Abstract:
This article investigates the role of ‘One Belt One Road Strategy’ as a policy production to replace the function of traditional develop aid model in Afghanistan’s reconstruction and development. Afghanistan’s emergence and its characteristics as the one of most significant fragile and conflict-affected states have been attended by both academic and professional communities in the past decade. This study aims to bridge the theses of Afghanistan, traditional development aid model and ‘One Belt One Road’ strategy. The focus is on exploring the insufficiencies of traditional develop aid model, which are replenished by ‘One Belt One Road Strategy’. This study reveals new insights into the different patterns between the traditional aids model and the ‘One Belt One Road’ strategy in terms of social-economic backgrounds, local security, and regional economic development. The findings are useful to better understand the nature of ‘One Belt One Road’ strategy in developing the regional economy, and to contribute to the emerging bodies of academic research on fragile states; post-conflict reconstruction and stabilization; and applied and theoretical economic growth models.

Key Words: Traditional Develop Aid Model; ‘One Belt One Road Strategy’; and Afghanistan

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Introduction:

Over the past two decades, both academic and professional communities have increased their attention on the question of how best to assist fragile and conflict-affected states in the pursuit of stability and economic development (Katsimpras 2012). With Afghanistan at the forefront of this debate, “a major shift [has occurred] in the way development outcomes, priorities and results are defined” (Davies, Missika & Petrie 2011, p. 17). After September 11, 2011, the international community realized that fragile states such as Afghanistan were a threat to global security. According to the United States 2002 Strategy Paper, “The events of September 11, 2001 taught us that weak states, like Afghanistan, can pose as great a danger to our national interests as strong states” (U.S. Strategy 2002, p. 5).

During the past decade, fragile states have received more attention than at any time in the past, “more than doubling [non-military aid] from $92 billion in 1992 to

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around $200 billion in 2008 ... [and] $3.2 trillion between 1960 and 2008” (Fengler & Khare 2011, p. 2). In spite of billions of dollars in foreign aid, the people of Afghanistan are still suffering from a massive population of unemployment and hardscrabble living standards. The international donors generally focus on using the traditional development aid model to help the quintessential failed state in the economic development, especially to advance the local security in an increasingly integrated world economy.

Recently, however, a consensus has emerged, not only within academia and in communities of practitioners, but also within the international organizations themselves, that a new way of thinking is required to better utilize aid for fragile and conflicted-affected states to achieve stability, and develop sustainable economies. The World Bank’s World Development Report argues that countries characterized by “institutional fragility” and a history of conflict and violence cannot achieve even one of the “Millennium Development Goals” unless a significant shift takes place in how they address the critical root causes of poverty and instability (WDR 2011, p. 87). Fengler and Khares have further argued that “the core of the aid architecture—the set of rules governing aid flows—has changed little over the past few decades ... [W]e believe that the developments of the last decade have radically reshaped the aid environment and the traditional arguments no longer hold” (2011, p. 2). The United Nations High Level Forum on Aid Effectiveness that convened in Busan, Korea, from November 29 to December 1, 2011, concluded the following:

> The current ways of working in fragile states needs serious improvement. Despite the significant investment and the commitments of the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008), results and value for money have been modest. (U.N. Busan Report 2011, p. 39)

This article aims to link the Afghanistan’s economic context with the developing aid model to capture the essentiality of Afghanistan as a fragile and conflict-affected state. Comparing the different pattern of aid model, it explores the ‘One Belt One Road’ strategy is more advanced than traditional develop aid model in advocating the internal dynamism of economic development. Following this introduction, the next section is to reveals the needs of bridging the traditional developing aid model and ‘One Belt One Road’ strategy in scholarship. This article concludes with a discussion of findings to better understand the essentiality of ‘One Belt One Road’ strategy in assisting the weak states.

