

# **AGRICULTURE AND STABILITY IN AFGHANISTAN**

**A Monograph**

**By**

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**AMSP 08-09**

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**REPORT DOCUMENTATION PAGE**

Form Approved  
OMB No. 0704-0188

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<b>1. REPORT DATE (DD-MM-YYYY)</b> 21-05-2009		<b>2. REPORT TYPE</b> Monograph		<b>3. DATES COVERED (From - To)</b> July 2008 - May 2009	
<b>4. TITLE AND SUBTITLE</b> Agriculture and Stability in Afghanistan				<b>5a. CONTRACT NUMBER</b>	
				<b>5b. GRANT NUMBER</b>	
				<b>5c. PROGRAM ELEMENT NUMBER</b>	
<b>6. AUTHOR(S)</b> Levin, Andrew				<b>5d. PROJECT NUMBER</b>	
				<b>5e. TASK NUMBER</b>	
				<b>5f. WORK UNIT NUMBER</b>	
<b>7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)</b> School of Advanced Military Studies (SAMS) 250 Gibbon Avenue Fort Leavenworth, KS 66027-2134				<b>8. PERFORMING ORGANIZATION REPORT NUMBER</b>	
<b>9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)</b> U.S. Agency for International Development 1300 Pennsylvania Ave., N.W. Washington, D.C. 20523				<b>10. SPONSOR/MONITOR'S ACRONYM(S)</b> USAID	
				<b>11. SPONSOR/MONITOR'S REPORT NUMBER(S)</b>	
<b>12. DISTRIBUTION/AVAILABILITY STATEMENT</b> Approved for Public Release. The opinions and views herein are those of the student author and not necessarily those of the U.S. Agency for International Development (USAID).					
<b>13. SUPPLEMENTARY NOTES</b>					
<b>14. ABSTRACT</b> Afghanistan looms as the key foreign policy challenge for the Obama administration. Under the previous Bush administration, foreign policy was driven primarily by security considerations, and Afghanistan was viewed a frontline state in the Global War on Terror. The military had the key role in implementing the USG's foreign policy, and foreign assistance was integrated within the U.S. National Security Strategy. However, this approach may not be appropriate given Afghanistan's history, economic and social conditions. Afghanistan is an agrarian society, and one of the poorest countries in the world due to decades of conflict. In particular, the Soviet invasion and occupation from 1979-89 had a devastating impact on its rural economy. As a result, the country now cannot produce enough food to meet its needs, and farmers in insecure regions increasingly rely on opium as a cash crop to support their families. The USG's support to the sector has been primarily through the counter-narcotics program, which promotes alternatives to opium production. However, these efforts have had limited success. In order to promote conditions for long-term stability, a more balanced approach is needed. Afghanistan's long-term stability is dependent on revitalization of the agriculture economy.					
<b>15. SUBJECT TERMS</b> Afghanistan; agriculture; stability; counter-narcotics; opium; whole-of-government; elements of national power; foreign assistance; USAID.					
<b>16. SECURITY CLASSIFICATION OF:</b>			<b>17. LIMITATION OF ABSTRACT</b>	<b>18. NUMBER OF PAGES</b>	<b>19a. NAME OF RESPONSIBLE PERSON</b>
<b>a. REPORT</b>	<b>b. ABSTRACT</b>	<b>c. THIS PAGE</b>			Andrew Levin, Foreign Service Officer, USAID
(U)	(U)	(U)	(U)	52	<b>19b. TELEPHONE NUMBER (Include area code)</b> 540-244-1004

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## **Abstract**

Afghanistan looms as the key foreign policy challenge for the Obama administration. Under the previous Bush administration, foreign policy was driven primarily by security considerations, and Afghanistan was viewed a frontline state in the Global War on Terror. The military had the key role in implementing the USG's foreign policy, and foreign assistance was integrated within the U.S. National Security Strategy. However, this approach may not be appropriate given Afghanistan's history, economic and social conditions. Afghanistan is an agrarian society and is one of the poorest countries in the world due to decades of conflict. In particular, the Soviet invasion and occupation from 1979-89 had a devastating impact on its rural economy. As a result, the country now cannot produce enough food to meet its needs, and farmers in insecure regions increasingly rely on opium as a cash crop to support their families. The exponential growth of opium has undermined the economy, government and social fabric of the country. While more than 80 percent of Afghanistan's population relies on agriculture, the USG's support to the sector has been provided primarily through the counter-narcotics program, which promotes alternatives to opium production. However, these efforts have had limited success. In order to promote conditions for long-term stability, a more balanced approach is needed. A key factor in Afghanistan's long-term stability is revitalization of the agriculture sector, which is the basis for food security, rural livelihoods, and growth of the national economy.

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## Introduction

Afghanistan looms as the key foreign policy challenge for the Obama administration. A draft National Intelligence Estimate has been prepared which reportedly characterizes Afghanistan in a “downward spiral” due to corruption, insurgent havens in Pakistan and the pervasive impact of the drug economy.<sup>1</sup> Admiral Michael G. Mullen, Chairman of the Joint Chiefs of Staff, made an obvious, but telling remark in Congressional testimony that “we cannot kill our way to victory” in Afghanistan.<sup>2</sup> While USG leaders recognize that the military alone cannot provide stability and reconstruction, an increase of up to twice the number of U.S. ground forces in Afghanistan is imminent to counter the rise in insurgent violence.<sup>3</sup> Some have raised doubts about the military plans without a strategy that clarifies the role of the key actors, and in particular, Pakistan,<sup>4</sup> as well as the over reliance on U.S. (foreign) forces to provide security.<sup>5</sup> In addition, Secretary Gates has recently testified to Congress that the U.S. needed to set “more limited objectives, “and that “the primary mission should be to ensure that Afghanistan did not again become a haven for Al Qaeda” in place of “the pursuit of democracy.”<sup>6</sup> However, it appears that both a military, as well a civilian surge, will be the components of the Obama Administration’s strategy for addressing the security threats, as well as the reconstruction and stabilization needs of Afghanistan.<sup>7</sup>

The U.S. military, in particular the U.S. Army, has a history in reconstruction and

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<sup>1</sup> Mark Mazetti and Eric Schmitt, “U.S. Study is said to Warn of Crisis in Afghanistan,” *New York Times*, October 9, 2008.

<sup>2</sup> Julian E. Barnes, “U.S. Military Wants New Strategy on Afghanistan,” *Los Angeles Times*, September 11, 2008.

<sup>3</sup> Dexter Filkins, “Bribes Corrode Afghans’ Trust in Government,” *New York Times*, January 2, 2009.

<sup>4</sup> T.X. Hammes, “The Good War,?” *The Small Wars Journal blog*, entry posted September 15, 2008, <http://smallwarsjournal.com/blog/2008/09/the-good-war/>.

<sup>5</sup> Seth G. Jones, *Counterinsurgency in Afghanistan* (Santa Monica: Rand, 2008).

<sup>6</sup> Julian E. Barnes, “Gates Calls for Scaled-Back Goals in Afghanistan: As Obama prepares to strategize, the Defense Secretary says curbing Al Qaeda is the key,” *Los Angeles Times*, January 28, 2009.

<sup>7</sup> Warren P. Strobel and Jonathan S. Landy, “Obama’s Afghanistan “surge”: diplomats, civilian specialists,” *The McClatchy Newspapers*, March 18, 2009, <http://www.mcclatchydc.com/world/story/64328.html>.

stabilization efforts following the Civil War, and in the Philippines, Vietnam and the current wars in Iraq and Afghanistan. For example, General Sherman attempted to provide freed blacks with 40 acres (and a mule) as basis for economic stability, although it was later revoked and confiscated Confederate lands were returned. While civil-military roles in stability and reconstruction are evolving, U.S. military leadership recognizes the key role of economic development in providing long-term stability. For example, the Commanding General, 101<sup>st</sup> Airborne Division, Maj. General Jeffrey Schloesser, summarized the key to stability in Afghanistan as -

development and really increasing demonstrably a quality of life for the normal Afghan villager and their family and then linking the governance at the village level and at the lowest levels, the district level, to that same villager and their family over time. The security part is really meant to buy them enough time to get to that point.”<sup>8</sup>

Over the course of seven years of war, the Bush Administration’s policies shifted from viewing Afghanistan through a lens of near-term national security interests, to one of longer-term nation building, in which the establishment of democracy and a market economy became the USG’s key foreign policy objectives. However, both views are out of focus with the country’s history, culture and context. A greater appreciation of the dynamics of poverty and conflict is needed to properly inform the policy choices that the U.S. and its allies make in order to support Afghanistan’s path to stability.

This monograph will consider the USG’s use of the elements of national power in addressing Afghanistan’s instability - development, diplomacy and defense (3Ds), with a particular focus on the role of agricultural development. The approach will take into account historical and other variables in order to understand Afghanistan’s current instability. The narrative covers the period from the Soviet invasion of 1979 through the present. Over this period of time, Afghanistan has been subject to cumulative shocks of conflict, drought and poverty,

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<sup>8</sup> Maj. Gen. Schloesser interview by Bryan Whitam, Department of Defense, from Afghanistan (June 24, 2008):5.

which have resulted in a humanitarian crisis, development of a drug economy and fragmentation of the state. The monograph does not outline a counter insurgency (COIN) strategy for Afghanistan, although it explores how the USG's approach to the opium problem may undermine long-term stability. The monograph hypothesis is that agricultural development is a key to Afghanistan's long-term stability, by contributing to food security, rural livelihoods, and the growth of the national economy.

The monograph integrates design principles taught at the U.S. Army's School of Advanced Military Studies (SAMS), in which systemic understanding of an operational environment informs planning.<sup>9</sup> For example, one tool for gaining knowledge is to ask "meta-questions" which probe the limits of our understanding and explore the interaction among variables, as well as the impacts of actions (or policies) on the system. In addition, design recognizes how our biases and perspectives shape our understanding and actions. Therefore, the monograph is organized around three meta-questions: Part 1 outlines the strategic setting, or factors which contribute to Afghanistan's poverty and instability; Part 2 explores the role of agriculture in reducing poverty, food insecurity and conflict; and Part 3 discusses the framework and application of the USG's foreign assistance policies in Afghanistan.

## **Part 1: Why is Afghanistan Poor and Unstable?**

### **Poverty, Failed States, and Economic Growth**

In a comprehensive analysis of why 80 percent of the world's population remains poor, Paul Collier concludes that conflict, dependence on extractive industries, poor geography and bad governance are traps that keep countries in poverty.<sup>10</sup> Countries that contain the "Bottom Billion" of the world's poor are primarily in Sub-Saharan Africa and Central Asia. According to Collier's

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<sup>9</sup> Colonel Stefan J. Banach, "Education by Design: Preparing Leaders for a Complex World," *Military Review* (March-April 2009):96-104.

