization and strict assignment of authority according to sector portfolios are alien practices, paid varying degrees of lip service but largely bypassed in favor of more socially/culturally traditional means of interaction.

A hyper-local example of the above paradigms is how one NGO managed a road trip from Kabul to rural Ghazni in late 2021: they obtained the proper documentation required from security ministries, in order to show Taliban checkpoints and local authorities – but they also secured the phone number of an influential figure who was related to several Taliban officials in that district. At one checkpoint the official documentation was sufficient for the NGO team to be waved through by security forces, but at another the team was interrogated. After referring to the influential figure in Kabul, he was called from the NGO team's phone, handed over to the checkpoint guards, and after a 15-second conversation, the team was allowed to continue their journey.

Insurgency Commanders

Former military commanders of the Taliban's insurgency remain a critical constituency within the movement, regardless of what level of official title or position they have been granted (some have none at all; others have been appointed to positions that sit outside a line ministry's hierarchy). However, these individuals cannot be considered as a unified camp or bloc within the Taliban; some represent a range of illicit or war economy-based enterprises, while others staked out firm policy positions at critical moments of the insurgency (including resistance to peace talks), some retain lasting influence as prominent representatives of longstanding important tribal or clan affiliations, while others still have faded out of view among most of the Taliban's own membership.

Prominent analysts of the Taliban have observed that these men may be the truest or most influential of Taliban leaders, because they "have the men with the guns." This is a reference to the Taliban's *mahaz* system of recruitment and military organization, by which individual commanders would employ their fighters' family ties, interpersonal networks and other affiliations to recruit and indoctrinate new fighters. Members of a *mahaz* pledged loyalty to the movement but also grew highly loyal to their *mahaz* commander, who distributed resources in addition to commands. More accurately, as the Taliban's insurgency grew and they developed more sophisticated systems of revenue generation and collection, *mahaz* commanders would keep a substantial percentage of the revenue they collected, for dispersal among fighters and to achieve local objectives. The *mahaz* system was the foundation of a highly horizontal system, wherein – instead of a traditional pyramidal military hierarchy – only several

rungs separated fighters from the top echelons of leadership, which permitted local commanders a great deal of autonomy and kept leaders attuned to conditions on the ground. This system also happened to benefit Taliban leaders who had greatest access to revenue streams, whether that consisted of taxation of the narcotics trade or donations and support from entities in the Gulf and Middle East; more resources enabled more recruitment and larger fighting forces, which translated to greater political influence and authority among the Taliban's leadership council.

The Taliban's transition to a centralized system of revenue collection, as well as the standardization – in most, if not all cases – of the security sector ministries – has complicated, if not fully degraded, the influence of these commanders. While the wealthiest and best-resourced of the Taliban undoubtedly retain political power both locally and among the leadership, the Emirate has, at a minimum, introduced fighters (now largely "police" or other state security forces) to a formal reporting line and set of supervisors – and strict instructions for the direction of locally-collected revenue. The dynamic between formerly preeminent mahaz commanders, their loyal fronts of fighters and local officials, and the ongoing incorporation of these structures into more standardized ministries is still evolving, and it is difficult to discern how this transition will progress in the longer term. If it continues as smoothly as it apparently has to date, it is highly likely that former commanders and other stakeholders have been re-incentivized by, or in spite of, the newly emerging power structures.

This transition is clearly not yet complete, and major powerbrokers in the movement are likely to resist some aspects of incorporation into the state as an obvious depletion of their resources and influence. In some instances, this resistance to the supremacy of official state organs may even have quiet/tacit approval of the emir. One notable example is the security force that occupies the Arg, or cluster of palace buildings that traditionally house Afghan heads of state (now home to the Prime Minister and his deputies); these fighters, though uniformed and well-outfitted, do not conventionally report to a line ministry. Rather, they are the personal *mahaz* of Fazl Mohammad Mazloom, who serves – at least on paper – as one of several deputy ministers of defense.

Fazl was a senior military commander during the Taliban's 1990s rule, accused of overseeing more than one massive massacre of civilians in northern Afghanistan (including hundreds, possibly more than a thousand Shia Hazara). Captured early during the U.S. intervention in 2001, Fazl was released as one of the "Guantanamo Five" in exchange for Bowe Berghdal in 2015, and then remained in Qatar – but did not quite function as a member of the Taliban's political office. Afghan journalists and researchers close to the Taliban say that Fazl's militia rushed to Kabul and quickly took over security at the Arg. Some testimony suggests Fazl, a southern Pashtun with roots in Uruzgan, ordered this so as to deny the Haqqani network dominance over the politically significant site – the Haqqanis' fighters had been best staged for the initial takeover of Kabul and early reports suggested they were establishing strategic footholds across the capital.

In any event, Fazl's militia – reporting to him personally, operating outside any discernible chain of command – stands as a powerful example of personality-based authority outweighing formal office, even the seriously-regarded security sector. This in turn reveals the incomplete nature of the Taliban's transition from insurgency to state – rendering it difficult to predict how the influence of or dynamics between currently influential stakeholders will evolve.

Clerical/Judicial Cohort

Clerics who are affiliated with or considered members of the Taliban have always been an influential wing of the movement, providing guidance to Mullah Omar from his first days as founder. This influence is strongly rooted in the Pakistan-based religious schooling that many Pashtun Afghan refugees received during the 1980s and 90s. This influence developed further among the Taliban's top leadership cohort after 2001, when many of them fled for sanctuary in Pakistan, reconnecting and deepening roots with sympathetic Pakistan-based clerics.

As the Taliban leadership was forced into a series of compromises in their management of the insurgency, permitting a great deal of local autonomy to field commanders, the military command and the ideological leadership of the movement gradually bifurcated. The Taliban never abandoned their key ideological tenets – on the contrary, they established and nurtured a large and sophisticated information operations wing to churn out mass amounts of ideologically and religiously-infused propaganda - but theologically-derived guidance was often set aside or ignored in the face of overwhelming military imperatives.

On the other hand, the clerical cohort retained a great deal of influence, as they were the teachers and mentors of a steady stream of recruits, many sent from Afghanistan to Pakistan-based *madrassas* or seminaries to undergo indoctrination into the movement. Clerical scholars also make up the upper echelons of the Taliban's judiciary, playing a critical role in defining what the Taliban regard as properly "Islamic" – which is instrumental to the group's policymaking and implementation.

Emir Haibatullah was a teacher in several of these Pakistan-based seminaries, and unlike previous emirs Omar and Akhtar Mansour, this exposed him to an entire generation of Taliban-trained clerics and commanders, who have now taken up positions of responsibility across the country. A foreign diplomat once quipped that Haibatullah's only constituency was the war dead, but it may be more accurate to say that he shaped a notable percentage of Taliban clerics – and if he considers himself accountable to any constituency, it would be to them. This also illuminates some of the likely considerations behind the *ulema* gatherings held in summer 2022.

See more on ulema that engage with the Taliban further below.

Ad Hoc Committees

At several points over the Taliban's first year in power, committees or commissions have been established that lay outside the defined scope of the executive branch, tasked either by the Prime Minister or the Emir to carry out specific, sensitive directives.

One of the more notable is a six-man Commission for Return and Communications (also referred to as "Liaison and Repatriation for Afghan Personalities," and other variations of these titles), meant to facilitate the safe, organized and Taliban-monitored repatriation of Afghans based outside the country, including Afghans who evacuated during the Taliban's takeover and/or had affiliations with the previous Western-backed government. This commission is headed by Shahabuddin Delawar, who serves as Minister of Mines and Petroleum, and including Anas Haqqani, who does not otherwise hold office in the Taliban's government but acts as a powerful representative for the Haqqani family. This commission adheres to a theme of the Taliban's desire to exert control and supervision over sensitive processes, but also implicitly acknowledges that enforcement of a common policy across the Taliban on such a key issue – amnesty for high-level figures from their former enemy – requires the in-person buy in of various

Taliban factions and interests. In effect, the committee appears to serve as an assurance that every element of the Taliban buys in to the guarantees offered to returnees.

What the selection and solicitation of these figures tells us about the Taliban's approach to external political actors is covered further below. Here, it is sufficient to note that these returnees have not been offered roles in government or participation in politics. Instead, the commission seems to be shaping Taliban attitudes on what degree of "corruption" or collaboration with their wartime adversaries may be forgiven and re-incorporated into society – while removing that judgment from the purview of the Taliban's security ministries. This may contribute to some degree of domestic legitimacy, but is not being explicitly cited by the Taliban, for instance, in response to international calls for their movement to form a more inclusive government.