**Traditional Develop Aid Model and Afghanistan**

Experts have referred to Afghanistan as the “quintessential fragile state” (Sigsgaard 2006, p. 10). In late 2001, Afghanistan stood as one of the most impoverished, conflict-prone states in the world and ranked near the bottom of all "human development indicators," including a ranking of first on the Failed State Index of 2002 (Fund for Peace 2003). After 30 years of protracted conflict and isolation, the very fabric of Afghan society had been torn to shreds, social capital was almost non-existent, few institutions had the capacity to address development problems, and the nascent government was barely functioning. Between 1978 and November 2001, in the aftermath of the September 11 attacks, “Afghanistan lost $240 billion in ruined infrastructure and vanished opportunities” (Ghani & Lockhart 2008, p. 75). However, since the United Nations Security Resolution 1378 (UNSC 2001) paved the
way for international engagement, Afghanistan has received “approximately $100 billion” (Brinkley 2013) from the United States in non-military aid, which has resulted in measurable achievements. As Starr with Farhadi observe, Afghanistan is not the same country it was on 9/11. GDP, still miserably low, has risen seven-fold ... In 2001 the national treasury was non-existent; eleven years later domestic revenues have reached $2 billion ... Both maternal and infant mortality have plummeted, while life expectancy has risen by six years ... [T]he number of children has risen from 1.2 million in 2001 to 8.2 million ... And there are now two girls in school for every three boys. The number of students at public and private universities has also grown: from 4,000 to 75,000. (p. 13)

Notwithstanding these impressive achievements and the billions of dollars of aid poured into the country since 2001, Afghanistan is still one of the least developed countries in the world, with a growing population estimated at 30.6 million people, almost half of them under 14 years of age (Ministry of Labor and Social Affairs 2011 pp. 2, 4, 6-8). In its 2010 Annual Report, the Ministry reported that approximately 50% of all Afghans lived on or under $1 a day and that underemployment rates stood at 68% (Ibid 2011). The labor force is expanding by 280,000 new entrants per year, of whom approximately 65% are males under 25 years old. Nadiri has argued that “rapid urbanization—with the urban population likewise rising 300,000 per year—indicates that rural areas do not have the capacity to absorb them” (I. Nadiri, personal interview, November 2011). Despite tremendous improvements, life expectancy is still 48.1 years, and infant mortality is still the highest in the world at 134 per 1,000 live births. Needless to say, Afghanistan is not poised to meet even one of the Millennium Development Goals. At this critical juncture, as the insurgency has intensified and Afghanistan has fallen back into conflict, security has become the overriding priority. As such, Ghani and Lockhart have argued, “The aid system, which was designed for a different era, is now deeply out of synch with the challenges of the contemporary world” (2008, p. 86).

Problem Statement

The primary problem addressed in this study is to the need for an understanding of the current fragile and conflicted-affected states traditional economic development aid model and of its failure to stabilize Afghanistan. The country remains dependent on massive foreign aid and faces heightened violence by an emboldened insurgency, unprecedented levels of narcotics trafficking, pervasive corruption, and declining support from the local populations for the Afghan government and the international community. Potential financial gaps could threaten Afghanistan’s ability to finance its security and other core government functions, which will leave the country vulnerable to further deterioration of security and jeopardize the political, developmental, and security achievements of the past decade. The “economic vacuum” created by the decline in civilian aid and military drawdown will affect the security and political environment in Afghanistan and the entire region for years to come. As a result, Afghanistan, its neighbors, and international partners face a stark choice today: either cling to an unsustainable dependency on foreign aid and troops to promote Afghan economic development and stability, or develop a sustainable economic model based on Afghanistan’s naturally competitive and comparative advantages to stabilize the economy, decrease the dependency on foreign aid, and
forge a transition to self-reliance. Post-2014, both Afghanistan and the international community will need to make economic sustainability and growth a priority in order to achieve security and stabilization. Failure to establish an economic model that will offer reasonable prospects for adequate employment, government revenues, and incomes sufficient for Afghans to support their country’s growing population greatly increases the likelihood of an intensified insurgency and internal conflict. Until the economy creates several hundred thousand sustainable jobs for Afghans each year, the risk of the current conflict spilling over into civil war increases by the day.

Failure of the Traditional Develop Aid Model

On the basis of empirical econometric analysis of development programs in Afghanistan, this study argues that the traditional fragile and conflict-affected state development model has failed to stabilize and develop a sustainable economy for the country due to several structural shortcomings.

