



**CENTER ON
INTERNATIONAL
COOPERATION**



Conference Summary: Regional Approaches to the Reconstruction of Afghanistan

Center on International Cooperation

Turkish Economic and Social Studies Foundation (TESEV)

The Conflict Prevention and Peace Forum (CPPF)

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Executive Summary

Regional Approaches to the Reconstruction of Afghanistan

Introduction

The Center on International Cooperation ([CIC](#)), the Turkish Foundation for Social and Economic Research ([TESEV](#)), and the Conflict Prevention and Peace Forum ([CPPF](#)) held a meeting in Istanbul on regional approaches to the reconstruction of Afghanistan on June 3-5, 2002. The meeting brought together scholars, government officials, and practitioners from Afghanistan, Pakistan, Iran, Turkey, Uzbekistan, Tajikistan, the Kyrgyz Republic, Russia, China, the U.S., and Norway.

Changes in Conflicts in Southern Central Asia

Recent events in Afghanistan have not yet led to a clearly improved security environment in the neighboring countries, and Pakistan has become less secure. Militant organizations may have been displaced rather than destroyed and appear to have regrouped in both Pakistan and Afghanistan. The new round of war in Afghanistan has introduced even more weapons into the region. Despite a belated attempt by the Kabul administration to suppress poppy cultivation in the spring (after most of the harvest), trafficking continues unhindered. The transit trade, disrupted to some extent by the war and lack of security along some trade routes, has been a major factor in providing resources to warlords in control of Afghanistan's border regions, in particular to Ismail Khan in Herat and Abdul Rashid Dostum in Mazar-i Sharif. Displacement within Afghanistan continues, especially of Pashtuns driven out of northern Afghanistan by Tajik and Uzbek militias avenging their losses during Taliban rule. The drought continues, at least in southern Afghanistan and the neighboring regions of Pakistan and Iran, and increased aid to Afghanistan has not yet translated into significant economic improvement for the people of either Afghanistan or the neighboring countries. States and other actors are seeking to benefit from the war on terrorism as well as Afghan relief and reconstruction

efforts, while quietly maintaining ties that would enable them to revert to the previous mode of competition and conflict, if necessary. Hence while some central causes of conflict have been removed or at least suppressed by the U.S. presence, many remain. Making the reconstruction of Afghanistan the focus of a regional strategy may be one way to reduce those conflict-promoting factors.

A Regional Approach to Reconstruction

Participants generally agreed that regional cooperation involving governments, the private sector, and other non-state actors is essential for sustainable reconstruction, as global actors, however prolonged their involvement might be, will eventually leave. The current change in political circumstances in Afghanistan and its neighbors might provide what one speaker called a "golden opportunity to reverse suspicions" by legitimating and expanding regional trade and other forms of positive cooperation.

The reconstruction of Afghanistan requires not only the repair and expansion of infrastructure and the revitalization of the economy, but also the (re-)construction of national institutions, beginning with the state itself. The primacy of the political tasks of reconstruction makes the Afghan authorities leery of forms of cooperation that reinforce direct ties between sub-regions of Afghanistan and immediate neighbors, such as between Pakistan and eastern Afghanistan or between Iran and Herat.

In discussing prospects for regional cooperation, participants distinguished among different areas, agreeing that security cooperation would be the last area to be broached. Several participants argued that broad international guarantees of security and stability are the prerequisites for regional cooperation in other areas. In the absence of such guarantees, a number of speakers urged examination of formal neutrality

for Afghanistan guaranteed through an international conference as for Austria.

Participants identified sectors that have potential for regional cooperation, a number of which directly address the sources of regional conflict:

Trade and transport: In infrastructure, road construction and repair are most important, and the Afghan administration has named these as a top priority. In policy, customs harmonization and regional market access could provide much-needed economies of scale for the region.

Opium production and the drug trade: In order to control the production of poppy, crop substitution (including providing markets for alternative crops), sharing regional expertise, the provision of local credit, and reducing demand in developed countries are all necessary.

Energy: In addition to the proposed gas pipeline from Turkmenistan to Pakistan via Afghanistan, hydroelectric power from Tajikistan could be used to electrify northeast Afghanistan and northern Pakistan.

Water: Afghanistan shares river basins with all neighboring countries. Rational planning of the use of this scarce resource requires regional cooperation and the sharing of local expertise.

Human resources: Both Afghan refugees and indigenous educated professionals in neighboring countries could contribute to the rehabilitation of the Afghan economy, especially in fields such as agriculture, irrigation, and others where it is important to combine expertise with local knowledge.

Impoverished border areas: Targeted efforts on the part of the state on education, job creation, and infrastructure building are needed in the Pashtun tribal territories in Pakistan and Afghanistan; the Ferghana Valley in Tajikistan, Uzbekistan, and the Kyrgyz Republic; and Sistan-Balochistan in Iran together with the neighboring desert areas of Afghanistan and Pakistan.

Forms and Processes of Cooperation

Participants noted many obstacles to cooperation in the region, including the absence of the necessary stability and security. Regional cooperation is possible, one noted, only if states value the opportunities that openness would create more than the need for control. Some argued that only when the states of the region were stronger, more democratic, and hence more open would they be inclined toward cooperation. Only a region composed of such states would stabilize Afghanistan.

Participants were skeptical that it would be possible for the region to become organized in a single, multi-function regional organization like the European Union (EU), the Organization of American States (OAS), or the African Union (AU). Participants noted, however, a number of efforts at cooperation for specific purposes among different parts of the region, which could potentially evolve into a thicker network of cooperation even in the absence of an overarching organization.

- Existing private sector cross-border relationships could further regional cooperation. Traders from at least the southern tier of the broader region (Turkey, Dubai, Iran, Afghanistan, Pakistan, India) are already organized and accustomed to working together.
- Official cooperation will evolve gradually from technical work, like the studies of transport, trade, energy, and water [in Central Asia](#) sponsored by the Asian Development Bank (ADB).
- A portion of the funds pledged for reconstruction could be set aside for regional cooperation. The World Bank Afghanistan Border States Development Framework discussion paper proposed, for instance, that a proportion of the [World Bank trust fund](#) for the reconstruction of Afghanistan be earmarked for regional initiatives.