<sup>10</sup> Paul Collier, *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It* (New York: Oxford, 2007).



framework, Afghanistan suffers from multiple poverty traps due to conflict, poor governance (corruption), and its isolated geography. Among Collier's key conclusions are that poor economic growth underlies conflict: low income doubles a country's risk of conflict, and slow growth and stagnation lead to poverty and hopelessness. Collier also studied the impact of regional growth and concluded that a 1 percent increase in the growth of a neighbor, on a global average, contributed to a 0.4 percent growth in an adjoining country.<sup>11</sup> Collier's findings suggest that promotion of regional growth through transport linkages, a focus on rural development, and improved education (particularly for women) offer the best chance for Afghanistan to become more stable and prosperous.

Other analysts have also looked at variables related to economic growth and governance. Herbst concluded that isolated, dispersed populations can undermine the development of a nation-state and its ability to secure its territory.<sup>12</sup> In addition, Landman conducted an extensive review of comparative studies on the role of economic growth and democracy, and noted "there is a stable positive association between the two."<sup>13</sup> Landman's conclusion suggests that economic growth is a necessary, but insufficient condition for the development of democracy. He noted that political leadership and limits to corruption are key to success in some countries, in particular, Singapore, whereas Ireland and the southern states of the United States benefited from the economic opportunities from neighboring countries.

However, Fukuyama criticizes "the poverty of materialistic theories of economic development" for lacking any cultural basis for understanding why some countries develop, and others do not.<sup>14</sup> He believes that the success of Asian countries is also explained by traditional values of saving and work ethics, and points out that Middle Eastern countries "place restrictions

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<sup>11</sup> Paul Collier, *The Bottom Billion*, 2007.

<sup>12</sup> Jeffrey Ira Herbst, *States and Power in Africa: Comparative Lessons in Authority and Control*. Princeton: Princeton University Press, 2000.

<sup>13</sup> Todd Landman, *Issues and Methods in Comparative Politics: An Introduction* (New York: Routledge, 2003):92.

<sup>14</sup> Francis Fukuyama, "The End of History,?" *The National Interest* (Summer 1989):4.

on certain forms of economic behavior” due to their cultural values and heritage.<sup>15</sup> In addition, Diamond has questioned whether differences in national wealth are due to good political institutions.<sup>16</sup> He believes that geographical factors, including disproportionate disease burdens on human health and agriculture in the tropics, as well as colonization, dependence on natural resources (one of Collier’s poverty traps); and, lack of environmental sustainability are additional factors which explain the wealth of some nations. Sachs also highlights how geography and ecology may trap countries “with low agricultural productivity or vulnerability to prolonged droughts.”<sup>17</sup>

Despite these differing views on some of the underlying factors which explain how countries have been able to generate wealth, there is general agreement among economists and policy makers that economic growth is the basis for reducing poverty.

Rostow outlined the classical stages of economic development for a traditional society. In this model, initial economic conditions are characterized by stagnant productivity, due to the lack of science and technological innovation.<sup>18</sup> Due to these constraints, these societies must invest significant resources into food production and there is limited mobility for an individual to move out of agriculture. The pre-conditions for growth include not only advances in technology, but also a political transition resulting in an effective central state. The succeeding stages in modernization include a period of growth in agriculture and industry (take off), investment in technology in other sectors (maturity) and a shift to production of durable goods and services (mass-consumption).<sup>19</sup> The roles of agriculture in the transition phase are multiple, including provision of food to meet the needs of a rising population, including urban and industrial centers, to generate export earnings to offset the foreign exchange needs from food and capital imports; as

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<sup>15</sup> Fukuyama, *The End of History*, 1989:4.

<sup>16</sup> Jared Diamond, “The Wealth of Nations,” *Nature* 429 (June 10, 1994).

<sup>17</sup> Jeffrey Sachs, “Ending Poverty in Our Time,” *Human Rights: Journal of the Section of Individual Rights & Responsibilities* (Summer 2005):4.

<sup>18</sup> Rostow, W.W. *The Stages of Economic Growth: A Non-Communist Manifesto* (New York: Cambridge University Press, 1990).

<sup>19</sup> Rostow, *The Stages of Economic*, 4.

a tax base through increased rural earnings; and, as a source of investment capital.<sup>20</sup> While some may view Rostow's framework as overly simplistic or deterministic; for example, Easterly believes that there is no one formula for the successful economies,<sup>21</sup> most economists recognize that other than a few isolated countries, growth of the agriculture sector has enabled economies to diversify and grow overall.<sup>22</sup> However, the orientation of agriculture development to opportunities in the global and domestic market is critical, and impacts long-term social and economic stability. For example, Janvry and LeVein note how the process of agricultural growth in developing countries has resulted in the development of export markets which undermine domestic food security. This change results in high social costs, including migration of the rural population into the cities which may not have the capacity to provide jobs, security and services.<sup>23</sup>

## **Roots of Conflict and Instability in Afghanistan**

Most assessments of Afghanistan conclude that establishing security is the basis for stability. In a review of stability operations in 2003, Grymes described the underlying sources of conflict based on divergent identities, history of conflict, and the role that neighboring countries have played to foster conflict in Afghanistan.<sup>24</sup> Rubin described Afghanistan prior to 9/11 as a war economy, in which duty free goods from Dubai, subsidized fuel from Iran and opium produced in Afghanistan were smuggled into Pakistan and Central Asia. These neighboring countries fostered illicit trade because of their weak institutions and corruption. In addition, an Afghan diaspora, the result of 20 years of war, created regional networks that "compete with and

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<sup>20</sup> Rostow, *The Stages of Economic*, 22-24.

<sup>21</sup> William Easterly, "The Ideology of Development," *Foreign Affairs* 161 (July/August 2007).

<sup>22</sup> International Food Policy Research Institute, "The Future of Small Farms for Poverty Reduction and Growth" *2020 Discussion Paper 42*. Peter Hazell, Colin Poulton, Steve Wiggins, and Andrew Dorward (Washington, D.C.: May 2007):4.

<sup>23</sup> Alain de Janvry and E. Phillip LeVein, "Historical Forces that have Shaped World Agriculture: A Structural Perspective," In *New Directions for Agricultural Research*, edited by Kenneth A. Dahlberg, Totowa, NJ: Rowman & Allan (1986):82-104.

<sup>24</sup> Robert Grymes, "Establishing Security and Stability in Afghanistan," *Strategy Research Project*, U.S. Army War College, 2003.

undermine legal economies and states.”<sup>25</sup> Rubin traces this transformation prior to the outbreak of war in 1978 in which Afghanistan had a dual economy, composed of the rural subsistence sector, and an urban economy financed by foreign aid and exports of natural gas. During the Soviet occupation from 1979 - 1989, these dependencies strengthened and as a result of the war against the rural based insurgency, the agriculture economy was destroyed. Soviet land reform also undermined rural economic growth and alienated the rural population by limiting ownership. As a result, the population became reliant on the Soviets for food, and wheat imports grew to 250,000 tons per year in 1985.<sup>26</sup> When the Soviets withdrew, commanders exploited opportunities for their gain while providing for local security, and the “war economy, like the political structure, remained fragmented.”<sup>27</sup> By 1998, the Taliban were able to gain control over nearly all of the warlords, and control the illegal trade of smuggled goods and opium.

In a recent article in *Foreign Affairs*, Rubin and Rashid describe the “Great Game” in which the British and Russians struggled over control of Afghanistan and Central Asia in the 19<sup>th</sup> century.<sup>28</sup> They argue that negotiations among all parties, including the insurgents as well as realigning Pakistan’s strategic goals, along with setting out “road maps for local stabilization efforts,” offer the only real hope to overcome the country’s grave problems. The challenge of establishing a “modern” nation state with territorial integrity is compounded by ethnic divisions and unions, as evidenced by the 45 million Pashtuns who live in the border areas of Afghanistan and Pakistan and have “been linked for generations.”<sup>29</sup> New York Times reporter Elizabeth Rubin, who interviewed soldiers of the B Company in the Korengal River Valley, has a dismal

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<sup>25</sup> Barnett R. Rubin, “The Political Economy of War and Peace in Afghanistan,” *World Development* 28, No. 10 (2000):1789.

<sup>26</sup> A. Minkov and C. Smolynech. “Economic Development in Afghanistan during the Soviet Period, 1979-1989: Lessons Learned from the Soviet Experience in Afghanistan,” *Technical Memorandum*, Department of National Defense, Canada, 2007 Minkov and Smolynech, Economic Development in Afghanistan, 13.

<sup>27</sup> Rubin, *The Political Economy*, 1793.

<sup>28</sup> Barnett R. Rubin and Ahmed, “From Great Game to Grand Bargain,” *Foreign Affairs* 87, no. 1 (November/December 2008).

<sup>29</sup> “PBS Frontline: The War Briefing,” produced by Marcela Gavaria (posted November 10, 2008):13.

view of the dynamics of conflict and the role of the U.S. She reported that the source of conflict in the Korengal region “began a century ago” between two ethnic groups, and that the Americans inadvertently took sides and “inherited a blood feud.”<sup>30</sup> Ms. Rubin concludes “there’s always a local political story at the root of the killing and dying. That original misunderstanding and grievance fertilizes the land for the Islamists. Whom do you want to side with: your brothers in God’s world or the infidel thieves?”<sup>31</sup>

## **Part 2: How is Agriculture a Key to Stability?**

### **Poverty Reduction and the Role of Agriculture**

Afghanistan is one of the poorest countries in the world and was ranked 174 out of a total of 178 countries on the United Nations Human Development Index (HDI).<sup>32</sup> The HDI is a composite of key measures of education, health and economic development for a country; however, it does not reflect political freedom, rule of law or related conditions that foster human development. For example, women and girls continue to face obstacles to improved health, income and education. Afghanistan has committed itself to accomplish the Millennium Development Goals (MDGs), which are eight goals adopted at the UN General Assembly in September 2000 to advance development and eliminate poverty. The Karzi government endorsed the goals in March 2004 with several modifications, including the addition of a ninth goal to enhance security.<sup>33</sup>

In order to achieve the MDGs, Afghanistan developed a comprehensive “blueprint” for development called the Afghanistan National Development Strategy (ANDS).<sup>34</sup> The ANDS notes

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<sup>30</sup> Elizabeth Rubin, “Battle Company is Out There,” *New York Times* (February 24, 2008):5.

<sup>31</sup> Rubin, Battle Company, 5.

<sup>32</sup> U.N. Development Program, Millennium Development Goals Status in Afghanistan, 2007, <http://undp.org.af/MDGs/MDGstatus07.htm>. The ranking was for 2005; Afghanistan has not been ranked in the past two years due to lack of reliable data.

<sup>33</sup> U.N. Development, 2007

<sup>34</sup> Islamic Republic of Afghanistan, *Afghanistan National Development Strategy 1387-1391 (2008-2013): A Strategy for Security, Governance, Economic Growth & Poverty Reduction* (Kabul, May

the disastrous impact of nearly three decades of war and the continuing challenge despite six years and billions of dollars in reconstruction. ANDS was developed through a participatory process to reflect the “aspirations of the Afghan people” and develop a framework for each province. The key priority sectors across all provinces (in order) are agriculture; security; and, education. ANDS states, “Unsurprisingly, with 80 percent of the population relying on some form of agriculture, it has appeared as a national priority.” The ANDS provides both an analytical framework, as well as a national consensus in which foreign aid can support the country’s stability.

