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# Mission Uruzgan

*Collaborating in Multiple  
Coalitions for Afghanistan*

*Edited by Robert Beeres,  
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& Ad Vogelaar*

PALLAS PUBLICATIONS

# 15 Stimulating entrepreneurship in Uruzgan

## IDEA-officers focusing on private sector development in post-conflict environments

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If we had to go to the Business Development Centre – to attend its opening or during its development stage – 5 Bushmasters had to escort us. I had to wear my military uniform and came fully armed. In that way, you can't go into the classroom to see how the teacher is doing. If you do that, the people in the classroom will think: "What on earth is happening here? Someone from the military is coming in". That is the disadvantage of educating people in such an environment.

*Quote from an IDEA-officer, Kramer and Jansen, 2011*

### Introduction

The scene of military officers training and advising local entrepreneurs will not be the first one that comes to mind when thinking about Mission Uruzgan. Yet, a specific unit of the Dutch Armed Forces, called IDEA, was specifically deployed for these purposes. The acronym IDEA stands for *Integrated Development of Entrepreneurial Activities* and refers to a unit composed of reserve officers. In their everyday lives, these reserve officers are consultants, entrepreneurs, administrators or bankers and they were deployed in Uruzgan for three months. During these three months they worked on *Private Sector Development*. Although it might appear like an exotic experiment for Armies to develop units for these purposes, IDEA can be understood as a reaction to the challenges of post-conflict environments.

Armed conflict and violence have significant consequences for many aspects of people's lives. In its PCR-report the United Nations formulated this as follows (UNDP, 2008: xvii): 'The legacy of conflict includes substantial loss of livelihoods, employment and incomes, debilitated infrastructure, collapse of state institutions and rule of law, continuing insecurity and fractured social networks.' It will therefore be obvious that to organizations and agencies involved, post-conflict rebuilding activities pose enormous challenges (Paris and Sisk, 2009). While an Army is trained and equipped to deal with safety and security issues, and while these issues are central to its missions in post-conflict rebuilding environments, inevitably they face challenges that lie outside this realm. It is well-established that economic misery can be caused by violent conflict; while by the same token, economic misery can also lead to violent conflict. The PCR report formulates this as follows (UNDP, 2008: xix): 'War results *from* as well as *in* socioeconomic and political imbalances. Such imbalances are major factors in the outbreak of conflict in the first place and high risk factors in the recurrence of conflict'. At the same time, for economic development to prosper, a safe and secure environment is important. The topics of economic development, safety and security are therefore firmly interrelated (Collier, 2008).

IDEA can be perceived as a specific answer of the military organization to the challenges of post-conflict environments. The quote at the top of this chapter shows just one of the everyday problems that IDEA-officers experienced – in this case reviewing the success of a 'train the trainer programme'. Obviously, stimulating entrepreneurship in an environment such as Uruzgan is quite a challenging task for both 'teachers' and 'students'. The experiences of IDEA-officers are interesting in themselves since we can analyze the variables that foster entrepreneurship in a different cultural setting and under extreme circumstances, comparing and contrasting them with the ones displayed in the European or American contexts. Additionally, these experiences also reveal to an extent the adversity of post-conflict rebuilding. Indeed, the uniqueness of the IDEA initiative comes from the fact that it works on stimulating entrepreneurship in post-conflict environments within the confines of a military organization. Actually, IDEA crosses the boundaries between military organizations and development agencies.

Due to the fact that the rebuilding activity is performed within the context of a military organization, the IDEA-case could shed light on the challenges of post-conflict rebuilding and on the variables that foster it in Uruzgan. In that sense, the IDEA-case could be considered a microcosm in which general challenges and dilemmas of post-conflict rebuilding are visible on a small scale. This chapter describes and analyzes the IDEA-case, exploring four central questions:

1. What kinds of activities were employed by IDEA in Mission Uruzgan?
2. What kind of challenges did IDEA-officers experience during their work?
3. What do the experiences of IDEA-officers reveal about the challenges of post-conflict rebuilding?
4. How do the experiences of IDEA-officers compare to experiences in other contexts?

In order to delve into these questions, some basic theory about the concepts of development and entrepreneurship in unique environments is discussed.

