

## A Truly Regional Economic Strategy for Afghanistan

Two events in the past year have shifted the focus of efforts to stabilize Afghanistan as President Obama's July 2011 deadline for beginning a drawdown of U.S. forces approaches. The first was the Kabul Conference, held July 20, 2010, where Afghan President Hamid Karzai announced that Afghanistan would take full responsibility for its sovereignty and security by the end of 2014. The November 2010 NATO conference in Lisbon—the second event—confirmed this benchmark for full transition to Afghan sovereignty as well as a longer-term commitment to a “strong partnership” beyond 2014. While there are certain caveats about “conditions-based” decisions regarding these benchmarks, this timeframe should guide the strategic planning of the Afghan government, the International Security Assistance Force (ISAF), and regional partners.

The timeframe was then confirmed in the December 2010 summary of the Obama administration's annual review of Afghanistan and Pakistan, declaring: “This review also underscores the importance of a sustained long-term commitment to the region . . . [with] the goal for Afghans to assume the lead for security across the country by 2014, and NATO's enduring commitment beyond 2014.”<sup>1</sup> The review pointed out some of the successes of the counterinsurgency strategy implemented in 2009, in concert with the surge in forces, but noted that these gains remain fragile. It also documented the improvement in U.S.–Pakistani relations and the role the Strategic Dialogue between the two countries has played in promoting “development objectives important to the people of Pakistan.”

Bizarrely absent, however, was any mention of promoting development objectives important to the people of Afghanistan. In fact, there is no mention in the review at all about the status or importance of sustained economic growth

---

Andrew C. Kuchins is a senior fellow and director of the CSIS Russia and Eurasia Program. He may be reached at [AKuchins@csis.org](mailto:AKuchins@csis.org).

---

Copyright © 2011 Center for Strategic and International Studies  
*The Washington Quarterly* • 34:2 pp. 77–91  
DOI: 10.1080/0163660X.2011.562724

for the durable stabilization of that country. Unfortunately for those following U.S. and allied efforts in Afghanistan, now entering their tenth year, the economic development piece has never received the focused and strategic attention it deserves compared to the efforts to militarily secure the country, train Afghan security forces, and promote better governance.

The United States has to assume greater leadership in this area because success of the mission in Afghanistan depends on it, and no other country or multilateral institution is capable of exercising it. As General David Petraeus said at his confirmation hearing as commander in Afghanistan, “A military only solution in Afghanistan cannot succeed.”<sup>2</sup> Given the relatively short transition period to planned Afghan sovereignty in 2014, there is an urgent need to shift the focus from assistance to sustainable business development and commerce. It is imperative to move from aid to trade and foster an environment which creates jobs and increases returns on investment and entrepreneurship. This paper seeks to flesh out such a strategy.

### **Shortcomings of the Current Strategy**

---

In response to the perception of wasted assistance dollars and the lack of an overarching economic strategy, a U.S. interagency policy group produced a document in September 2009 entitled “U.S. Economic Growth Strategy for Afghanistan: FY 2009–2011.”<sup>3</sup> This document constitutes the strategic guidelines of U.S. economic policy and rests on four pillars: 1) job creation; 2) the provision of basic services; 3) the construction of infrastructure; and 4) the development of fiscal sustainability. Of these, job creation has been the main thrust to date, but it has yet to bear significant fruit, now nearly two years on.

It seems axiomatic that the more Afghans with jobs in the licit economy, the smaller the pool of candidates who want to join the insurgency, but curiously the academic literature—as well as the development community—is mixed on this point. Even more ironic is the fact that, in the U.S. policymaking community, it is the military where one finds the most consensus on this point.<sup>4</sup> Economic development, especially in the area of logistics and transit support, is an essential component of U.S. counterinsurgency strategy.<sup>5</sup>

The strategy has many fine features, including the promise to place “critical importance on measuring the progress and effectiveness of U.S. assistance programs in placing the Afghan government and the private sector in the lead of economic growth and development.” But even this document strikes the reader as a well-meaning “to-do” list with little or no prioritization of goals, let alone an integrated plan on how to achieve them. Despite protests to the contrary, this is a common feature of strategy documents produced by the State Department and U.S. Agency for International Development (USAID)—a lengthy list of worthy

projects lacking prioritization, clear plans for implementation, or linkage to economic growth, or how the private sector, inside and outside of Afghanistan, can be supported and engaged in these efforts.