First, the traditional development aid model forced a “one size fits all” model upon the complex realities of weak states such as Afghanistan, thereby proving inadequate to the unique demands of the their context and proving time and again to be self-defeating (see: Ghani & Lockhart 2008, p. 5). It designed to strengthen and reform public-sector institutions, assumed a level of competence and capacity, minimum standards of governance, basic operational functionality of the government, and a functioning private sector to meet the demands and conditionalities of the donors. Where these minimum components are present, this model can be effective. In the case of Afghanistan, however, these pre-requisites are missing, and the model is doomed. The traditional development aid model could never have achieved the desired outcomes because it failed to distinguish between a “stable” fragile state that is able to respond to conditionalities and an “unstable” fragile and conflicted-affected state, such as Afghanistan, that is not (J. Robertson, personal interview, June 2013). As such, the essential economic needs of society and ordinary people were set aside until the central government developed the necessary capacity to respond to donor conditionalities rather than the need to affect recovery processes for stabilization and sustainable economic development before the country reverted back to conflict (Robertson 2013). Consequently, the newly established government’s priority should have been to stabilize the country by meeting the demands of its people rather than meeting the demands and conditionalities of the donors (Rosenberger 2011). Former Minister of Finance Dr. Anwar Ahady argued that “most of our precious resources and limited capacity is used solely to satisfy the arduous conditionalities of the donors rather to use these scarce resources and capacity to meet the needs of our people” (2012).

Second, the traditional development aid model’s phasing or sequencing approach has placed the economic issues that are essential for the stabilization of the country “toward the end of the relief-to-development continuum” (Duffield 2001, p. 99–100). Starr and Farhadi observe that...
...these assumptions give rise to an extremely important corollary which, rarely articulated, has nonetheless defined the phasing ... strategy in Afghanistan for a decade. This holds that: (a) the first task is to establish political stability; (b) that then, and only then, will it be possible to address the problem of physical security; and, (c) that only with the establishment of physical security and peace will it be
possible to address the problem of the economy. (2012, p. 10)

Starr and Farhadi further argue that such phasing may work in an ideal world, “but a decade’s experience has shown that people with no economic prospects can easily be recruited by insurgents and participate in criminal narcotics activities which can easily revert the country back to conflict”; indeed, this has been the case in Afghanistan (2012, p. 10). Along similar lines, Collier has argued that “economic growth has proven to be more critical than political reform in preventing a return to conflict” (2007, p. 36).

Furthermore, not only were economic issues placed toward the end of the relief-to-development continuum, but within the economic phases, the software interventions, such as institutional restructuring, institutional reform, fiscal consolidation and severe austerity measures were phased and sequenced over hardware interventions such as essential physical infrastructure required for real economic growth (A. Farhang, personal interview, May 14, 2012). The prioritization of software interventions assumes that a country is stable enough under a strong and legitimate central government to effectively implement the difficult political and economic reforms.

Third, the traditional development aid model has created a “Dutch disease,” economy meaning that Afghanistan remains disproportionately dependent on external foreign aid (Stijns 2003, p. 3). The external foreign aid is to pay its essential bills, provide limited jobs for its people, stimulate economic growth, and equip and train its security forces. Non-military or civilian aid has significantly exceeded Afghanistan’s Gross Domestic Product (GDP) for most of the past decade. In fact, in 2012, civilian aid of $15.7 billion surpassed the GDP ($15.5 billion) of the country by $200 million (MoF 2012, p.4). On the surface, Afghanistan has had strong GDP growth, averaging more than 10 percent annually over the past few years (IMF 2011, p. 5). However, the composition of this growth is skewed significantly by the fact that it is largely derived from private consumption related to foreign aid and military spending (World Bank 2011, p. 3). In 2012, non-military imports were estimated at $10.4 billion, while exports were a mere $388 million (MoC 2013, p.2).

From this significant trade imbalance, we can conclude that the GDP growth and government revenues of the last decade were based largely on importing consumption from foreign assistance rather than capital goods or real growth in employment or the economy. This unsustainable “artificial boost” to GDP is what is referred to as “dutch disease” (Stijns 2003, p. 3).