## **Stimulating entrepreneurship and development**

The philosophy behind IDEA is that entrepreneurship is essential for an economy to develop. Development literature indeed acknowledges that entrepreneurship at the Base (or Bottom) of the Pyramid (BoP) plays an important role in poverty reduction (Prahalad and Hammond, 2002; Stern, 2002), being considered a self-organizing and bottom-up economic force that mobilizes scattered and hidden development resources (Ellerman, 2006: 208). As a matter of fact, the topic of stimulating BoP-entrepreneurship is one of the main issues of the 2005 World Development Report (World Bank, 2005: 1):

Private firms – from farmers and microentrepreneurs to local manufacturing companies and multinational enterprises – are at the heart of the development process. Driven by the quest for profits, they invest in new ideas and new facilities that strengthen the foundation of economic growth and prosperity. They provide more than 90 percent of jobs, creating opportunities for people to apply their talents and improve their situations. They provide the goods and services needed to sustain life and improve living standards. They are also the main source of tax revenues, contributing to public funding for health, education, and other services. Firms are thus critical actors in the quest for growth and poverty reduction.

The relationship between entrepreneurship and development in emerging economies and post-conflict rebuilding conditions is both intricate and arduous. It is generally tied to a deficiency of wealth – due to institutional voids, economic and social instability, and a lack of trust in institutions and people. There are 3 billion people with an average wealth per adult of below USD 10,000 of which 1.1 billion own less than USD 1,000 (per year). Around 2.5 billion people are yet unbanked (Credit Suisse Research Institute, 2011). In order for countries to develop, the generation of economic wealth is important. Entrepreneurial activities are a start, but at the same time it is generally acknowledged that entrepreneurship in challenging contexts must be accompanied by advances in financial services (i.e., microfinance).

In order to understand how entrepreneurship at the BoP could promote development in emerging and post-conflict contexts, we first need to establish what we mean by the BoP, and second, how the firms which originate at the BoP – most of them family-owned micro-enterprises – could have an economic and a social development potential. The BoP was originally defined by Prahalad and Hammond (2002) as a market containing the poorest people in the world, which they defined as those making less than \$ 2,000 per year (purchasing power parity in US dollars). Since this original articulation, there has been a lot of controversy surrounding the

exact nature of the BoP, leading to a new definition. London (2007: 11) emphasizes: ‘The base of the pyramid is a term that represents the poor at the base of the global socio-economic ladder, who primarily transact in an informal market economy.’ Prahalad and Hammond (2002) claim that although each individual’s market power is very small, the aggregate market power is significant. When viewing this from an intermediate producer/ service provider perspective, the pyramidal economic potential (aggregate supply) of micro-enterprises at the BoP possess can be devised, since they could push forward with less effort micro-consumption (from ‘new’ emerging consumers) and drive economic advance or recovery as well as ‘partial’ wealth accumulation.

Notably, almost 98% of micro-enterprises are either family-owned or family operated. The latter makes sense, due to the fact that low-income families – with limited or no access to credit – use their savings and labour in order to create a road to self-sufficiency. The family provides therefore a safety-net for entrepreneurs, offering not only economic support, but also “cheap” human capital to develop the entrepreneurial activity. Indeed, a significant increase in family-owned micro-enterprises within emerging economies in Latin America, China and India can be observed. It is furthermore well-established that family values exert a crucial influence on the conduct of family members and on the decision-making processes within family firms (Trevinyo-Rodríguez, 2010). The family value system is continuously (re)articulated, being a force that stimulates long-term decision making in family enterprises. This long-term perspective is (generally) fostered, because the family business is expected to provide the “family” with wellbeing and stability. Family micro-enterprises at the BoP might therefore have not only the economic strength to push the economy, but also might drive emotional ties to unite and commit the family. This explains why families in these conditions are an important part of the institutional context.

The previous shows that development is not just about economic growth. Progress equally depends on getting policies right and building effective institutions to implement them: building effective health systems, establishing a credit system, ensuring that education is available, etc. This is emphasized by Amartya Sen (1999: 20) when calling for a more ‘inclusive’ understanding of development in which individual and collective freedom is the essential goal. He notes that poverty should be seen as a deprivation of basic capabilities essential for a humane existence. The question is not whether people have enough resources, but, ‘do they really have choices?’ Development in a broader sense means giving people substantial access to the means of accumulating social power. If ‘inclusive development’ should be the goal of development, ‘inclusive entrepreneurship’ might be a valuable conceptualization of a developmental strategy in very different contexts (Trevinyo-Rodríguez, et al., 2010). This conceptualization is supported by trends in organizing studies on the concept entrepreneurship. Rindova et al. (2009: 478) propose to focus on the verb ‘entrepreneur’ instead of the noun entrepreneurship. Entrepreneur is

regarded as an activity that is not necessarily an economic activity, but a ‘liberating’ activity focused on ‘social change’ (Calás et al., 2009: 552).