A May 2010 report I co-authored with S. Frederick Starr subscribes to the four goals enunciated in the document, but proposes to organize them around a more focused yet comprehensive strategy—one that embraces the expansion of transport and trade as the main engine of economic development.<sup>6</sup> To achieve success, an economic strategy for Afghanistan must meet four criteria:

**First**, it must directly and manifestly improve the lives of Afghans, Pakistanis, and people in those Central Asian states key to this region-wide project. As this happens, internal and external stakeholders will buy into the effort. Only through these means can one expect a decline in the resort to violent solutions and thus diminish the need for a large and costly U.S. military presence;

**Second**, it must be possible to pursue the economic strategy *simultaneously* with the military strategy, and in such a way that the two are mutually reinforcing;

**Third**, it must leave the Afghan government with a sustainable revenue stream; and

**Fourth**, an economic strategy must work quickly and be coordinated with the goal of transferring full sovereignty to Afghanistan by the end of 2014.

The only approach that meets these criteria is one that focuses on reestablishing Afghanistan's traditional role as a *hub of transport* and trade, linking Europe and the Middle East with the Indian sub-continent and all of South and Southeast Asia. This transport-based strategy seeks to remove existing impediments to long-distance road and railroad transport and to the transmission of hydrocarbon and hydroelectric energy within Afghanistan. The country's vast mineral wealth will have virtually no commercial value if Afghanistan is not connected to a regional rail system that can get these heavy materials to markets. Agricultural development not based on opium production will always be constrained unless tremendous attention is focused on improving

**Afghanistan must reestablish its traditional role as a hub of regional transport and trade.**

Afghanistan's hard and soft road transit infrastructure; thus, the current underdevelopment of the road transit sector encourages the drug trade. A carefully developed transit strategy must be at the center of a broader economic strategy developed by the Afghan government, with strong support from the United States and its allies and regional partners.

### **An Alternative Strategy: The Silk Road Initiative**

---

The imperative for greater attention to the economic side of the strategy for Afghanistan should be fairly obvious. According to the Agency Coordinating Body for Afghan Relief, in 2008 international assistance constituted around 90 percent of public expenditures in Afghanistan.<sup>7</sup> Currently, about 50 percent of Afghan GDP is accounted for by international assistance. For the stabilization of Afghanistan to endure, the country must develop its licit economy. Notwithstanding many worthy projects, a robust non-military strategy has been lacking, especially one that more deeply engages a broader regional set of actors beyond Afghanistan and Pakistan.

#### **Afghan Support**

Yet, it appears that crucial Afghan leaders understand and support such an initiative. At the July 2010 Kabul Conference, President Karzai expressed frustration with the good-willed yet scattershot nature of economic development assistance efforts when he said:

Despite some noteworthy achievements, we have learned together that delivering our resources through hundreds of isolated projects will not generate the desired results, achieve public visibility, or support the establishment of good governance. It is time to concentrate our efforts on a limited number of national programs and projects to transform the lives of our people, reinforce the social compact between state and citizens, and create mechanisms of mutual accountability between the state and our international partners.<sup>8</sup>

At the Kabul Conference, Karzai also presented the vision of Afghanistan "reemerging as the 'Asian Roundabout,' a central point of interconnection of goods, ideas, services and people in the fast expanding Asian economy."<sup>9</sup> Earlier in 2010, the Afghan government had developed and begun to institutionalize this concept under the moniker of the "Silk Road Initiative." With assistance from the United Kingdom, the Afghan Ministry of Foreign Affairs established the Center for Regional Cooperation, which is to act as the secretariat to various regional cooperation initiatives. On the eve of the Kabul Conference, the Ministry also held a meeting of representatives of the various regional organizations relevant to Afghan economic development.<sup>10</sup>

At the fourth Regional Economic Cooperation Conference on Afghanistan (RECCA), held in Istanbul on November 3, 2010, the Afghan delegation led

with the Silk Road Initiative concept. In his keynote address at the Academic Forum on the Margins of the RECCA, Afghan Foreign Minister Zalmi Rassoul described his view that regional economic cooperation “contributes to regional stability and prosperity, and enhances the conditions for Afghanistan to resume its central role as a land bridge between Central Asia and South Asia, the Middle East and the Far East, re-establishes the Silk Rout[e], and increases trade and export opportunities within the region and beyond.”<sup>11</sup>

President Karzai’s chief economic advisor, Dr. Sham Bathija, also gave a presentation at that Forum, elaborating on the importance of giving regional neighbors a higher stake in stabilizing Afghanistan through mutual economic benefit derived from increased trade and more efficient transit of goods—the essence of the Silk Road Initiative. The concept was enthusiastically endorsed by RECCA Forum participants from the region including India, Iran, Kazakhstan, Pakistan, Russia, Tajikistan, Uzbekistan, and others. Strangely, the only delegation at the RECCA that did not react with full enthusiasm to the Afghan initiative was the U.S. delegation.<sup>12</sup>

At the November 2010 International Investment Conference on Afghanistan, held in Dubai, Foreign Minister Rassoul reiterated the importance of improving the investment climate in Afghanistan and the measures the Afghan government is taking in this direction. He paid special attention to the transportation sector—because whether looking at development of mineral and energy resources or agriculture, an efficient and secure means to get these goods to markets must be ensured.

