

## Aid will not sustain Afghanistan's economy.

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Last month 70 nations and institutions pledged \$16bn for Afghanistan's development over the next four years. Sadly, the money is likely to be wasted, just as the vast sums already invested since the US-led intervention have made little progress in creating a self-sustaining Afghan economy.

After western forces depart, Afghanistan will be a fragile state, threatened by the Taliban and other warlords and unable to create jobs. During the occupation, western governments and development agencies have failed to invest enough in local people to enable them to earn lasting livelihoods.

What has emerged in Afghanistan is an inefficient system that fails to motivate or educate local people in economic development, but reinforces dependence on foreign aid. Two-thirds of the population are under 25 and there will be no jobs for most of them once servicing foreign troops comes to an end. The government has never had the capacity to produce jobs, while the private sector is too small and has not been encouraged sufficiently to do so. Yet only by enabling local people to share in their own profit can stability and growth last.

As all too often in the developing world, there is a tension between the foreign ownership of many projects and public services, and Afghans' desire to design and implement such projects themselves. Western institutional aid has such difficult monitoring and accounting rules that most Afghans cannot benefit from it. Western state-driven development agencies are ill equipped for encouraging the local private sector.

Greater involvement by the west's private sector would help bridge the gap. The only way that small, profit-based incentives can be fostered is for the west to concede that it may not know what is best for the Afghan people and that although humans may have similar needs (such as food, shelter, education), they have distinct preferences as to how these needs are met. However, the private sector will only invest once security improves - which will only happen if the west ceases to impose its preferences for society and governance on Afghanistan.

We need a new model for economic development that gives Afghans profit-based incentives to build their own economy. Big Chinese and Indian mining companies are already investing in Afghanistan: the US should now encourage bold private equity groups with a long-term, high risk investment strategy.

The new model must also take a different attitude towards peace making with the Taliban, so hampered not so much by Taliban intransigence as by infighting in Washington and addiction to old style diplomacy. Western institutions still act like 19th-century imperial behemoths, ignoring their opponents' cultures and values. The US military expects the Taliban to accept that they have lost the war and surrender as the Japanese did in 1945. Yet the Taliban demand negotiations between equals. Accepting this will be the only way to end the war.

Only when the west stops imposing its will and vision of governance on the Afghan people will a permissible environment be created for peace. The Taliban have repeatedly said that once the Americans leave, Afghans will determine their own future. This is said not as a threat but an assertion of the natural order.

The UN diplomat Lakhdar Brahimi tried to forge a new way of negotiating in Afghanistan during the creation of a new government after the US invasion in 2001. He assembled a group of civilian scholars and journalists who knew the region far better than diplomats. They formed a core advisory group that declined to treat any side as loser or victor and approached peacemaking as locals would. The group worked with Afghans from all social sectors to create both political and economic incentives for all groups to back peace negotiations. Mr Brahimi

regretted being unable to include the Taliban then. To negotiate with the Taliban now, the US needs a similar team of civilian experts, perhaps led by a US official.

Peace will come only by mobilising all sectors of society for national reconciliation. Stability and growth will follow only by enabling local people to share the profits and encouraging private sector solutions. Two years before Nato withdraws from Afghanistan, it is still not too late for the US to change strategy - but throwing billions of dollars of aid at the problem is not the answer.

The writers are a research fellow at Chatham House and the author of 'Pakistan on the Brink, the future of American, Pakistan and Afghanistan'