

How Can Afghanistan Cope with the Challenges

Facing Its State and Society After 2014?

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Abstract

Afghanistan's development is undermined by the convergence of demographic, social, economic, and of course, political challenges. However, an examination of the figures released by the IMF, the World Bank, the EIU, and the Asian Development Bank and others, reveal the potential of Afghanistan's future. Security will be the country's core issue after 2014; there will be a host of security-related challenges. Opportunities, however, remain. In this article a summary of Afghanistan's political history will be followed by data and analysis on the economic opportunities within the country. The author attempts to answer the question posed in the title: "how can Afghanistan cope with the challenges facing its state and society after 2014?" In investigating whether there are any ways to develop and revitalize Afghanistan and Afghan society after decades of war, the focus of the article will shift from the current situation to the country's positive opportunities. The author concludes with recommendations for improving the country's image.

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In the late 1970s, the Soviet invasion of Afghanistan coincided with the ouster of the Western-supported regime in Iran, abruptly changing the international climate. The Islamic revolution turned Iran into a weak and turbulent country, meaning that with the invasion of Afghanistan Soviet Russia would easily be able to reach the gulf countries and their oil and gas resources. Afghanistan's strategic position straddles Western Asia, the Middle East, Central Asia, the Persian Gulf, and the Indian subcontinent. Due to its geopolitical position Afghanistan has witnessed great power struggles on its territories, causing economic, social, and political instability.

Feudal and clan structures dominate Afghan society, and the rivalry between these clans causes instability not just at the societal level but also in the country's political life. Due to a lack of central authority, clan leaders in rural areas have the power to provide justice, security and the physical requirements of the community. Another key characteristic of Afghanistan is the dominant role of Islam in social and cultural life. For example, peaceful, non-political Sufi schools were common in Afghanistan. Clan leaders, known as *hans*, were able to secure political positions due to the political quietism of the Sufi schools.

According to the IMF, Afghanistan's population in 2012 was about 31 million. The population is not homo-

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geneous: ethnically, is divided into Pashtun (42 percent), Tajik (27 percent), Hazara (4 percent), Aimak (4 percent), Turkmen (3 percent), and Baluch (2 percent) minorities.¹ In religious terms, Afghanistan is 99 percent Muslim: 80 percent Sunni and 19 percent Shi'a. Also notable is the fact that 76 percent of Afghans live in rural areas. This heterogeneous make up prevented occupying forces from controlling all parts of the country. Turkish scholar Metin gives an historical analogy in his article on Alexander the Great's Afghan campaign of 330-327 B.C.² Although Alexander the Great commanded the most organized, technologically advanced, modern army of his time, and his great achievements and successful army are impressive to this day, he was completely defeated in Afghanistan; Gürçan attributes that defeat to the power of the rural clans.³

1 Information about Afghanistan, CIA World Factbook, at <https://www.cia.gov/library/publications/the-world-factbook/geos/af.html>

2 Metin Gürçan, "Countering the Insurgency In Afghanistan: Wrong Diagnosis Wrong Treatment", *Journal of Central Asian & Caucasian Studies*, Vol. 6, No. 12, 2011, p. 46.

3 *ibid.*

From the Soviet invasion to the U.S. war on terrorism

Afghanistan became a significant player in international relations in the second part of the 19th century. After its defeat in the Crimean War (1854-1856), Tsarist Russia turned east and began occupying Central Asia. In that period, Russia and Great Britain met on India's northern border. Consequently, the Russian encroachment elicited British security concerns. After the Bolshevik Revolution (1917), Afghan-Soviet relations improved at Britain's expense. After 1933, however, Afghanistan – like all Middle Eastern countries – moved away from Russia and Britain, and developed closer relations with Germany.