- Afghanistan could convene a meeting of its neighbors, or even expand such a forum to include the U.N., India, Saudi Arabia, the United Arab Emirates, Turkey, the EU, the World Bank, or ADB. The specific composition would be less important than the principle that Afghanistan take the initiative to shape regional cooperation in its own interest. The agenda could include all the issues identified above: controlling trafficking of drugs, arms, and people; trade openness, transport, energy, and water; and, eventually, security. In July, the Hon. Ishaq Shahryar, and Ambassador of Afghanistan to the U.S., proposed that Afghanistan host a ministerial level meeting on regional trade in early 2003. Though not yet adopted by the government, this initiative demonstrates that the Islamic Transitional Administration of Afghanistan has begun to stake out its place in the region. International actors should support this and related projects fully.

Conclusion

The conference concluded that regional cooperation would be essential for the sustainability of reconstruction. At the same time, the economic benefits of regional involvement in reconstruction would not translate into genuine regional peace building if they were not accompanied by political breakthroughs in both the interstate relations of the region and the nature of the states and political systems of the countries concerned. Those international organizations and donors that have promised large sums of money also have a responsibility: how they choose to disburse these funds and on what projects will strongly effect the relations among states and societies in the region. Earmarking funds for regional cooperation and investing now in the transport, energy, and communications infrastructure needed to connect the countries of the region to each other and to the world, will make any other investments in reconstruction more fruitful and sustainable.

Conference Summary

Regional Approaches to the Reconstruction of Afghanistan

Introduction

The Center on International Cooperation (CIC) project on [Regional Conflict Formations](#) (RCF) studies regional linkages among armed conflicts and the prospects for more comprehensive and integrated regional approaches to conflict management in the Great Lakes region of Central Africa and Southern Central Asia.¹ CIC held a [conference](#) on the origins, structure and dynamics of conflict in the Great Lakes in Nairobi in partnership with the Africa Peace Forum in November 2001. The RCF project, in collaboration with the CIC project on the [Reconstruction of Afghanistan](#), the Turkish Foundation for Social and Economic Research ([TESEV](#)) and the Conflict Prevention and Peace Forum ([CPPF](#)), held a parallel meeting in Istanbul on the regional impact of the reconstruction of Afghanistan in June 2002. The meeting brought together scholars, government officials, and practitioners from Afghanistan, Pakistan, Iran, Turkey, Uzbekistan, Tajikistan, the Kyrgyz Republic, Russia, China, the U.S., and Norway. In preparation for this meeting, CIC and TESEV held a smaller consultation in Istanbul on March 4-5 2002 to assess how the regional conflict in Southern Central Asia had changed since the events of September 2001. Some of the views expressed there are also reflected in this report.

In view of the events of September and October 2001, the conference organizers decided to focus this meeting on the regional dimensions of peacebuilding, particularly the regional implications of attempts to reconstruct Afghan state and society. After discussing how

¹ Regional conflict formations (RCFs) are sets of transnational conflicts that form mutually reinforcing linkages with each other throughout a region, making for more protracted and obdurate conflicts. In Southern Central Asia, the RCF includes state and non-state actors in Afghanistan, Kashmir, the Kyrgyz Republic, Iran, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

Afghanistan, the surrounding region, and outside actors had destabilized and undermined each other for the last 24 years, participants analyzed the transformation of the regional conflict formation in the aftermath of September 11 and the on-going U.S. intervention in Afghanistan. The primary focus of the meeting, however, was the future: whether the reconstruction of Afghanistan could form part, even the core, of an effort to construct a more cooperative region, or whether reconstruction depended, as some Afghans leaders seemed to think, on insulating Afghanistan from dynamics in the region. Although the initial analysis may paint a somewhat bleak outlook for Afghanistan and Southern Central Asia, participants also identified concrete areas and topics for regional peacebuilding and suggest potential forms for future regional cooperation.

Defining the Region

The definition of the region and its relation to the national and global contexts preoccupied many participants at this meeting, as it did in Nairobi.² The official or juridical definition of a region (a set of contiguous states belonging to a common

² The term "region" has several different meanings in international affairs. The [U.N. Charter \(Chapter VIII\)](#) recognizes a formal role for regional organizations, and much of the world is organized into continent-wide regional interstate organizations like the [Organization of American States](#), the [African Union](#), and the [European Union](#). These multi-purpose regional organizations do not divide the world completely into mutually exclusive officially recognized "regions": Asia, in particular, does not have such an organization. Sub-regional organizations such as the [Organization for Security and Cooperation in Europe](#), which includes parts of Central Asia bordering on Afghanistan, often have functional specializations and overlap geographically, depending on the particular issue or constellation of interests they represent. Afghanistan belongs to a few intergovernmental organizations, including the [Organization of the Islamic Conference](#), the [Asian Development Bank](#), and the [Economic Cooperation Organization](#), but it does not belong to any regional organization dealing with security.

organization) has limited applicability in both Central Africa and Southern Central Asia, where there are no single overarching and representative regional organizations. In “regional conflict formations,” regions are defined empirically, as a geographical area (usually consisting of a set of contiguous or proximate states), over which certain types of activity are more closely linked than elsewhere. Sometimes such regions include sub-regions of states: the conflict in Kashmir, for example, is more closely linked to the conflict in Southern Central Asia than are conflicts in other parts of India.

Some participants argued that while many conflicts and illicit activities had been linked to each other through Afghanistan, extra-regional concerns also motivated the involvement of several states in Afghanistan: Pakistan was motivated by its attempt to reach strategic parity with India, and Iran by its goal of breaking out of encirclement and sanctions by the United States. While threats to security between Afghanistan and its neighbors are strongly connected, each neighbor’s security is also connected to concerns outside the inner ring of countries surrounding Afghanistan.

