On June 22, 2011, President Obama outlined his plans for the withdrawal of 33,000 US troops from Afghanistan by the end of 2012 with the removal of all combat troops by 2014. The announcement has reenergized an ongoing debate sparked by the recent death of Osama bin Laden over the United States’ role in Afghanistan. Pundits and politicians from both the political Right and Left are calling for a speedier withdrawal and reduction in aid in the wake of bin Laden’s death.

A hastened withdrawal could recreate the anarchy that followed the 1989 Soviet withdrawal and subsequent US disengagement from Afghanistan. That chaos enabled the rise of the Taliban, which severely destabilized Afghanistan’s neighbors and served as a critical enabler for a wide variety of terrorist groups that carried out attacks against the United States, India, Europe, Pakistan, and Central Asia. Furthermore, the current ambiguity regarding America’s long-term commitment to Afghanistan encourages Afghans, Pakistanis, and Central Asians to hedge against a premature NATO withdrawal by jockeying for position and double-dealing with the Taliban and other militant groups.

Yet, while an immediate or accelerated withdrawal would be tremendously ill-advised, our current military-centric strategy in Afghanistan lacks an effective end-game.

We need a new end-game based on a narrative of increased prosperity and improved living standards that will give Afghans and their neighbors a stake in their country’s future stability, thereby lessening the appeal of the Taliban and other extremist groups. A stable Afghanistan that sits on the crossroads between Central, South, and East Asia will help bring stability and prosperity to Eurasia while simultaneously curbing regional tensions and dealing a major blow to regional extremist movements.

While there has been a lot of discussion regarding the pace of transition in the security area, scant attention has been paid to the needed transition and transformation of Afghanistan’s economy. To consolidate the recent security gains of the surge, we need to fully win the region’s “hearts and minds” and offer the promise of an enduring international commitment that will provide a better future based on economic opportunity, access to jobs, and regional peace and stability.

Unfortunately, most of the billions of dollars in current foreign aid are targeted toward centrally planned “top-down” development projects that are not driven by local needs. This money is often further siphoned off by corrupt Afghan bureaucrats or inefficiently spent...
on salaries for foreign contractors. These projects provide minimum benefit and are unsustainable once foreign aid to Afghanistan inevitably decreases.

Instead of traditional foreign aid, we need to pursue an investment strategy that helps Afghanistan’s fledging private sector get on its feet. This has been the driver of economic growth in the West for decades. A helpful model can be found in the Enterprise Funds that were established in Central and Eastern Europe following the collapse of the region’s communist regimes. These government funds were managed without political interference and sought to encourage private sector development through strategic loans and investments in sectors with high-growth potential. These Funds operated in former communist countries that—much like Afghanistan—suffered from a lack of legal infrastructure and almost no private enterprise experience. Yet despite these challenges the Funds proved very successful in helping to create a thriving private sector (nine of the Funds’ beneficiaries are now in the European Union). Furthermore, the Funds managed to recoup their original funding through profitable investments and loans.

The United States and our allies must launch a new Afghan Enterprise Fund that redirects our faltering foreign aid efforts towards standing up Afghanistan’s indigenous private sector. Such is the only way to forge a sustainable stability in Afghanistan over the long term.*

* Editor’s Note: This piece was originally published by “Ambassadors Perspectives,” an online forum for commentary on current world issues, administered by the Council of American Ambassadors. Visit the site at ambassadorsperspectives.wordpress.com.