The poverty profile developed through ANDS in a 2007 National Risk and Vulnerability Assessment (NVRA) also concluded that 45 percent of Afghans were unable to purchase sufficient food to meet daily requirements.<sup>35</sup> Overall, there are differences in poverty levels based on agricultural season, provinces, and between rural and urban areas. Poverty levels are 15 percent higher in rural areas, and the most poor live in isolated areas, have a head of household who is illiterate or uneducated, and do not own land or livestock. In the NVRA done in 2005, it was found that the poorest households derive their income from agriculture and livestock. In addition, 20 percent of the population is at risk of falling below the poverty line of \$14 per capita per month, which could occur from a drought or other natural disaster, high food prices or other shocks to the household.<sup>36</sup>

A number of economists and policy papers have concluded that agricultural growth is key to poverty reduction. Economist Jeffrey Sachs concludes that “the primary problem in most impoverished places is low food productivity” due to lack of water, soil fertility and other ecological constraints that can be addressed through access to improved inputs, markets and education.<sup>37</sup> The National Intelligence Council Report notes how access to water resources for 1.4

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2008).

<sup>35</sup> Islamic Republic, Afghanistan National Development, 27.

<sup>36</sup> Islamic Republic, Afghanistan National Development, 27.

<sup>37</sup> Jeffrey D. Sachs, “Breaking the Poverty Trap,” *Scientific American* 297, no. 3 (September

billion people is reaching a crisis, due to the demand of agriculture, which uses 70 percent of freshwater worldwide.<sup>38</sup> The Report also raises concerns about the potential for increasing agriculture production in developing countries due to policies “that limit investment and distort price signals” in order to “placate the urban poor and spur savings for industrial investment.”<sup>39</sup>

However, there are differing views on the potential of small scale farmers in the poorest countries to contribute to greater agricultural production. Some leading economists, such as Collier, have dismissed efforts to increase production by small holder farmers as a kind of romanticism.<sup>40</sup> However, the Organization for Economic Cooperation and Development (OECD) has concluded from “an impressive body of empirical studies” that small holder farmers actually are quite efficient and generate higher productivity in their use of land compared with larger units. This is due in part to the surplus labor available, which further contributes to poverty reduction.<sup>41</sup> In addition, the International Food Policy Research Institute notes the impact of the Green Revolution in Asia in which increased agricultural productivity of small farms contributed to a reduction of poverty and hunger, and raised living standards.<sup>42</sup>

Many development organizations are looking not only at the impacts of a sector on economic growth, but the degree to which it improves the well being of the most poor (through “pro-poor” growth). Under the appropriate conditions, agriculture can have profound impacts in reducing poverty. Some factors that need to be considered as to whether small holder agricultural development can be pro-poor include the potential for increased agricultural productivity; concentration in land ownership; and, the potential for developing non-agricultural export

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2007):40-42.

<sup>38</sup> U.S. National Intelligence Council. *Global Trends 2025: A Transformed World*. NIC 2008-003. Washington, D.C.: US Government Printing Office, November 2008):52.

<sup>39</sup> U.S. National Intelligence, 52.

<sup>40</sup> Paul Collier, “How to Solve the Food Crisis,” *Foreign Affairs* 88, no. 1 (Nov/Dec 2008).

<sup>41</sup> Organisation for Economic Co-Operation and Development (OECD), *Promoting Pro-Poor Growth: Agriculture* (Paris: OECD, 2006).

<sup>42</sup> International Food Policy Research Institute (IFPRI), “The Future of Small Farms for Poverty Reduction and Growth.” *2020 Discussion Paper 42*. Peter Hazell, Colin Poulton, Steve Wiggins, and Andrew Dorward. (Washington, D.C.: May 2007):2

industries based on geographic advantages, such as coastal or other transport linkages.<sup>43</sup>

When development (and humanitarian) professionals analyze poverty at the household level, they consider how a household makes a living (its livelihood), and its vulnerability to shocks (including conflict, drought or death or illness of member of household). In an assessment of how Afghans view their own poverty, money is seen as the most important form of asset to break out of the cycle of poverty; however, most money that is earned is spent on household needs and saved to get through the hard times such as the winter months. One female rural participant stated “We have nothing, no money, no savings...no food - we only have our daughters.”<sup>44</sup> Despite the decades of conflict and other shocks, most Afghans see drought “as the most threatening to their lives and livelihoods.”<sup>45</sup> The reason for their viewpoint is related to the impact of the 1999-2001 drought, in which Afghans were compelled to sell assets, including cattle, land, and in the most extreme cases resorting to underage marriage of girls, in order to purchase food. This undermined their livelihoods and exacerbated inequitable land ownership.<sup>46</sup>

## **Afghanistan’s Agricultural Economy**

Afghanistan is an agrarian country in which more than three-quarters of the population live in the countryside in scattered towns and villages.<sup>47</sup> The agriculture sector contributes up to 50 percent of the GDP depending on the weather. Agricultural production grew at over two percent per annum in the pre-conflict years from 1961-78, and fell to 0.2 percent per annum from 1978- 2001.<sup>48</sup> While a majority of the population is dependent on agriculture, non-farm employment, including processing of farm products as well as non-farm income is important in

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<sup>43</sup> IFPRI, *The Future of Small Farms*, 7.

<sup>44</sup> Agency Coordinating Body for Afghan Relief (ACBAR), *The Afghanistan Pilot Participatory Assessment (APPPA) Final Report: Perceptions of Poverty from the “Poor”, Conceptions of Poverty from the “Poor”* (Kabul: ACBAR, April 2008):80.

<sup>45</sup> The World Bank, *Afghanistan Poverty*, 2005:1.

<sup>46</sup> The World Bank, *Afghanistan Poverty*, 2005:3.

<sup>47</sup> International Monetary Fund, “Islamic Republic of Afghanistan: Statistical Appendix,” *IMF Country Report No. 08/72* (Washington, D.C.: February 2008):12.

<sup>48</sup> The World Bank, *Afghanistan Poverty*, 2005:7.



rural livelihoods. Within the sector, cereals contribute 80 percent and livestock 12 percent. Of the 3.3 million hectares planted in cereals, approximately 75 percent is wheat which represents the most important source of food. Wheat yields averaged approximately 1.6 tons per hectare from 2002/03 - 2006/07. Afghanistan has an annual deficit in cereals with wheat imports of 1.4 million tons in 2006/07. Agricultural exports include dried and fresh fruits and sheep skins and represent approximately 50 percent of export earnings, with the balance represented by carpets and handicrafts. Pakistan was the export destination for nearly 75 percent of exports from 2002/03 - 2006/07, while Pakistan, India and China were the key sources for imports, including machinery, food, fuel, metals, fabric, household items and medicine.

Afghanistan's agriculture is primarily based on small holdings, including field, fodder and orchard crops, some irrigated areas and livestock. However, because of inconsistent policy, conflicting claims particularly as Afghans returned to their places of origin after the conflict, and inequitable ownership, there is widespread land insecurity.<sup>49</sup> A survey done in 2002 indicates that two-thirds of all farmers share under 16 percent of the land. In addition, approximately one-quarter of Afghans are landless.<sup>50</sup> The various farming systems are based on altitude and geography which impact the availability of water and length and number of crops that can be produced in a season. In the mountainous regions availability of suitable land limits crop production. The availability of water from snowmelt is the most limiting factor overall, and it is estimated that 85 percent of grain output is produced on five percent of irrigated land.<sup>51</sup> Approximately 12 percent of the total area of the country is arable; three-quarters is mountainous, with lowland river valleys in the north and semi-arid desert in the south.<sup>52</sup> The most productive regions of the country are the river valleys of the Eastern Mountains which include two major

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<sup>49</sup> Liz Alden Wiley, "Land Rights in Crisis: Restoring Tenure Security in Afghanistan" (Kabul: Afghanistan Research and Evaluation Unit, March 2003):19.

<sup>50</sup> World Bank, Afghanistan Poverty, 2005:9.

<sup>51</sup> "State of Afghan Agriculture," *Networkideas.org*, December 20, 2003, <http://www.networkideas.org/country/dec2003>.

<sup>52</sup> Food and Agriculture Organization of the United Nations (FAO), AQUASTAT, FAO's Information System on Water and Agriculture, <http://www.fao.org/nr/water/aquastat/countries/afghanistan/>.

cities (Kabul and Jalalabad). The source for irrigation water is approximately 85 percent from rivers, eight percent from springs and seven percent from karezes, the latter of which are tunnels built into hillsides to tap into underground aquifers.<sup>53</sup> Irrigation systems include karezes, traditional community structures, large scale surface water and large-scale formal irrigation schemes. In addition to small holders, approximately 10 percent of Afghanistan's population is nomadic herders (kuchis) who use semi-arid lands for their sheep and goat herds.

### **Soviet Destruction of Afghanistan's Agriculture Sector**

According to the Food and Agriculture Organization of the United Nations, Afghanistan has the potential to achieve food security for its population. The key is to rebuild the country's "shattered agricultural infrastructure, particularly the irrigation system."<sup>54</sup> The area of irrigated land has dropped from 2.5 million hectares prior to the Soviet invasion in 1979, to 1.5 million hectares "mainly due to destruction caused by years of war."<sup>55</sup> In the years following the Soviet invasion, wheat acreage decreased by up to 50 percent due to reduction in the labor force from displacement, as well as deliberate killing.<sup>56</sup> A comprehensive agriculture survey of 11,000 farm households in Afghanistan and refugee camps in Pakistan, showed that overall agricultural production fell by 45 percent in 1986 compared to the 1978 level, including a decrease in sheep and goats of about 70 percent.<sup>57</sup> There have been numerous reports of massacres of rural villagers.<sup>58</sup> Over five million Afghans (one-third of the population) sought refuge in Pakistan, the majority from rural villages.<sup>59</sup> In addition, the Soviets burned fields, killed animals and stocks of

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<sup>53</sup> FAO, AQUASTAT.

<sup>54</sup> "Afghanistan: Tremendous potential for food security - FAO expert," IRIN, April 17, 2008.

<sup>55</sup> Afghanistan: Tremendous, IRIN.

<sup>56</sup> Mohammad Qasim Yusufi, "Effects of the War on Agriculture," In *The Tragedy of Afghanistan: The Social, Cultural and Political Impact of the Soviet Invasion*, edited by Bo Huld and Erland Jansson (New York: Croom Helm Ltd., 1998).

<sup>57</sup> Swedish Committee for Afghanistan, Agricultural Committee, *The Agricultural Survey of Afghanistan: First Report* (Peshawar: Swedish Committee for Afghanistan, 1988).

<sup>58</sup> Jeri Laber and Barnett R. Rubin, *A Nation is Dying: Afghanistan Under the Soviets 1979-87* (Evanston, IL, Northwestern University Press, 1988).