Fourth, the traditional development model for fragile states has failed to generate sustainable economic growth and jobs on a sufficiently large scale to “win [the] hearts and minds” (Berman et al. 2008, p. 6) of the ordinary people and thereby stabilize the country. According to the National Development Strategy of Afghanistan (ANDS), one of the root causes of the 30-year conflict has been the “extreme poverty” and “joblessness” of the Afghan people (Islamic Republic of Afghanistan ANDS 2008, p. 3). Over the past decade, despite billions of dollars being spent on aid, the Afghan populace has become increasingly dissatisfied and resentful; ordinary people are angry with the lack of economic progress because few if any jobs are available to them. The extreme poverty and joblessness among ordinary people, especially rural youth, has led to the deterioration of democratic governance, which has been manifested in the undermining of the government’s
legitimacy and its ability to deliver public services. The weakening of the government has led, in turn, to further insecurity and corruption, the revival of insurgency, and a negative perception of the international community among the Afghan people. According to Starr and Farhadi, a major reason that the traditional development aid model failed in Afghanistan was because it completely ignored the needs of the ordinary Afghan people, or the “human factor” (2012, p. 10). If ordinary people do not have something to lose, some personal investment in the well-being of the country through jobs and opportunities, security will always be a short-term, unsustainable solution. Ghani and Lockhart write that, “[T]he common people of failing states have no real stake in the success or failure of their countries … [T]hey have no stake in the present since they are totally disenfranchised; they have no stake in the past since it is being stolen from them, as their heritage is destroyed … [F]inally, they have no stake in the future since they see no evidence that the state is bettering their lot” (2008, p. 24). The will of the people is essential in bringing about peace, stability, and sustainable development and in preventing a country from descending into further bloody conflict and a hopelessly drug-mired culture.

‘One Belt One Road’ as a Development Strategy

‘One Belt One Road’, also know as The Silk Road Economic Belt and the 21st Century Maritime Silk Road initiatives offer opportunities for China and Europe to join hands in operating the great Eurasian market. It proposed by Chinese President Xi Jinping in September 2013, the “One Belt, One Road” initiatives consist of a network of railways, highways and other forms of infrastructure, as well as oil and gas pipelines, power grids, Internet networks and aviation routes in the Eurasian area. It focuses on connectivity and cooperation among countries primarily between the People's Republic of China and the rest of Eurasia, which consists of two main components, the land-based "Silk Road Economic Belt" (SREB) and oceangoing "Maritime Silk Road" (MSR). The strategy is also an opportunity for the EU to participate more easily in Asia-Pacific affairs and expand its influence in the Asia-Pacific region.

The ‘One Belt One Road’ strategy in Western Asian aims to re-establish Afghanistan as the trading and transit hub for the region. In general, the ‘One Belt One Road' strategy differs from the traditional develop model in Afghanistan, which are in two ways: first, the new model prioritizes “economic issues” in order to “stabilize” a post-conflict country before it reverts to conflict; Second, the model addresses the core underdevelopment or “poverty trap” of landlocked Afghanistan by “reconnecting” it to regional and international markets. As Starr and Kuchins argue, “Opening the great channels of transport and trade will improve the lives of average Afghans, reinforce the military efforts, and create a sustainable income stream for the Afghan government” (2010 p.7).

The ‘One Belt One Road’ Strategy was developed to address concerns that, despite successes that were measured in terms of hundreds of new schools and clinics, the country lacked an overarching development strategy that would move it towards economic sustainability and prevent an economic collapse after the military drawdown in 2014. Starr and Kuchins proposed adopting a “transport-based” development strategy that would capitalize on the region's historical strengths and integrate disparate reconstruction plans (42).
Along similar lines, Kuchins argued that promoting greater connectivity between Afghanistan and its neighbors is not just an economic strategy, but also a political one (Kuchins 2011 p. 77-91). If Afghanistan’s neighbors benefit economically from, and have a stake in, the country’s economic development, these neighbors will have incentives to support the long-term stabilization of Afghanistan as well as economic incentives should reinforce and support the political process (Kuchins 2011 p.77-91). In fact, Kuchins sees it as the reverse: the aid community should move away from propping up an expensive and unsustainable aid-based economy in Afghanistan and instead carry out a realistic assessment of how the country can build up trade and investment within the region (Kuchins 2011, p. 77-91). According to Kuchins, “In the long run, the private sector will be the real arbiter of success. Private sector engagement, guidance, and support will be essential for the development of trade and transit infrastructure” (Kuchins 2011 p. 79).