The BoP way of thinking is a theory. It is a particular way of thinking about economic development and poverty alleviation. For some, this theory might sound overly optimistic and one may suspect that the actual conditions in which this theory is to be applied are quite intransigent. Therefore, empirical research is necessary to develop insight into the conditions that stimulate or hinder the development of inclusive entrepreneurship at the BoP. Indeed, much entrepreneurship in BoP conditions is survivalist entrepreneurship (Naudé 2010b: 233), with hardly any possibilities for ‘inclusive’ ambitions. People living in poor conditions often have limited resources and entitlement opportunities. They will often lack the entrepreneurial and organizational skills to run larger businesses facing social, economic, and political problems. Furthermore, they often are confronted with the problem of ‘rogue leadership’ (i.e., mafias, terrorists, criminal gangs and warlords), which often forms the political context in which microenterprises have to operate, particularly in places where the state is too weak (Johnson and Soeters, 2008). Nevertheless, when pushed by necessity, human beings become creative, especially if their family depends on it to survive.

### **The IDEA-case**

The IDEA project aims to stimulate economic development by promoting entrepreneurial activities within post-conflict environments, being therefore an initiative that may promote inclusive development under extreme circumstances. Post-conflict environments are exceptional since they not only lack institutional infrastructure but also are ‘building or reconstructing [the] country after its government, institutions, population, and economy have been ravaged by large scale conflict’ (Voorhoeve, 2007: 19). One can imagine that in these environments, stimulating entrepreneurship is particularly challenging. According to Naudé (2010a: 4) entrepreneurship is particularly important here because: ‘Firms that survive persistent conflict do so because of entrepreneurs who are able to adjust their business models in the face of conflict, for instance by reducing technological sophistication, relocating supply chains and production locations, or reducing long-term investment.’

IDEA is an organization that is jointly developed and controlled by the Dutch Armed Forces and the Confederation of Netherlands Industry and Employers (known as VNO-NCW) and was established in 2000. Since 2006 the operational part of IDEA has been subsumed under the Dutch CIMIC battalion. The goal of IDEA is to build and develop sustainable local entrepreneurial capacity by advising and training entrepreneurs in post-conflict rebuilding contexts and by informing military commanders regarding instruments for private sector development. Since 2000, IDEA-officers have been deployed in Bosnia, Baghlan (Afghanistan), Uruzgan (Afghanistan) and in a couple of individual missions in Africa (Sudan,

Burundi and Congo). IDEA-officers generally have a background as entrepreneurs, bankers, accountants, or consultants. After having received basic military training and a specific mission training, they can be deployed as reserve officers. In Uruzgan, IDEA-officers generally were deployed for 3 months, which is shorter than other militaries (4-6 months). The rationale for this is that IDEA-officers have jobs or own businesses in the Netherlands and can only spare a couple of months.

The strategic niche IDEA sees for itself is a particular type of mission in areas in which regular development agencies and NGOs are unable to operate as a result of unsafe conditions. These are post-conflict rebuilding areas in which a military organization is able to reach certain unsafe areas, but according to IDEA other organizations aren't, or at least only sparsely. IDEA-officers are able to enter these areas and to work on development issues. Central to the IDEA-philosophy is that initiating development activities in this unsafe phase is important, not only from a developmental perspective but also because it supports the *force acceptance* of the military units. In Uruzgan, IDEA was part of the Dutch CIMIC effort and therefore related to the mission teams that worked on rebuilding issues.

The IDEA-case was studied using a qualitative methodological approach. The methodological strategy of this case-study was adopted from the grounded theory approach (Glaser and Strauss, 1967). In 2010, we interviewed 21 people who can be differentiated in 4 different groups: IDEA-management, IDEA-officers, external academic specialists, and external post-conflict rebuilding specialists. The interviews were topic guided and subsequently transcribed and analyzed. The analysis focused on categorizing (1) different projects undertaken by IDEA and (2) finding factors that influenced the activities of IDEA. In a case report, the first results were described and reflected upon (Kramer and Jansen, 2011). The case report was used to develop the case description in this chapter.