At the recent meeting of the Economic Cooperation Organization in late December, President Karzai again centered his prepared remarks on trade and transit development as the center of his country’s regional economic strategy: “Our strategic vision for regional cooperation is to contribute to regional stability and prosperity and to enhance the conditions for Afghanistan to resume its central role as a land bridge.”<sup>13</sup> The Afghan government, with limited resources and capacity, is thinking more strategically and concretely than in the past about how to promote economic growth sustained by a vibrant private sector—rather than international assistance—and is giving priority to engaging its neighbors as a means to increase Afghan economic and political stability.

Many aspects of this strategy are not new, as they find their origins in the first drafting of the Afghanistan National Development Strategy (ANDS) in 2005–2006 and the series of RECCA Declarations of Kabul 2005, Delhi 2006, Islamabad 2009, and Istanbul 2010. In fact, stressing Afghanistan’s development as a key factor in assuring the growth, stability, and prosperity of the region has been a staple of many other recent regional and international conferences. Unfortunately, most of these gatherings have amounted to little more than talk shops and precious little concrete action. A July 2010 World Bank report

captures this dismal outcome in regional economic cooperation: “The RECCA process, which was supposed to be led by Afghanistan and involve five conferences by now, has had only three conferences [now four with Istanbul in November 2010], with their declarations, recommendations and decisions mostly not pursued. No annual action plan [has] been developed for regional cooperation initiatives.”<sup>14</sup>

**The Afghan government is now taking more concrete steps to actualize this vision.**

What is new now is that the Afghan government, with support from many international partners and institutions, is taking more concrete steps to actualize this vision. A tremendous amount of preparatory work went into the Kabul Conference in July 2010 and consequently the implementation of the “Kabul Process,” of which the hallmark is Afghan leadership and ownership. The key document in this regard was the release by President Karzai of the *Afghanistan National*

*Development Strategy Prioritization and Implementation Plan: Mid 2010–Mid 2013*, which includes timetables, benchmarks, and 100-day reporting requirements for responsible ministries on implementing various aspects of the plan. The work of the Economic and Infrastructure Development (EID) cluster took the lead for the Kabul Conference in preparing plans for the linkage of economic development, transit infrastructure, and trade goals. This work was further developed in the fall around the concept of a proposed Afghanistan-Regional Resource Corridor Initiative (AR-RCI) as an essential part of “Afghanistan’s transition to a fiscally sovereign state.”<sup>15</sup>

### **U.S. Ambivalence?**

Until now, a great deal of the fault for lack of action must be ascribed to the Afghan government’s lack of capacity and initiative to elaborate the concrete components of a regional economic cooperation strategy. But the U.S. government, under both presidents Bush and Obama, has also failed to adequately seize this initiative. In fact, in the second half of 2010—despite the major achievement of concluding the Afghanistan–Pakistan Trade and Transportation Agreement, which provides an updated (the last agreement was in 1965) bilateral framework to facilitate cross-border trade and would have been impossible to complete without U.S. leadership—Afghan governmental officials are increasingly questioning U.S. policy and interests in this regard, and their frustration is growing.

As 2010 came to a close, it was all too clear that the whole of the U.S. government was not fully behind Afghanistan’s Silk Road Initiative. This may

not be a just assessment, as it is not entirely clear what the initiative will entail, but so far there has been no leadership at the National Security Council or the White House on it, and the State Department is cleaved between supporters and active opponents. Within the U.S. government, the largest base of support is in the Defense Department.<sup>16</sup> General Petraeus endorsed the Silk Road concept shortly before he left

U.S. Central Command (CENTCOM) to become the commander in Afghanistan, saying “Sound strategy demands the use of all the instruments of power. This vision for Afghanistan and the region makes a compelling case that transport and trade can help restore the central role of Afghanistan in Central Asia. By once again becoming a transport hub, Afghanistan can regain economic vitality and thrive as it did in the days of the Silk Road.”<sup>17</sup>

Admiral James Stavridis, current head of U.S. European Command (EUCOM), responded enthusiastically to a presentation on the concept at the Pentagon’s weekly Federal Forum on Afghanistan and Pakistan in July 2010.<sup>18</sup> EUCOM held a meeting in November 2010 in Germany to seek input from private-sector actors on the obstacles to commercializing the Northern Distribution Network (NDN)—the opening of new transit corridors by rail and road that enter Afghanistan from Europe through Russia, Kazakhstan, and Uzbekistan, as well as through the Caspian beginning in Georgia through Azerbaijan and then Kazakhstan and Uzbekistan<sup>19</sup>—and how more broadly to make transit trade with Afghanistan more efficient.