This regional conflict formation, including armed conflicts in Kashmir, Tajikistan, the Ferghana Valley, and Afghanistan, illustrates as well as any how the regional, like the national prism, may be too confining. Both the transit trade from Dubai to Pakistan that crossed Afghan territory and the Arab militants of al-Qaida who found sanctuary there, often by way of Pakistan, linked Afghanistan beyond its immediate neighbors to the Persian Gulf. The drug trade that funded so many conflicts and debilitated state structures in the region developed as a result of global demand. And the attacks on New York and Washington by members of a terrorist network then based in Afghanistan showed that the threat posed by Afghanistan’s disorder reached far beyond the immediate region.

Hence the focus on the regional aspects of Afghanistan’s conflicts and peace building efforts

is meant to complement, not replace, understanding of and action on the local, national, and global aspects of the conflict. While regional cooperation may be essential to Afghanistan’s sustainable recovery, such cooperation will be possible and effective only if global powers and donors support the construction of a more stable Afghan national state and actively support – and at times regulate – regional cooperation to prevent the reemergence of harmful competition.

The Regional Conflict Formation in Southern Central Asia

Numerous cross-border factors have fostered conflict in the region:

Security competition in the context of a political vacuum in Afghanistan: The collapse of the Afghan state as a result of the U.S.-Soviet conflict in Afghanistan during the Cold War led to a political vacuum, which created an opportunity for states such as Pakistan and Iran to manipulate groups inside Afghanistan. Through supporting various Afghan groups (including the Taliban), Pakistan tried to curb Pashtun nationalism, redress its insecurity relative to India, and pursue trade with Central Asia. Surrounding states, including Iran, Russia and Tajikistan, attempted to balance Pakistan’s involvement by supporting alternative Afghan groups and leaders, such as the United Front.

Transnational armed groups: Through a combination of covert state support, the parallel economy, and the drug trade, several armed groups were able to form and operate. The Taliban, which emerged largely from Pakistani madrasas and with Pakistani military support, provided sanctuary for a number of these groups. Over time the Taliban became a more transnational organization, with an increased number of non-Afghans fighting alongside them. The Taliban phenomenon also emerged and benefited from growing refugee communities and cross-border ethnic ties. Similar phenomena supported the growth of armed groups in Tajikistan (now reconciled in a fragile peace

agreement) and Uzbek militants. Repressed in their places of origin in the Ferghana Valley, the latter gained military experience alongside the Tajik Islamic opposition in both Tajikistan and Afghanistan. They formed the Islamic Movement of Uzbekistan when the Tajik Islamic opposition decided to end their armed struggle and join the Tajik coalition government. Seeking other sources of refuge and support, they moved closer to the Taliban and al-Qaida. Pakistani militant groups in turn were strengthened by training with the Taliban, often with the covert support of Pakistan's Inter-Services Intelligence Directorate, which used them in Kashmir. These same groups also murdered Shi'a activists in Pakistan, some of whom also received Iranian support. Iran and Russia meanwhile supplied what was then the Northern Alliance, in collaboration with Tajikistan. The Uzbekistan government supported a militia of Uzbeks from Tajikistan and Afghanistan that had bases and operations in both countries.

Militarization and arms trafficking: In addition to the accumulation of arms, many of which are not regulated by formal institutions, and the growth of a culture of violence, the region spends a high proportion of its income on military spending, largely due to the tense situations in the contiguous regions of South Asia (Pakistan-India competition) and the Persian Gulf (affecting Iran). Arms that fueled the various wars in Afghanistan have been distributed and used in conflicts in the region, which nevertheless continues to import weapons and ammunition from elsewhere. Russia, in a bid to gain political influence and promote its military industries, is providing weapons to Uzbekistan "below-cost." Similarly, the U.S., Great Britain, India, Turkey and China have all recently concluded agreements on arms sales or military training with states in the region.³

Transnational economic practices help create the conditions for conflict and violence:

Drug trade and organized crime: In a series of bumper crops in the late 1990s, Afghanistan became the world's largest producer of opium poppy. In addition to existing trafficking routes through Pakistan and Iran to the Persian Gulf or Turkey, government officials as well as Russian border guards facilitated new routes through Central Asia, primarily Tajikistan. The number of addicts in the region skyrocketed (over a million each in Pakistan and Iran) along with the associated social ills such as prostitution and HIV/AIDS. Some of the same criminal networks involved in the drug trade are also involved in the trafficking of women between Central and South Asia and the Persian Gulf.

Parallel economy and transit trade: In developing countries much economic activity takes place outside formal legal structures, without necessarily being considered criminal or illegitimate. However, existing alongside the drug trade and trafficking of women, these patterns of exchange have supported a growing network of organized crime around the littoral of the Indian Ocean and inland, exploiting the weakness of the states in the region. The trade in emeralds from Afghanistan's Panjshir Valley and the transit trade in goods purchased duty-free in Dubai and smuggled, largely through Afghanistan, into Pakistan, India, and beyond, evaded import duties to the state and strengthened armed groups in the region. Official restrictions on trade items also divert India-Pakistan trade through Dubai and Pakistan-Iran trade through Afghanistan. Such resources create strong interests in maintaining weak states, shared by many working in the government structures, who are partners in the parallel economy through various forms of corruption.

³ [Stephen Blank, "The Arming of Central Asia", Asia Times Online, August 23, 2002.](#)

The distribution of people and resources has also reinforced transnational linkages of conflict:

Refugees, migrants, diasporas, and cross-border ethnic groups: Nearly all major ethnic groups in the region are found in several states. While these, ethnic diasporas have not become incubators for recidivist nationalisms, they have facilitated the parallel economy, covert operations by states that manipulate ethnicity (as Pakistan did by using Pashtuns to manage its relations with the Taliban), and recruitment to militant groups. Some participants emphasized the problems created by the persistent poverty of Pashtuns on both sides of the Durand Line, which has fostered emigration, smuggling, drug trafficking, and recruitment to militant groups in territories where the Pakistani and Afghan states have been either unwilling or unable to maintain firm control. The upheavals in Afghanistan have also led to the growth of transnational communities of Afghan origin in Pakistan (beyond the Pashtun areas), Iran, Central Asia, and the Persian Gulf. These communities are tied to non-Afghans by ethnicity or religious sect and to other Afghans by nationality and hence have become important links in a variety of political and economic transnational networks.