From 1945 to 1979, Afghanistan's internal political dynamics continued to develop; however the period was concluded with the invasion of the Soviet Union. The Soviet invasion aroused world suspicions, as it provided the Soviet Union with easy access to the Persian Gulf and Middle Eastern oil reserves. Additionally, the fall of the Shah's regime in Iran ultimately turned to the Soviets' strategic disadvantage. The invasion of Afghanistan led to Moscow losing power and influence in its Central Asian republics.⁴ The Afghan resistance to the Soviet invasion was supported by Western and Middle Eastern countries, and

⁴ Oktay Tanrısever, "Rusya'nın Orta Asya'da Sarsılan Hegemonyası ve Afganistan Politikası", in M.Turgut Demirtepe, Güner Özkan (eds.) *Uluslararası Sistemde Orta Asya ve Dış Politika ve Güvenlik*, (Ankara, USAK, 2013), p.5.

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eventually, ten years after the invasion, Moscow had to withdraw.⁵

After the Soviet war Afghanistan transformed into a country under the influence of Marxist ideas mixed with radical Islamic tendencies, and therefore, not surprisingly, this period saw the emergence of various jihadist groups.⁶ In the mid-1990s the Taliban took control of most of the country. The core platform of the Taliban was to create an Islamic government based on *Sharia* (religious law). The Taliban displaced the ruling members of the Afghan government in September 1997. Anti-Taliban forces continued fighting to regain control of the country, but they were not successful. The Taliban took control of over approximately 90 percent of the country and changed its name to the Islamic State of Afghanistan. The Taliban continued to gradually consolidate their power until 1999.

After the 9/11 terrorist attacks in the U.S., the Bush administration accused the al-Qaeda terrorist organization and its wealthy Saudi mastermind, Osama bin Laden, of planning the deadly attacks that took thousands of lives. The Taliban was also ac-

⁵ *ibid.* p.6.

⁶ *Afghanistan Country Profile*, Economist Intelligence Unit, 2008, p. 5.

cused of supporting and promoting terrorism on Afghan territory. Russia supported the U.S. due to its experiences in the war in Chechnya. Finally, the U.S.-led coalition was sometimes unsuccessful in preventing attacks by Taliban forces which resulted the loss of American soldiers. It is against this background that the U.S. has cooperated and coordinated with anti-Taliban forces in its efforts to combat the Taliban. In May 2011, President Obama announced that “the mastermind of the worst terrorist attacks on American soil is dead, almost 10 years after the attacks that killed about 3,000 people.”⁷ This continuous state of war has destroyed the country’s social, economic, and cultural life. First of all the elites all gradually left Afghanistan. In addition the government still does not control of all the country’s territory. The rise of warlord-ism due to the lack of a strong central government is unsurprising. Again, power and authority has been traditionally clan-based; these clans, in turn, are dominated by warlords. They generate resources to prolong their rule through crime, foreign assistance, trade duties, and, most importantly, taxation.⁸ Moreover, the violence and disorder has given rise to economic recession and ethnic tensions.

⁷ CNN International, *Osama bin Laden is dead*, May 3, 2011, at <http://insidethemiddleeast.blogs.cnn.com/2011/05/02/osama-bin-laden-is-dead/?iref=allsearch>

⁸ Mark Sedra, “Challenging the Warlord Culture: Security Sector Reform in Post Taliban in Afghanistan”, (paper 25, Bonn International Center for Conversion, Bonn, Germany, 2002), p. 6.

Afghan economy 2001-2012

Wars and instability have devastated Afghanistan’s financial structure since 1979. The picture has not changed considerably following the fall of the Taliban regime in 2001. Although Afghanistan’s GDP has increased over the last four years, its value in 2011, 23.6 billion USD,⁹ is still relatively low.

The Afghan government’s income tax collection capacity is inadequate and it is unable to cope with the black economy. The current unemployment rate of approximately 35 percent is almost the same as the pre-NATO intervention figure. Close to 36 percent of the population lives below the poverty line. Widespread corruption, poor tax collection, inefficient of the public institutions, and insufficient infrastructure still haunt the country. As a consequence, long-term plans for economic development are sidelined by the need for short-term expedients. Foreign investors, accordingly, are also delaying their plans in the country. It is clearly very difficult to establish the necessary legal and physical infrastructure for large investments in such an unstable and insecure environment.

On the other hand, some positive developments have been observed in the Afghan economy in the last few years. In 2002, the total labor force

⁹ *Afghanistan Country Report*, Economist Intelligence Unit, May 2013.