Another committee, one that has not been covered in Afghan or international press but which a number of analysts in Kabul have begun taking note of, includes around a half-dozen of the most influential Taliban figures in their security sector. This committee appears to be a "crisis response cell" of sorts, only meeting informally and activating in response to major issues or security challenges. One analyst has noted that the same 5, 6 or 7 people have been involved, including travel to the hotspot, in (1) a Taliban provincial leadership crisis in Badakhshan, (2) a certain stage of the National Resistance Front's activity in the Andarab Valley of Baghlan Province, (3) the arrest of prominent Uzbek Taliban commander Makhdoom Alam and subsequent mass protests in his home province of Faryab, and (4) negotiations and later serious clashes with the breakaway dissident Taliban Mehdi Mujahed (one of their only Shia Hazara commanders).

This "interagency" security committee consists of several deputy ministers in the security sector who represent major factions within the movement, including Fazl Mazloom (mentioned earlier), Sadr Ibrahim (also noted above), Daoud Muzamil (a trusted senior associate of Sadr Ibrahim's), Taj Mir (the deputy head of GDI), Mohammad Shireen (a notable Kandahari military commander who once led Mullah Omar's security detail), and Qari Fasiuddin, chief of staff of the army (and the movement's most notable Tajik/non-Pashtun military leader). According to unverified reports, this committee reports directly to the emir as well as back to their respective ministers – and may even take action with the authority of the preapproval of the cabinet and emir.

The committee has had potentially far-ranging political impact, beyond the near-term resolution of security challenges. People with knowledge of the standoff with Mehdi Mujahed and the large armed incursion into Balkhab district of Sar-e Pul province (Mehdi's home district, where he retreated and rallied militia supporters) say the episode catalyzed a "coup" within national-level Hazara community leadership. A new generation of powerbrokers has begun engaging with the Taliban to protect Hazara interests (effectively disowning Mehdi and distancing his actions from the Hazara ethnicity). This security committee managed the liaison with Hazara powerbrokers at the height of the standoff, and has allegedly recommended that Haibatullah grant several of them, especially Sheikh Karimi (formerly affiliated with the political leader Karim Khalili), a personal audience.

Ultimately, this committee is strong evidence of the Taliban's rejection of formal conceptions of bureaucratic responsibility for particular categories of security issues or emergencies, and demonstrates the movement's continued rootedness in interpersonal relationships, well into the formation of their government structures.

Evolving tensions / dynamics

Internal dynamics described above have alluded to a number of existing or potentially escalating tensions. The Taliban's internal tensions can be broadly categorized as follows:

(a) access to resources, specifically the apparent loss or severe reduction of income from illicit trade and criminal enterprises resulting from the centralization of revenues;
(b) factions competing for shares of power and influence, either as official appointments in Kabul, through access to the emir in Kandahar or with stakeholders across the country;
(c) a related trigger of heightened tensions could be the continued "Kandaharization" of government, through either appointments or other decision making, resulting in a conflation of internal dissent and popular unrest. This could take on an ethnic dimension but might also stem from the marginalization of other Pashtun demographics.
(d) a growing division of policy views, either on single issues such as girls' education or more broadly in terms of vision: pragmatic state building versus ideological purity;
(e) Taliban commanders exerting too much local autonomy in defiance of the Emirate's multifaceted centralization; in numerous instances such figures have been deemed disobedient and removed, even forcefully in several cases mentioned above.

[USIP recommends all of the above as subjects of further research; (c), (d) and (e) have already been explored in depth in Annexes 3 and 9]

Factions

When it comes to factionalization within the Taliban, a great deal of analysis has focused on the Haqqani network, and its supposed rivalry with southern elements of the Taliban. Many Western media accounts portray Sirajuddin Haqqani's control of the Ministry of Interior as holding sway over all the most sensitive aspects of the government's security sector; some have even suggested that the Haqqani network's early positioning at the outskirts of Kabul led to their seizure of local positions and influence in the capital – exaggerations which may have been born in kernels of truth. Others emphasize Pakistan's likely role in adjudicating the appointments of the Taliban's initial cabinet, suggesting Haqqani affiliates came out with the "lion's share" (they did not. Taliban elites of southern origins did, as they historically always have in Taliban leadership circles. However, Pakistani influence did seem to deny top offices to many of the Taliban's senior Iran-friendly, anti-Pakistan figures – an imbalance that was gradually reversed in the year that followed).

As this report demonstrates, the above notions do not accurately reflect the complex distribution of power and accommodation among elements of the Taliban. However, there is plenty of evidence of tension between affiliates of the Haqqanis and southern-based Taliban; a wide range of interlocutors have conveyed a slurry of gossip and slander expressed by different Taliban sources. Even among rank and file, jostling among Taliban elites has inspired discussion and debate over factional competition.

A widespread impression among southern Taliban is that Sirajuddin Haqqani and his loyalists are presumptuous and uppity, having attempted to seize more than their fair share of ministerial authority and popular celebrity. These attitudes rest in part on assumptions of southern Pashtuns' historical right to rule. Some figures within the Haqqani camp have, in turn, pointed to stereotypes of southern Pashtuns as uneducated and uncultured with barely concealed contempt. Some Taliban in northern Afghanistan, meanwhile, have referred to southerners derisively as "Haibatis" (meaning, affiliated with

or sent by Haibatullah) and characterized them as arrogant usurpers of local authority, and corrupt to boot – not much different from Taliban slurs against the previous government.

It must be noted that a great many rifts and potential rivalries lurk among southern Taliban; the notion that "Kandaharis" or southerners make up a single, unified faction is a great oversimplification. Different tribal confederacies (with strongly varied status in Afghan history), economic interests, interpersonal networks dating back to Mullah Omar's early rule, preferences for stronger foreign relations with either Pakistan versus Iran or Gulf states, and a number of other factors divide and sub-divide southern Taliban amongst themselves.

But perhaps most critically, all of this wrangling and verbal backstabbing should be characterized as low-intensity, and not overestimated as a driving force in Taliban behavior; there are very few episodes of Taliban dysfunction or inability to achieve desired outcomes that seem rooted in factional disputes. By any relative measure of Afghan political actors (or a comparative view of insurgencies around the world), the Taliban remain strongly, surprisingly cohesive. Their leadership's ability to arbitrate incidents of competitive tension – which rarely even emerge into public view – has only grown stronger over the last two decades. The growing divergence in views on policy and perhaps even ideology may change this feature of the movement, but not in the near-to-medium term.

Center versus Periphery

As noted above, center-periphery tensions are a historical constant in dilemmas of Afghan governance. From the twentieth century's monarchical dynasties to the Soviet-backed regime to the U.S.-supported republic, Afghan governments have sought to centralize power from positions of relative weakness, vis a vis stakeholders and strongmen on the periphery. The Taliban's government faces the same core dilemma, with the added baggage of having granted a great degree of local autonomy for two decades to some of the same individuals and communities it now seeks to incorporate into the state.

One impact of the emir's assertiveness and the growing influence of Kandahar is simply an issue of that small leadership circle's bandwidth. The networks of Kandahar-based leaders give them a much clearer picture of events and developments in regions of southern Afghanistan. This has compelled the emir to appoint more southerners to positions of oversight in northern provinces, but over time the limited visibility is likely to exacerbate growing variations in how policy – the formation of which is becoming increasingly centralized – is decentralized in its implementation.

An example of this dynamic lies in Kandahar's two different reactions to the operation of girls' secondary schools in different regions, both without express authorization from the emir or the cabinet. Provincial and local officials in the northern province of Balkh have managed to keep many girls' high schools open for the past year, likely because regardless of high-level appointments the Kandahar leadership has much less visibility and influence there – less leverage with which to curb policy variations, and a much higher cost to reign in differences. In contrast, in September 2022 some girls high schools re-opened in Paktia province (a stronghold of Haqqani support); after a flurry of local media coverage on the re-opening, the Taliban held a press conference quashing the move as "unauthorized" and quickly moved to re-close the schools. Some have speculated that the swift closure was Kandahar's response to a perceived challenge from the Haqqanis' heartland – but the simplest explanation may be that in Paktia, southern networks had greater resources, greater leverage, and greater ability to resolve a situation in their favor.