Resources and development: All of the governments in the area are performing far short of their populations' expectations. Afghanistan has lost decades of investment due to war, but the Central Asian states have also regressed economically. Pakistan has at best stagnated, and Iran is also experiencing drops in income and high unemployment. Key resources, in particular water, are in short supply and the object of conflict between and within states sharing river basins such as the Helmand, the Amu Darya, and the Syr Darya. Shortages of water and land are fundamental factors in volatile sub-regions such as the Ferghana Valley (shared among Tajikistan, Uzbekistan, and Kyrgyzstan) and the Pashtun tribal territories (shared between Afghanistan and Pakistan). Energy resources, both hydroelectric and hydrocarbon, are also objects of conflict in the region, but, as

participants argued, could, like other resources, also be the subjects of cooperation.

Changes in Conflicts in Southern Central Asia

Some of these factors have changed due to the events of the past year, though it is not yet clear if these changes are permanent. Others remain significant challenges to the region. Most importantly, the presence of U.S. military forces and the establishment of the internationally supported interim and transitional administrations of Afghanistan, have, for the moment, curbed the regional competition that had fed the previous decade's wars.

Participants at the meeting emphasized, however, that no one in the region felt confident that either the U.S. commitment or the internationally sponsored government and reconstruction effort would last. Hence both states and a range of other actors are seeking to benefit from the war on terrorism as well as Afghan relief and reconstruction efforts, while quietly maintaining ties that would enable them to revert to the previous mode of competition and conflict, if necessary.

Experts on Pakistan disagreed as to the depth and permanence of the changes in Pakistan's security posture and definition of national interest. According to one view, the heavy pressure brought to bear on Islamabad by the United States had enabled General Musharraf to implement some of the goals he had set for himself from the start, including curbing militant groups, enforcing legal order, focusing on development, and reforming the madrasas. These changes went hand-in-hand with the redefinition of Pakistan's security priorities away from a more ideological, expansive version and toward a more conventional notion of national interest. Others argued that the military was simply continuing its strategy of preserving and enhancing its own power, though under different circumstances. The military regime, like its predecessor under Zia-ul-Haq, used an alliance with the U.S. in Afghanistan to legitimate itself

internationally. Its approach to militant groups and madrasas has been circumspect and has mostly consisted of bolstering the country's public image, while it continues to infiltrate largely non-Kashmiri Islamic militants into Kashmir. Pakistan, like other states in the region, is simply waiting for U.S. interest to wane, when the generals will "resume their old game of bleeding India in Kashmir."

The destruction of the Taliban and al-Qaida regime and bases in Afghanistan disrupted the operation of some militant organizations in the region. Leaving aside the effects on al-Qaida's global operations, which the meetings did not discuss, the discussion identified some contradictory trends in the new situation. The IMU, Pakistani militant groups associated with the Taliban, and the mainly Arab groups affiliated with al-Qaida lost their bases in Afghanistan. Reports claimed that Juma Namangani, the charismatic military commander of the IMU, had been killed in Kunduz, though a number of Central Asian officials have recently disputed that claim. Other militants were also killed by U.S. bombing or captured by the U.F. forces.

Some of the militant units dispersed, with individual members making their way to surrounding states. Hence militants may have been displaced rather than destroyed. Despite the pressure on neighboring states such as Pakistan to prevent such groups from reorganizing on its territory, a number of militant groups do appear to have regrouped in Pakistan, attempting to destabilize the Musharraf regime through a campaign of terrorism mainly targeted at Westerners, but ultimately aimed at the regime itself. Others have regrouped with elements of Gulbuddin Hikmatyar's Hizb-i Islami (including the leader) to form a "Secret Army of Mujahidin." The latter has claimed responsibility for a number of bomb and rocket attacks in Kabul, Jalalabad, and elsewhere.

The militants' anger at Pakistan's about-face on Afghanistan and its proclaimed intention to control jihadi groups and reform madrasas has

only been intensified by the Pakistan government's policies on Kashmir. Several factors originally led to escalation in Kashmir after the defeat of the Taliban: the military regime in Islamabad, determined to show that, despite its reversal on Afghanistan, it was not sacrificing core Pakistani goals on the subcontinent, continued infiltration; militants, some of whom had returned from defeat in Afghanistan, wanted to provoke more open conflict in the hope of forcing Islamabad closer to the jihadi camp; and India was determined to use the opportunity presented by the U.S. anti-terror campaign to isolate Pakistan even further and force an end to infiltration across the line of control. In the ensuing confrontation, under further U.S. pressure, Musharraf agreed to end officially-sponsored infiltration of guerrillas into Kashmir, providing the jihadi groups with yet another reason to attack him.

Thus the change in Afghanistan has not yet led to a clearly improved security environment in the neighboring countries, and Pakistan has become less secure. The new round of war in Afghanistan has introduced even more weapons into the region, and the transitional administration has barely begun trying to collect them. Despite a belated attempt by the Kabul administration to suppress poppy cultivation in the spring (after most of the harvest), the crop reemerged after its suppression by the Taliban, and trafficking continues unhindered. The transit trade, disrupted to some extent by the war and lack of security along some trade routes, has been a major factor in providing resources to warlords in control of Afghanistan's border regions, in particular to Ismail Khan in Herat and Abdul Rashid Dostum in Mazar-i Sharif. One participant reported that a customs official in Afghanistan said that approximately 70 percent of Afghanistan's foreign trade now came through Iran, and hence was subject to duties in Herat, rather than Kabul. The return of Afghan refugees has outpaced all expectations, with over a million returning in the first six months of 2002, mainly inhabiting the growing urban slums outside of Kabul and other major cities. As one participant

noted, their return is also undermining the Pakistani economy, which previously benefited from foreign exchange earned from the export of carpets made by Afghan refugees, for instance. Displacement within Afghanistan continues, especially of Pashtuns driven out of northern Afghanistan by Tajik and Uzbek militias avenging their losses during Taliban rule. The drought continues, at least in southern Afghanistan and the neighboring regions of Pakistan and Iran, and increased aid to Afghanistan has not yet translated into significant economic improvement for the people of either Afghanistan or the neighboring countries. Hence while some central causes of conflict have been removed or at least suppressed by the U.S. presence, many remain. Making the reconstruction of Afghanistan the focus of a regional strategy may be one way to reduce those conflict-promoting factors.