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was around 5.5 million.¹⁰ Today, natural population growth together with the return of Afghan emigrants from neighboring countries have resulted in a bigger labor force of 7.5 million.¹¹ In 2002, the GDP shares of agriculture, industry, and services¹² were 60 percent, 20 percent, and 20 percent, respectively.¹³ Today, these shares are 31.6 percent, 26.3 percent, and 42.1 percent, respectively.¹⁴ One of the drivers of this change is foreign investment; another is the investment in construction and other small-scale industries by returning Afghan refugees.

Although today 78.6 percent of the labor force still works in agriculture,¹⁵

¹⁰ See: <http://data.worldbank.org/country/afghanistan>

¹¹ *ibid.*

¹² According to the World Bank, the services sector will continue to account for about half of economic growth in 2011/2012, mainly "fuelled by the growth in the telecommunications sector. In addition, donor funding and development projects will continue to drive the demand for transportation and distribution services" Afghanistan Economic Update, October 2011, The World Bank, Poverty Reduction, and Economic Management, South Asia Region.

¹³ "Afghanistan: Time to move to Sustainable Jobs Study on the State of Employment in Afghanistan", ILO, May 2012.

¹⁴ *ibid.*

¹⁵ *ibid.* "More than 77% of Afghans live in rural areas, where

the growth in industry is not negligible. Textiles, cement, soap, shoes, household items, hand-made carpets, and mineral extraction were near non-existent in 2002. Afghanistan's natural gas and mining industries are also developing. Considering its natural resources, if political stability can be established, Afghanistan's energy and mining industries - currently in their infancy - could take off.

One of the main signs of economic development is the change in exports. While exports in 2012 were 3.5 billion USD,¹⁶ before the NATO intervention, this figure was only 571 million USD.¹⁷ In contrast, imports have increased from 1.3 billion to 5.3 billion USD.¹⁸ Afghanistan still imports goods that require high capital and exports raw materials and low-profit goods. Afghanistan's economy has been based on agriculture for many years, but only 11 percent of its land is arable.¹⁹ Agriculture remains under-mechanized due to Afghanistan's mountainous terrain, and the harsh continental climate restricts agricultural diversity and efficiency.

Afghanistan's infrastructure has suffered from decades of war and insta-

agriculture continues to be the main economic activity. At the national level, as almost 60% of the workforce is employed in the agricultural sector and as about 80% of the Afghan households mostly or partly depend on agriculture related income".

¹⁶ See: <http://data.worldbank.org/country/afghanistan>

¹⁷ *ibid.*

¹⁸ *ibid.*

¹⁹ See: <http://www.imf.org/external/country/afg/index.htm?type=9998#55>

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bility; this is evidenced by the abundance of abandoned roads, harbors, and airports. However, it can also be seen that infrastructure investment have been accelerating and the building of railways, pipelines, and highways is transforming the country into a huge construction site.

Challenges and Opportunities: Security, Energy and Mining

Despite doubts about whether the Afghan National Security Forces (ANSF) can independently secure the country after 2014, the progress they have shown in 2007 and especially after 2009 cannot be denied.

Until 2009, rather than educating or training, the main aim was to increase ANSF's operational capacities.²⁰ Counterterrorism was the top priority. But this strategy alienated the public and brought new recruits to the Taliban. In 2009 training the security forces became the primary concern. Activities aiming to qualitatively improve Afghan security forces were prioritized by the "NATO Training Mission" (NTM-A) along with the EU's recent "EU-Police Mission"

²⁰ Ian S. Livingston & Michael O'Hanlon, *Afghanistan Index*, (Brookings, August 2013).

