Development of Afghanistan-Pakistan

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Outline

• Afghanistan in a Multi-polar World:
  – Regions defined by religion, language, culture, security, …
  – Concept of Stabilizing Anchors

• China’s Rise and Role
  – China’s Need for resources and markets
  – Threats and opportunities

• Facilitating Development
  – Education, Healthcare, Infrastructure, Jobs
  – Identity
  – Functioning Institutions
  – Leadership and Governance
A Multi-polar World
Regional profile of a multi-polar world
Regional solidarity: Religion, Culture and Values are major drivers
Larger framework: Regional Identity based on

- Religion
- Culture
- Values
- Language
- Demographics
- Governance/Civil Institutions
- Economics
- Resources
- Security and Threats

Regional stability promoted by Anchor Nations

Role Models
Regions

- North America
- Central America/Caribbean
- South America
- Europe
- North Africa
- Sub-Saharan Africa
- Arab Middle East
- Russia
- Central Asia & Iran
- South Asia
- South East Asia
- China
- Asian Tigers (Japan, S. Korea, Taiwan)
- Oceania

Anchors

- The USA
- Brazil
- Germany, UK, France
- Egypt
- South Africa
- Saudi Arabia
- Russia
- India, China?
- Indonesia/Vietnam, China?
- China
- Japan, China?
- Australia
Region rich in resources and yet exhausting itself because of poor governance and inadequate cooperation.
Afghanistan

• A stable nation state in “equilibrium” pre-1975
  – Feudal society. Multiple regional centers of power
  – Agriculture based

• Much has changed since 1979
  – 30+ years of devastation
  – Population has more than doubled
  – More land is under environmental/climate stress
  – Universal education, technical development, globalization
    hard to reconcile with a feudal system

• What is the new “equilibrium”
  – Vision of the people of what they want Afghanistan to be
  – Leadership: in civil, political, business, technical arenas
  – Institutions
How does one change a dysfunctional system?

Leadership ⇔ Governance

Institutions

An Engaged & Empowered Population (education, healthcare, infrastructure, jobs)

Identity
Will China, an economic superpower, help transform the region?

- To develop 1.35 billion people China wants Resources and Markets not Competitors
  - South East Asia
  - Indian Sub-continent
  - Middle East
  - Africa

What finished goods can the whole region (from Morocco to Indonesia) manufacture to create jobs, and boost exports to avoid unsustainable deficits?
Trade Deficits vis-à-vis China/World

Pakistan

Bangladesh

Sri Lanka

India

Data from http://comtrade.un.org/db/

Remittances from workers abroad
Establishing land routes and markets
Access to Indian Ocean crucial for Chinese Trade
(Building a large Blue Water Navy)
China’s strategic presence in South Asia

• Roads
• Rail Lines
• Pipelines
• Sea Ports “the string of pearls”
India’s poor relations with Pakistan & Burma = China de facto controls land routes

No land routes for trade to

- Persian Gulf
- South East Asia

Can India play a transformational role?
Will nations in the region end up becoming client states of China?
“The Chinese Economic Juggernaut”

Or will they cooperate and develop sustainably?
Demographics will play a big role

- **Sub-Saharan Africa**
  - 0.8B → 1.65 Billion people (2050)
  - Only large scale migration possible to Europe

- **Indian Subcontinent**
  - 1.5B → 2.4 Billion people (2050)
  - No opportunities for large scale migration

- **Aging populations in developed countries & China**

- **Educating, Training and employing a skilled labor force**

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*Source: UN Population Division, World Population Prospects: The 2008 Revision (2009).*
A macro view of the global population

2.2 billion live in 21st century

Health Care
Education
Energy
Water
Job Skills
Jobs

1.5B people in Transition

3 billion live in 18th century
i.e. on less than $2_{ppp}$ /day
(Additional 3.5B will start here)
In a complicated and fast changing world how do we define/quantify

- *Intent and leverages*
- *Important, relevant issues/actors*
- *Interjection/Facilitation Points*

Empower people on the ground capable of leading change?

- *Technology to create networks (internet, cell phones, …)*
- *Maternal and reproductive health*

What aspects of the problems are amenable to

- *Abstraction?*
- *Modeling and scientific analysis?*