<sup>59</sup> Les Grau, "The Soviet-Afghan War: A Superpower Mired in the Mountains" (U.S. Army

grain. The availability of fertilizer, and improved seed also dropped. The Soviet strategy was characterized by the former head of agronomy at Kabul University as a “deliberate and systematic plan to destroy agriculture in the 80 percent of the country controlled by the Mujahedeen.”<sup>60</sup> The Soviet Air Force bombed orchards, irrigation structures, villages, fields and livestock in order to destroy the Mujahedeen “support structure.”<sup>61</sup> According to the International Center for Agricultural Research in the Dry Areas (ICARDA), Afghanistan had 19 agricultural research stations, and an efficient research program for developing high yielding crops which were destroyed after the late 1970s.<sup>62</sup> As a result of the conflict, research institutes were destroyed, equipment looted and staff left. For example, 70 percent of the faculty of agriculture in Kabul University left their jobs.<sup>63</sup>

## **Afghanistan’s Agricultural Potential**

Afghanistan’s National Development Strategy and other key policy statements, as well as donor strategies, see a key role for the agriculture sector to generate growth, provide food security, and reduce poverty. The Afghan Government’s policy paper “Securing Afghanistan’s Future” estimates that an annual growth rate of nine percent is needed to reduce poverty and achieve the Millennium Development Goals.<sup>64</sup> According to the FAO Afghanistan Country Representative, wheat production could more than double from the level of 4.7 million tons in 2007 if irrigation infrastructure is repaired. This amount would satisfy the domestic needs of about six million tons and result in exportable surplus.<sup>65</sup> The forecast for 2009 is not good due to drought and the short supply of planting seed. However, water saving technologies and the

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Foreign Military Studies Office, Fort Leavenworth, KS, 2004).

<sup>60</sup> “Scorched Earth Maneuvers Hinder Afghanistan Farming,” *Seattle Times*, May 30, 1988.

<sup>61</sup> Grau, *The Soviet-Afghan War*, 6.

<sup>62</sup> International Center for Agricultural Research in the Dry Areas (ICARDA). *Afghanistan and ICARDA: Ties that Bind, No. 21* (Aleppo, Syria: 2005)

<sup>63</sup> Yusafi, *Effects of the War*, 212.

<sup>64</sup> Islamic Republic of Afghanistan, “Security Afghanistan’s Future: Accomplishments and the Strategic Path Forward” (Kabul, March 17, 2004).

<sup>65</sup> “Afghanistan: Bleak forecast for agriculture,” IRIN, December 23, 2008.

development of drought resistant wheat cultivars could help mitigate the impacts of low rainfall. USAID funded programs in Pakistan demonstrated how farmers can produce wheat at three times the normal yield, that require half as much water.<sup>66</sup> Shortage of water is likely to become worse, due to over grazing, deforestation and pumping of shallow wells.<sup>67</sup>

In addition to technological improvements, the success of China may offer a model for Afghanistan as well as other developing countries whose populations rely on agriculture.<sup>68</sup> According to a World Bank paper, agriculture growth in China from 1981-2004 had four times the impact on reducing poverty than growth in manufacturing or other sectors of the economy. The World Bank noted how “significant increases in agricultural productivity were a critical early step” in economic growth for most countries.<sup>69</sup> Economic simulations indicate that the greatest impact for poverty reduction is from increased productivity of staple crops already grown by farmers. A multi-country study cited by The World Bank indicated that a one percent increase in agricultural productivity resulted in a decrease in poverty by 0.64 - 0.91 percent, whereas there was no comparable impact from increases in the manufacturing or service sectors.<sup>70</sup> The keys to China’s reduction of poverty were in reforms of the agrarian sector, including increasing farm productivity and freer markets. In China, the division between rural and urban areas has resulted in unrest, and threatens the stability of the country. As a result, China has taken additional steps in rural land reform so that peasant farmers can use land as collateral, increase economies of scale and develop rural industries.

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<sup>66</sup> U.S. Agency for International Development/Pakistan, “First Person: Sowing Better Wheat with Less Water,” <http://stories.usaid.gov>.

<sup>67</sup> John Shroder, “Afghanistan’s development and functionality: Renewing a collapsed state,” *GeoJournal* 70 (April 19, 2008).

<sup>68</sup> The World Bank, “Are there Lessons for Africa from China’s success against poverty?,” *Policy Research Working Paper 4463*, Martin Ravalli on (Washington, D.C.: The World Bank, January 2008).

<sup>69</sup> The World Bank, “Agriculture and Achieving the Millennium Development Goals,” *Report No. 32729-GLB* (Washington, D.C.: The World Bank, 2005).

<sup>70</sup> The World Bank, *Agriculture and Achieving the Millennium*, 7.

## Part 3: What is the USG's Foreign Policy for Afghanistan?

### USG Development Policy

The U.S. Department of State classifies Afghanistan as a “rebuilding” country in its Foreign Assistance Framework, and USG support is designed to combat the insurgency, promote democracy and reduce drug trafficking. The strategic goals, as stated in the June 2008 Report on Progress toward Security and Stability in Afghanistan are the following: 1) a reliable, stable ally in the War on Terror; 2) moderate and democratic, with a thriving private sector economy; 3) capable of governing its territory and borders; and, 4) respectful of the rights of all its citizens. The USG “applies a whole-of-government approach, along multiple lines of operation, including security, governance, and development.”<sup>71</sup> In the joint Department of State/USAID Strategic Plan FY 2007 - 2012, the regional priority in Afghanistan is fully devoted to efforts to “bring stability” through enhancing the capacity of the Afghan National Army and National Police, and in combating opium, including “eradicating poppy fields.”<sup>72</sup>

Afghanistan has been described as a weak, fragile or failing state. The National Security Presidential Directive (NSPD) 44 notes that the United States should work actively to prevent state failure due to the problems associated with ungoverned space which may spawn crime, drugs and terrorism, cause regional instability and conflict and require humanitarian aid. While there are no uniform definitions, most analysts rank weak and failing states across a spectrum, based on indicators of peace and stability; effective governance; territorial control; and, economic sustainability.<sup>73</sup> Many weak or failing states are in conflict, corrupt and among the poorest in the world. These states therefore present challenges to traditional development approaches.

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<sup>71</sup> U.S. Congress, Report on Progress toward Security and Stability in Afghanistan,” *Report to Congress in accordance with the 2008 National Defense Authorization Act* (Washington, D.C. June 2008):5.

<sup>72</sup> U.S. Department of State and U.S. Agency for International Development, “Strategic Plan FY 2007 - 2012” (Washington, D.C. May 7, 2007).

<sup>73</sup> Liana Sun Wylar, “Weak and Failing States: Evolving Security Threats and U.S. Policy,” *CRS Report for Congress* (Washington, D.C.: CRS, August 28, 2008).

The basis for USG foreign assistance priorities are complex, and reflect political, special interest and other considerations outside the scope of this monograph. A number of studies by think tanks, Congress and NGOs offer recommendations on how to improve the impact of foreign assistance. The realignment of USAID with the Department of State, and the introduction of a uniform foreign assistance framework were done in order to improve coordination, reporting and allocation of resources. Members of the U.S. Congress and others have argued that foreign assistance needs reform “addressing the issues of coherence, coordination and capacity.”<sup>74</sup> Another view is represented by William Easterly, who does not believe that foreign assistance is effective because the west does not know how to solve the problems of poverty, either here or abroad, and that donor efforts are politically biased and favor “world goals over the autonomy of societies to choose their own path.”<sup>75</sup>

As a function of our foreign policy, as well as domestic interests, U.S. development assistance is clearly driven by political ends. McDougall argues that U.S. foreign policy is an extension of our underlying identity.<sup>76</sup> However, projecting our ideals (and our approach) may undermine developmental goals. In promoting economic growth, our model is a global market economy, yet we don’t acknowledge that much of the bottom billion functions in an informal as well as formal market. In addition, western donors tend to emphasize a limited role of the state in financing development, other than basic infrastructure, and focus more on enabling economic policies. The Washington Consensus represents a prescription for economic policies for developing countries championed in the 1990s by the international financial institutions based in Washington, D.C. - The World Bank and International Monetary Fund. The mantra for this group has been “stabilize, privatize, and liberalize.”<sup>77</sup> The private sector is seen as the key to economic

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<sup>74</sup> Rep. Nita Lowey (D-NY), “Administering aid effectively means some consolidation,” Op-Ed, The Hill.com, June 17, 2008.

<sup>75</sup> William Easterly, “The Ideology of Development,” *Foreign Affairs* 161 (July/August 2007).

<sup>76</sup> Walter A. McDougall, *Promised Land, Crusader State: The American Encounter with the World Since 1776*, New York: Houghton Mifflin Company (1997).

<sup>77</sup> Dani Rodrik, “Goodbye Washington Consensus, Hello Washington Confusion?,” *Journal of*

growth if the state ensures macroeconomic stability, divests of any productive assets it owns or manages, and otherwise just gets out of the way of the market. In the case of agriculture, this approach undermines the role of the government in funding research and extension services which cannot easily be privatized. In the U.S., land grant agricultural universities conduct public-funded research and are linked to a public-funded extension system that provides advice to farmers and agri-businesses. In addition, the USDA's Farm Service Agency provides government backed loans to farmers that would not otherwise be able to obtain credit. Private corporations may not be interested in investing in research to improve staple crop yields. For example, the donor-funded international agriculture research centers developed the high yielding wheat, rice and maize cultivars of the Green Revolution. In devising an agriculture strategy, it is important not to marginalize the role of government that is needed to support the sector, or it will not perform as planned. Joseph Stiglitz, former chief economist of The World Bank, and Nobel Prize winner, resigned his position because he was disillusioned with the ideological approach of the international financial institutions, lack of consultation with developing countries in proscribing economic policy, and the adverse impacts on the poor. Stiglitz points out how the terms of trade with developing countries favor the United States and Europe, which continue to subsidize their agricultural sectors. The result is that developing countries are pressured to reduce their import tariffs for agricultural commodities, which results in unemployment, food insecurity and greater instability.<sup>78</sup> According to Stiglitz –

The Washington Consensus reforms have exposed countries to greater risk, and the risks have been borne disproportionately by those least able to cope with them. Just as in many countries the pacing and sequencing of reforms has resulted in job destruction outmatching job creation, so too has the exposure to risk outmatched the ability to create institutions for coping with risk, including effective safety nets.<sup>79</sup>

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*Economic Literature* 44, no. 4 (December 2006).

<sup>78</sup> Joseph E. Stiglitz, "Making Globalization Work – The 2006 Geary Lecture," *The Economic and Social Review*, 39, no. 3 (Winter 2008):171-190.

<sup>79</sup> Joseph E. Stiglitz, *Civilization and Its Discontents* (New York:W.W. Norton and Company, 2002):86-87.