(EUPOL) project. But the U.S.' insistence on the Taliban-al-Qaeda connection, along with suspicions that Afghanistan might again harbor terrorism, allows military units within security to gain importance. Mark Schrecker²¹ of the U.S. Military Academy underlines the misperception that the Afghan strategy that began under President Bush and continued under President Obama is about U.S. national security. Many American generals make the same mistake. When designing a strategy, it is essential to go beyond any perception that views the Taliban and al-Qaeda as inseparable, says Schrecker.²²

Therefore, if the country is to be self-governing, it is important to increase the quality of the Afghan security forces while simultaneously increasing their size after 2014. By May 2012, the NATO fund, established in 2007, had given a total of €490 million in financial aid to ANSF.²³ Also EUPOL, which had 160 personnel in 2007, has since sent 350 personnel to Afghanistan.²⁴ NTM-A, on the other hand, appointed 2500 personnel in order to train all of the security forces, increase their operational capacities, and give technical and logistic assistance in addition to the EU's police training.²⁵

²¹ Mark Schrecker, *U.S. Strategy in Afghanistan Flawed Assumptions Will Lead to Ultimate Failure*, 2010.

²² *ibid.*

²³ Ian S. Livingston & Michael O'Hanlon, *Afghanistan Index*, (Brookings, August 2013)

²⁴ *ibid.*

²⁵ Maxime H.A. Larivé, "From speeches to actions: EU involvement in the war in Afghanistan through the EUPOL Af-

With these measures, 50,000 ANSF personnel have been trained since 2009. Also, while the literacy rate among the security forces was below 14 percent before 2009, in 2012, 212,000 personnel were taught how to

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read and write.²⁶ Turkey's contribution to this field is significant. It has educated more than 8000 soldiers, covered the educational expenses of more than 959 military personnel in Turkey, and given 8 million USD worth of military aid to Afghanistan.²⁷ The total number of security personnel in Afghanistan also deserves a mention. While there were only 6000 soldiers in the Afghan National Army in 2003, this had increased to 100,131 by 2009,²⁸ to 152,000 by the beginning of 2011, and then to 177,725 by March 2013.²⁹ On the other hand, the Afghan National Police force (ANP), established by the coalition forces after Taliban had been driven out of the country, was started from scratch in 2009 with 94,958 members. By 2011

ghanistan Mission", *European Security*, Vol. 21, No. 2, 2012.

26 ISAF Media Background

27 TIKA Report,

28 Ian S. Livingston & Michael O'Hanlon, *Afghanistan Index*, (Brookings, August 2013)

29 *ibid*.

it had grown to 118,800 and by March 2013, the total number of ANP personnel was 151,766.³⁰

The change since 2009 is impressive. But in order for these forces to maintain Afghanistan's security after 2014, similar successful initiatives towards training and expansion are needed.

Afghanistan will be in need of support for many years to come. The continued development of the quality of its security forces is important. A political solution is also key. If meetings are held with the Taliban, attacks against the security forces might decrease.

In terms of the instruments that Afghanistan could potentially use in order to become self-sufficient and shed its image as an insecurity-exporting country, these can be assessed in three general categories. Firstly, the country is geographically located at the crossroads of international energy and transportation routes that are gaining importance day by day. Secondly, Afghanistan is rich in energy and mineral resources. Thirdly, if the political power and basic state functions are maintained, Afghanistan may develop with trade credits or investments via SMEs. Afghanistan may attract investments that optimize use of its natural resources and recently developed workforce capital; if it can do this and advertise itself as a crossroads to international actors,

30 *ibid*

Natural gas and oil reserves are the other important energy resources. In Afghanistan an estimated 3.6–3.65 trillion cubic feet of natural gas reserves remain undiscovered.

there would be no obstacles to accomplishing significant growth in the mid-term.

Currently, Afghanistan's electricity supply does not satisfy demand. While in 2002 Afghanistan imported 105 million KW, it now imports 120 million KW.³¹ Considering that only 7 percent of the population has access to electricity,³² the country's total demand is not currently an achievable goal. But importing energy is not an issue for Afghanistan – in the long-run it may even have the potential to export electricity. Like its regional neighbors Tajikistan and Kyrgyzstan, Afghanistan has hydroelectric potential. It has high and steep valleys and roaring rivers. In order to harness this potential, more than 500 micro hydroelectric centers³³ have been built by provincial development teams and international donors in the last ten years. However, the data shows that production is still less that what it was before the Soviet intervention in 1979.