## IDEA in Mission Uruzgan

IDEA was not deployed from the onset of Mission Uruzgan but came into the mission area in 2008. At first only one IDEA-officer was deployed in Tarin Kowt at Camp Holland. Later, a second IDEA-officer was deployed in Deh Rawod because it was felt that the specific demands of this outpost required the input of another IDEA officer. Below we will sketch the basic activities of IDEA in the mission area.

### The Development of a Local Business Development Center

The development of a local Business Development Centre (BDC) is a cornerstone of IDEA's approach when it enters in a region. A BDC is an economic structure with a function that is comparable to a chamber of commerce in Western countries. It aims to concentrate different kinds of supportive activities for entrepreneurs. It provides, for example, training and advice to entrepreneurs and provides them with an opportunity to build a social network. Essential in developing a BDC is that its



management is taken over by a local NGO. This should guarantee sustainability after IDEA has left the region. In Uruzgan this was the *Afghan Centre for Training and Development* (ACTD), which signed a contract with the Dutch Ministry of Foreign Affairs. This ministry provided funds for the BDC for a particular time-period and ACTD was obliged to meet some criteria (i.e., train a specific number of entrepreneurs). IDEA was involved in establishing this contract and was busy with training ACTD people to run the BDC (train the trainers). The concept of establishing a BDC which would be taken over by locals was originally developed by IDEA in Bosnia. There, the local interpreters took it over after IDEA left. According to some IDEA-officers the BDCs in Baghlan and Bosnia are still operational. In Uruzgan, establishing a BDC was much more challenging than in Baghlan or Bosnia particularly because of the safety situation. IDEA-officers couldn't visit the BDC whenever they pleased because of the safety situation. Furthermore, it proved to be difficult to find the trainers to be trained.

### Training Entrepreneurs

Another central activity of IDEA in Uruzgan has been the training of entrepreneurs. From the time the IDEA officers arrived until the BDC was opened, IDEA recruited entrepreneurs for training, offering them the opportunity to learn about business management. These training programmes were offered to anyone who was interested and actually showed up. Not all 'entrepreneurs' in the classes owned their own business when initiating the courses, and actually IDEA officers doubt whether some of them will ever do.

IDEA uses a specific method to train entrepreneurs. This is the *Start and Improve your Business-method* developed by the International Labour Organization (ILO). This method is used all over the developing world and can also be used to train illiterates (see textbox). ILO licenses IDEA to use this methodology and it trains IDEA-officers to be trainers. In Uruzgan, IDEA trained around 200 entrepreneurs in the ILO method and trained ACTD people in the ILO-method (train the trainer). The activity of training entrepreneurs was met with different challenges. Sometimes it was difficult to motivate people to attend training-sessions, one IDEA-officer emphasized, because a certain level of economic activity is necessary to make training relevant. Furthermore, because Afghans in Uruzgan are busy with basic survival, attending training during several hours a day is a luxury not everyone can afford. Also, because trainings were initially given at Camp Holland, they had to come to Camp Holland and therefore had to associate themselves with the Dutch Army. That in itself provided a safety hazard to Afghans, the impact of which is difficult to assess.

### Establishing a Microcredit System

Another central activity of IDEA was the establishment of a microcredit bank. The development of a microcredit bank is an activity IDEA initiated together with the World Council of Credit Unions (woccu) and the Dutch Ministry of Foreign

## SIYB-ILO

The Start and Improve Your Business (SIYB) course is a training programme developed by the International Labour Organization (ILO), specifically oriented toward developing countries. According to the ILO-website, the SIYB method has an outreach of 1.5 million trainees, thereby being one of the biggest global management training programmes currently on the market. It has been translated into more than 30 languages and adapted to local conditions in more than 50 countries. ILO explicates that the SIYB method is both oriented at entrepreneurs and on those that stimulate entrepreneurship. Originally developed in the 1980s, it is oriented at enabling local business development service providers to effectively and independently implement business start up and improvement training and related activities. Furthermore, it is oriented at enabling potential and existing small entrepreneurs (both women and men) through these organizations to start viable businesses, to increase the viability of existing enterprises, and to create quality employment for others in the process.