Many economists no longer see the principles of the Washington Consensus as a blueprint for growth, and The World Bank concluded that reforms must be tailored to the specific constraints to economic growth of a country. The role of institutions, regarded as a precondition for growth and traditional focus of development efforts, has also been challenged because it does not reflect that institutions cannot be created, but are the result of a historical process, as well as the reality that strong economic growth has occurred in countries with relatively weak institutions. On the other hand, Ashraf Ghani, Afghanistan's former Minister of Finance, has criticized donors for failing to consult and collaborate with the government in developing and implementing projects. Rather than building Afghan institutions, he alleges that USAID wasted resources and awarded contracts at many times the price for work which could be done by local Afghan contractors due to the "rules of the (aid) game."<sup>80</sup> However, USAID's Administrator who worked closely with Ghani at the time noted how the agency recruited 900 Afghans from the diaspora to take up senior positions in the Afghan government because of the lack of professionals in country, and that building institutions can't be done on the quick.<sup>81</sup> Collier concludes that "the advocates of good governance and the advocates of good policies - rather different groups of people - have both somewhat oversold their wares."<sup>82</sup> In a recent article in *Military Review*, Etzioni decries the ability of the United States to reconstruct Afghanistan through "social engineering" because "traditional habits and values have been followed for centuries and are deeply ingrained."<sup>83</sup> He believes that resistance to U.S. reconstruction efforts in Afghanistan is due to a conflict with Western consumer values.<sup>84</sup> Despite his questioning of the utility of foreign aid, Etzioni's key advice is to be practical, and to focus first on security which is a precondition for development, as well as to limit our expectations and work at a smaller (or

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<sup>80</sup> Ashraf Ghani, Michael Carnahan and Claire Lockhart. "Stability, State-Building and Development Assistance: an outside perspective," *Princeton Security Working Paper*, 2006.

<sup>81</sup> Andrew Natsios. "The Aid Wars," *The American Interest*, IV, no. 1 (Sep./Oct. 2008).

<sup>82</sup> Collier, *The Bottom Billion*, 64.

<sup>83</sup> Amitai Etzioni, "Reconstruction: A Damaging Fantasy?," *Military Review* 128, no. 6 (November-December, 2008):116.

<sup>84</sup> Etzioni, *Reconstruction*, 116.



more manageable) scale.<sup>85</sup>

In addition, countries that have followed the Washington Consensus policy guidance without success are searching for their own solutions. After years of relying on emergency food aid to feed its population, the government of Malawi decided to disregard the policy guidance of The World Bank and donor governments, including USAID and provide a subsidy to its farmers to purchase fertilizer and seed. The result was that the harvest of maize (the country's food staple) in 2006 and 2007 more than doubled the 2005 level.<sup>86</sup> The value of the additional harvest was nearly double the fertilizer subsidy. This lesson has contributed to "a broader reappraisal of the crucial role of agriculture in alleviating poverty in Africa and the pivotal importance of public investments in the basics of a farm economy: fertilizer, improved seed, farmer education, credit and agricultural research."<sup>87</sup>

In a recent article in *Foreign Affairs*, three former USAID Administrators criticized the politicization of foreign assistance which has resulted in "distorted profiles of development aid."<sup>88</sup> As an example, the authors cite the case of Ethiopia, which is similar to Afghanistan in that it has a predominantly agricultural economy and is vulnerable to droughts, yet only 1.5 percent of USAID funding to that country is targeted to agriculture, economic growth and education, respectively, while over 50 percent of aid is directed to HIV/AIDS programs. The authors attribute the shift due to presidential initiative and congressional earmarks for programs that are "politically appealing" but with short-term impact.<sup>89</sup> For example, the expansion in U.S. funding for FY2009 for the presidential HIV/AIDS initiative now exceeds the total amount for USAID personnel, programs and operations. This program has a separate line item, has been excluded from administrative and operational cost limits of other programs, and is managed by the

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<sup>85</sup> Etzioni, *Reconstruction*, 116.

<sup>86</sup> Celia W. Dugger, "Ending Famine, Simply by Ignoring the Experts," *New York Times*, December 2, 2007.

<sup>87</sup> Dugger, *Ending Famine*, p 1.

<sup>88</sup> J. Brian Atwood, Peter McPherson and Andrew Natsios, "Arrested Development," *Foreign Affairs* 87, no. 6 (November/December 2008):128.

<sup>89</sup> Atwood et al., 2008,127.

Department of State. It is not clear on what basis this fundamental shift has been made, although it is widely touted as a positive legacy of the Bush administration because it has saved many lives, and promoted positive attitudes toward the United States.<sup>90</sup>

The Overseas Development Institute notes a decline since the 1970s by donors in budget support from productive economic sectors to social sectors, and from an active role of government in infrastructure and related investments, to reliance on the private sector.<sup>91</sup> A number of development economists, including Sachs, note that a small proportion of U.S. foreign assistance is allocated to support economic growth “directed at transformational development.” Sachs believes there needs to be a greater focus on economic growth to enable a country to address the structural and other impediments to overcoming poverty.<sup>92</sup> Nobel Peace Prize Laureate Norman Borlaug, the agronomist who developed high yielding wheat varieties which were the key to the Green Revolution increases in crop productivity, believes that political pressure from environmental groups undermined donor support for agriculture. According to Dr. Borlaug, the environmental movement’s pressure on the World Bank due to concerns with the use of chemical inputs “became the single biggest obstacle to feeding Africa.”<sup>93</sup>

Despite the role of agriculture in Afghanistan’s economy, the British aid organization Oxfam, International, notes that only two percent of the \$15 billion in aid to Afghanistan since 2002 has been directed to the agriculture sector and argues that donors need to revise their priorities.<sup>94</sup> This is consistent with the proportion of funding that USAID plans to allocate for agriculture for Afghanistan in FY2009. Of the total \$1.05 billion USAID budget for Afghanistan, \$25 million is directed to agriculture, while the largest single line item of \$312 million is

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<sup>90</sup> U.S. Department of State, Remarks by Secretary of State Hillary Clinton, “Address to the U.S. Agency for International Development Employees,” January 23, 2009, Washington, D.C., <http://www.usaid.gov/press/speeches/2009/sp090123.html>.

<sup>91</sup> Caroline Ashley and Simon Maxwell, “Rethinking Rural Development,” *Development Policy Review* 19, no. 4 (2001).

<sup>92</sup> Jeffrey D. Sachs, “The Development Challenge,” *Foreign Affairs*, 84, no. 2 (March/April 2005):78-90.

<sup>93</sup> Gregg Easterbrook, “Forgotten Benefactor of Humanity,” *The Atlantic Monthly* 279, no. 1 (January 1997).

<sup>94</sup> “Afghanistan: Oxfam calls on donors to overhaul aid policy,” *IRIN*, January 31, 2008.

allocated to counter-narcotics, which includes promotion of alternative crops and livelihoods other than opium production. More than two-thirds of USAID's programs in Afghanistan are funded from Economic Security Funds, which reflects that Afghanistan is viewed as a "front line" state in the Global War on Terror. This trend is consistent with the post-9/11 reframing of our foreign policy and the incorporation of foreign assistance as a component of the National Security Strategy.<sup>95</sup>

## **Defense, Diplomacy and Development**

President George W. Bush issued National Security Presidential Directive (NSPD)-44 on December 7, 2005 in order to improve "unity of effort" in how the USG plans and implements nation building efforts. Through this directive, the State Department is the designated USG Agency to coordinate with the Department of Defense, and to lead and coordinate other civilian agencies through establishment of an Office of the Coordinator for Reconstruction and Stability (S/CRS). NSPD-44 is complemented by the Department of Defense Directive 3000.05 issued on November 28, 2005, which provides guidance on stability operations and directs that stability operations are a "core U.S. military mission" that should be given "priority comparable to combat operations." According to DOD 3000.05, the immediate goal of stability operations is to "provide the local populace with security, restore essential services, and meet humanitarian needs" and the long term goal is to "help develop indigenous capacity for securing essential services, a viable market economy, rule of law, democratic institutions, and a robust civil society."<sup>96</sup> Subsequently, Secretary Rice announced her transformational diplomacy initiative, in which S/CRS plays a key role in addressing the threats from failed states.<sup>97</sup> In addition, State

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<sup>95</sup> Congressional Research Service, "Foreign Aid: An Introductory Overview of U.S. Programs and Policies," *CRS Report for Congress* (Washington, D.C.: CRS, April 15, 2004).

<sup>96</sup> U.S. Department of Defense, "Directive 3000.05: Military Support for Stability, Security, Transition and Reconstruction (SSTR) Operations" (November 28, 2005):2.

<sup>97</sup> U.S. Department of State, "Transformational Diplomacy," Remarks by Secretary of State Condoleezza Rice, Georgetown University, Washington, D.C. January 18, 2006.

Department Foreign Service Officers were diverted from traditional diplomatic posts in European capitals, to more active engagement in spreading America's message of democracy to the emerging influential countries, including China and India.<sup>98</sup>

While information was a key component of national power used in the Cold War, it was largely dismantled afterwards. Therefore, the Under Secretary of State for Public Diplomacy and Public Affairs announced in October 2008 "a shift in focus and emphasis to the war of ideas" in order to "isolate and reduce the threat of violent extremism, not with bombs and bullets, of course, but with words, images and deeds."<sup>99</sup> Key actions in Pakistan, a source of support for Afghan insurgents, are designed to challenge the ideology "that justifies and spurs the violence" and to "cut off the flow of recruits." Other actions publicize terrorist attacks against civilians, which has reduced favorable public opinion toward Al Qaeda and suicide bombing.

The U.S. Army has incorporated the principles of stability operations in several Field Manuals (FM), in particular, FM 3-24 "Counterinsurgency" issued December 2006, FM 3-0 "Operations" issued February 2008 and FM 3-07 "Stability Operations" issued October 2008. FM 3-07 is a capstone publication which reflects a transition in military operations to "an era of persistent conflict" with an interagency approach. It views the basis of conflict due to "a fundamental clash of ideologies and cultures, waged across societal abysses separating rich ethnic and religious traditions and profound differences in perspective." FM 3-07 identifies the greatest threats to U.S. security originating from "nations unable or unwilling to meet the basic needs and aspirations of their people." It defines stabilization as "the process by which underlying tensions that might lead to resurgence in violence and a breakdown in law and order are managed and reduced, while efforts are made to support preconditions for successful long term

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<sup>98</sup> Congressional Research Service, "Diplomacy for the 21<sup>st</sup> Century: Transformational Diplomacy," CRS Report for Congress (Washington, D.C., CRS, August 23, 2007).

<sup>99</sup> U.S. Department of State, "Briefing on U.S. Diplomacy and the War of Ideas," Washington, D.C., October 28, 2008.

development.”<sup>100</sup> Finally, FM 7-0, “Training for Full Spectrum Operations” issued December 2008 outlines “the Army’s new operational concept” which require additional technical, interpersonal and leadership skills in order to lead operations that have changed as a result of 9/11.