This variation in the Taliban's enforceable authority, which might be roughly measured by geographic reach but is highly fluid and likely impossible to map, is something the leadership appear aware of and highly sensitive to. The Taliban's strongest, most effective responses to security challenges have not been to those posed by external actors (the NRF and ISK remain active), but to those stemming from perceived disobedience or disruption among the Taliban's own officials. In Badakhshan, Faryab, Balkhab of Sar-e Pul, and several other less-publicized instances, the Taliban have swiftly and decisively removed and replaced 'problematic' figures, even resorting to severe use of force when deemed necessary. From the outside, many analysts have perceived these cases as just another extension of Taliban repression, either of ethnic minorities or a broadly sweeping authoritarianism. Yet the pattern suggests a specific sense of organizational insecurity – the greatest perceived risk is the continuation or potential expansion of internal disunity. External challenges, by contrast, most in the leadership seem confident they can resolve.

The Taliban's tendency, to date, of harshly imposing centralized authority in potentially disruptive periphery regions, paired with increasingly restrictive access to the small circle of decisionmakers in Kandahar, has made the importance of "bridge" figures within the Taliban all the more important. And in spite of the tensions detailed earlier in this report, Sirajuddin Haqqani stands poised to potentially serve as the most influential bridge between the emir's circle and the "outsiders" of the Taliban. Haqqani, more than any other member of the movement, has an equally strong level of access to the emir and to Kandahar stakeholders as he does to other, separate networks in various regions of the country. As options for internal conflict resolution within the Taliban appear likely to narrow, the Haqqani network, perhaps along with the security committee described above, may prove to be the only advocate many in the Taliban have available.

Key regional differences

Future research can be dedicated to exploring regional variation within the Taliban along any of the themes or aspects covered above; provincial case studies can be drafted as annex reports.

Non-Taliban power structures

Former Afghan Republic officials

The two most prominent Republic-era political leaders still in Afghanistan, former president Hamid Karzai and former chief executive/head of peace efforts Abdullah Abdullah, have been granted some degree of personal freedom (including, in Abdullah's case, permission to travel to visit family in India). Karzai has been permitted to speak to Afghan and foreign press on a regular basis, without any discernible reprisal. But neither have been offered any degree of involvement in politics – either as a formal role in government or even as informal consultants – perhaps the most high-profile demonstration of the Taliban's intent to monopolize the country's politics for the foreseeable future.

The returnees encouraged and solicited by Delawar's commission are perplexing, and do not adhere to a single pattern or demographic of former political and social elites. One clear trend has been encouraging wealthy business owners and stakeholders, even of relatively modest scale, to return and re-invest in the country's anemic post-U.S.-withdrawal economy. Yet the return of a handful of elites accused of large-scale corruption has not been smoothly incorporated into Taliban messaging. One suggested narrative is that even the most thoroughly Westernized Afghans are eager to return to the country and live under Taliban rule; another is that the admission of such corrupt figures demonstrates the depth of

the Taliban's mercy (a point used to defend the track record of the "general amnesty" extended to all former government officials and security forces).

One analyst has suggested that some of the most high-profile figures who have returned are corrupt because only the most opportunistic individuals would be willing to return while the Taliban remain in power. It is also apparent that the individuals who have returned are not deemed a threat by the Taliban in any sense; they lack organic constituencies and grassroots political power or a track record of military/security activity. Many of these figures are notably Pashtuns, yet another accusation leveled along ethnic lines, but Tajik and even Hazara former officials have returned as well.

Tanzim Political Leaders/Powerbrokers

The most prominent *tanzim* political leader (the term refers to the armed groups and parties that fought in the anti-Soviet resistance, and thereafter in the Afghan civil war of the 1990s) remaining in country is arguably Gulbuddin Hekmatyar, head of Hezb-e Islami, who led armed and political resistance against the U.S. intervention in Afghanistan and their partner Afghan government. Hekmatyar politically reconciled with the Republic in late 2016, long after his party had ceased to play a major role on the battlefield (at that point almost entirely dominated by the Taliban); his return to politics under the Republic was turbulent and uneven, and from 2019-21 he expressed varying degrees of sympathy for a post-U.S. withdrawal government led by the Taliban. His party fared quite poorly in both parliamentary and presidential elections in 2018 and 2019, in both of which there were allegations of widespread fraud – but these showings nonetheless weakened Hekmatyar's political legitimacy.

Since the Taliban takeover, Hekmatyar has retained even more freedom of speech, movement and political activity (albeit still limited) than Karzai and Abdullah. But likewise, he has not received an invitation to participate in the Emirate, either in formal office or in prominent functions such as the ulema gatherings. Over the course of the past year, Hekmatyar has grown more critical of the Taliban's government, especially on divisive issues such as the ban on girls' secondary schooling, and he seems to be distancing himself from the Taliban's missteps. However, he engages frequently, if informally, with a wide range of senior officials, and is widely regarded across the Taliban as distinct from the many other *tanzim* leaders and deserving of respect for his years of insurgency against the U.S.-backed Republic.

More broadly, Hezb-e Islami members are generally likely to be more sympathetic to/supportive of the Taliban and their stances on nationalism, foreign relations and social issues. In 2021, unverified reports suggested that local contingents of Hezb-e Islami, especially in strategic nodes of northern Afghanistan where the Taliban's popular bases of support are weaker, may have helped facilitate the political dimensions of the Taliban's rapid takeover – which included a series of local negotiated surrenders coordinated in hundreds of districts across the country. Hezb-e Islami should be considered less as political opposition and more as a likely willing participant in a hypothetical future Taliban-led, "inclusive" coalition government – though there is no indication the Taliban are considering such a development.

As for other Tanzim leaders who acquired wealth, political power and notoriety during the past 20 years, along with many of their closest associates, nearly all fled the country during or prior to the Taliban's takeover – some in quite dramatic fashion. A limited number could potentially be welcomed back by the Taliban, but most have publicly aligned themselves with political resistance groups in exile and are thoroughly delegitimized among the Taliban and Afghan demographics the Taliban seem attuned to.

That has not precluded the Taliban from engaging in remote, quiet dialogue with the sons or designated representatives of some of the more notorious figures – and there are elements of the Taliban that could be inclined to expand amnesty if it seemed likely to fracture resistance movements in exile. For instance, former Vice President and ethnic Uzbek strongman Rashid Dostum's son and heir apparent, Batur Dostum, has been rumored to be in talks with Delawar's commission – to the extent that his return to northern Afghanistan has been (falsely) reported more than once in 2022.

Far more interesting are the lower-ranked or younger affiliates of those *tanzim* leaders who elected to remain in country (or were unable to secure passage out) as the Taliban took over. The interpersonal networks of these leaders, and the now-fractured, scattered political organizations they once helmed, hold potential value for the Taliban, and they make some of these stay-behind figures attractive interlocutors with difficult-to-reach communities. Sheikh Karimi, a Shia Hazara leader, was mentioned above; other Jamiat-e Islami figures are also possibly appealing contacts. However, some of these networks have aligned with the National Resistance Front and are actively conspiring against the Taliban's government – which means the Taliban also regard many of these figures with suspicion, if not outright hostile intent.

Traditional Elites

There is a related but somewhat distinct category of Afghan interlocutors the Taliban have much more congenial communications with. Figures who come from traditionally respected, often also quite wealthy families have unique inroads and dialogue with at least certain elements of the Taliban. Some of these individuals have *tanzim* associations and some were involved to varying degrees at senior levels of the former Republic (and some have both), but in the Taliban's perception, longstanding family reputation and historical local legitimacy outweigh these temporary affiliations.

These families consist of traditional landowners, pre-war business tycoons, or religious leaders. Family stature commands a degree of respect from Taliban officials they may not extend to others who have more technocratic backgrounds, with accomplishments solely achieved during the Republic era.

There are also notable outliers, wealthy individuals who do not necessarily hold claim to traditional elite status, with whom the Taliban appear to value engagement and potential benefit. A number of these individuals, whose investments range from private sector enterprise to taking part in civil society programming and activism, remained in Afghanistan after the collapse, or have traveled in and out routinely. One such category or grouping rose in socio-economic status (and as a result, also developed behind-the-scenes political influence) through civil society involvement in the political and refugee-crisis hub of Peshawar, Pakistan, in the 1990s; they became some of the first civil servants, industry leaders and interlocutors with Western donor states after the intervention began. Given their prominence within the Republic but also their adaptability to shifting political circumstances, most of these individuals have found some degree of accommodation with the Taliban authorities. While contact with ministerial officials is likely necessary in the maintenance of their professional endeavors, they likely augment their engagement by maximizing informal channels and interpersonal relationships. It is unclear how many such cases exist, but the Taliban have pursued or entertained engagement with a range of wealthy and influential Afghans, even those who were deeply invested in the Republic system of government. This is a demographic that USIP undertook field research on in February 2023, and seeks to continue studying.