A Strategy for Regional Trade and Transit Facilitation

Regional trade and transit facilitation will provide technical, administrative, and financial support that is necessary to the implementation of current, and the introduction of new, transit-trade agreements. The Regional trade and transit facilitation will also move the Afghan government toward the negotiation of comprehensive transit-trade agreements with its neighbor countries such as Turkmenistan and Uzbekistan. Moreover, it will further assist the country in implementing the International Road Transport (TIR) Convention, which the country ratified in February 2012 (Starr & Farhadi 2012, p. 37). The objectives of this software intervention include

- Improving Afghanistan and its surrounding region’s transit and trade policy/facilitation and investment environment;
- Supporting customs administration and establishing border liaison offices in Afghanistan and its neighboring countries;
- Supporting Afghanistan and its neighbors in its efforts to meet WTO accession requirements and bring Afghanistan’s policy, legal, and institutional framework in line with WTO agreements and principles; and
- Helping Afghanistan and its surrounding region to develop local private sectors and market economies conducive to building international trade.

APTTA will expand trade beyond the current agreement’s two main road routes (Peshawar-Torkham and Chaman-Spin Boldak) and two potential rail routes (Karachi-Peshawar and Karachi-Chaman). Specifically, APTTA makes 18 new road transit routes available through both countries. For example, the agreement allows Afghan trucks to carry exports to Pakistan’s ports of Karachi, Qasim, and Gwadar, and to return with Afghan imports from Pakistan or third countries (APTTA, 2010). Pakistan will similarly benefit: trade expansion to Central Asia will improve its access to raw materials for its industries. New transit-trade agreements with Turkmenistan and Uzbekistan, combined with the new Cross-Border Transport Agreement with the Kyrgyz Republic and Tajikistan (designed around CAREC Transport Corridor, which connects China with Pakistan), are expected to significantly reduce the average transit costs between these countries, ultimately lowering import costs and making exports more price competitive (CAREC 2007, p. 19). These agreements are expected to expand growth opportunities for production and employment as trade and transit prospects increase. Additionally, the TIR will allow Afghan trucks to travel more efficiently to distant markets, which will bolster the effects of the APTTA (L. Rosenberger, Interview, June 2013).
A Strategy for Founding the Cross-Border Economic Zone (CBEZ) Development and Resource Corridors

The ANDS Prioritization and Implementation Plan, introduced at the July 2010 Kabul Conference, made trade expansion with neighboring countries in Central and South Asia a significant development priority through the introduction of the “Integrated Trade and Small-Medium Enterprise Support Facility” (ANDS: PIP 2010, p. 24-26). The Integrated Trade and Small-Medium Enterprise Support Facility aims to focus investments in priority export-oriented infrastructure and industrial development that supports Regional Economic Growth and Resource Corridors (Rosenberger, 2013 and Ponzio 2013).

The ‘One Belt One Road’ strategy is designed to provide technical, administrative, and financial support to implement activities and policy reforms that will seek to establish CBEZs for mutually beneficial investment (ANDS:PIP 2010, p. 24-26). Specific activities may include building institutional capacities and providing a range of tools and incentives to facilitate commerce and investment between Afghanistan and its immediate neighbors. The components and main efforts of the project include:

- Creation of an enabling policy and regulatory environment, including targeted incentives for the private sector, to facilitate cross-border commerce and investment;
- Establishment and strengthening of land port facilities to encourage trade;
- Provision of small-enterprise funds to source management expertise for leveraging private and multilateral capital;
- Establishment of a political risk-insurance pool for private businesses investing in Afghanistan and its environs; and
- Targeted capacity-building and awareness-raising for customs officers, transport operators, traders, banks, and insurance companies to facilitate commerce and investment in select CBEZs (Rosenberger, 2013 and Ponzio, 2013).