Interest among the U.S. business community has long been signaled by the U.S. Chamber of Commerce, which published a major study on the topic in 2006, and then in September 2010 hosted a conference bringing together U.S. firms and investors with multilateral banks and U.S. government officials.<sup>20</sup> There is no mystery as to why the military and business community support the strategy, because proof-of-principle has already been demonstrated by their extraordinary efforts to provision U.S. forces in Afghanistan. The vast majority of these materials, more than 85 percent, is non-lethal and shipped by commercial carriers. Commercial transit is already a fundamental part of the ongoing counterinsurgency strategy, as the military has had remarkable success with the NDN.

In the absence of an overall regional strategy, the U.S. government has addressed bilateral relations in the region on a transactional basis (e.g., NDN transit for fee payments and access to the Manas airbase in Kyrgyzstan through a yearly rental agreement). Even though the United States has argued for a

**The whole U.S. government has not yet fully been behind Afghanistan’s Silk Road Initiative.**

long-term non-military presence in Afghanistan and the region, individual countries see what has happened in Croatia and Iraq when U.S. forces withdraw. In Croatia, foreign assistance decreased 69 percent and in Iraq 47 percent. In light of this evidence, U.S. words have little weight. The development of a long-term strategy that commits the U.S. government to working with other bilateral and multilateral institutions on trade and transit reform could be the vehicle required to turn this relationship from a transactional one to a genuinely strategic one.

### **The Big Strategic Picture: Reconnecting Eurasia**

---

As already noted, the Afghans themselves understand that their future prosperity is tied to Afghanistan's central role in a reconstituted Eurasian trading network that they call the Silk Road Initiative. It is imperative that the U.S. government embrace and develop this strategy.

It is not hyperbole to assert that the potential for transcontinental trade linking East Asia, South and Southeast Asia, Europe, and the Middle East is staggering. According to the Asian Development Bank, trade flows between South Asia and East Asia and the European Union tripled between 1997 and 2007.<sup>21</sup> Most U.S. observers view this economic linkage in a regional context, but not yet as continental, and this failure leads them to miss the issue's larger strategic importance. For a century, for understandable reasons, Washington's perspective on Asia has been oriented toward Northeast Asia. But the fundamental change going on today, with immense economic and security implications, is the convergence of the interests of East and South Asia, the Middle East, Russia, and Europe in Greater Eurasia, what the famous geographer and geopolitician Sir Halford Mackinder described more than a century ago as the "heartland of Eurasia" and the "geographical pivot of history."<sup>22</sup>

**Another way to conceptualize this phenomenon is the "reconnecting of Eurasia."**

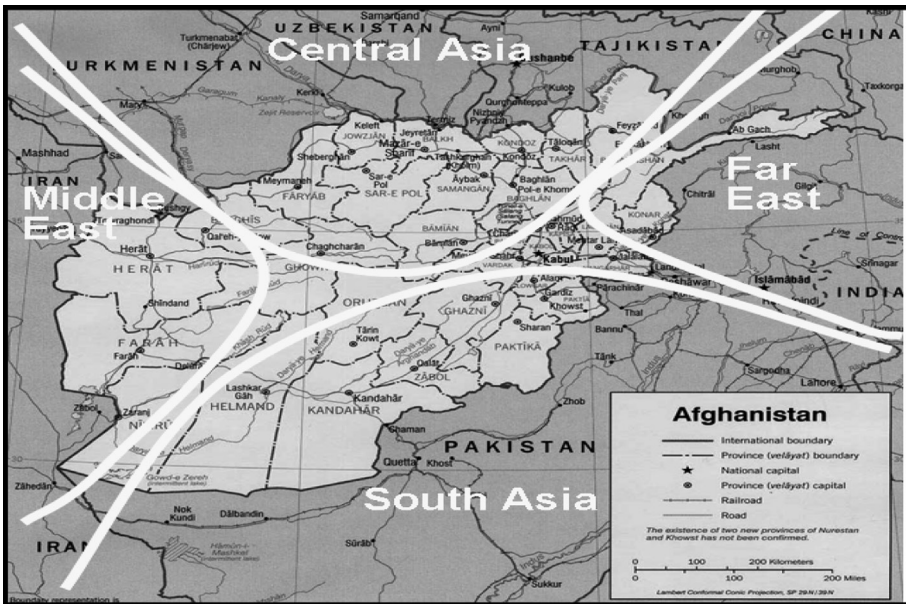
Another way to conceptualize this phenomenon is the "reconnecting of Eurasia." A thousand years ago, the wings of the Eurasian continent were linked through a network of trading routes collectively named the Silk Road. A series of imperial conquests and the advent of less expensive and more predictable sea trade over the centuries destroyed the Silk Road and effectively disconnected Eurasia. This disconnect continued through the second half of the