It must be noted that this category remains quite small, self-selecting, and to date, most of these figures remain based to some degree outside of Afghanistan, at least in terms of their families and assets.

Religious Parties/Organizations

Several other religious organizations, quite different from the *tanzims*, have been allowed to operate – if under some new restrictions – since the Taliban came to power.

Some less structured, more loosely organized entities have developed healthy relationships with the Taliban but are difficult for foreigners to approach or even study. This includes a number of historically prominent Sufi orders, as cited in the example above.

Jamiat-e Eslah, which has been loosely described as the Afghan equivalent of the Muslim Brotherhood but which has a far less contentious or openly political history than in the Arab world, continues to offer a range of religious education, social support and local humanitarian assistance. The group includes a substantial female membership of teachers and volunteers, and sharply differs from median Taliban views on women's inclusion in society. But the group has not offered sharp criticism of the Taliban, instead self-censoring and only offering oblique policy critiques – an approach likely intended to keep the group off the Taliban's radar and ensuring its ability to continue operating. In the – for now, strictly hypothetical – event the Taliban were to ever explore broadening the inclusivity of their government, Jamiat-e Eslah membership would likely be appealing as likeminded "outsiders", though in such an eventuality the Taliban would also likely seek to constrain the group's ability to organize and potentially threaten the Taliban's monopoly over political space.

Hezb-e Tahrir, a politically pacifist but strictly conservative and anti-democratic Salafist organization, has a unique standing with the Taliban. Notably, Hezb-e Tahrir recruitment has reportedly increased significantly since the collapse of the Republic. This only amplifies a trend that was already on the rise in previous years, surprisingly often among educated youth in urban centers. The group has oscillated between embracing the Taliban's ascension to power in 2021 and sharply criticizing the Taliban, at times for their "moderation" or "softness" from an even more conservative position. The same rumors regarding Hezb-e Islami's facilitation of negotiated surrenders have been reported about Hezb-e Tahrir affiliates, who are embedded in socially conservative populations outside of the Taliban's traditional networks. If true, it is possible that some of Hezb-e Tahrir's public criticism of the Taliban stems from unfulfilled expectations that they might be included more formally in the Taliban's government, as a quid pro quo for their role in the movement's takeover.

The relationship with the group is complicated, however; Hezb-e Tahrir is viewed by some in the Taliban's security sector as the primary recruiting demographic for the Islamic State-Khorasan (ISK), regarded as the Taliban's most serious security challenge in the country today. As a result, Hezb-e Tahrir members have been repeatedly targeted with detention, interrogation and worse. A number of forced disappearances and likely killings at the hands of Taliban intelligence have been reported over the past year. These developments are unlikely to reverse in the near term, meaning members of the group are even more prone to radicalization and recruitment by ISK, exacerbating cycles of violence and persecution.

"New" Civil Society

Afghan civil society consists of different categories of formal and informal groups, organizations and loose associations, all of which have different formal and informal engagement with the Taliban. Some of the below are Taliban guidelines on how civil society organizations engage – at least in theory.

- Associations: these groups, which include most formal CSOs, must register with the Ministry of Justice, but liaise with other departments such as the Ministry of Culture and Information.
- NGOs (local and international): registered with Ministry of Economy, but often engage with a range of different Taliban contacts at project sites and in Kabul, including monitoring and questioning by the security ministries.
- Companies and/or consultancies: registered with the Ministry of Commerce and Industries.
- Un-registered groups or local *shuras*: thousands of informal groups such as youth groups, social and political foundations exist across the country. Additionally, there are dozens of shuras such as tribal *shuras*, as well as smaller *shuras* taking place at a sub-tribal or clan level. Other groups are still not registered but take part in local social and political activities.
- Ulema: the Taliban have engaged and conducted extensive outreach with ulema across the country, inviting likeminded clerics to join Taliban versions of provincial "ulema councils," often – but not always – replacing the membership of similar councils that existed under the Republic.

It should be noted that across all of these categories, the impact of gender-based restrictions has had sweeping impact. For a comprehensive timeline of the Taliban's gender-based and human rights-related restrictions, see Annex 6.

Ulema

The role of Taliban-trained ulema is covered in an above section. More broadly, the Taliban's engagement with sympathetic or supportive clerics is largely the basis of the Taliban claim that they are responsive to needs and priorities of Afghan communities.

Most intriguingly, these relations – especially under the leadership of Haibatullah – provide critical link between the southern-dominated leadership and other ethnic and regional communities. For instance, Takhar province in northeastern Afghanistan, which was the stronghold of resistance against the Taliban in the 1990s, is home to an ultra-conservative cohort of ulema that openly expressed antipathy toward the Western-backed Republic and hinted at sympathy with the Taliban over the past two decades, including expressions of repressive, retrograde views on women and girls. A similar demographic exists in Herat, traditionally proud of its Persianate character and history and quite distinct from the Taliban's Pashtun cultural milieu. The ties between the Taliban and Herat's conservative clerics are strong enough that the Islamic State-Khorasan (ISK) deemed the most prominent preacher a threat and assassinated him in September 2022; a few months earlier, that cleric had publicly pronounced that anyone opposing the Taliban's rule deserved beheading.

Which segments of Afghan ulema are developing the closest relationships with the Taliban likely varies from province to province, but as a general rule this engagement is self-selecting; clerics sympathetic to the Taliban's views and policies gain greater access and build closer ties. There are a large number of Afghan ulema that petition the Taliban to change course on a number of policies, and they remain one of the few demographics that are safely able to do so – but thus far they have not prompted significant changes or reversals to major Taliban policies – not on a national scale. Again, the track record of

district- and provincial-level engagement in order to nudge the Taliban may be more promising, but also more difficult to track, much less to support. Ulema most successful in engaging the Taliban at local levels are the least likely to develop close relationships with foreign actors.

Civil Society Organizations (CSOs)

During 20 years of U.S.-led military intervention and state building assistance, much of Afghanistan's organized civil society received some funding, if not more substantial support, from the U.S. and other Western donors. As a result, over time many civil society organizations (CSOs) began implementing programming and employing public messaging that reflected those donors' priorities and values. Many prominent CSO activists became champions for human rights, social engagement, and representative government, views the Taliban consider as Western-influenced, contrary to traditional Afghan values, and also as potentially fueling political dissent and resistance to their authority.

Since their takeover, the Taliban has cracked down on CSO activities across Afghanistan. These suppressive efforts have varied by context and location, ranging from complete organizational shutdowns to not allowing gatherings or arresting specific activists. This targeting has led to a great degree of self-censorship and self-restriction among CSOs, even those untouched by the Taliban's crackdowns. The dynamic that has emerged has fueled suspicion among the Taliban and fear among many involved in civil society, creating gaps in Taliban-civilian engagement that will be difficult to bridge as long as it persists.

CSOs or "associations" that are registered with the Taliban's Ministry of Justice had renewal of their registration put on hold, earlier in 2022 - issuing new licenses for such entities was also suspended and closely scrutinized.[5] The Taliban did not concretely rule out renewals or issuing new licences, but the pause had a chilling effect, especially in the context of other repressive measures taking place. It remains unclear what criteria will be applied for future resumption of registration renewals or applications, especially regarding the question of past (Republic-era) activities carried out by CSOs.

Even among "associations" or groups that still possess an active registration, there are numerous difficulties in conducting certain programming, including research, peacebuilding and conflict resolution, awareness raising, and other similar activities. The primary challenge may be the intangibility of the benefits of such programming; the more concrete a foreign-funded program's deliverables are, the more appealing these are to the Taliban (so as to claim credit for providing concrete benefits to Afghan communities). The less tangible, the less the Taliban are incentivized to approve programming, and moreover the more suspicions such programming raises.

As a matter of procedure, such programming requires permission for this sort of programming at the Kabul level of Taliban administration. Next, projects must be approved by the provincial-level department for the Ministry of Economy and any other departments that claim relevance. Finally, the district governor

[5] Note (provided by USAID): In a manner of speaking, NGOs are a form of CSOs. The fact that there have been two registration mechanisms in Afghanistan (NGOs under MoE and "associations" under MoJ) never meant a clear distinction between service delivery NGOs and cultural or more advocacy-focused CSOs. Distinctions between different types of CSOs are not clear either. Entities have historically done virtually the same type of work – advocacy, education, even service delivery. Some organizations have registered with both ministries to take as wide advantage as possible of funding opportunities.

must greenlight each/any project, locally. This often requires in-person liaison. For each kind of activity, different objections might be raised at any of these levels of approval.