A Regional Approach to Reconstruction

Participants generally agreed that regional cooperation involving governments, the private sector, and other non-state actors is essential for sustainable reconstruction, as global actors, however prolonged their involvement might be, will eventually leave. The current change in political circumstances in Afghanistan and its neighbors might provide what one speaker called a “golden opportunity to reverse suspicions” by legitimating and expanding regional trade and other forms of positive cooperation. Such regional cooperation could involve both participation in the reconstruction of Afghanistan and profiting from more stable and legitimate governance in Afghanistan to forge greater cooperation among the often-competitive surrounding countries.

Nonetheless, the principal orientation of the Afghan Interim and Transitional Administration thus far has been to engage with the U.S., U.N., major donors, and other global actors in order to insulate itself from its neighbors. The Afghan government’s draft [National Development Framework](#) (NDF) does not mention regional cooperation: its trade strategy appears to be

focused on markets in developed countries. One participant reported that one of the principal authors of the NDF described Afghanistan’s relationship with its neighbors as a “cold peace,” and that, while regional cooperation might be necessary, the country is not currently at a stage to embrace it. An Afghan participant characterized the Afghans as “bruised and wounded by their neighbors” and “on their knees” – a position from which they could not initiate cooperation without substantial gestures from their neighbors.

This comment and others pointed to the political aspect of both reconstruction and regional cooperation. The reconstruction of Afghanistan requires not only the repair and expansion of infrastructure and the revitalization of the economy, but also the (re-)construction of national institutions, beginning with the state itself. The primacy of the political tasks of reconstruction makes the Afghan authorities particularly leery of forms of cooperation that reinforce direct ties between sub-regions of Afghanistan and immediate neighbors, such as between Pakistan and eastern Afghanistan or between Iran and Herat. As one commentator from Pakistan put it, “Regional cooperation must go through Kabul, not border regions, or it can be destabilizing.” While Afghans are still debating how centralized their future government should be, many want a legal order that will establish itself over the power of warlords in the regions and do not support a pattern of reconstruction that would reinforce local control based on armed force and alliances with neighboring countries.

While the Central Asian states would like to benefit from both relief operations and reconstruction, they are still wary of opening their borders to the south, which may leave them even more vulnerable to drugs, arms, and ideologies they cannot control.

Participants agreed that the prospects for regional cooperation will be strongly influenced by the actions of the United States. In the long run, making the reconstruction of Afghanistan the

keystone of cooperation in the region would provide a sustainable basis for maintaining peace when the U.S. and its allies moved on. While it continues, U.S. commitment alone could assure the Afghan authorities that they would not again be overwhelmed by regional interference, which may give them the confidence to cooperate more closely with their neighbors, though the U.S. is likely to oppose close cooperation with Iran, potentially one of Afghanistan's most important economic partners.

In discussing the prospects for regional cooperation, participants distinguished among different areas, agreeing that security cooperation would be the last area to be broached. Precisely because of their political interest and history in Afghanistan, neighboring states have been excluded from participation in the International Security Assistance Force, and the efforts to build Afghan national security forces are led by the U.S. and European countries. The OSCE and the Shanghai Cooperation Organization provide architecture for security cooperation in part of the region, but both include only the former Soviet area north of the Amu Darya, and the latter organization is specifically aimed at protecting that area from threats emanating from the South.

Several participants argued that broad international guarantees of security and stability are the prerequisites for regional cooperation in other areas. In the absence of such guarantees, a number of speakers urged examination of formal neutrality for Afghanistan guaranteed through an international conference as for Austria. This could reassure neighbors that Afghanistan's territory would not be used against them and hence decrease the pressure to intervene.

If the region does manage to maintain a sufficient level of stability and security, then both governments and the private sector in the region can cooperate in a number of areas. Governments can cooperate with both Afghanistan and each other, at times through

Afghanistan, on the process of reconstruction and to redress the development deficits they are all experiencing. Indeed the two are linked, as a more cooperative region could provide much-needed economies of scale for Afghanistan's trade, production, and infrastructure.

Participants recognized that various forms of regional cooperation – some of them harmful – already existed. The transit trade and other forms of parallel trade showed that private economic actors and individual government officials profited from regional cooperation, even if blocked by political obstacles.

Participants identified sectors that have potential for regional cooperation, a number of which directly address the sources of regional conflict:

Opium production and the drug trade:

Cooperation among law enforcement agencies is obviously necessary to control drug trafficking, but it is possible that such collaboration would mostly provide greater opportunities for corruption, as the police forces and militaries of several regional states are already corrupted by drug mafias. In order to control the production of poppy, crop substitution is necessary, and it may utilize regional expertise on agriculture. Former opium farmers are likely to want to plant alternative cash export crops, rather than reverting to subsistence farming, and nearby countries could provide important markets for fruits, vegetables, cut flowers, and other crops. In addition, providing alternative sources of local credit may ease resistance to substituting crops. Participants emphasized that reduction of demand for opiates in the developed countries was also essential; otherwise enforcement and substitution measures would shift production rather than eliminate it. There are reports that in response to the Afghan authorities' eradication program, farmers had resumed planting opium in parts of Pakistan where the crop had previously been eliminated.

Trade and transport: Promoting trade within the region and beyond was the major focal point

where all agreed cooperation would be necessary and beneficial.