U.S. military doctrine, the Department of State’s Office of the Coordinator of Reconstruction and Stabilization (S/CRS) operating principles as well as Non-governmental and International Organization guidelines highlight the need to identify the underlying causes of conflict. While S/CRS has not taken a leading role in either Iraq or Afghanistan, it has developed an interagency conflict assessment framework as the basis for understanding how to conduct stability and reconstruction efforts. FM 3-07 is described as the first doctrine of its type to “capture and define a national approach to conflict transformation.”<sup>101</sup> In particular, it reflects the critical role of the military to ensure civil security which is the basis for post-conflict development. Lastly, the United States Institute for Peace issued a guide for post-conflict reconstruction and stability operations that include five end states, including establishing security, rule of law, a stable democracy, sound economy and provision of social services.<sup>102</sup>

The Center for Strategic and International Studies has noted how “America has made the war on terror the central component of its global engagement” and over emphasized the use of military force rather than a balanced use of all elements of national power including diplomatic, economic and information.<sup>103</sup> In a series of speeches over the past 18 months at the National Defense University,<sup>104</sup> Kansas State University and in Washington, D.C,<sup>105</sup> as well as a recent

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<sup>100</sup> U.S. Department of Army, *Field Manual 3-07: Stability Operations* (Washington, D.C.: U.S. Government Printing Office, October 2008):Glossary,10.

<sup>101</sup> Lt. General William B. Caldwell, IV and Lt. Col. Steven M. Leonard, “Field Manual 3-07, Stability Operations: Upshifting the Engine of Change,” *Military Review* (June 2008).

<sup>102</sup> Robert M. Perito (ed), *Guide for Participants in Peace, Stability and Relief Operations*, Washington, D.C.: United States Institute of Peace, 2007.

<sup>103</sup> Center for Strategic & International Studies (CSIS), *CSIS Commission on Smart Power: A smarter, more secure America*, Washington, D.C.: CSIS Press, 2007.

<sup>104</sup> Robert M. Gates, “Speech Secretary Gates’ Speech at National Defense University,” Washington, D.C. (September 2008).

<sup>105</sup> U.S. Department of Defense, “Remarks as Delivered by Secretary of Defense Robert M.

article in *Foreign Affairs* magazine,<sup>106</sup> Secretary of Defense Gates outlined our post Cold War, 9/11 security challenges which include a “prolonged, worldwide irregular campaign” against “violent extremism.”<sup>107</sup> Mr. Gates argues that in order to meet these challenges, it necessary to strengthen nonmilitary or “soft power” elements of national power. Joseph Nye, Jr. who coined the term soft power describes it as “the ability to get what you want through attraction, rather than coercion or payments.”<sup>108</sup> Soft power is a function of a nation’s culture, political values and foreign policy. In his speech on November 26, 2007 in Manhattan, Kansas, Mr. Gates stated “that one of the most important lessons from our experience in Iraq, Afghanistan and elsewhere has been the decisive role reconstruction, development and governance plays in any meaningful, long-term success.”<sup>109</sup> Mr. Gates has argued for unconventional thinking that contrasts with U.S. military history, culture and doctrine.

## **Opium, Insecurity and Stability**

The problem of opium in Afghanistan is multidimensional, as well as a symptom of insecurity, corruption and poor governance. The Islamic Government of Afghanistan describes the opium economy as “the single greatest threat to Afghanistan’s stability.”<sup>110</sup> The country’s National Drug Control Strategy outlines an integrated approach that reflects how the opium economy has become “interwoven” in the “fabric” of the country and that strengthening institutions, security and economic development are all necessary in order to reduce the incentives for producers, traffickers and users.<sup>111</sup> The strategy has four components: disrupting

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Gates,” Washington, D.C. (January 26, 2008).

<sup>106</sup> Robert M. Gates, “A Balanced Strategy: Reprogramming the Pentagon for a New Age,” *Foreign Affairs* 88, no. 1 (January/February 2008).

<sup>107</sup> Gates, 2008, 29.

<sup>108</sup> Joseph Nye, Jr., *Soft Power: The Means to Success in World Politics*, New York: Public Affairs (2004),

<sup>109</sup> Robert M. Gates, “Beyond Guns and Steel: Reviving the Nonmilitary Instruments of American Power,” *Military Review* (June 2008).

<sup>110</sup> Islamic Republic of Afghanistan, National Drug Control, 2006:145.

<sup>111</sup> Islamic Republic of Afghanistan, “National Drug Control Strategy: An updated Five-Year Strategy for Tackling the Illicit Drug Problem,” Ministry of Counter-Narcotics (Kabul, January 2006).

drug trade; strengthening opportunities for alternative livelihoods for producers; reducing demand and treating addicts; and, strengthening law enforcement and other state agencies involved in counter-narcotics. There have been reports that Afghan President Karzai's brother is involved in heroin trafficking and allegations that senior officials in the Afghanistan government benefit from the drug trade, but that there is an "absence of political will in the Afghan government" to target major drug traffickers.<sup>112</sup> The United Nations Office on Drugs and Crime has urged NATO forces in Afghanistan since 2006 to take military action in support of the country's counter narcotics strategy.<sup>113</sup>

The Government of Afghanistan, as well as the U.S. military, have been reluctant to focus on eradication efforts because of its direct impact on the source of livelihoods for Afghan farmers. The ISAF counter narcotics strategy, led of the United Kingdom, noted in October 2007 that it "is not directly involved in poppy eradication, nor does it participate in the destruction of processing facilities, or in any military action against narcotic producers."<sup>114</sup> Recently, NATO commander General John Craddock has received authority for NATO-led ISAF forces to destroy "drug laboratories and drug trafficking facilities --- not the farmers."<sup>115</sup> Most opium is processed into heroin or morphine in the country or along the borders for sale in Europe through Pakistan, Iran and Central Asia. Both Afghanistan and Pakistan are included in the Annual Report on the Major Illicit Drug Producing Countries; although the President determined that these countries have honored their international obligations under counter narcotics treaties and conventions.

The U.S. Counternarcotics Strategy for Afghanistan supports the country's strategy through public information efforts; alternative development; strengthening interdiction; promoting justice; and supporting poppy eradication. Alternative development is the carrot which

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<sup>112</sup> James Risen, "Reports link Karzai's brother to Afghanistan Heroin Trade," *New York Times*, October 5, 2008.

<sup>113</sup> "U.N. Urges NATO to Destroy Afghanistan's Opium Crop," *Fox News*, September 12, 2006.

<sup>114</sup> NATO, Media Operations Center, [www.nato.int/isaf/topics/](http://www.nato.int/isaf/topics/).

<sup>115</sup> "NATO troops must take on Afghan drugs trade: commander," *Afghan News.net.*, September 24, 2008.

provides options for livelihoods other than opium. In particular, the Strategy counters arguments that eradication is a coercive measure which will “alienate the rural population and drive them to the Taliban insurgency.”<sup>116</sup> The U.S. Strategy quotes counterterrorism expert David Kilcullen who dismisses the impact of eradication on farmers livelihoods because only a small proportion (“less than 10 percent of the Afghan population”) is engaged in production.<sup>117</sup> In addition, the report notes that eradication has been a successful component in the Andes, Pakistan and Thailand in combination with economic incentives.

A comprehensive evaluation of alternative development in Southeast Asia and the Andes by the U.N. Office on Drugs and Crime concluded that, “forced eradication is at best a dubious practice.”<sup>118</sup> The former U.S. Coordinator for Counternarcotics and Justice Reform in Afghanistan, Ambassador Thomas Schweich also dismissed Afghanistan government concerns about the potential for “a significant population backlash” from aerial spraying.<sup>119</sup> Both Kilcullen and Ambassador Schweich’s arguments are perplexing (imagine the impact if civilian casualties in an operation were 10 percent), because they view drugs as a simple problem that can be solved through a tactical operation and discount the linkages to the economy. There are also questions about the effectiveness of eradication in an overall strategy. The UN Office of Drugs and Crime reported a decline in the area planted in opium by nearly 19 percent in 2008 due to political leadership by governors, and the relative price advantage of wheat versus opium. The report notes that efforts at eradication were “ineffective in terms of results, but very costly in terms of lives (lost).”<sup>120</sup> A number of monographs by military officers have been written on the impact of opium and security which include policy recommendations. Most of these studies, though not all, recognize that eradication is not the answer and reflect an understanding of the dynamics of this

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<sup>116</sup> U.S. Department of State, “U.S. Counternarcotics Strategy for Afghanistan,” compiled by Amb. Thomas A. Schweich (Washington, D.C., August 2007).

<sup>117</sup> U.S. Department of State, Counternarcotics Strategy, 30.

<sup>118</sup> U.N. Office of Drugs and Crime, “Alternative Development: A Global Thematic Evaluation,” (New York, UNODC, 2005).

<sup>119</sup> Thomas Schweich, “Is Afghanistan a Narco-State,?” *The New York Times Magazine*, (July 17, 2008).

<sup>120</sup> UN Office of Drugs and Crime, Alternative Development, vii.



complex problem. For example, despite the monograph title “Opium - The Fuel of Instability in Afghanistan: Why the Military Must be Involved in the Solution, and Recommendations for Action,” the author, Maj. Thomas Duncan, U.S. Army, concludes that opium is a contributing, but not the sole factor in Afghanistan’s instability, and that “eradication is not the answer.”<sup>121</sup>

Some development experts, U.S. officials and allies, are concerned about secondary effects of poppy eradication on the potential for conflict, and that the focus of foreign assistance in counter narcotics represents “lopsided priorities.”<sup>122</sup> There is a recognition that the drug economy is interwoven in the country but the concern is that eradication may be too drastic a surgery and kill the patient. In a review of the interaction of agricultural drug economies and conflict, Chouvy and Laniel conclude that Afghanistan’s opium economy emerged as a livelihood strategy due to conflict, and that eradication may “constitute a grave risk of destabilisation” due to the social and political risks that the country faces.<sup>123</sup> A joint Department of Defense/State Inspectors General review of the USG counter narcotics program concluded “there is no evidence indicating a positive correlation between alternative livelihoods programs and reduction in poppy acreage” and that the linkage created a “perverse” incentive for poppy growers to receive assistance.<sup>124</sup> An interagency team, including farmers, retired military officers and a former Deputy Agriculture Secretary, concluded that “Destruction of poppies throughout the country - if achievable and sustainable - would create massive economic disruption and hardship, and no doubt recruit many more volunteers for the insurgency.”<sup>125</sup> In Congressional testimony on the FY09 Defense budget and operations in Afghanistan and Iraq, Secretary Gates stated-

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<sup>121</sup> Thomas A. Duncan, “Opium -- The Fuel of Instability in Afghanistan, *Master’s monograph*, United States Army Command and General Staff College, (Fort Leavenworth, 2007):54.

<sup>122</sup> Barnett R. Rubin and Omar Zakhilwal, “A War on Drugs, Or a War on Farmers?,” *Wall Street Journal*, January 11, 2005.

<sup>123</sup> Pierre-Arnaud Chouvy and Laurent R. Laniel, “Agricultural drug economies: cause or alternative to intra-state conflicts?,” *Crime Law Soc Change* 48 (2007).

<sup>124</sup> U.S. Department of State and U.S. Department of Defense, “Interagency Assessment of the Counternarcotics Program in Afghanistan,” Department of State Report No. ISP-I-07-34 and Department of Defense Report No. IE-2007-005 (Washington, D.C., July 2007):5.

