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By

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**Expeditionary Economics (EE):  
From Aid ... to Market & Trade --  
Modern Silk Road (MSR) Vision  
in and around Afghanistan**

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## *Key Themes in Expeditionary Economics*

### **Carl Schramm – Critical of Economic Aid –**

- **Problem (corruption), not solution (Andrew Wilder)**

### **Therefore -- Promote Free Market and Trade**

- **Success Story: Poverty Reduction in China**

### **Leverage US Military (in Harm's Way) –**

- **Create stability ... then economic development**

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### **Debate – Should US Military develop economic skills?**

- **At what level? ROTC students?**



## *What is the MSR Vision for Afghanistan?*

**Fred Starr and Andy Kuchins -- study with CENTCOM**

- **Reestablish Afghanistan's traditional role as transportation and trade hub ...**

**Linking –**

- **Europe**
- **Mideast**
- **Asia**

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**Similar to President Eisenhower's –**

- **Interstate Highway Program**



## *How does MSR track with EE?*

### **Driven by Private Sector**

### **Corporate View -- Opportunities & Challenges**

- **Attractive routes ... and red tape, regulations, etc.**

### **3 Regional Workshops –**

- **Europe – Marshall Center (14-16 October)**
- **Asia – APCSS**
- **CENTCOM AOR -- NESAs**



## *What's military role in EE?*

### **Military Leadership in Iraq –**

- **General Petraeus fosters Business Development**

### **Military Leadership in Afghanistan –**

- **Proof of Concept for MSR – CENTCOM J4**
- **Northern Distribution Network**
- **Transit corridor thru Russia, Kazakhstan, Uzbekistan.**
- **Instead of Khyber Pass**



## *Vision from General David H. Petraeus*

**“ 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.”**



## *2 Criticisms -- of Modern Silk Road Strategy*

- **Realists -- too good to be true**
- **Not policy relevant**



## *Is MSR Too Good to be True?*

### *Afghan Experts – Doom and Gloom Mindset ...*

- Distrust & Hatred – inside and outside Afghanistan
- MSR – Non-Starter ... Pak-Indian Tensions, etc.

### *Experts After WW2 – Doom and Gloom Mindset*

- Germans and French Hate Each Other ...

### *Jean Monnet – Idealist ridiculed as “Hopelessly Naïve”*

- Strategic Leadership and Vision
- People can and do change ...
- Common Ground (French & German Businessmen)
- Created European Coal and Steel Community



## *How is MSR Relevant to USG Strategy? ...*

### **4 Pillars --**

1. Job Creation
2. Extend Basic Services to Afghan People
3. Improve Infrastructure
4. Progress toward Fiscal Sustainability

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... but more emphasis on 3<sup>rd</sup> Pillar ...

- Enabling driver that jump starts other 3 pillars
- Provides synergy.



## *4 Priority Projects*

1. Completion of the **Ring Road and Kabul-Herat Highway**
  - Linking them to continental truck routes,
  - and especially to the **Pakistani port at Gwadar**
2. Completing **trans-Afghan rail lines** linking Europe & Asia.
3. Constructing the Turkmenistan Afghanistan Pakistan India (TAPI) **pipeline**.
4. Completing **electrical transmission lines** linking Central Asia, Afghanistan, northern Pakistan and India.



## *However, USG Actions also Needed*

1. **Develop Concrete Op Plan.** It would be backed by the US and other interested governments.
2. **Strengthen USG Inter-Agency Structure.** This structure would have the power to initiate and implement such a plan.
  - **CENTCOM -- as an Interagency Role Model –**
  - **POLAD, USAID, DOT, J Codes, Economic Advisor, etc.**
3. **Create Public-Private Partnership (PPP).** This would foster solid communication and coordination between government and the private sector, both in the US and in the region.
  - **Regional Workshops ...**

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**In keeping with this, the USG must --**

4. **Pick High-level USG Czar –** He would lead major interagency task force that will work closely with military and civilian leaders in US, in Afghanistan, among coalition partners, & in regional states.
  - Use all tools at the disposal of the US government to engage the private sector.



## *Criteria for Success: Economic Strategy for Afghanistan*

1. Directly and manifestly improve the lives of Afghans, Pakistanis and the **people** in those Central Asian states that are key to this region-wide project.
2. Pursue an economic strategy **simultaneously with the military strategy**, in such a way that the two are mutually reinforcing.
3. Leave the Afghan government with an **income stream**. Today the US is paying for the salaries of all Afghan soldiers and civil servants. This cannot go on forever.
4. Implement an economic strategy that **works fast**, showing substantial results within the next 18—24 months. Overall, economic progress will create the conditions that will enable a shift from military power to economic and social betterment.