- In infrastructure, road construction and repair are most important, and the Afghan administration has named this as a top priority.⁴ So far donors have done little, with the exception of Iran. The construction and repair of bridges and tunnels, better repair facilities for trucks, and insurance that is recognized across borders are also vital in this mountainous region. Iran and Afghanistan recently reopened a customs post in Milak in southwest Afghanistan. Iran was planning to upgrade the road system connecting that transit point to the port of Bandar Abbas, which would decrease the cost and time of transit for goods. This new crossing point would also make it easier for the government to collect customs, as Kabul would control this post in a relatively deserted area more easily than Islam Qala of Herat province, which is controlled by the regional power holder, Ismail Khan.
- In policy, the great variety of national trade regimes and customs requirements in the region makes trade difficult. The World Bank had already organized joint training for customs officials of a number of countries from the region. The Asian Development Bank (ADB) has started discussion of a customs coordination committee. Following a visit to Islamabad by Finance Minister Ashraf Ghani and Foreign Minister Abdullah Abdullah, the two countries established a joint economic commission chaired by the two finance ministers to work on customs coordination among other topics. ADB has also promised to focus on getting Afghanistan better access to regional

⁴ An August 2002 visit to Islamabad by Finance Minister Ashraf Ghani and Foreign Affairs Minister Abdullah Abdullah discussed, among other topics, Pakistan's reconstructing the Kabul-Jalalabad-Torkham road. The governments also discussed cooperation in assuring that the Afghan government received the customs revenue on goods imported under the Afghan Transit Trade Agreement.

markets: Iran, for instance, has a centralized state body for the purchase of grain, which makes it more difficult for Afghan producers to market their wheat there. The Central Asian states by and large still have cumbersome Soviet-style trade practices, even if some regulations have been liberalized.

- All of these measures would make it easier for the large group of existing traders, many of whom now operate in gray areas or through bribing customs officials, to legalize their activity and feel more confident in future investments. Hence a group whose activities now reinforce the weakness of state institutions and the growth of an informal sector that is often symbiotic with violence could, under different circumstances, contribute to the strengthening of institutions and development. It is likely, however, that some traders and officials who are now profiting from the informal economy, however, might oppose such reforms.

Energy: The region contains both hydroelectric and hydrocarbon resources, generally in different countries. Afghanistan is relatively deficient in both, though it has a number of major dam projects needing rehabilitation, gas reserves in the north that have not been tapped since 1989, and, according to one participant, potential oil reserves in the south. Stability and security in Afghanistan would also open up possibilities for energy transport through the country. Best known is the proposed gas pipeline from Turkmenistan to Pakistan via western Afghanistan. The presidents of the three countries had recently signed a memorandum of understanding on that project at the time of the June conference, and the ADB has since allocated \$1.5 million to a [feasibility study](#). This project could be made profitable by building a gas liquefaction plant at the Pakistani port of Gwadar in Baluchistan to make possible export of liquefied gas by sea, but it would be even more economical to pipe gas directly to western India, a fast growing industrial zone with an increasing demand for energy. Such a project

would depend on peaceful relations between India and Pakistan. A participant from Pakistan argued that such projects might strengthen constituencies for peace in both countries. While some have speculated that Iran would oppose such a pipeline as competing with its own plans, an Iranian participant claimed that Iran would support any economically feasible pipeline project, though it would oppose any that were implemented solely to bypass Iran. Iran recognizes that an unstable Afghanistan is more costly to its country in terms of refugees and the narcotics trade than the loss of revenues from a pipeline passing through Afghanistan rather than Iran. Hydroelectric power from Tajikistan could also be used to electrify northeast Afghanistan and northern Pakistan. Participants from Tajikistan said that the authorities were actively interested in such a project.

Water: This resource is one of the major constraints on growth and development in the region, never more so than now, when much of the area is suffering from a fourth year of drought. Afghanistan shares river basins with all neighboring countries: the Amu Darya and Panj River with the Central Asian states; the Kabul river, which flows into the Indus, with Pakistan, which in turn links it to the Indus-Punjab system shared between Pakistan and India; and the Helmand river with Iran. The Central Asian states share not only the Amu Darya but also the Syr Darya, the overuse of which is responsible for the desiccation of the Aral Sea and numerous pollution problems. International agreements regulate all these river basins, but the drought has led to conflict with Iran. Iran claims it does not receive its full allocation under the Helmand River agreement and that shortfalls have increased in the recent period of drought, during which Afghanistan shut off the flow from the Kajakai dam. Afghanistan, on the other hand, now uses less than one quarter of the water of the Panj-Amu Darya to which it is entitled. If it were to use its full allocation, it could find itself in conflict with its Central Asian neighbors, who are already uneasy regarding Afghanistan's future water usage. Of all these rivers, only the Amu

Darya is regularly used for navigation. Rational planning of the use of this scarce resource requires regional cooperation and the sharing of expertise.

Human resources: Afghans share common languages and culture with all of their neighbors. While in the past this has facilitated foreign interference, it could also be a source of positive interchanges. Participants from Central Asia argued that both Afghan refugees and indigenous educated professionals in their countries were largely overlooked in the manpower planning for reconstruction, but that they could contribute a great deal as teachers, doctors, and engineers. One participant was already involved in trying to arrange exchanges of medical personnel between Termez, Uzbekistan, and Mazar-i Sharif, though this is the type of cross-border activity that raises anxieties in Kabul. Like other exchanges, these should be arranged with the national government and international organizations. Iran and Pakistan could also provide a great deal of personnel, as well as publications, textbooks, and other materials, but sensitivities appear still to be quite high, especially regarding Pakistan. The professionals of the neighboring countries in fields like agriculture, irrigation, and others where it is important to combine expertise with local knowledge could also potentially contribute to the rehabilitation of the Afghan economy.