By creating new and attractive incentives for private sector-led investment and commercial exchange, select CBEZs designated by the government of Afghanistan and its immediate neighbors could establish dynamic sub-regions of Central and South Asia. This could catalyze wider regional transit and trade and the associated returns to growth, employment, and public revenue (Rosenberger, 2013 and Ponzio, 2013).

In Afghanistan, given the ‘One Belt One Road’ strategy’s focus on developing different resource corridors or alternative connections among Central Asian and South Asian ports, projects would most naturally be grouped along these corridors or trade routes. Starr and Farhadi identified four Silk Road-relevant resource corridors, which are listed below and shown in Figure 6.7.
Apparently, the completion of many projects along the Regional Trade and Resource Development Corridors, as well as the efficient utilization of the road and rail infrastructure, will require a significant change in the nature of governance in all affected countries (e.g., Afghanistan, Kyrgyzstan, India, Iran, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan). Governments will need to shift focus away from unproductive hostility and toward economic development and improving the lives of citizens. Economies driven by “rent seeking” must give way to economies that foster wealth creation.

**A Strategy for Private-Sector Development**

Afghanistan is to fully realize its destiny as a trade and transit nation. The private-sector interventions described here are aimed at providing technical, administrative, and financial support for activities and policy reforms that will drive sustainable and inclusive growth in the private sector. The ‘One Belt One Road’ strategy seeks to establish a national small-medium enterprise development program. In addition, in order to provide foreign industries with secure Afghan locations and reliable access to necessary infrastructure, the ‘One Belt One Road’ strategy has identified the need to construct additional industrial parks in key provincial cities. Therefore, the project is also expected to support the rehabilitation or construction of a number of industrial parks, most notably in Kabul, Nangahar, Khost, Balkh, and Herat (Ministry of Commerce: SME Papers 2010).

will provide viable alternatives to militancy and trafficking in the flow of weapons, drugs, and other types of contraband (Rosenberger 2013 and Ponzio 2013). Improving the competitiveness of Afghanistan’s private sector, particularly small-medium enterprises, will enable the country to participate in, and benefit from, commercial activities within Afghanistan’s wider region. In addition, the Afghan government’s Integrated Trade and Small-Medium Enterprise (SME) Support Facility is estimated to generate thousands of jobs both directly and indirectly (Ministry of Commerce: ANDS SME papers 2010, p. 18). Promoting private-sector development would likely provide Afghanistan with increased public revenues through increased private-sector economic activities subject to taxation.
A Strategy for Regional Labor Market Development

Over the past decade, Afghanistan has rehabilitated or initiated construction of a number of industrial parks, most notably in Kabul, Nangahar, Khost, Balkh, and Herat. New regional industry and transit will require mobility for skilled workers. The ‘One Belt One Road’ strategy project includes the provision of technical and financial support to develop the required rules, regulations, and procedures to enhance legal migration in the region. In support of the ANDS, this project is expected to facilitate the monitoring and analysis of labor market information, seek to improve the employment situation in Afghanistan and neighboring countries, and facilitate labor migration at the regional level. The components and main efforts of this project include

- Developing employment and labor-market policies and formulating rules, regulations, and procedures that promote regional cooperation in pursuit of legal, humane, and orderly labor migration;
- Encouraging participation in regular bilateral, regional, and multilateral consultations on labor migration issues;
- Supporting capacity-building of national partners—including the private sector, public institutions, and non-governmental organizations—to help gather, organize, and disseminate relevant legal, procedural, labor-market, socio-economic, and socio-cultural information to migrant workers;
- Facilitating improvement in provision of visas for laborers; and
- Facilitating skilled-labor migration through information-sharing platforms among regional labor authorities (Ministry of Commerce: ANDS SME papers 2010, p. 27).