<sup>125</sup> Edward Borchardt, Austin Carson, Frank Kennefick, James Moseley, William Taylor, Harlan Ullman and Larry Wentz, “Winning the Invisible War: An Agricultural Pilot Plan for Afghanistan,” *Defense & Technology Paper*. National Defense University (Washington, D.C., January 2008).

My view is that if you're going to eradicate a man's crop, you'd better be there the day before with money and seeds to let him know that he's going to have a livelihood for the next year. And you'd better have roads so that he can take those crops to market. So I think we have to do all these things at once. You can't do it serially, kind of doing one thing and then do another, it seems to me.<sup>126</sup>

Opium has traditionally been grown in Afghanistan and its area has been relatively stable until the anti-Soviet resistance. The National Drug Control Strategy outlines the expansion of opium production and the drug economy in response to the conflict.<sup>127</sup> During the Soviet occupation, the Afghanistan "countryside became a battle zone" as rural infrastructure was destroyed, assets were lost, and many farms were abandoned. Farmers increasingly began to rely on opium as a livelihood strategy particularly in isolated areas. Opium had a number of advantages because it is tolerant of dry conditions, can be transported easily, and is linked with international markets. After the Soviet withdrawal, opium production continued for a number of reasons, including: increased prices due to the efforts by other countries to reduce their production; as a source of funding for arms; and increased reliance on the crop by farmers due to the weakness in the rural economy. Opium now represents one-third of the total economy although it is grown on only two percent of the arable land.<sup>128</sup> Incentives to produce opium are generally thought to be economic: returns typically are three times that of wheat. The UN Office of Drugs and Crime (UNODC) reports that opium was grown in 2008 by 2.4 million farmers who grossed nearly \$2,000 per household from the crop.<sup>129</sup> The per capita gross income from opium poppy is estimated at \$307 (compared to Afghanistan's per capita GDP of \$415). In the past few years opium acreage has expanded primarily in areas of insecurity. As a result, the UNODC concluded that, "opium cultivation in Afghanistan is no longer associated with poverty - quite the

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<sup>126</sup> U.S. Congress, "Fiscal Year 2009 Defense Authorization Request, Future Years Defense Program, and Fiscal Year 2009 Request for Operations in Iraq and Afghanistan," Hearing of the Senate Armed Services Committee (Washington, D.C, February 6, 2008)15.

<sup>127</sup> Islamic Republic of Afghanistan, National Drug Control Strategy, 2006.

<sup>128</sup> The World Bank, February 2008, p iii

<sup>129</sup> UN Office of Drugs and Crime. Afghanistan Opium Survey 2008. August 2008.

opposite ... and is now closely linked to the insurgency.”<sup>130</sup> Several Afghan experts, including Barnett Rubin, have challenged these conclusions which they believe were made to support a policy position (of the USG) to expand forced eradication.<sup>131</sup> These experts believe that small holders or landless farmers plant opium in order to gain access to land and credit, which is also used to finance wheat and other food crop production, as well as to meet basic needs during the prior to harvest when food availability is low (hungry season).<sup>132</sup> The leading ex-pat expert on Afghan poppy, David Mansfield notes “the high level of coincidence” between poverty, conflict and poor governance in rural Afghanistan where opium is grown.<sup>133</sup> Currently, the worldwide price of wheat and other grains have increased due to increased demand from China and other countries, and reduced supply due to diversion of grains for bio-fuel and stagnation of agricultural yields in many developing countries. The price for wheat in Afghanistan has tripled to \$160 per kg, which is nearly twice that of opium. As a result, some farmers are planting wheat instead of opium. As noted in a recent report-

The likelihood that Afghan farmers will stop growing poppies is remote. Bad roads, checkpoints, and corrupt intermediaries make it hard for many farmers to transport their wheat surpluses to market. For now, most farmers are finding that extra wheat makes it easier to feed their families or sell locally. But, interestingly, it was supply and demand – not aggressive antidrug efforts – that made the progress possible.<sup>134</sup>

## **USG Agriculture Development Efforts**

USAID’s overall agriculture strategy for developing countries is to “link farmers to markets,” and the Afghanistan strategy conforms to this approach. However, another model for agriculture revitalization in Afghanistan may be a focus on improved productivity of staple

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<sup>130</sup> U.N. Office of Drugs and Crime, Afghanistan’s Opium Survey 2008 Executive Summary (Vienna: UNODC, 2007).

<sup>131</sup> Barnett R. Rubin, “Poverty and Opium Poppy Cultivation in Afghanistan: Open Letter to UNODC and Reply,” blog posted on January 18, 2008, [icga.blogspot.com/2008/01](http://icga.blogspot.com/2008/01).

<sup>132</sup> U.N. Office of Drugs and Crime, “Discussion Paper: Is poverty driving the Afghan opium boom?” (Vienna, UNODC, March 2008).

<sup>133</sup> David Mansfield, personal communication, September 8, 2008.

<sup>134</sup> “The Poppy Trade,” *Foreign Policy*, (Sep/Oct 2008):30.

products, along with investments in irrigation, inputs and marketing links. This approach offers a promising alternative to a commercial, export-oriented strategy, and may offer greater gains in reducing poverty, improving food security and increasing economic opportunity. There is also some historical precedent, potential for regional support, and demonstrated success among similar agrarian countries for this approach.

At the request of the Government of Afghanistan, a USG agriculture research team prepared a report in 1967 that outlined the key policy, production and marketing efforts needed to increase stagnant wheat productivity.<sup>135</sup> The United States provided food aid and economic assistance to Afghanistan, including \$18.3 million to develop the Helmand Valley for construction of dams and irrigation facilities.<sup>136</sup> These efforts included the use of improved wheat varieties developed in Mexico (through Norman Borlaug's work) and along with a package of chemicals and fertilizer, increased traditional yields in the Helmand Valley from 16.5 to 50 bushels per acre.<sup>137</sup> The "Mexi-Pak" wheat was adopted quickly through field demonstrations and word of mouth between farmers. The development of the Helmand Valley was a large scale infrastructure project, initially financed by the Government of Afghanistan through a contract with a prominent U.S. engineering firm, then later with U.S. foreign assistance funding and technical assistance from 1949 until the Soviet invasion in 1979. A USAID evaluation of the project reflected many challenges in large scale development projects - differing donor vs. host country objectives (economic vs. political), lack of planning (inadequate surveys), as well as technical constraints which developed (soil salinity).<sup>138</sup> Some viewed the project as having "ambiguous results" and an example of "the overambitious and underachieving foreign aid

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<sup>135</sup> U.S. Department of Agriculture, "Agricultural Development in Afghanistan with Special Emphasis on Wheat," A Report to the Royal Government of Afghanistan by the United States Agricultural Review Team, Kabul, 1967.

<sup>136</sup> U.S. Department of Agriculture, Economic Research Service, "Agriculture in Afghanistan's Economy," ERS-Foreign 194, Ray S. Fox (Washington, D.C., 1967).

<sup>137</sup> U.S. Agency for International Development, "An Asian Breadbasket: Helmand Valley," Jerry E. Rosenthal, Washington, D.C.

<sup>138</sup> U.S. Agency for International Development, "A.I.D. Evaluation Special Study No. 18: The Helmand Valley Project in Afghanistan," PN-AAL-028, Cynthia Clapp-Wincek, December 1983.

programs of the cold war era.”<sup>139</sup> In addition, some concluded that the problems with the project and the lack of continued support by the U.S. pushed Afghanistan closer to the Soviet Union and described the dam as a symbol of “the transformation of the nation” to modernity.<sup>140</sup> However, the project did result in some remarkable impacts, including increased land under cultivation from 77,000 to 145,000 hectares, increased average farm incomes as much as 10-fold, and 5,500 resettled, nomadic families. The main crop grown was wheat, although cotton acreage increased. Farmers near Kandahar generated nearly twice the income of those near Helmand, because it was an established area for fruit production and benefited from Kandahar’s urban market.

When the Soviets invaded Afghanistan, the Americans abandoned the Helmand project and its multiple problems were not addressed, and the irrigation infrastructure deteriorated. A comparable large scale irrigation effort funded by the Soviets in Nangarhar Valley also faced technical, operational and other difficulties. These two projects diverted much of the country’s agriculture budget and dissuaded donors from starting up new projects.<sup>141</sup> As a result, there was limited funding to extend the technologies of the Green Revolution which had remarkable impact in Asia, and the availability of improved seeds, fertilizer, and productivity remained low. An interesting exchange revealed in a recently declassified Department of State telegram, dated July 6, 1973. The substance of the telegram is a response to an Inspector General report that apparently criticized the Helmand Valley project because of evidence that some of the land (an estimated 10 - 15 percent overall) was planted in opium. The U.S. Mission/Afghanistan challenged the Inspector General’s premise that water, inputs or technical assistance could be selectively withheld from farmers that planted opium, and only one- two percent of land within the USAID supported project area was planted in opium, demonstrating that with supportive

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<sup>139</sup> Shaista Wahab and Barry Youngerman, *A Brief History of Afghanistan*, New York (2007):116.

<sup>140</sup> Nick Cullather, “From New Deal to New Frontier in Afghanistan: Modernization in a Buffer State,” Working Paper #6, New York University, New York (August 2002).

<sup>141</sup> Afghanistan: A Country Study. 1986

conditions, the incentives for producing opium were reduced.<sup>142</sup>

USG assistance to Afghanistan returned when the Soviets left in 1989. The U.S. General Accounting Office (GAO) reviewed the USG's food relief and agriculture development efforts in Afghanistan from 1999 - 2002 titled "Lack of Strategic Focus and Obstacles to Agricultural Recovery Threaten Afghanistan's Stability."<sup>143</sup> In this report, GAO concluded that international efforts over this period were short-term and "did not contribute significantly to the reconstruction of the agricultural sector, "due to ongoing conflict and drought."<sup>144</sup> GAO noted concerns with future efforts due to the lack of coordination between the USG and the Government of Afghanistan, inadequate resources, and U.S. regulations which limit the flexibility for local purchase and shipment of food aid. The lead USG agencies, USDA, State and USAID all agreed with GAO's recommendation that a coordinated agricultural rehabilitation strategy was needed; however, USAID deferred to the UN's Food and Agriculture Organization (FAO) to take the lead to develop the strategy contrary to GAO's recommendation.

USAID took exception to the title of the GAO report that "suggests agricultural sector difficulties are the causal link to Afghanistan's instability" and stated that other factors are far more significant, in particular, the ongoing attacks by Taliban forces and control by warlords. GAO did not agree and countered that "the link between food security and political stability is recognized by the international community not only in Afghanistan but also in other areas such as southern Africa."<sup>145</sup> Unfortunately, this point and counter-point did not lead to discourse or greater understanding of the problem, and reflects the USG policy to define stability operationally as a function of the immediate threats to governance and security, rather than the underlying conditions which require long term solutions. It also signaled how USAID's agriculture

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<sup>142</sup> U.S. Department of State, "Poppies in the Helmand Valley," *Telegram 4948*, from the Embassy in Afghanistan to the Department of State (July 6, 1973).