The SIYB-course consists of interrelated training packages and supporting materials for small-scale entrepreneurs to start and grow their businesses. It aims at increasing the viability of Small and Medium Enterprises through management principles suitable for the environment of developing countries. The four basic packages of the SIYB method are:

- 1 *Generate Your Business*. This package is intended for people without a business plan who would like to start a business.
- 2 *Start Your Business*. This package is for potential entrepreneurs with a concrete business idea who want to start a profitable and sustainable small business. The programme is a combination of training, fieldwork and after-training support activities.
- 3 *Improve Your Business*. This package introduces already practicing entrepreneurs to good principles of business management, i.e. marketing, costing, stock control, record keeping, buying and business planning.
- 4 *Expand Your Business*. This gives growth-oriented small and medium entrepreneurs the practical tools to implement and realize fast business growth and profits.

Source: [www.ilo.org](http://www.ilo.org)

Affairs. The bank was located on Camp Holland, but it also had offices in Deh Rawod and Chora. In the final stages of IDEA's presence in Uruzgan, the bank had around 1,200 customers and issued approximately 500,000 dollars in loans. The development of this bank was met with some particular and peculiar challenges. One example was that the microcredit bank developed certain undesirable practices to stimulate repayment (basically threatening clients). Furthermore, a 14 year-old boy, who was related to a local powerbroker, was a member of the management

in one of the offices. Phenomena such as these were considered to be in contradiction to the entrepreneurial climate IDEA aimed to establish.

### Creating clusters of firms

Developing cooperatives between small, often family-owned firms was a development strategy that had already been initiated by IDEA in Bosnia and Baghlan. One particular example of a cooperative in Uruzgan is a 'cold storage' that was built by the Dutch Army (basically a container buried in the ground). The economic logic for cold storage was that if farmers were able to store their products, they would be able to market them for a longer time-period. In that case, farmers would be able to sell products at times where there is less supply and therefore prices are higher. The challenge for IDEA is that a sustainable value chain and an organization (cooperative) structure have to be developed around a physical structure. Developing cooperatives is a well-known development instrument (Penrose-Buckley, 2007). One challenge of establishing cooperatives in Uruzgan was that the mere phrase 'cooperative' has 'Soviet' connotations in Afghanistan, which after the Soviet occupation of Afghanistan in the 1980s is problematic. Another challenge is that in a region such as Uruzgan, people who are able to run a cooperative are scarce because of lack of education, a problem frequently encountered in developing countries (Carmen & Sobrado, 2000). Within IDEA there had been some discussion whether such – more or less – advanced solutions were in fact suitable for the poorer areas of Uruzgan. One particular IDEA-officer called developing cooperative clusters 'jumping ten meters high' given the economic state of the area.

### Giving advice to military commanders

The last category of activities of IDEA that we will discuss here is advising military commanders. One example in which IDEA-officers advised their mission-team commanders was in the Deh Rawod area. There, IDEA made a social economical assessment and a development plan. This development plan connected economic development and issues that are covered by other CIMIC-specialists. For example, part of the plan was that a court-system should be established. Although it might seem quite different from Private Sector Development, and although IDEA-officers didn't actually work on establishing such a system – it is actually an important prerequisite for the development of economic activity. This shows that private sector development is not an activity that occurs in isolation, but that it is related to other 'social development' issues. Part of the social development plan that was developed by IDEA was also that some ways to help women to contribute to economic activities were sought, particularly women with a problematic social standing (for example widows). This is actually an example of how 'emancipation through entrepreneurship' might work. Another example of the advisory role to military commanders was an IDEA-officer who asked soldiers to observe whether local farmers struggled with parasites in their fruit-trees. Although soldiers initially didn't see the relevance of such an issue, the IDEA-officer argued that this was crucial, also

from a security perspective. A farmer that with parasites in his fruit-trees sees his income threatened. As a result, he might become more vulnerable to Taliban persuasion to plant Improvised Explosive Devices (IEDs) on the roads that pass his parcels. One particular challenge for this advisory role is that it was an 'unstable function'. Whether IDEA officers developed an advisory role differed between time periods. To start with, it very much depended on personal relationships between IDEA-officers and military commanders who were both only deployed for a couple of months. Furthermore, because the challenges of Uruzgan were partly new to the Dutch Army, no established way for this advisory role to be enacted was available. Mission Uruzgan was therefore the scene of many 'organizational experiments' which sometimes creatively solved local problems, but which also could become lost if newly rotated personnel failed to see the relevance.