To sum up, in a post-conflict state, the elements that form the foundation of economic development tend to be very weak, including the legitimacy of the state, the basic infrastructure, the human capital, the institutional capacity, and the policy foundations for a market economy (UN Working Draft 2008, p. 21). To secure peace and spur development under these circumstances, the state must clearly and consistently establish its legitimacy through job creation, rehabilitation of basic services and infrastructure, and strengthening of institutions, as well as the maintenance of security (Goodhand & Atkinson 2001 USAID 2009; USAID 2011). Citizens see these activities as evidence that the state is working for their benefit, and in turn they are less likely to engage in violence against the state. Job creation as a way to expand economic power and thereby strengthen the state and reduce violence is especially useful in fragile states, as R. Rajan explains:

When economic power is widespread, the people who individually need the protection afforded by institutions such as an effective police force and an impartial judicial system collectively have the political power to give them teeth. This then suggests one reason why states that fail tend to continue to stay failed—they simply do not have the distribution of economic power that will sustain the environment needed for growth. In turn, because they do not produce economic growth, they do not allow an appropriate distribution to emerge—in other words, a vicious cycle emerges (Rajan Working Paper 2011, p. 3).
The essentiality of ‘One Belt One Road’ strategy encourages the improvements of the investment climate, which will in turn increase the private sector’s confidence and willingness to make the investments that create jobs. Reliable infrastructure services, especially electricity supply and roads, are critical to enabling the production and trade that drive private sector growth, economic development and long-term regional security (WB/WDR 2011 p. 64).

A Strategy for Developmental Aids

‘One Belt One Road’ strategy is aiming in assisting the weak, fragile and conflict-affected states such as Afghanistan, in particular to promote the endogenous economic growth momentum. The events that transpired on September 11, 2001 may have changed the importance the world places on fragile states, but it did not change the approach to rebuilding the war-torn economies of Afghanistan or other fragile states. Without sufficient economic development advances, post-conflict states are highly likely to revert to conflict. Billions of dollars in foreign aid managed to leave Afghanistan just as it stood on the brink of reverting back to conflict in 2014. The traditional development aid model as applied over the past decade in Afghanistan has failed because it applied a “one size-fits all” approach to the country and ignored its unique characteristics such as landlocked geography. Donor programs are also failed by over-emphasizing institutional reform over the introduction of economic initiatives. This increased the country’s dependence on foreign aid and failed to improve economic conditions for the vast majority of its citizens—a prerequisite for restoring their trust in their government and preventing a relapse into conflict.

Why the traditional development aid model failed to stabilize Afghanistan? The answer is Afghanistan’s economy has significant potential, but a host of indicators demonstrate the traditional development aid model as led by international donors has failed to put Afghanistan on a sustained road to increased stability and economic viability. This study not only explains why the fragile and conflict-affected states development model failed as applied in Afghanistan, but it also makes a substantial contribution to the policy field by presenting evidence that underpins what a successful development strategy for this type of failed state needs to incorporate. In the course of confirming the
argument this study advances, the findings allow it to make a noteworthy contribution both in theoretical and policy terms.

The “one size fits all approach” of the traditional development model, as applied by the international donors over the new millennium, failed in a nutshell because instead of building highways, rail networks, and transmission lines their aid programs built wells, clinics, and schools. While the latter are clearly important this should not have been done at the expense of jobs. It did this while their governments’ military efforts put the emphasis on counter insurgency military efforts and fighting the insurgency. Thus, in “clear-hold-build” terms the donor countries cleared major territorial areas, and for multiple years succeeded also in holding these areas o keep them clear of insurgents; however, they failed via their development agencies to build viable businesses, necessary infrastructure, and regional trade agreements—the very entities that lead to job creation, employment, and rising personal living standards.

The ‘One Belt One Road’ strategy calls for a series of economic interventions by Chinese Chairmen Xi Jinping and support robustly by the international community. It identifies three permissive criteria for requisite economic interventions, that they (1) directly and manifestly improve the lives of Afghans, Pakistanis, and people in Central Asia; (2) pursue the economic strategy simultaneously with the military strategy, so that the two are mutually reinforcing; and (3) provide the Afghan government with an income stream to replace decreasing government revenues from reduced military presence and foreign aid.