20th century to a considerable extent because the three largest continental powers—China, India, and Russia—were not really engaged in the post-World War II global trading system. But this began to change with advent of Chinese



reforms in the late 1970s, the collapse of the Soviet Union in 1991, and the beginning of Indian reforms in the 1990s. Two Australian scholars, Anthony Bubalo and Malcolm Cook, describe the ongoing reintegration of Eurasia as “horizontal Asia,” as opposed to the U.S. traditional “vertical” maritime perspective on Asia that has been in place from the Navy officer and geostrategist Alfred Thayer Mahan to the present.<sup>23</sup>

But while this notion of “horizontal Asia” is powerful, it does not capture the complexity of current dynamics. This reconnection has both horizontal and cross-diagonal geographic dynamics that are best captured in a map taken from the ANDS shown here:



These are the rapidly developing trade and transit corridors which can potentially play a fundamental and strategic role in stabilizing Afghanistan and the region of Central Eurasia around it.

The most powerful drivers of the expansion of transcontinental Eurasian trade in the coming years will be the rapid growth of the Indian and Chinese economies. To date, most of Chinese and Indian exports have been shipped by sea, but the anticipated continued growth of such exports is increasing demand for transcontinental road and rail shipping routes.<sup>24</sup> One of the strategic issues that China is facing is the threat that the Malacca Strait poses for their growing access to energy and natural resources. Shipping volumes in the strait are approaching upward bounds and are always vulnerable to a Western naval blockade. Land routes initiating in Iran and Pakistan and terminating in western China via Afghanistan and Central Asia may be the key in circumventing this

choke point. Western China in all due respects is landlocked, being closer to the Indian Ocean than the South China Sea. Realistic estimates for Indian trade by land through Central Asia to European and Middle Eastern markets foresee a growth to US\$100–120 billion annually by 2015.<sup>25</sup> Afghanistan and its neighbors stand to benefit immensely from this trade through the collection of tariffs and the growing role of their own transit-related industries.

Land transport between Europe and Asia will link the largest population centers on earth. Many will cross Central Asia and will involve the Caspian and Black Sea multi-modal transshipment routes. Up to now, nearly all activity has focused on opening access to and from China. Only with the success of Operation Enduring Freedom has it become possible to focus on routes to India and Southeast Asia. Afghanistan is geographically centered within this transport corridor and shares borders with Pakistan (2,430 kilometers), Iran (936 kilometers), Turkmenistan (744 kilometers), Uzbekistan (137 kilometers), Tajikistan (126 kilometers), and China (76 kilometers). However, Afghanistan possesses an inadequate—though improving—road infrastructure, a nearly non-existent railroad network, no pipeline infrastructure for sending Central Asian gas or oil southward, only an embryonic network of international high voltage electrical transmission lines, and a neglected system of commercial aviation. In spite of its pivotal location, Afghanistan has been off the Eurasian transportation grid for centuries and remains so today.

Improvements in the 3,000 kilometer Ring Road—which connects the cities of Mazar-e Sharif, Kabul, Kandahar, and Herat—have facilitated Afghan internal transportation growth. The Asian Development Bank believes the completed Ring Road will cut travel times between the northeast and southwest by up to five hours. One USAID study suggests that the savings derived from improved transportation infrastructure could reach 60 percent of present transport costs.<sup>26</sup> International Monetary Fund officials and Afghan authorities estimate that there are now more than 600,000 vehicles in Afghanistan, as compared to 175,000 in 2002, and they travel on more than 13,000 kilometers of newly built or rehabilitated roads. These improvements are part of a strategic priority placed on transportation by the Afghan government, and they serve to support the counterinsurgency strategy.

Although an economic strategy for Afghanistan centered on facilitating trade and transit represents the best hope for long-term stabilization, two common misperceptions have been allowed to prevent the realization of this goal—namely, that the main reasons for Afghanistan's failure to "break through" to rapid development are, first, the absence of security and, second, its poor infrastructure. This analysis is flawed.<sup>27</sup> This is not to suggest that security challenges and weak physical infrastructure do not inhibit private and public investment which could help foster continental trade and growth—they do. It