### **Challenges for IDEA in Mission Uruzgan**

The previous section briefly discussed IDEAs main activities in Mission Uruzgan. Here we want to discuss some challenges with which IDEA-officers were confronted during these activities. These challenges refer to the different specific environmental conditions in which their activities were conducted.

The first challenge is the nature of the local economic situation. Uruzgan is a region that differs significantly from Baghlan and Bosnia, in which IDEA had been previously deployed. Consequently, it is more difficult to implement specific IDEA-concepts, such as the BDC, which at times was even difficult to reach for IDEA-officers. One particular challenge of the Uruzgan-region was that it was much poorer than Bosnia and Baghlan. The economic landscape is described by some IDEA-officers as 'biblical', with many small farms which produce crops mainly for the farmers and their family's own use. An industrial structure, which was available in Bosnia and in a rudimentary way also in Baghlan, does not exist. Also craftsmanship was only developed in a rudimentary way. As a result, discussion arose within IDEA regarding which economic actors should be targeted. The concept 'Private Sector Development' means something different in different regions. Traders on the local market, being the typical example of entrepreneurs, would normally be IDEA's focus. Some IDEA-officers argued, however, that these traders were actually the local top-entrepreneurs and were well-to-do and not in need of much help. Instead, they argued that IDEA should target the poor farmers. One IDEA-officer told that the consequence of this was that they started to perceive farmers as entrepreneurs that required entrepreneurial advice instead of merely agricultural guidance. This shows that – what seem to be generally applicable concepts like training programmes and the establishment of a BDC – should be tailored to the local conditions. This requires much sensitivity to local economic conditions, which is made more difficult by the fact that in Uruzgan IDEA-officers were in the mission area for just three months.

The second challenge for IDEA was the nature of the safety situation in Uruzgan. The quote at the beginning of this chapter explains in just a few words what the major problem was. Uruzgan was particularly in the beginning very unsafe, which complicated the work of IDEA-officers. In other missions the safety issue was also present but much less so. In Bosnia, IDEA-officers could move through the area without *force protection*. Freedom of movement was more restricted in Baghlan. However, in Uruzgan, IDEA-officers typically required 5 Bushmasters and 20 soldiers *force protection* in order to move through the area. This made work more difficult for IDEA-officers. The military organization (Battlegroup) occasionally denied them force protection because there were other priorities. Some IDEA-officers were bound to Camp Holland during their stay in Uruzgan. It became difficult for them to observe local conditions, to visit entrepreneurs, to establish personal relations with locals, etc. Even the BDC which they helped to establish was difficult to reach. Another consequence of this safety situation is that IDEA-officers needed to be able to persuade the Battlegroup of the value of their activities. If the Battlegroup failed to see the added value of IDEA, they could deny them force protection. This was unnecessary in Bosnia, because the work of IDEA-officers didn't depend on force protection. A consequence of this is that it was important for IDEA officers to establish good relationships with the Battlegroup which was complicated by the fact that their mission only lasted for three months.

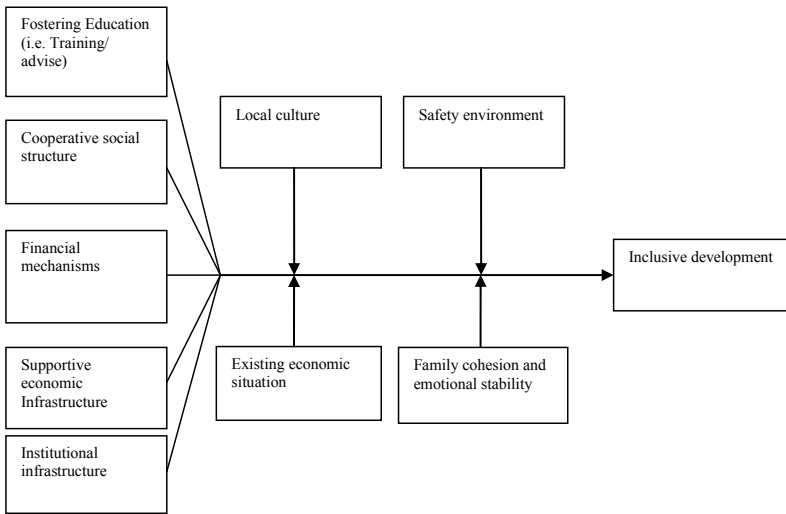
The third general challenge for IDEA was the issue of local culture. One example that shows the importance of insight in local culture – which is actually an example of the Baghlan mission – is the development of cooperatives. Insights in tribal structures appeared to be crucial in order to be able to judge the potential success of cooperatives. If craftsmen originated from different tribes, developing cooperatives proved to be next to impossible. Another cultural issue is the local power relations. Generally, development specialists (which were available in Task Force Uruzgan) advised IDEA that if they wanted to get anything done, they had to accept local culture as a given and therefore they had to deal with local power-brokers. Some IDEA-officers regretted they didn't do more to try to change things, because then more profound change would have been possible. Experts on development outside the IDEA organization considered that IDEA-officers might be good bankers, entrepreneurs and consultants in the Netherlands, but lack insights and skills to deal with development issues. Opposed to that, different IDEA-officers emphasized that the problems of entrepreneurs are universal and as such they have the unique ability to understand their everyday problems.