The software policy interventions underpinning the ‘One Belt One Road’ strategy are critical to providing an enabling platform for the proposed Hardware Infrastructure Projects. These software interventions include: 1) Regional Trade and Transit Facilitation to provide support for activities and policy reforms seeking to implement current, as well as introduce new, transit-trade agreements, and to facilitate commercial activities between Afghanistan and its neighbors in Central and South Asia, which should spur job creation, public revenue generation, and balanced economic growth. And 2), Cross-Border Economic Zone (CBEZ) Development and Resource Corridors to provide support for activities and policy reforms seeking to establish CBEZs for mutually beneficial investment in order to facilitate commercial activities between local communities based in border areas connecting Afghanistan and its neighbors in Central and South Asia. ‘One Belt One Road’ Strategy should also comprise 3) Private Sector Development to provide support for activities and policy reforms seeking to drive sustainable and inclusive growth in the private sector, including increasing employment and trading opportunities; 4) Regional Labor Market Development to provide support for activities and policy reforms seeking to increase labor mobility, especially for skilled workers, investors, and traders, within the regional market; 5) Legal, Policy, and Regulatory Reforms for Regional Integration to provide support for activities and policy reforms seeking to develop the required rules, regulations, and procedures to enhance legal migration in the area; and 6) Regional Customs Harmonization to provide support for activities and policy reforms seeking to streamline and improve
customs between Afghanistan and its neighbors as a means of regulating the flow of commercial goods and increasing public revenue.

Individual hardware infrastructure projects of the ‘One Belt One Road’ strategy were assessed in order to determine, in both qualitative and quantitative terms, their viability and effectiveness. Analysis of these projects, with an accurate understanding of how Afghanistan’s traditions and culture influence commerce, is critical to the implementation of a viable reformulated national development strategy.

In addition, the private sector was identified as most likely to provide investment for the implementation of the strategy. Accordingly, the data suggest that the ‘One Belt One Road’ Strategy will generate the necessary jobs and revenues to stabilize Afghanistan and create sustainable economic growth through increasing trade and integrating Afghanistan into the regional and international markets. With the advent of substantially reduced foreign development aid and military support to Afghanistan in the offing, Afghanistan will not be able to sustain itself without the ‘One Belt One Road’ Strategy.

Finally, the ‘One Belt One Road’ Strategy should avoid the primary foibles of the traditional fragile state development model—utilizing a “one size fits all” approach, failing to prioritize the economic aspects of development, causing the country to remain disproportionately dependent on external foreign aid, failing to generate jobs on a large enough scale to win hearts and minds, and ignoring the significance of country’s security problems. The ‘One Belt One Road’ is not only an economic strategy, but a political strategy vis-à-vis both the Afghanistan government’s regional neighbors outside the country and its regional and district counterparts inside the country.

**Conclusion: ‘One Belt One Road’ as an International Development Strategy**

The drive to promote the ‘One Belt One Road’ strategy is rooted in the wider Chinese International development strategy, and is therefore informed not by its over production capacity, nor by its purpose of international alliance as such, but by international cooperation and development policy. It leads to an attempt to promote the economic firms of counties, which lay on the “Road”. If successful, this strategy will itself become a mechanism of global economic development. This has important implications for the globalization, international development and regional security and international develop aid literatures since as noted towards the beginning of this paper, that literature has tended to neglect the insufficiencies of traditional international aids model.

To sum up, this study undertook a detailed investigation of comparing the traditional develop aid model and ‘One Belt One Road’ strategy to the stabilization and sustainable economic development of fragile states by using Afghanistan as a case study to both address the flaws of the standard development approach of the international community. The analysis here suggests that reference to knowledge communities, or even ideology, is insufficient to explain the traditional development aid model is qualified, whilst
‘One Belt One Road’ strategy is of little relevance. It contributes to the existing literature by addressing the challenges encountered in Afghanistan’s economic development, governance, and security. As such, it significantly adds to the emerging body of academic research regarding fragile states, post-conflict reconstruction, and the international aid model. Specially, the applied contribution of this study is imperative: Afghanistan and its international partners must change course from the current unsustainable aid-dependent post-war economy to a sustainable economic development model in order to avoid a catastrophic economic collapse that is the essentiality of ‘One Belt One Road’ strategy in assisting the weak states.

Reference:
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