The relationship with many CSOs contrasts with the Taliban's approach toward humanitarian NGOs engaged in goods- or emergency service-delivery, which has a history of improving and growing increasingly cooperative – if always still difficult – over the final decade of the Taliban's insurgency.[6] Unfortunately, the dynamics of civil society funding and support that developed under the Republic limited CSOs' ability to engage effectively with the Taliban – most had very limited experience in communicating with the Taliban at all (unlike many service-delivering NGOs), much less having sought approval to conduct programming in areas they controlled.

Each of the above dynamics illuminates a longstanding Taliban trait.

Their suspicion and repression of CSOs aligns with their clear, consistent intent to completely dominate the political sphere in Afghanistan. Many activities of CSOs, even those that have limited exposure to Western support or do not explicitly tout "Western-influenced" values, stray too close to the realm of politics, which the Taliban closely regulate and severely limit.

Non-Governmental Organizations (NGOs)

The Taliban's trends in engagement with NGOs reveals a willingness – it might be termed pragmatic opportunism – to accept foreign funded and provided goods and services as long as they are delivered in a suitably low-profile, apolitical fashion, and with tangible immediate benefit. This trend has been accompanied by the Taliban's growing tendency to attempt to increasingly control delivery. For the Taliban, as long as they are able to claim a degree of credit for the provision of benefits to communities, and are able to closely monitor the organizations providing those benefits (restricting and controlling them as much as possible), they have proven comfortable with accepting foreign support – in practice, though the movement still has not squared this pragmatism with ideology and politics.

This sliding scale of pragmatic acceptance, based on the perceived utility of NGO services provided, can even be apply from one sector to another. Health provider NGOs have always appeared to be regarded as the most valuable to the Taliban. The wartime imperative for medical treatment of wounded fighters, in addition to the manifold benefits of medical services provided to Taliban-controlled communities, meant that the Taliban sought to establish productive working relationships with major health NGOs – even ceding concessions to NGO demands that they be permitted to operate "independently" and "neutrally." This also proved true for UN relief agencies providing equally valuable services, including UNICEF's rural health campaigns (including expanded access to midwifery).

The example of larger, established health NGOs and their ability to operate in Taliban-held or contested areas also points to another theme of the Taliban's engagement with external actors: the importance interpersonal relationships. The longer that health NGOs sustained operations in Taliban areas over the course of their insurgency (several can date their programming back to the 1990s Emirate era), the

[6] Note (provided by USAID): The Taliban's relationship with humanitarian assistance NGOs goes back to the 1990's. Back the Taliban viewed NGOs as government instrumentalities and were restricted by law to "humanitarian and economic assistance." That view continues today, so any activity outside those confines is viewed much less favorably regardless of the organization's registration status. See again Kate Clark, "Bans on Women Working, Then and Now."

stronger their interpersonal ties grew, which are instrumental in the Taliban's dominant mode of operations (internally as well as with external actors).

Part of the value the Taliban place on sustained interpersonal relationships has to do with the mindsets of threat perception and suspicion that guide the movement's engagement with external actors. These mindsets dictate that the burden of proof of good intentions always lies with external actors; the Taliban's default posture toward organizations with foreign ties is suspicion – and will likely remain so for the foreseeable future.

The above dynamic describing the Taliban's posture toward NGOs has been affirmed by numerous humanitarians characterizing the Taliban's takeover as ushering in a period of unprecedented access to rural Afghanistan. For most of the last decade (and years before), safety conditions, including threats and interference from the Taliban themselves, precluded many organizations from reaching Afghans too far outside of provincial capitals and district centers. Since the Taliban came back to power, their wartime activity has ceased and the security situation has stabilized across the majority of the country. NGOs took advantage of this newfound access and began traveling and reaching out to previously untouched populations.

However, since the first months of 2022, as the Taliban consolidated control and standardized some functions of provincial and district-level governance, NGOs have suffered a significant increase in attempts to impede or influence their programming. Some aspects of interference simply seem to reflect the authoritarianism of Taliban governance, such as occasional demands (almost always made by local Taliban and then later overturned by Kabul-based officials) that newly issued restrictions on women's dress, travel and workplace attendance be followed by foreign organizations.

Other forms of interference seem rooted in a growing sense of suspicion, even hostility, specifically due to NGOs' foreign funding and support. This animosity has been indirectly encouraged by senior Taliban figures all the way up to the emir; in his keynote speech at the Kabul *ulema* gathering in July 2022, Emir Haibatullah spoke in terms of unending civilizational conflict between the "unbelieving" forces of the West and the righteous fighters of the Taliban – all but grouping any Western interest or actor in the category of eternal adversary.

It should also be noted that regardless of the current context, the Taliban have displayed a historical tendency to increase their interference and attempted control over NGO programming. In studies of the Taliban's insurgency-era shadow governance, a clear pattern emerges of increased interference after the Taliban have settled into a new territory for several years, consolidating their military and security control and gaining greater leverage over the civilian population – which, at first, when their military position was weakest, was when they needed to maintain positive impressions most. Essentially, the more comfortable they grew in any given area, the less tentative they proved to be when it came to asserting their authority, over NGO operations and most other aspects of society.

Taliban-friendly or Taliban-sponsored Organizations

The Taliban have encouraged establishment of friendly or even directly-sponsored CSOs and NGOs; one humanitarian coordination platform reported more than 100 new organizations applying for membership in the first quarter of 2022, and that expansion has reportedly continued at an even greater pace. These organizations have included women's groups that show and rally support for the Taliban, even specifically for policies regarding women's hijab and other restrictions.

The establishment, coordination and support behind these organizations is a prime topic for additional research, as these organizations – while almost certainly not operating independently or neutrally – will have the greatest probability of continued, uninterrupted activities throughout the Taliban's rule. If not useful in identifying potential implementing partners, such study will illuminate what the Taliban authorities consider "acceptable" behavior from civil society organizations. In particular, any instances of critique or quiet subversion of more conservative Taliban policies could prove instructive.

Foreigners

Taliban relationships with influential foreigners from neighboring and regional states, especially but not exclusive to Pakistan, could potentially be explored in follow-on research. One category that could prove amenable to open-source research would be engagement between elements of the Taliban and Pakistani journalists and businessmen.

Economic Resources, Redistribution, Patronage and Private Sector

The Taliban lack technocratic capacity and their government, in many ways, has an unsophisticated approach toward managing the economy. However, in many respects they have been effective in a number of areas (unlike in the 1990s when the Taliban's regime cared little about revenue, paying government salaries, control of inflation, etc.). Since August 2021, they have successfully managed core functions of revenue collection, budgeting, and the maintenance of commercial trade – building on their own experience as a tax-collecting insurgency, and often relying on technocrats from the Republic to run customs, finance, and taxation mechanisms. After the initial several months of economic free fall, a few examples include: (1) the exchange rate has been stable; (2) inflation has declined to low single-digit levels; (3) the Taliban have collected an impressive amount of revenue, reaching $2 billion per annum, about the same level as the previous Islamic Republic government, despite the much weaker economy; and (4) they have been paying salaries of government employees fairly regularly (including women, even though they are largely banned from coming into offices for work).

At times, the Taliban has attempted to exert control over private sector actors and drivers of economic activity as they do in political and social space. But they have proven somewhat pragmatic on economic issues, in some respects more so than the previous Islamic Republic. They are working on a number of mining and large infrastructure projects, though the actual level of progress is unclear and may be limited. Smaller infrastructure work, including mass-scale road improvements and municipal cleanup projects, are reportedly progressing at pace.

However, there are signs that the relatively positive macroeconomic and revenue trends may not sustain. Much of the current revenue collection appears to reflect tightening control over international trade and bringing more of it into the tax net, collecting taxes that the Republic was unable to collect, and imposing some new levies. Thus the strong revenue performance in 2022 may reflect one-time boosts which could plateau in coming years. With the overall economy by all indications growing very slowly, future revenue growth also may be weak (see Annexes 2 and 7).

On government expenditures, what began as relatively responsible budgeting and use of existing spending modalities appears to be weakening under pressure from Emir Haibatullah (see sections above and Annex 3). Beyond the continuing high expenditures on the security sector, which are roughly the same as the share of total expenditure under the Islamic Republic, there are reports of very high spending in the Emir's and Prime Minister's budget lines. Reportedly there are examples of the Emir

bypassing normal budget procedures, and directing the Ministry of Finance to give funds directly to persons designated by the Emir, sometimes in cash. According to some reports such interference was a factor in Finance Minister Badri being shifted to the role of Governor of Da Afghanistan Bank, after he raised objections to unsound practices (see again Annex 3).