<sup>143</sup> U.S. General Accounting Office (GAO), "Lack of Strategic Focus and Obstacles to Agricultural Recovery Threaten Afghanistan's Stability," GAO (June 2003).

<sup>144</sup> GAO, Lack of Strategic Focus, 3.

<sup>145</sup> GAO, Lack of Strategic Focus, 75 and 77.

development strategy would be oriented with respect to conditions of security, rather than stability.

Afghanistan traditionally exported fruits and nuts which contributed up to 50 percent of the country's export earnings prior to the war, so there is a great potential to revitalize this sector.<sup>146</sup> USAID's agriculture director for Afghanistan, has claimed that development of an industrial park with cargo services in Helmand "will open up the whole south" for agricultural exports.<sup>147</sup> Outside experts, including commercial farmers see great potential for horticulture exports through an agribusiness chain and should be encouraged.<sup>148</sup> However, this model for agricultural development may lead to a shift away from meeting basic needs with adverse social and economic consequences.<sup>149</sup> In particular, the dependency on an agricultural export economy may lead to increased conflict if land holdings become concentrated or producers lose their land holdings.<sup>150</sup> In addition, some NGO and agricultural experts in country believe that there is an opportunity cost that has been lost through "simple investments." They point out, for example, those improvements in animal health "could have reaped huge benefits," whereas the USAID program has "focused resources on building large-scale, integrated agri-businesses."<sup>151</sup>

The USAID alternative livelihoods program is robust, linked with efforts to improve the enabling environment, including infrastructure, finance and other components, and leverages the expert advice of the U.S. Army National Guard, U.S. Department of Agriculture, private sector and other key partners. In particular, the efforts by U.S. Army National Guard soldiers, recruited from farm states, are providing direct and useful experience to Afghan farmers to improve

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<sup>146</sup> "Promoting alternatives to poppy cultivation in Afghanistan," *FAO Newsroom*, November 15, 2004.

<sup>147</sup> David Rohde, "Taliban Raise Poppy Production to a Record Again," *New York Times*, August 27, 2007.

<sup>148</sup> Edward Borchardt, Austin Carson, Frank Kenefick, James Moseley, William Taylor, Harlan Ullman and Larry Wentz, "Winning the Invisible War: An Agricultural Pilot Plan for Afghanistan," *Defense & Technology Paper*, National Defense University, Washington, D.C. (January 2008).

<sup>149</sup> Janvry and LeVeen, *Historical Forces*, 1986.

<sup>150</sup> Jeffrey Paige, *Agrarian Revolution: Social Movements and Export Agriculture in the Underdeveloped World* (New York, The Free Press, 1975)

<sup>151</sup> Jon Boone, "Forgotten fields in the battle to revive Afghanistan" *Financial Times*, June 12, 2007.

irrigation, crop storage and livestock management as alternatives to opium poppy.<sup>152</sup> In addition, the alternative livelihoods program is extended in areas of instability through the interagency Provincial Reconstruction Teams (PRTs). A review of the effectiveness of reconstruction projects in decreasing insurgent attacks from January 2004 to June 2007, concluded that projects focused on rural farming and irrigation decreased Taliban presence.<sup>153</sup> On the other hand, “small-scale security projects, rather than decreasing attacks, actually increased Taliban attacks “and construction of “health clinics, schools, good governance and social development” did not have any impact on reducing the threat from the insurgency. However, it is not clear from this study the extent to which the population was involved in the project selection or implementation. The experience of Greg Mortenson, who established a foundation which has funded thousands of schools in Pakistan and Afghanistan, is that when the rural population participates actively in all aspects of the project, including its construction, the school is valued and unlikely to be destroyed.<sup>154</sup>

The PRT is a model for establishing security and providing services to populations in insecure environments, in which the military is involved in both security as well as reconstruction operations. In the U.S. PRTs, the DOD provides security and works in conjunction with interagency colleagues with USAID, DOS and others. An April 2007 report to Congress raised concerns with how PRTs were linked strategically and operationally to support USG and host country objectives, as well as measures of performance.<sup>155</sup> However, the report does not raise fundamental questions about the conditions under which reconstruction can occur. Joel

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<sup>152</sup> James MacPherson, “Guardsmen helping Afghan farmers to grow wheat,” *The Associated Press*, August 14, 2008.

<sup>153</sup> Thomas J. O’Connell, Jr., “Afghanistan Reconstruction - A Quantitative Analysis of the International Effort,” *Master’s thesis*, Naval Postgraduate School, Monterey, CA (March 2008). The database in the above study represented \$3.7 billion and 47,543 projects implemented by PRTs, a variety of aid organizations, as well as the government of Afghanistan.

<sup>154</sup> Greg Mortenson and David Oliver Relin, *Three Cups of Tea: One Man’s Mission to Promote Peace ... One School at a Time*, New York: Penguin Books (2006).

<sup>155</sup> U.S. Congress, House Committee on Armed Services, “Agency Stovepipes vs. Strategic Agility: Lessons We Need to Learn from Provincial Reconstruction Teams in Iraq and Afghanistan” (April 2008).



Hafvenstein, who worked for a leading USAID contractor in Helmund province in alternative development and whose project ended when several staff were killed by the Taliban, stated “there is no good model for carrying out development in a place where we were being targeted for murder.”<sup>156</sup> He characterized the work of most PRTs and USAID’s programs as the “militarization of development.”<sup>157</sup> Dick Scott, a retired USAID officer, stated that aid funds have not been spent on projects that meet the needs of the population that the U.S. is attempting to influence. He states -

For example in Helmand where 65% of Afghanistan’s opium poppy is cultivated, we have consistently ignored support for the traditional cash crops of the region like cotton (with a functioning cotton gin built in the 1960s with US made ginning equipment) which the farmers have been requesting help with as a prerequisite for getting out of opium cultivation. The media publicizes produce like pomegranates, grapes, various nuts and peppers as breakthroughs in the “opium war” “...crops that have little significance in this traditionally cash crop, double cropping province. . . Ignorance of what the region represents, past and present” is a key element in “the failure of our reconstruction effort in Helmand” which has “resulted in the explosion of opium poppy cultivation and the return of the Taliban.”<sup>158</sup>

Mr. Scott was responding to an article by Mark Ward, a former USAID senior official, who believes that economic assistance results have been undermined because of security constraints that limit Foreign Service officers from interacting effectively with Afghans.<sup>159</sup> However, in assessing the limited impacts, Mr. Ward did not consider other factors that appear more relevant, including the USG’s strategic approach, coordination of effort, and staff constraints - including, lack of training, knowledge and one-year assignments (pointed out by Mr. Scott). Nor did he address the larger strategic question of the limits to which reconstruction can be accomplished in a hostile environment. In fact, nearly 300 USAID-funded contractor staff

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<sup>156</sup> Joel Hafvenstein, *Opium Season: A Year on the Afghan Frontier*, Guilford, CT: The Lyons Press (2007):312.

<sup>157</sup> Hafvenstein, *Opium Season*, 312.

<sup>158</sup> Dick Scott, “Aid workers too isolated,” blog entry, December 27, 2008, <http://www.cmonitor.com>.

<sup>159</sup> Mark Ward, “Foreign aid workers too isolated to help Afghanistan’s people,” *The Washington Post*, December 27, 2008.

have been killed in Afghanistan by insurgents, which reflect “the highest death rates for the Agency since Vietnam.”<sup>160</sup> An audit of USAID’s \$166 million Alternative Development Program in the south concluded the “efforts have had limited impact on the overall U.S. strategy for reducing poppy production in Afghanistan” due to insecurity and related factors.<sup>161</sup> USAID recently issued a Request for Proposals (RFP) to award a contract for a follow up Alternative Development Program in southern Afghanistan of up to \$375 million of a three-year base (and two year option period). The terms of the contract proposal state the focus is on “significantly reducing and ultimately eradicating poppy production in the more insecure and unstable Southern provinces of Afghanistan.”<sup>162</sup> In addition, it notes that the specific geographic areas will need to be agreed upon and may shift during implementation, presumably in response to changing patterns of opium cultivation. USAID’s strategy is focused on commercial agriculture and the impact on food security is not a measure of performance;<sup>163</sup> in particular, an underlying objective is to reduce wheat acreage because it is viewed as unproductive and vulnerable to drought.<sup>164</sup> However, this approach does not recognize the demonstrated potential for increasing staple crop and livestock productivity, its role in promoting food security and contributions to long-term stability.

## **Conclusion: Soft Power, Hard Choices**

Afghanistan is a complex challenge for establishing security and promoting economic development. Its poverty is the result of its isolation, conflict and lack of effective governance,

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<sup>160</sup> Andrew Natsios, “The Aid Wars,” *The American Interest* IV, no. 1 (Sep./Oct. 2008): 122.

<sup>161</sup> U.S. Agency for International Development, Office of Inspector General, “Audit of USAID/Afghanistan’s Alternative Development Program-Southern Region,” Audit Report No. 5-306-08-003-P (Manila, Philippines, March 17, 2008):1.

<sup>162</sup> U.S. Agency for International Development/Afghanistan, “*Request for Proposal (RFP) No. 306-08-028 Incentives Driving Economic Alternatives - South (IDEA/S) program*,” September 19, 2008, [www.usaid.gov/afghanistan](http://www.usaid.gov/afghanistan).

<sup>163</sup> U.S. Agency for International Development/Afghanistan, “ASAP Bi-Weekly Report,” January 1-15, 2009, Kabul, Afghanistan.

<sup>164</sup> Loren Stoddard, personal communication, February 7, 2009.

and its destiny has been shaped in part by the interests of regional and international powers. The USG's approach to Afghanistan has been to use all the elements of national power - defense, diplomacy and development (3Ds), to promote stability and reconstruction, although foreign policy continued to be shaped primarily by the military. These elements provide not only tools, but frame the problem in different ways based on one's perspective; Afghanistan can be seen in a poverty trap (development), as a failed state (diplomatic), and a security threat (defense).

Unlike the West, Afghanistan is essentially an agrarian society and poorer than its neighbors. The Soviet invasion and occupation from 1979 - 1989 destroyed rural villages, people and institutions and caused a humanitarian, economic and social disaster. The impacts have fostered the development of a war economy based on drugs, smuggled goods and corruption. The results from development efforts in Afghanistan demonstrate that investments in agriculture can reduce violence, and are a key priority of the people and the government of Afghanistan. Many studies have demonstrated how increased agricultural productivity is the key to reducing poverty, particularly when it is based on staple crops. Afghanistan has the potential to meet a greater proportion of its food needs, as well as revitalizing traditional exports.

The U.S. has provided significant foreign aid to develop Afghanistan's agriculture sector, including investments in irrigation infrastructure, improved technology and access to markets. However, there are limits to the U.S. approach because the bulk of agriculture sector support is provided as a tactic in the war against drugs, in which opium farmers are the target. In addition, western models for developing niche markets for export crops have been promoted, rather than efforts to improve productivity of basic food and livestock products, which have a greater potential to reduce poverty, increase food security and contribute to broad-based economic growth. In order to promote conditions for long-term stability, a more balanced approach is needed that is more fully aligned with Afghanistan's conditions, and potential.

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