### **Reflection on the experiences of IDEA**

The relationship between entrepreneurship and inclusive development has been the object of rather optimistic theorizing. While this relationship seems valid in theory, the IDEA-case shows how complicated the implementation of this philoso-

phy actually can be. Understanding the complications of this process is essential in order to develop the philosophy of stimulating BoP entrepreneurship. Here, we want to make a tentative step to model this complicated implementation process. In the description of the IDEA-case several variables that impacted development and reconstruction are salient. We devised a model that might explain the process involved in Promoting Inclusive Development (PID) within the private sector in this community (see Figure 15.1).

**Figure 15.1** Promoting Inclusive Development (PID)-Model



The independent variables in Figure 15.1 are derived from the activities that IDEA performed in Uruzgan. These activities can be interpreted as focusing on an underlying more abstract phenomenon that is important for inclusive development. So, providing a training-centre shows the importance of education; aiming to develop cooperatives shows the importance of cooperative social (family) structures; the establishment of a microcredit bank shows the importance of the availability of financial mechanisms; the BDC shows the importance of supportive economic infrastructure; and making development plans that underlined the importance of – for example – a court system, shows the importance of institutional infrastructure. The moderating variables were derived from the challenges that IDEA-officers met in Uruzgan, irrespective of a specific activity (the existing economic situation, the local culture and the safety environment). We added a further moderating variable *Family cohesion and emotional stability*, which is not directly emphasized in the IDEA-case. However, it is well established that many families at the BoP have such problems (e.g., divorces, single mothers, intra family violence, /alcohol abuse, gender issues). The stimulation of inclusive development would be easier or harder depending on this variable. The dependent variable,

inclusive development, is in the end the goal of private sector development activities such as the ones performed by IDEA.

Although, the PID model is tentative and potentially incomplete and we cannot generalize the PID model, it does seem to have the potential to be developed further on the basis of existing theory and to use it in comparative research. For example, the creation, development and sustainability of family owned micro-enterprises (corner stores called 'changarros') in Mexico (Trevinyo-Rodríguez, forthcoming), most of the variables and activities exposed in our PID-model seem relevant and relate in some way to the notion of fostering development in its broader sense. The latter provides us with new insights regarding the possibility of replicating development solutions in different environments, emerging and post-conflict rebuilding contexts, therefore fostering future comparative research studies between and among these economies.

A last remark can be made about initiatives such as IDEA. Earlier we called IDEA an 'organizational experiment' in order to deal with the challenges of post-conflict rebuilding environments. As such, IDEA could be perceived as representing an interesting case in the development of a post-conflict rebuilding policy. Kaldor (2007: 12) defines 'new wars' as a mix of war, large-scale human rights violations and organized crime. New wars ask for a different approach. According to Kaldor this implies putting the right of human beings above the rights of states and in doing so connecting security with development. In this perspective human rights and human development go hand-in-hand. In Kaldor's view the military entrusted with the human security policy is a mix of military personnel, civilians and police personnel. As indicated above their primary task is taking care of the safety of civilians. Human security forces are neither peacekeepers, nor traditional militaries; they combine humanitarian aid and development; they create legal employment and institutions focused on rule of law and social and economic development. It would be valuable to evaluate to what degree IDEA fits Kaldor's principles.

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