Though unevenly across the country and over time, there are indications that the Taliban are implementing their opium ban seriously. This follows their earlier aggressive implementation of the ban on ephedra and its processed products (crystal meth—an explosive growth industry in the shadow economy over the past 5-7 years). The bans and eradication work against the regime's economic interests; the narcotics harvesting and processing trade employs hundreds of thousands of internally-migrant, often otherwise unemployed rural laborers, most of them from the Taliban's geographic areas of strongest popular support. If enforcement of the ban continues, it may begin to undermine the cohesion of the movement, both in terms of local resentment and the economic impact on powerful figures in the movement. Varying degrees of bypassing or resisting the opium ban are likely, and the crackdown will inevitably lead to more corruption (which may well become a broader trend, not just in the opium sector). From a macroeconomic standpoint, to the extent the opium ban is effective, it will further damage the already weak Afghan economy and especially rural incomes.

NB: USIP can engage in sector-specific research on the Afghan economy at the request of USAID, as relevant and desired. Some subjects have already been thoroughly researched and reported on by external experts (such as David Mansfield and Alcis' work on customs revenue collection, Taliban checkpoint consolidation, and specific commodities such as coal or narcotics).

Public Sector & Official Revenues

Official revenue figures for the Taliban's state, which the Ministry of Finance shared publicly in a first-quarter budget outline for 2022, were initially met with skepticism – but several assessments by the World Bank and other economic institutions have verified a good deal of what the Taliban have released. Economists have been able to cross-check revenue collection claims on cross-border trade, by comparing Taliban figures with import/export data reported by neighboring countries. In terms of customs revenue collection, which has made up a sizeable percentage of the Taliban's official income, the majority of revenues are not being collected at any one of the single largest crossings (Torkham, Spin Boldak/Chaman, Hairatan). Instead, the World Bank reports that more than 50% of customs taxation has taken place at smaller or previously informal border crossings, perhaps reflecting the Taliban's ability to move goods through more border regions with fewer security concerns, and/or incorporation of previously illicit cross-border trade into formal revenue.

Early during the Taliban's rule, surveyed truckers reported that the Taliban had decreased the customs duties, per commercial load, lightening the taxation burden right as the Afghan economy was headed into free fall. Yet business owners surveyed by the World Bank have since then reported sharp hikes in multiple forms of taxation – even receiving word that *ushr*, a traditional levy based on Islamic law that collects a percentage of household agricultural production, has been collected more strictly than before. These tax hikes, coming amid a collapsed economy with little foreseeable prospect of turnaround, reveal much about the Taliban's dynamic with business owners and the limits of their concern about the demographic.

Anecdotal reporting suggests that for months, the Taliban have been making heavy-handed attempts to regulate or steer different aspects of the economy, in the same authoritarian style as many of their other interactions with civilians, local communities or other political actors. These measures, ranging from a poorly-advised ban on foreign currency exchange in money markets to reports that senior leaders have ordered gatherings of business leaders to simply "start investing," in order to prompt macroeconomic recovery, highlight some of the Taliban's lack of sophistication in economic management. They also highlight how pervasive and consistent the Taliban's default mode of engagement is with external actors – how they treat anyone not a part of their movement, undergirded by a seemingly widespread belief that the threat of force and raw power can compel any desirable outcome.

Earlier sections described the Taliban's successful centralization of revenue collection across the country (to include wiping out a great deal of corruption in cross-border trade), and a further centralization of budgetary decision making under the office of the emir. While these are two verifiable trends, the Taliban government's public sector spending is defined by a lack of verifiable data. The Taliban have, to date, treated public expenditures like a state secret, limiting their release of records and obscuring some of the most basic facets of the budget – a secrecy, some sources have suggested, has also been directed explicitly by the emir.

In short, the Taliban are clearly generating income – but it isn't at all clear what they are spending it on.

No Taliban reports have detailed actual budget spending per sector. Some oblique clues have since been released, most recently in a series of ministry "annual report card" briefings the Taliban have provided to the media and the public. Though somewhat propagandistic, these briefings contain intriguing – if unverified and somewhat questionable – data points. For instance, briefings provided by the ministries of interior and defense offered specific numbers of personnel that have been trained as police or other security forces – including subtotal figures who previously served as fighters with the insurgency.

One official expenditure the Taliban have prioritized was resuming salary payments to civil servants, but implementation was hampered by the total collapse of the banking sector and the sudden withdrawal of foreign donor funds that had propped up a good deal of the civil service. There was a several-months delay before large numbers of civil servants began to receive salaries, and they were not resumed all at once (it appears as if monthly dispersals were resumed incrementally, both from one ministry to another and with some regional variation). When salaries did resume, most civil servants were informed of salary cuts; many have experienced more than one pay cut in the past year.

Many reports of Republic-era civil servants remaining in their positions point to an atmosphere of coercion and intimidation, with the new authorities inspiring fear in their bureaucracies. While those reports appear accurate and reflect a broadly authoritarian style of oversight, the civil service is nonetheless a constituency the Taliban appears to have labored to retain in their positions. At least a strong component of Taliban leadership seems aware that ministries and local departments would lose even the most basic functionality if civil servants could not be retained – especially after taking stock of the extent of brain drain that took place in the months leading up to and during the collapse of the former government.

Even more of a priority among the Taliban leadership is how to retain and reward their security forces, especially fighters who are veterans of the insurgency. Based on the interim quarterly budget they

shared in early 2022, close to 40% of the Taliban's national budget may be steered into the security sector. Without any visibility or verification, the context of the U.S. withdrawal and the former government's collapse strongly suggests that no significant amount is going toward procurement, often one of the greatest expenditures in security sector spending. That potentially frees the majority of allocated funds for personnel costs.

The Taliban's care for and likely expenditures on their fighters extends to families and interpersonal networks of their veterans, as well as the tens of thousands of war dead, which the Taliban refer to as martyrs. The organizational value of networks and the prioritization of family is likely driving significant amounts of formal spending. The top leadership of all major factions, including the emir (who had a son who died as a suicide bomber in the insurgency) have publicly demonstrated this priority through notable speeches, attendance at large events and hosting commemorative ceremonies for martyrs and their families.

One of the most important impacts of the Taliban's relative success in revenue collection – a capacity honed by their increasingly sophisticated insurgency-era taxation practices, now adapted to feed into the coffers of the state – is intangible. While the Taliban's Afghanistan is one of the poorest states in the world, and the economy has contracted by 20-30% since the collapse of the Republic, the group's leadership is not using such datapoints as benchmarks. For the Taliban movement, if expert estimates are even close to correct, they are reaping a revenue windfall considerably greater than their insurgency ever did. If this organization regards its own cohesion and survival as more essential than many of the basic functionalities of the state (and there is a wealth of evidence suggesting such attitudes), the Taliban may well consider their revenue generation more than sufficient for their own purposes. This could partially explain the calculus of the group's intransigence in the face of Western donor demands to respect human and women's rights, and broader international expectations of forming a more inclusive political system.

Humanitarian aid, development assistance, and foreign support

One of the Taliban's policy conundrums is that ideologically, it would be ideal for their foreign relations to focus on their neighbors, the surrounding region, and non-Western powers as much as possible – whereas the overwhelming majority of foreign assistance continues to flow from the same Western states that took part in the past 20 years of military intervention. For instance, Chinese funding commitments and investments – which some in the Taliban had hoped might replace Afghanistan's dependency on the West - are paltry, compared to Western donors' levels of aid. Pakistan, the foundational and most consistently stalwart supporter of the Taliban, which provided enormous logistical, in-kind, and some financial support, is – not least due to their own economic and political problems – unable or unwilling to provide any significant aid after the Taliban victory. And Saudi Arabia and the Gulf states, whose "private" "donations" provided substantial financial support to the Taliban insurgency, have not stepped up to shift that assistance to the new Taliban administration.

To the extent regional and neighboring states are exploring investment in Afghanistan, it is taking place relatively informally. Few state-to-state programs involving significant regional funding have been announced since the Taliban's takeover. Instead, the Chinese government appears to have permitted private Chinese firms with state ties to explore and secure rights agreements for mining extractive resources, with an eye to unspecified future investment. A cottage industry of "advisory services" firms or corporate entities have been establishing in Kabul since the takeover. Unverified reports suggest that

a number of these are directly tied to – or perhaps even controlled by – powerful leadership figures, seeking to establish informal avenues of accruing private wealth and influence. Such companies and entities are very difficult to investigate, and connections to Taliban leaders may prove impossible to verify. But the reports supplement more publicly visible efforts of key leaders (Baradar and Siraj Haqqani chief among them, with Yaqoub and others involved as well – often all in competition with one another) to generate state-encouraged economic activity.