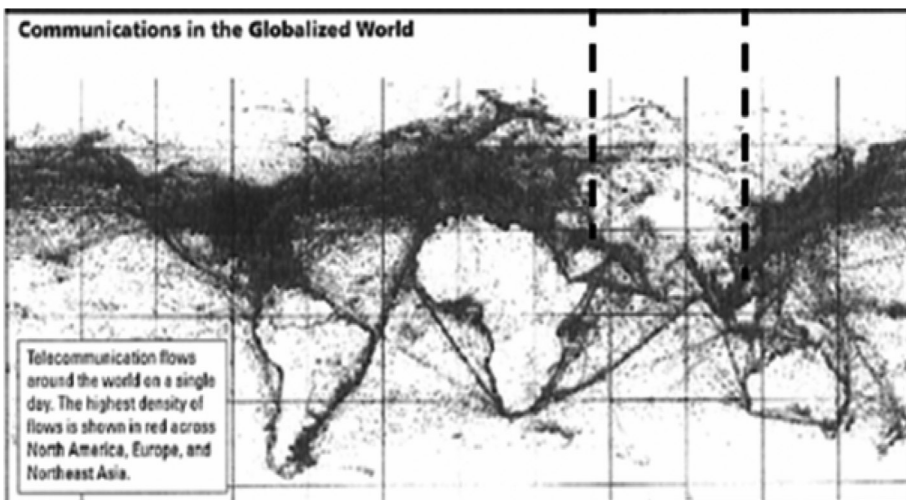
will be impossible, for example, to develop Afghanistan's mineral wealth without a domestic rail system to get these goods to export markets. But there is overwhelming consensus from institutions including the World Bank, the Asian Development Bank, the UN Economic and Social Commission for Asia and the Pacific, the International Road Transport Union, and others that the biggest obstacles to transcontinental trade are institutional, bureaucratic, and political.

### **The Real Imperative for Stabilizing Afghanistan**

U.S. and ISAF allies are understandably tired and increasingly question the tremendous expense of blood and treasure in this far off land. Frankly, the usual official justification of both the Bush and

Obama administrations for this enterprise—"to protect the American homeland" after the 9/11 attacks orchestrated by al Qaeda then-based in Afghanistan—frames the significance far too narrowly. The justification for continuing and fulfilling the commitment to stabilize Afghanistan lies with the significance of supporting the process of "reconnecting Eurasia" for both U.S. interests and global security.

**The U.S. stakes for reconnecting Eurasia could not be higher.**



The above graphic vividly illustrates the "disconnectedness" in the heart of Eurasia. This is the so-called modern activity gap (MAG) concept formulated by Stephen Benson.<sup>28</sup> The basis of this concept is the graphic consisting of a series of black dots on a global map, with each dot representing overhead satellite intercepts of all types of telecommunications taken in a 24-hour period in the late

1990s. In the Northern Hemisphere, the saturation of these intercepts is so dense that there are no clear continental images, and it is called the Northern Corridor of Modern Activity. The only underdeveloped portion in the Northern Hemisphere lies roughly between the eastern Black Sea region and the eastern provinces of China, centered on Afghanistan and Central Asia—this is referred to as the MAG. The MAG has been filled to a certain extent since the late 1990s—thanks to developments such as the rapid expansion of cellular telephone use in Afghanistan—but it remains an accurate metaphor for the region.

While some developments within the MAG provide a sense that, with the right policies in place, the region can reconnect, a number of complex and counterproductive forces are at work as well. As far back as the 1980s, former national security adviser Zbigniew Brzezinski first formulated “the arch of instability” (AI) to describe this region. A 2009 Marine Corps future warfare study depicted no fewer than 17 causes for instability in this arch.<sup>29</sup> Among them, presidents Bush and Obama have rightly identified the greatest threat to the United States and global security as terrorists acquiring weapons of mass destruction, and it is within the area of the MAG that this is most likely to happen.

**This is not  
nation-building.**

Consequently, the stakes for the United States in the reconnection of Eurasia, where Afghanistan is virtually at the epicenter, could not be higher. Other stakeholders, including the Central Asians, China, Europe, India, Iran, Pakistan, Russia, and Turkey, also have very significant interest in the stabilization of

Afghanistan. Many argue, with merit, that these actors should take greater responsibility for the fate of Afghanistan because of regional proximity. But in this sense, Afghanistan is a classic collective action problem. Many of those states located close to Afghanistan view their interests in the country differently, and regard the actions of others suspiciously.

Only the United States has the *potential* to be viewed as a security broker that can alleviate mutual suspicions among Afghanistan’s near neighbors. In order to do so, the United States has to develop a regional policy that both reflects a long-term commitment and meets the interests and challenges facing Afghanistan and its neighbors. Fortunately, the Afghan government is working to provide the answer with the proposal of a transit and trade facilitation strategy that will serve the interests of Afghanistan’s sustainable economic development as well as that of its neighbors.