31 IMF Country Report No. 12/245, 2012.

32 *ibid*

33 See: http://carnegieendowment.org/files/Presentation_%20Ashraf.pdf

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Afghanistan's energy resources are not limited to these possibilities. The parallel, high and steep mountains and valleys throughout the country and the enormous height differences within short distances make it a uniquely suitable environment for eco-friendly wind power. For example, the city of Herat is famous for its seasonal, high "120-days winds". The southern part of the country has more wind-power potential than the wind turbine-using European countries. Also, investing in wind power carries a reasonable expenditure for Afghanistan. The reason for that is the energy infrastructure is weak in the country, and an estimated 158.000 MW³⁶ can be produced by wind power.

Beneath Afghanistan's rugged land lie mineral reserves worth 1-3 tril-

34 See: http://afghanistan.usaid.gov/en/programs/economic_growth#Tab=Description

35 See: <http://afghanistan.cr.usgs.gov/oil-and-natural-gas>

36 *ibid*

lion USD.³⁷ The reserves, composed mainly of iron, lithium, chromium, coal, copper and gold, are largely unexploited and untouched. In fact, according to speculation by the international media, Chinese and Indian-based companies are now preparing to make giant investments in the Afghan market. Since 2008 some companies have been granted operating licenses for the copper mines in Aynak and iron ores mines in Hajigak. Some, with backing from Beijing and New Delhi, have even started to enter the southern parts of Afghanistan, where Western investors fear to go.

How Can Afghanistan Cope with Its Challenges?

Development in Afghanistan is very much connected with maintaining stability and state order, and with ending the armed conflicts. The more the Kabul government consolidates its control of the country and invests in infrastructure and law to seriously attract international investments, the more Afghanistan will grow and develop. Anthony Cordesman³⁸ sets stability as the priority and suggests a governing system that includes Afghanistan's warlords in addition to the central government.

Many studies view the Taliban's increased activity in the region -- which is expected to rise even more after

37 See: http://afghanistan.usaid.gov/en/programs/economic_growth#Tab=Description

38 "Afghanistan in Transition: A Trip Report with Anthony Cordesman", at <http://www.youtube.com/watch?v=Km2wXtmAj3Q>

the coalition forces' withdrawal from the country -- as the biggest threat to stability. But the Afghanistan of the 1990s, in which Taliban had eliminated all of its rivals, is a far cry from the Afghanistan of today. The new Afghanistan has a more politically conscious public and a military that can stand up to the Taliban.

In fact, the primary barrier to maintaining stability is weakness of the central government, which cedes more ground to the Taliban than the Taliban is able to win for itself. On the top of list of the government's shortcomings is its inability to provide basic services and corruption. A majority of Afghans see corruption as a serious problem.³⁹ This is an issue which could generate bigger problems. When 36 percent of the population live in poverty,⁴⁰ justice loses its meaning, and the possibility of Taliban stepping in to fill this void increases. In short, the Afghan government's greatest obstacle is its own institutional weakness.

If the Afghan administration takes steps towards resolving its issues and makes progress, it may blunt the Taliban's appetite for power. Under the current circumstances, the best decision would be to negotiate upon a solution and structure that secures stability. Otherwise, in an Afghanistan that struggles with civil war and

39 Ian S. Livingston & Michael O'Hanlon, *Afghanistan Index*, (Brookings, August 2013)

40 IMF Country Report No. 12/245.

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internal disputes, the aforementioned potential growth areas will not create prosperity and the Afghan people will be condemned to live in poverty and misery.

Afghanistan is a country of great opportunities despite its current issues. Even though the aid and investment since the intervention has not been sufficient, it has been directed toward the right goals. Socio-economic improvement can be seen in various levels. It is only fair to say that these improvements, when compared with other countries, carry Afghanistan to the top of the list. These improvements show that if enough investment and aid is provided, Afghanistan can develop. When we consider the country's resources and potential under a stable environment, development seems possible for Afghanistan. But, in order to maintain stability, the Afghan administration must first show some real effort in addressing its deficiencies. Moreover, before the coalition forces' withdrawal, agreements should be signed to end the conflicts and to produce stability within a reasonable timeframe.