A major – currently the largest – element of the Taliban's relations with foreign aid consists of their relations with the UN system of relief and development agencies and the UN coordination of NGO activity; most donor funding is being directed through the UN system in some form. The trend in their dynamic with UN agencies is the same as with NGOs: pushing for ever-increasing degrees of credit and control over the delivery of aid, especially the more tangible forms of aid. According to multiple UN officials across different agencies, the Taliban have effectively infiltrated and influenced most UN-managed assistance programming, through a combination of factors:

- UN deference to the Taliban (a common sentiment expressed in the first months after the takeover was "give them time to find their footing," arguing for less adversarial stances in access negotiations);
- Pervasive atmosphere of coercion and intimidation of UN local staff, combined with an institutional approach to keep international staff "bunkerized" in Kabul as much as possible and exposing national staff to the 'front line' of access negotiation and coordination with the Taliban;
- A pattern of probing behavior, in which isolated, uncoordinated violations or abuses of access agreements inform the Taliban's later dialogue with and demands from UN agencies – in which they push for more interference after interpreting UN non-responsiveness as a position of weakness or deference;
- A lack of collective bargaining power, due to individual UN agencies or even larger NGOs entering into agreements with the authorities that acquiesce to their terms of oversight and control; this removed much of the leverage other agencies had once the precedent of acquiescence was set;
- Limited visibility among UN and foreign organizations of the security context, which the Taliban at times employ to gain advantage in their interactions with the aid sector; insistence on armed escorts, restrictions on access to certain communities, demand for information such as trip planning have all been repeatedly reported and are major dilemmas for independent, neutral aid delivery.

As a result of this dynamic and the UN's collective inability to implement a national-level strategy for engagement with the Taliban, concrete actions are re-shaping formal government structures and regulations in relation to foreign aid. The Taliban have introduced a proposed Code of Conduct for NGOs and foreign organizations, which replicates many features of the (highly restrictive) NGO law proposed late in the Republic era – though different officials have contradicted each other and its current status is somewhat unclear. The authorities have pressed many international NGOs to sign MOUs with their respective line ministries. These ministries are also gradually pushing out mid-level technocrats and replacing them with members of the Taliban – who may in some cases be intelligence officials – in positions with responsibility for liaison with NGOs and foreign organizations. This trend has an alarming parallel at a more senior level: in the summer of 2022, the head of GDI for eastern Afghanistan, who

according to Human Rights Watch was likely responsible for the extrajudicial killings of more than 100 people during GDI's campaign to crack down on ISK in Nangarhar, was transferred to Kabul and appointed to a GDI office responsible for oversight of INGOs.

All of the above may be summarized through the understanding that the Taliban appear to view the UN system as yet another revenue stream, one which their movement will seek to monopolize and centralize control over.

It is also worth noting how foreign aid and the organizations providing it have impacted the competition between factions within the Taliban, to the point that it degrades government functionality and complicates how these organizations liaise with the authorities. Unlike public sector spending, the centralization of which appears to be more or less uncontested within the Taliban (openly interfering with the flow of revenue directed to the emir himself would be a violation of cohesion that current factionalization has not even come close to), foreign aid is open to less official forms of "capture," some examples of which are noted above. The myriad means of profiting from engagement with the UN system and the aid sector, aside from formal taxation, mean that even though the investment amounts are greatly reduced from the 20 years of U.S.-led intervention, foreign aid is a major economic prize to be contested. This competition results in overlapping attempts by different elements or factions of the Taliban to engage or interfere with foreign organizations – which are rarely coordinated. This lack of coordination only underscores the feedback from officials, noted further above – that any engagement with the Taliban requires a multilayered access negotiation strategy.

Illicit Revenues, Practices and Patronage

The production and/or cross-border transportation of region-specific commodities, including narcotics and extractive mineral resources but also timber and other lucrative goods, were long managed by stakeholders (some organized crime in nature, others more closely resembling family or tribal enterprises) that developed deep ties with regionally-based elements of the Taliban, which often facilitated transport and levied taxes in return. These stakeholders also entrenched themselves in the networks of stakeholders and officials of the previous government, a major element of corruption over the past 20 years.

As noted just above, factional competition appears to be much more of a factor in the arena of informal and illicit revenue collection. Yet though competition is taking place within the Taliban for control over these resources and their transport, the Taliban's dynamic with these illicit economy stakeholders is shifting; they are restricting activities, appropriating/redirecting profits, and in some cases even seizing the physical goods. For the most part, though, anecdotal reporting suggests tighter Taliban regulation of these "industries" and more effective taxation, rather than a wholesale Taliban takeover of operations, production or logistics. This is consistent with the Taliban's history: Since their origin and throughout their insurgency, the Taliban did not control production centers or transport networks of illicit commodities; rather their role been taxation of illicit trade, along with some elements of the Taliban informally partnering with or benefiting from such trade.

As ever, interpersonal relationships seem to be almost as strong a consideration as the Taliban's potential financial gain or other strategic economic considerations. There is a great deal of variation in how the Taliban are approaching the informal economy, both by region/location and by specific commodity.

This dynamic poses two as-yet unanswered questions: Have the Taliban replaced the profits, status and influence which various stakeholders reaped from illicit trade with another set of incentives? If not, how long can the Taliban maintain their centralized authority over such a massive illicit economy (under the Republic era, economists estimated it accounted for well over 30% of GDP) that has historically defied state control and driven so much center-periphery competition?

To date, there is little evidence that the Taliban have planned or thought through the longer-term ramifications of their regulation and/or manipulation of illicit trade, at an organizational level. UN and humanitarian field workers who have been able to tour mining facilities, ad hoc timber yards, and other revenue-generating project sites describe a hurried, often disorganized atmosphere, with more than one element of the Taliban often present in resource-rich areas, all attempting to exert influence over the trade without much internal coordination.

When considering the informal economy and illicit exports, it must be noted that a large number of Afghans have business investments and infrastructure on both sides of the border – in particular when it comes to Pashtun communities that straddle the border with Pakistan. In the southeast, the Haqqanis have long dominated the sector. Though the eastern region has been brutally contested between the former Afghan government, ISK and the Taliban for much of the past decade, the Haqqanis' prior positioning appears to have offered them an early advantage in staking claims in the east. In the south, some of the movement's most senior and influential figures are believed to have a stake in the flow of narcotics and other commodities into Pakistan and westward, into Iran – figures who had already been deeply involved in this trade throughout the insurgency.

There is little transparency on how elements of the Taliban have divided up such trade among themselves, which individuals or factions reap what percentage of profits, or if any of this income is incorporated into funds controlled by the Taliban's central leadership. The most successful studies of Afghanistan's informal economy use resource-intensive research methods including satellite imagery, digital photo and video analysis, open-source collection methods, in addition to traditional in-person interviews.

Private Sector investment and employment

The Taliban appears to have quickly and pragmatically developed working relationships with private sector business owners, guilds and trade associations, especially in Pashtun regions of the country where their connections to local stakeholders are strongest. One public measure of the Taliban's outreach to the business community was the notable inclusion of business leaders in both of the so-called ulema gatherings staged in summer 2022; some estimates put the percentage of religious clerics to businessmen attending around 70-30. Emir Haibatullah, who strictly limits his meetings with non-Taliban and non-religious figures, has been reported by Taliban spokesmen as meeting regularly with Kandahar business leaders.

Taliban pronouncements of an agenda to bring the Afghan economy into alignment with Islamic law remain vague and largely undefined, though Taliban and Afghan business interlocutors cite several familiar talking points (ensuring that usury is not practiced, etc.). One of the intriguing aspects of this objective is the Taliban's stated intent to formally consult with other Muslim-majority states, Gulf states in particular, to learn more about the establishment of Islamic banking systems that are compatible with the global economy.

Another is the fate of informal banking, investment and credit institutions that exist in Afghanistan's urban centers; a host of businesses lean on informal practices and norms that have addressed critical gaps in the country's attempts at economic reform. The informality of these institutions, some of them offering forms of credit meant to conform to Islamic principles but which could be interpreted differently by the Taliban, render them particularly vulnerable to regulation.

Hawala networks and the dealers who operate them have already begun to experience a range of Taliban attempts to monitor and regulate their sector more closely. These attempts have prompted strong objections from guilds and associations in larger cities' major money markets, but it is unclear if hawala dealers possess the leverage to resist Taliban interference – which has proceeded alongside similar Taliban campaigns to control various other components of the Afghan economy, not least foreign aid organizations.