Impoverished border areas: Certain geographical areas become incubators of conflict or violence because of their entrenched poverty or power structure. In 2001, the World Bank identified several such areas, including the Pashtun tribal territories in Pakistan and Afghanistan, the Ferghana Valley in Tajikistan, Uzbekistan, and the Kyrgyz Republic, and Sistan-Balochistan in Iran together with the neighboring desert areas of Afghanistan and Pakistan.⁵ An Afghan participant, highlighting the importance of the Pashtun areas, said that they

⁵ The [World Bank's "Afghanistan Border States Development Framework"](#)⁵ – Approach Paper," Discussion Draft (November 2001)

“have become a source of headaches for the whole region.” A large proportion of the population (40 percent by one estimate) has no livelihood except for smuggling. Schools and hospitals are so few and the status of women so low that the human development indicators in this part of Pakistan are as low as those in Afghanistan. Targeted efforts on the part of the state on education, job creation, and infrastructure building are needed to integrate these populations.

Some of these sectors, in particular those dealing with infrastructure or public policy, are inherently the responsibility of governments and inter-governmental organizations. The Afghan administration, however, has emphasized in the [National Development Framework](#) that economic growth and reconstruction should be led by the private sector. Shortly before the Istanbul conference, the Finance Ministers of Iran, Afghanistan, and Pakistan, together with the administrator of UNDP, signed a [joint communiqué](#) in Tehran (May 18, 2002) to establish a Commission for Cooperation. The communiqué noted, “The private sector, including Chambers of Commerce and trade associations, will play a key role in the partnership.”

Participants in the Istanbul meeting echoed the same view. They noted, however, that private business interests were organized differently and had different relations to their governments in various countries. In Central Asia, the Soviet heritage meant that the private sector was still relatively weak and dependent on government. In Turkey, Iran, and Pakistan, business is actively looking for opportunities and contracts in the reconstruction process. Turkish businessmen have already organized a trade council for Turkish businesses working in Afghanistan. Turkey hopes that its command of ISAF will help give it a more impartial image in Afghanistan (rather than being seen as a supporter of ethnic Uzbek General Abdul Rashid Dostum) and that this will translate into contracts for Turkish construction and trading companies. Several participants described relations between the

Iranian government and business as particularly close and supportive. They depicted Iranian business as being far ahead of others in the region in doing business in Afghanistan. Some argued that in Pakistan, in contrast, business and government had a more antagonistic relationship, where business was impeded by remnants of the license-permit raj that required numerous forms and clearances. Making such practices more supportive and uniform could be a subject for the Commission of Cooperation.

Finally, one participant argued that regional cooperation should not include only grand, large-scale schemes, but also a number of targeted projects that could involve both the public and private sectors, including: private investment in food security and cross-border job creation; mechanisms to collateralize private landholdings for transitional credit and community property; public-private partnerships for environmental recovery; international agreements on regional labor migration and tariffs; and cross-border cooperation in technology transfer and education.

Forms and Processes of Cooperation

Participants noted many obstacles to cooperation in the region, including the absence of the necessary stability and security. Regional cooperation is possible, one noted, only if states value the opportunities that openness would create more than the need for control. Such concerns, among others, defeated a UNDP proposal to start a joint development authority among the three states of the Ferghana Valley and limited the scope of the South Asia Association for Regional Cooperation (SAARC). Some argued that only when the states of the region were both stronger and more democratic and hence more open, would they be inclined toward cooperation. Only a region composed of such states would stabilize Afghanistan.

The states of the region all have various weaknesses, with Afghanistan being an extreme case, where state structures barely exist. Agreements on cooperation do not in themselves create the management capacity to benefit from

cooperation. Cooperation is also more difficult when states' systems of administration and trade regimes are incommensurate. One participant noted that such incompatibility of systems had posed a major obstacle to the work of the Economic Cooperation Organization, as the post-Soviet states had such different systems from Turkey, Iran, and Pakistan.

Participants were skeptical that it would be possible for the region to become organized in a single, multi-function regional organization like the EU, the OAS, or the AU. Rather, participants noted a number of efforts at cooperation for specific purposes among different parts of the region, which could potentially evolve into a thicker network of cooperation even in the absence of an overarching organization. Such cooperation does not have to begin with the states, several speakers emphasized. Traders from at least the southern tier of the broader region (Turkey, Dubai, Iran, Afghanistan, Pakistan, India) are already organized and accustomed to working together. Traders from Iran, Pakistan, and Afghanistan, including many based in Dubai, attended the [May meeting in Tehran](#) in significant numbers. The [Civil Society Forum](#) supported by the Swiss Peace Foundation in Kabul held a meeting of Afghan traders to help them improve their organization and communication with the authorities. One speaker from Central Asia emphasized the importance of private sector cooperation, even, he said, if it were for smuggling, as a counterbalance to official positions, which may be captured by "clans" in Afghanistan as in Central Asia. His justification was that the private sector will always emphasize capital accumulation, rather than the creation of dysfunctional bureaucracies that will start conflicts to capture control of resources.

Official cooperation, participants felt, will evolve gradually from technical work. Along these lines, ADB started a [project in Central Asia](#) in 1997, starting with technical studies of transport, trade, energy, and water. The Central Asia Regional Economic Cooperation program (CAREC) includes Azerbaijan, Kazakhstan, the Kyrgyz

Republic, Tajikistan, Uzbekistan, and Xinjiang province of China, and Turkmenistan is "expected to become active" soon. There is still considerable resistance to regional cooperation in Central Asia, and the state leaderships focus on national economies and their links to developed countries, rather than their links to neighbors. When the presidents of Central Asia do meet to collaborate, it is often for what one Central Asian participant called "negative" purposes. The finance minister of the Interim Administration of Afghanistan participated in a meeting of this group in Shanghai and suggested that Afghanistan, Iran, and Pakistan might join eventually. The UNDP-sponsored [meeting in Tehran](#), as well as the statement from the Afghan representatives at a [meeting on South-South cooperation and the reconstruction of Afghanistan](#) organized by India and UNDP in New Delhi, showed that some political will existed for cooperation, despite suspicions and concerns. A framework is slowly being established for regional cooperation on precisely the issues identified as key to the reconstruction of Afghanistan.

