



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

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Generic business-development relations

Business as tool for development

- Employment
- Tax revenue for the state
- Investments
- Upgrading potentials
- Trickle-down effect

Business as development agents

- Solutions for development
- Collaborative innovation
- Targeting the base/bottom of the pyramid
- Direct market-based transactions with the poor

Business as the cause

- Race to the bottom
- Tax avoidance
- Downgrading and outcompeting local businesses
- Increasing inequality and poverty
- Fuelling conflicts



What characterizes CFAE

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



The Afghan mobile telecommunications industry

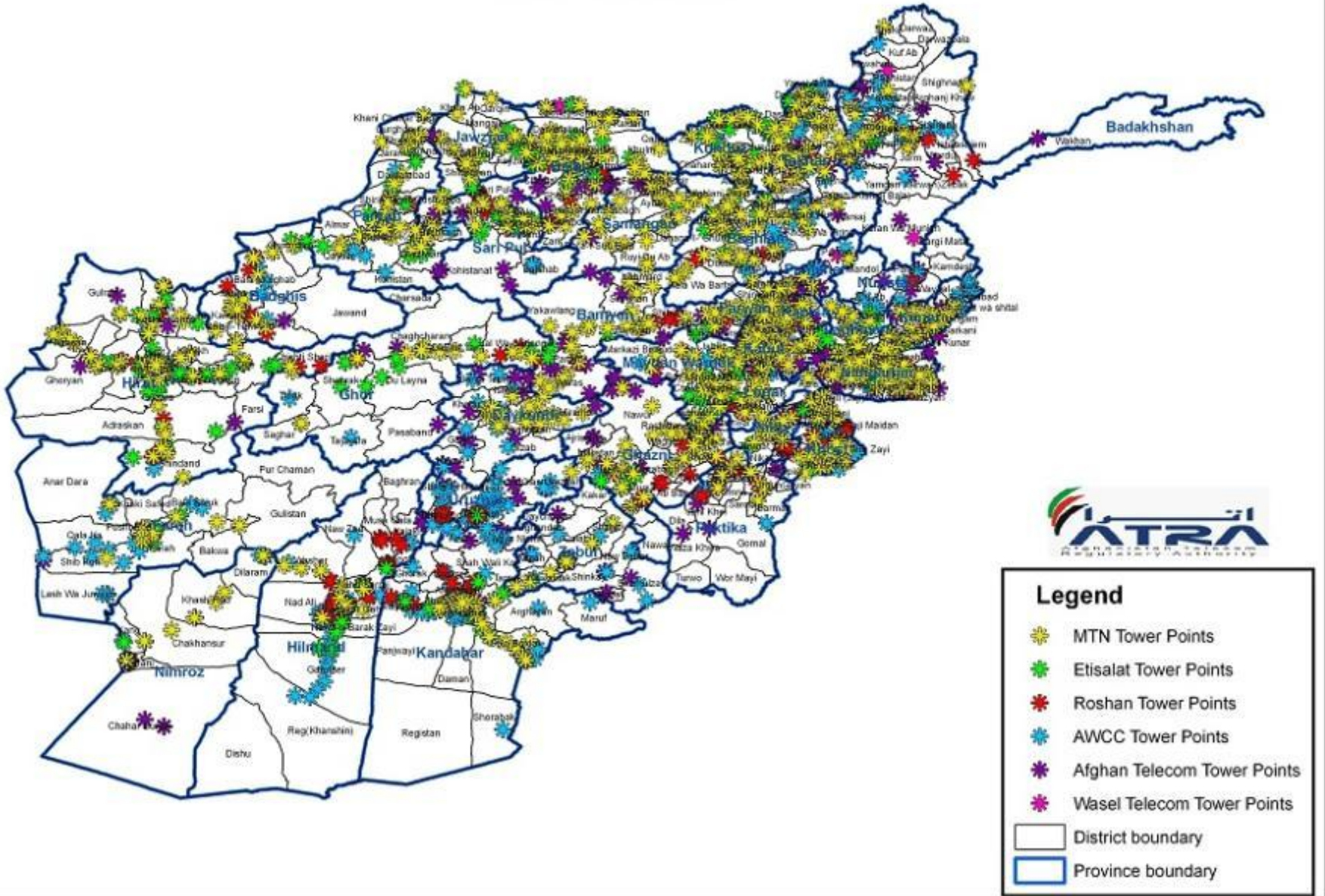
- Consists of 6 operators – 4 MNCs
- Creates jobs - + 100,000 employed direct and indirectly
- Generates tax revenue for the state – \$200 million
- Covers around 27 million subscribers – reaching 90% of people in populated areas
- Offers innovative m-services for banking, health, education and agriculture

Source: <http://mcit.gov.af/>



Mobile Telephone Coverage in Afghanistan

End of March 2016



Source: <http://atra.gov.af>

Study focus: Operating 'glocally' in CFAE?

- Local business-society engagements driven by a global agenda on CSR



Study focus: Political role of business in CFAE

- Coping with both the formal and informal governance structures is challenging
- Risk of delegitimizing the state



Study focus: Business as development agents

- Barriers

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

- Opportunities:



Ustad Mobile  (TM)

Let's mobilize education for all

Core findings on role of business

Opportunities

Easier to define and engage in 'development'

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

Challenges

Coping with parallel governance structures in CFAE

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



Conclusion

Business as development agents or business as usual?

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



Thank you

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