## **2011: Now or Never to get the Economic Strategy Right**

---

The window of opportunity for getting an economic strategy for Afghanistan together with a similar level of focus now devoted to the counterinsurgency

strategy is rapidly closing. While many rightly claim that it is not the job of the Americans or any foreigners to design and formulate a realistic and comprehensive Afghan development strategy, it is disingenuous—if not downright folly—to suggest that the Afghan government has the capacity now to do this without a lot of help. Maybe the reluctance stems from the U.S. public’s supposed allergy to “nation-building,”<sup>30</sup> but in fact, what is being proposed in this essay is not nation-building as such. The United States is currently assisting in improving the security situation and setting the stage for increased trade and transit, which will add to public revenues so the Afghans can do their own nation-building.<sup>31</sup>

There are some points of light in this often grim picture. There are a growing number of advocates in Kabul, Washington, and around Eurasia for elevating trade and transit as the strategic enabler of a serious economic strategy for Afghanistan. The Afghan government, with considerable justification, is depicted as a swamp of endemic corruption, but there are a number of extremely impressive and bright people—including Minister of Foreign Affairs Rassoul, Minister of Mines Wahidullah Shahrani, Senior Economic Advisor Bathija, Minister of Transport and Civil Aviation Daoud Ali Najafi, former Minister of Finance Ashraf Ghani, and others (even the much maligned President Karzai)—who see and are trying to implement a way out of the current morass. An increasing number of figures in different parts of the Obama administration share the same vision.

Fortunately, an answer is at hand—drawing on the initiative of the Afghan government to develop a regional economic cooperation strategy focused on regional trade and transit which will both promote prosperity and create greater mutual interdependencies. But at the end of the day, it requires presidential leadership in Washington to elevate trade and transit as the focal point of U.S. efforts to support the Afghan government in implementing a workable strategy for sustainable economic growth for the transition to Afghan sovereignty in 2014 and beyond.<sup>32</sup> If the Obama administration chooses not to provide leadership for the concrete implementation of this vision, the United States will fail in its mission and the fallout will have ramifications for decades.

**E**levating trade and transit will require U.S. presidential leadership, or the mission will fail.

## Notes

1. “Overview of the Afghanistan and Pakistan Annual Review,” released December 16, 2010, <http://documents.nytimes.com/the-obama-administrations-overview-on-afghanistan-and-pakistan>.

2. General David H. Petraeus, "The Future of the Alliance and the Mission in Afghanistan" (speech, 45th Munich Security Conference, February 8, 2009), <http://smallwarsjournal.com/blog/2009/02/the-future-of-the-alliance-and/>.
3. "U.S. Economic Growth Strategy for Afghanistan: FY 2009–2011." This unclassified document, which was part of the "White Paper of the Interagency Policy Group's Report on U.S. Policy toward Afghanistan and Pakistan," has not been published. A copy was made available to the author.
4. David J. Berteau et al., *Final Report on Lessons Learned: Department of Defense Task Force for Business and Stability Operations* (Washington, D.C.: Center for Strategic and International Studies, June 2010), [http://csis.org/files/publication/100614\\_Lessons\\_Learned.pdf](http://csis.org/files/publication/100614_Lessons_Learned.pdf).
5. *Counterinsurgency*, Army Field Manual 3–24, Marine Corps Warfighting Publication 3–33.5 (Washington, D.C.: Department of the Army and Department of the Navy, December 2006), pp. 8–20, <http://www.usmc.mil/news/publications/Documents/MCWP%203-33.5%20part%201.pdf>.
6. The next several paragraphs draw closely from S. Frederick Starr, Andrew C. Kuchins et al., *The Key to Success in Afghanistan: A Modern Silk Road Strategy* (Washington, D.C.: Central Asia-Caucasus Institute and Silk Road Studies Program, May 2010), <http://www.silkroadstudies.org/new/docs/silkroadpapers/1005Afghan.pdf>.
7. Matt Waldman, "Falling Short: Aid Effectiveness in Afghanistan," Agency Coordinating Body for Afghan Relief, March 2008, <http://www.acbar.org/ACBAR%20Publications/ACBAR%20Aid%20Effectiveness%20%2825%20Mar%2008%29.pdf>.
8. Hamid Karzai, "Statement by President Karzai at the International Conference on Afghanistan" (speech, Kabul, July 20, 2010), <http://www.afghanistan-un.org/wp-content/uploads/2010/07/president-karzai-speech.pdf>.
9. Ibid.
10. "Top Afghan Ministers and International Community Meet Ahead of Kabul Conference," July 8, 2010, <http://unama.unmissions.org/Portals/UNAMA/Press%20Releases/press%20release.JCMB.08072010.pdf>.
11. Zalmay Rassoul, "Keynote Address: H.E. Dr. Zalmay Rassoul, Minister of Foreign Affairs of the Islamic Republic of Afghanistan" (speech, Regional Economic Cooperation Conference on Afghanistan, Boğaziçi University, Istanbul, November 2, 2010).
12. Personal communication between the author and RECCA participants.
13. Hamid Karzai, "Statement at the 11th ECO Summit Meeting" (speech, Istanbul, December 23, 2010), [http://www.embassyofafghanistan.org/documents/Statement\\_by\\_President\\_Karzai\\_in\\_11th\\_ECO\\_Summit\\_in\\_Turkey\\_English.pdf](http://www.embassyofafghanistan.org/documents/Statement_by_President_Karzai_in_11th_ECO_Summit_in_Turkey_English.pdf).
14. World Bank, "Afghanistan: Will Regional Cooperation Accelerate Peace and Development?" July 2010, p. 30.
15. Project document for the Afghanistan-Regional Resource Corridor Initiative (AR-RCI), Government of Afghanistan, Economic and Infrastructure Development (EID) cluster, September 2010.
16. This assessment is based on the author's extensive discussions and interactions in 2009–2010 with virtually all U.S. government institutions (as well as many key Afghan government figures) engaged with the development of the Northern Distribution Network and, more broadly, economic development of Afghanistan.
17. Starr, Kuchins et al., *The Key to Success in Afghanistan*.
18. Andrew C. Kuchins and S. Frederick Starr, "The Key to Success in Afghanistan: A Modern Silk Road Strategy" (presentation to the Federal Forum on Afghanistan and Pakistan, July 9, 2010).