Several approaches emerged from the discussion as means of overcoming resistance to cooperation. The discussion of a "Marshall Plan" for Afghanistan implicitly evokes a plea for U.S. leadership and explicit support for reconstruction of an entire region, as the U.S. did in Europe after World War II. In this case, however, the U.S. has clearly stated that it will lead the military efforts in Afghanistan, but would play a supporting role in reconstruction.

A more modest suggestion was that a portion of the funds pledged for reconstruction be set aside for regional cooperation. This echoed the proposal in the World Bank Afghanistan Border States Development Framework discussion paper that a proportion of the [World Bank trust fund](#) for the reconstruction of Afghanistan be earmarked for regional initiatives.

Nonetheless, initiatives would most likely have to come from within the region and most certainly

could be sustained only if the regional participants felt ownership of the regional institutions or programs. Since political considerations seem to be primary in determining governments' attitudes toward regional cooperation, several participants suggested the establishment of what they called a regional "forum," something less formal than a regional organization. Such a forum would provide a place to discuss issues of cooperation that would not always fully coincide geographically with the membership of the forum.

The absence of such a forum led Lakhdar Brahimî, then the U.N. Secretary-General's Special Envoy on Afghanistan, to establish the six-plus-two grouping in 1997. This group included the six immediate neighbors of Afghanistan – Pakistan, Iran, Turkmenistan, Uzbekistan, Tajikistan, and China – as well as Russia and the United States.

The present circumstances, several participants suggested, might provide an occasion for creating such a forum, but with leadership coming from Afghanistan itself, not from the U.N. Now that the country has been restored as a fully recognized international actor, it should not wait for others to propose or convene. As one participant said, "Let's not think about constraints but about opportunities. Put Afghanistan in the driver's seat so it can stop just being the victim." Afghanistan could ask its neighbors, "Is there any reason not to cooperate other than bad habits or past behavior?" Afghanistan could convene a meeting of its neighbors, or even expand the forum to include the U.N., India, Saudi Arabia, the United Arab Emirates, Turkey, the EU, World Bank, or ADB. The specific composition would be less important than the principle that Afghanistan take the initiative to shape regional cooperation in its own interest. The agenda could include all the issues identified above: controlling trafficking of drugs, arms, and people; promoting agreements on trade openness, transport, energy, and water; and, eventually, cooperating on security.

On July 25, 2002, at the closing session of [Afghanistan-America Summit on Recovery and Reconstruction](#) at Georgetown University in Washington, D.C., Afghanistan's ambassador to the U.S., the Hon. Ishaq Shahryar, proposed that Afghanistan host a ministerial level meeting on regional trade in early 2003. All of Afghanistan's neighbors, as well as the U.S. and any other interested countries would be invited. Though not yet adopted by the government, this initiative demonstrates that the Islamic Transitional Administration of Afghanistan has begun to stake out its place in the region. International actors should support this and related projects fully.

Conclusion

The conference concluded that regional cooperation would be essential for the sustainability of reconstruction. It could provide both general economic benefits to involved national economies and specific benefits to border regions and some neglected areas. At the same time, these economic benefits would not translate into genuine regional peace building if they were not accompanied by political breakthroughs in both the interstate relations of the region and the nature of the states and political systems of the countries concerned. Non-governmental groups, both business and other forms of civil society, could help make these links between political and economic cooperation, but the ultimate responsibility still rests with the political leadership to articulate and work for the realization of a vision for their countries and their region. Those international organizations and donors that have promised large sums of money also have a responsibility: how they choose to disburse these funds and on what projects will strongly effect the relations among states and societies in the region. Earmarking funds for regional cooperation and investing now in the transport, energy, and communications infrastructure needed to connect the countries of the region to each other and to the world, will make any other investments in reconstruction more fruitful and sustainable.

ANNEX I: Agenda

MONDAY, 3 June 2002

- 16:00 – 17:00** **Welcoming Remarks, Project Overview**
Barnett Rubin and Andrea Armstrong
- 17:00 – 18:30** **Opening Discussion/Update**
Update on the situation in Afghanistan: Political Process and Reconstruction
Ishaq Nadiri and Barnett Rubin

TUESDAY, 4 June 2002

- 9:00 – 11:30** **Reconstruction and the Region**
Opening: Paula Newberg
Leading Off Discussion: Anara Tabyshalieva, Ishaq Nadiri, Duygu Bazoğlu Sezer
Moderator: Kristian Berg Harpviken
- 13:30 – 15:30** **State Actors: Approaches, Interests, and Capacities**
Leading Off Discussion: Seyed Rasoul Mousavi, Samina Ahmed,
Victor Korgun, Kamol Abdullaev
Moderator: Helena Malikyar
- 16:30 – 18:30** **Non-state Actors: Approaches, Interests, and Capacities**
Leading Off Discussion: Temil Iskit, Abubaker Saddique,
Alisher Ilkhamov, Zuhra Halimova, Zhang Xiaodong
Moderator: Shahrbanou Tadjbakhsh

WEDNESDAY, 5 June 2002

- 9:00 – 12:00** **Multilateralism and Cross-border Engagement, Constraints and Incentives**
Leading Off Discussion: Rasul Bakhsh Rais, Michael von der
Schulenburg, Hamid Ghaffarzadeh, Shahrbanou Tadjbakhsh
Moderator: Elizabeth Cousens
- 14:00 – 17:00** **Competition, Cooperation or Conflict? Strategic Choices for
Reconstruction and their Implications**
Leading Off Discussion: Danilo Türk, Muhammed E. Tusneem,
Kristian Berg Harpviken, Özdem Sanberk
Moderator: Samina Ahmed
- 17:00 – 17:30** **Closing Remarks**
Özdem Sanberk and Barnett Rubin

Annex II: Conference Participants

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Citizenship Education*

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Ms. Andrea Armstrong

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Dr. Elizabeth Cousens

Conflict Prevention and Peace Forum

Ms. Nora Fisher

*Turkish Economic and Social Studies Foundation
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United Nations Development Programme

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