The severity of the banking crisis and the cash liquidity crisis, along with the uncertainty that plagued exchange rates in the early months after the Taliban takeover, has impacted most business negatively, but business owners with more of a stake in the informal economy have been able to manage and mitigate many of the challenges plaguing conventional companies reliant on banking. Broadly speaking, the Taliban's leadership are more comfortable conceiving of business and trade that operates at least partially within the informal economy, a reflection both of the orientation of their interpersonal networks and the relationships they cultivated during their insurgency as well as a generally weak grasp on and exposure to formal global commerce.

Since the Taliban's takeover, more than one analyst has recalled the Taliban's origins in the 1990s and the instrumental role of Kandahar business leaders, especially those involved in trucking and transport, in supporting and helping stand up the Taliban movement from their earliest days, when the group numbered in the dozens. Yet it is not clear if even the closest, longest-standing relationships between the Taliban and particular elements of the Afghan business community have an influence on the Taliban's state building efforts, beyond narrow advocacy of advantageous conditions for their own bottom line. It also remains an open question whether leverage is sufficient to produce a more permissive profit-generating environment overall, or whether exceptions will be made on the basis of interpersonal relationships.

Recommendations / Next Steps

This PEA is necessarily tentative, given the dynamic and complex situation on the ground. The aim of this report is to present an initial PEA in a way that offers a "menu" of options for further research, including USIP-USAID collaboration, so that PEA can be used in an ongoing fashion in ways that are useful to the mission. A series of briefs and feedback sessions should be conducted to share and review this report, and then to identify next steps.

One of the benefits of iterating the PEA is to apply the varied experiences and expertise of staff to refine the analysis; a second is to record the analysis so that it can be improved later on and be used as a tool for reflection on the project's approach and impact. The PEA is most effective when conducted in close collaboration with Mission staff, when tightly tied to the design (or tweaking) of program approaches, and when regularly revisited in order to update and revise, given progress to date and obstacles experienced during implementation.

Topics for further research: As noted in various sections above, USIP recommends and is pursuing the following topics for further research:

- Examining the Taliban's lack of a legal code or constitution, their arbitrary legal regime and implications for civil society.
- Understanding Taliban-civilian relations, with concrete case studies or citations from local communities (*already underway*).
- Identifying key regional variations in Taliban policy and behavior, especially toward civilians (*already underway*).
- Studying the phenomenon of extremist and socially conservative religious organizations that the Taliban continue to allow to operate in Afghan society, although under restrictions.
- Mapping private sector business activity under the Taliban regime, to include powerful Taliban figures taking part in business or investment activities (*initiated and intended to continue*).

Annexes

All Annexes are attached as separate files.

Annex 1: Taliban cabinet officials

(current as of March 2023)

Annex 2: "Afghanistan's Crisis Requires a Coherent, Coordinated International Response"

Bill Byrd, USIP (online), 16 May 2023

https://www.usip.org/publications/2023/05/afghanistans-crisis-requires-coherent-coordinated-international-response

Annex 3: "What's Next for the Taliban's Leadership Amid Rising Dissent?"

Andrew Watkins, USIP (online), 11 April 2023

https://www.usip.org/publications/2023/04/whats-next-talibans-leadership-amid-rising-dissent

Annex 4: "Afghanistan Requires a Change from Humanitarian Business as Usual"

William Byrd, Lawfare (online), 30 March 2023

https://www.lawfareblog.com/afghanistan-requires-change-humanitarian-business-usual

Annex 5: "Wrestling with a Humanitarian Dilemma in Afghanistan"

William Byrd, USIP (online), 25 January 2023

https://www.usip.org/publications/2023/01/wrestling-humanitarian-dilemma-afghanistan

Annex 6: "Can the Taliban's Brazen Assault on Afghan Women Be Stopped?"

Belquis Ahmadi et al, USIP (online), 12 January 2023

https://www.usip.org/publications/2023/01/can-talibans-brazen-assault-afghan-women-be-stopped

Annex 7: "Afghans Adapting to Economic Decline, Social Restrictions"

William Byrd, USIP (online), 30 November 2022

https://www.usip.org/publications/2022/11/afghans-adapting-economic-decline-social-restrictions

Annex 8: "Let's Not Kid Ourselves: Taliban Regime Will Not Become More Inclusive"

William Byrd, Lawfare (online), 24 October 2022

https://www.lawfareblog.com/lets-not-kid-ourselves-afghanistans-taliban-regime-will-not-become-more-inclusive

Annex 9: "The Taliban One Year On"

Andrew Watkins, *CTC Sentinel*, U.S. Military Academy at West Point, August 2022

https://ctc.westpoint.edu/the-taliban-one-year-on/

Annex 1: Taliban cabinet officials

Position/Ministry	Name
Emir - Amir al-Mu'minin (Commander of the Faithful)	Emir Haibatullah Akhunzada
Prime Minister	Mawlawi Mohammad Hassan Akhund
First Deputy Prime Minister for Economic Affairs	Mullah Abdul Ghani Baradar
Second Deputy Prime Minister for Administrative Affairs	Mawlawi Abdul Salam Hanafi
Third Deputy Prime Minister for Political Affairs	Mawlawi Abdul Kabir
Ministries	
Df acting Minister of Borders and Tribal Affairs	Mullah Noorullah Noori
Df acting Chief Justice	Abdul Hakim Haqqani
Df acting Minister of Justice	Abdul Hakim Sharae
Df acting Minister of Interior	Khalifa Sirajuddin Haqqani
Df acting Minister of Defense	Mullah Mohammad Yaqoub Mujahid
Df Chief Inspector General	Mufti Latifullah Hakimi
Df acting Minister of Foreign Affairs	Amir Khan Muttaqi
Df acting Minister of Information and Culture	Khairullah Khairkhwa
Df acting Minister of Finance	TBA
Df acting Minister of Public Health	Qalandar Ebad
Df acting Minister of Agriculture, Irrigation and Livestock	Mawlawi Attaulah Omari
Df acting Minister of Education	Mawlawi Habibullah Agha
Df acting Minister of Higher Education	Mawlawi Neda Mohammad Naeem
Df acting General Director of Intelligence	Abdul Haq Wasiq
Df acting Minister of Repatriation and Refugees	Khalil ur-Rahman Haqqani
Df acting Minister of Communication and IT	Najibullah Haqqani
Df acting Minister of Energy and Water	Abdul Latif Mansoor
Df acting Minister of Mines & Petroleum	Shahabuddin Delawar
Df acting Minister of Public Works	Abdul Manan Omari

Df acting Minister of Urban Development and Land	Ghulam Ghaws Nasiri
Df acting Minister of Rural Rehabilitation and Development	Mohammad Younis Akhundzada
Df acting Minister of Economy	Qari Din Mohammad Hanif
Df acting Minister of Commerce and Industry	Nooruddin Azizi
Df acting Minister of Prevention of Vice and Promotion of Virtue	Mohammad Khalid Hanafi
Df acting Minister of Labor and Social Affairs	Saranwal Abdul Wali
Df acting Minister of Hajj and Religious Affairs	Noor Mohammad Saqib
Df acting Minister of Martyrs and Disabled Affairs	Abdul Majeed Akhund
Df acting Attorney General	Shamsuddin Shariati
Df acting Da Afghanistan Bank Governor	Mawlavi Hadayatullah Badri
Df Da Afghanistan Breshna Sherkat (DABS)	Mawlawi Mohammad Hanif Hamza
Df ATRA director	Sayed Mawlawi Baraht Shah Agha
Afghanistan Red Crescent Society	Mawlawi Matiulhaq Khalis
Df General Directorate of Prisons' Affairs Management and Regulations	Mawlawi Mohammad Yousuf Mistari
Acting head of df Afghanistan Railway Authority	Bakhturahman Sharafat
Acting head of df National Standards Institutions	Mullah Faizullah Akhund
Acting head of the df Food and Drug Administration	Dr Abdul Bari Omer

Updated: 23 March 2023

Annex 2: “Afghanistan’s Crisis Requires a Coherent, Coordinated International Response” Bill Byrd, USIP (online), 16 May 2023 https://www.usip.org/publications/2023/05/afghanistans-crisis-requires-coherent-coordinated-international-response

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Annex 9: “The Taliban One Year On” Andrew Watkins, CTC Sentinel, U.S. Military Academy at West Point, August 2022 https://ctc.westpoint.edu/the-taliban-one-year-on