19. Andrew C. Kuchins, Thomas M. Sanderson, and David A. Gordon, "Afghanistan: Building the Missing Link in the Modern Silk Road," *The Washington Quarterly* 33, no. 2 (April 2010), [http://twq.com/10april/docs/10apr\\_KuchinsSandersonGordon.pdf](http://twq.com/10april/docs/10apr_KuchinsSandersonGordon.pdf).
20. Business Civic Leadership Center (U.S. Chamber of Commerce), "Strengthening Public-Private Partnerships for Social and Economic Development: Report on Global Corporate Citizenship," September 2006, [http://bclc.uschamber.com/sites/default/files/reports/files/2006\\_globalreport.pdf](http://bclc.uschamber.com/sites/default/files/reports/files/2006_globalreport.pdf).
21. Giovanni Capannelli, Jong-Wha Lee, and Peter Petri, "Developing Indicators for Regional Economic Integration and Cooperation," Asian Development Bank Working Paper Series on Regional Economic Integration, no. 33, September 2009, [http://aric.adb.org/pdf/workingpaper/WP33\\_Developing\\_Indicators\\_for\\_REI.pdf](http://aric.adb.org/pdf/workingpaper/WP33_Developing_Indicators_for_REI.pdf).
22. H.J. Mackinder, "The geographical pivot of history," *The Geographical Journal* 23, no. 4 (April 1904): pp. 421–437.
23. For a compelling take on this thesis and its economic drivers, see Anthony Bubalo and Malcolm Cook, "Horizontal Asia," *The American Interest* 5, no. 5 (May–June 2010), [http://www.viet-studies.info/kinhte/AI\\_HorizontalAsia.htm](http://www.viet-studies.info/kinhte/AI_HorizontalAsia.htm).
24. William Byrd and Martin Raider, "Economic Cooperation in the Wider Central Asia Region," *World Bank Working Paper*, no. 75 (Washington, D.C.: World Bank, April 2006), <http://siteresources.worldbank.org/INTSOUTHASIA/556101-1101747511943/21363080/WiderCAWorkingPaperfinal.pdf>.
25. Gulshan Sachdeva, "Regional Economic Linkages," in *Reconnecting India and Central Asia: Emerging Security and Economic Dimensions*, ed. Nirmala Joshi (Washington, D.C.: Central Asia-Caucasus Institute and Silk Road Studies Program, 2010).
26. U.S. Agency for International Development, "Bamyan-Dushi Road Socio-Economic Baseline Study: Final Report," August 1, 2009, [http://pdf.usaid.gov/pdf\\_docs/PNADQ655.pdf](http://pdf.usaid.gov/pdf_docs/PNADQ655.pdf).
27. See Kuchins, Sanderson, and Gordon, "Afghanistan: Building the Missing Link in the Modern Silk Road," pp. 33–47.
28. For more on this concept, see Stephen Benson, *The MAGAI Construct and the Northern Distribution Network* (Washington, D.C.: Center for Strategic and International Studies, November 2009), [http://csis.org/files/publication/091110\\_Benson\\_MAGAI\\_Web.pdf](http://csis.org/files/publication/091110_Benson_MAGAI_Web.pdf).
29. The "Arch of Instability" was a standard feature of Marine Corps PowerPoint presentations on future warfare.
30. See S. Frederick Starr, *Afghanistan Beyond the Fog of Nation Building: Giving Economic Strategy a Chance* (Washington, D.C.: Central Asia-Caucasus Institute and Silk Road Studies Program, January 2011), <http://www.silkroadstudies.org/new/docs/silkroadpapers/1101Afghanistan-Starr.pdf>.
31. The author thanks Dr. Martin Hanratty for this point.
32. For a more detailed recommendation to the Obama administration along these lines, see Starr, Kuchins, et al., *The Key to Success in Afghanistan*, pp. 42–48.