



Regional Issues in the Reconstruction of Afghanistan

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For much of the modern era, Afghanistan might credibly be defined as a large body of rocky land surrounded by neighbors who export their own conflicts onto its territory. Several networks have linked Afghanistan to a wider arc of conflict, or a regional conflict formation, stretching from Moscow to Dubai.¹ Networks of armed groups, often covertly aided by neighboring states, link the conflict within Afghanistan to violence in Kashmir, Chechnya, Tajikistan, Kyrgyzstan, and Uzbekistan. Networks of narcotics traffickers collaborating with armed groups, link Afghan poppy fields to global markets via Pakistan, Iran, and Central Asia. Networks of traders, more benignly, seek access to buy and sell their goods, even when profit requires avoidance of customs regulations. Cross-border social ties among the region's various ethnic and religious groups underpin all of these networks.

The conflict that gripped Afghanistan over the past 25 years was much more than a local or national power struggle and must be seen in its regional context if the project of reconstructing the country is to succeed. Recent reports indicate that covert state support for armed groups is on the rise, undermining not only the new government in Kabul but peace in the region. Unless regional actors see that they have a stake in the reconstruction of Afghanistan, this picture is likely to become bleaker. Seen from a broader perspective, therefore, incorporating trade and energy issues and narcotics interdiction into a reconstruction strategy may lay the basis for regional cooperation rather than continued regional conflict.

The collapse of the Afghan state as a result of the Soviet invasion in 1979 and the factional fighting between the mujahidin that followed the withdrawal of the Soviet army in 1989 led to a political vacuum, creating an opportunity for other states in the region such as Pakistan and Iran to carve out spheres of influence. By supporting various armed Afghan groups, including the Taliban, Pakistan tried to redress its insecurity relative to India, curb Pashtun nationalism, and create a corridor for trade with Central Asia.

The Taliban movement, composed of Afghan teachers and students from conservative religious academies (madrasas) in Afghanistan and Pakistan sought to restore order to Afghanistan through the imposition of a rigid interpretation of Islamic law, tinged with tribal traditions. With Pakistani military support, they captured Kabul in September 1996, and controlled almost all of the country by August 1998. They provided sanctuary to several armed groups of different nationalities, including al-Qaeda, the Islamic Movement of Uzbekistan (IMU), and Pakistani militant groups. The latter were strengthened by training with the Taliban, often with the covert support of Pakistan's Inter-Services Intelligence (ISI) Directorate, which employed these militant groups to fight the Indian presence in Kashmir. These same militant groups murdered Shia activists in Pakistan, some of whom were receiving Iranian support.

Surrounding states, including Iran, Russia, and Tajikistan, tried to balance Pakistan's involvement in Afghanistan by

supporting competing Afghan groups. Iran and Russia, in collaboration with Tajikistan, supplied the anti-Taliban United Front (Northern Alliance). The Uzbekistan government supported a militia of Uzbeks from Tajikistan and Afghanistan that had bases and operations in both countries.

The proliferation of armed groups in the region has contributed to a violent “Kashnikov culture,” as militias in the region accumulate arms beyond the control of institutionalized armed forces. Moreover, the states themselves continue to import weapons and ammunition, despite the redistribution of weapons from the Afghan conflicts throughout the region. Russia, in a bid to gain political influence and promote its military industries, is providing weapons to Uzbekistan at below cost. The United States, Great Britain, India, Turkey, and China have all concluded agreements on arms sales or military training with states in the region since September 11, 2001.²

In addition to covert state support, armed groups have relied on a combination of cross-border ethnic ties, the parallel economy, and the drug trade. In the late 1990s, Afghanistan became the world’s largest producer of the opium poppy and the source of 70 percent of global illicit opium production in 2000.³ (The Taliban banned poppy cultivation the following year.) The income from this crop helped sustain the Taliban, al-Qaeda, and the IMU, as well as some components of the Northern Alliance, and it promoted the corruption of military and law enforcement officials throughout the region. In addition to existing trafficking routes through Pakistan and Iran to the Persian Gulf or Turkey, corrupt government officials and Russian border guards helped open new routes through Central Asia. As a result, the number of addicts in the region skyrocketed. A United Nations report that examines the regional impact of the opium economy of Afghanistan notes that the number of government-registered drug addicts grew by 16 to 28 percent annually in Central

Asia between 1992 and 2000, resulting in a sum total of approximately 400,000 opium and heroin abusers in the five Central Asian states. Pakistan is home to approximately 800,000 chronic heroin and opium users. Iran may have as many as 2 million opiate consumers, of whom 800,000 to 1.2 million are chronic users.⁴ Associated social ills such as prostitution and HIV/AIDS have also increased dramatically, outpacing the worst-case scenarios of the early 1990s.⁵ 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.

In developing countries, economic activity accepted as legitimate by most of the population, often occurs in a “gray market” outside formal legal structures. Such patterns of exchange, along with the drug trade and trafficking of women, support a 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 (much of it marketed through Dubai) and the transit trade in goods purchased duty-free in Dubai and smuggled, largely through Afghanistan, into Pakistan, India, and beyond, deny import duties to the state and strengthen armed groups in the region.

Taxing such trade now provides one of the major sources of income to the regional strongmen (“warlords”) who control most of Afghanistan. Official restrictions on trade items also divert India-Pakistan trade through Dubai and Pakistan-Iran trade through Afghanistan. Such black or gray markets are a strong incentive for both government employees and regional strongmen to maintain weak states. Both are partners in the parallel economy through various forms of corruption. Shifts in trade can affect the balance of forces in Afghanistan. The shift from transit via the Pakistan-Kandahar route to the Iran-Herat route, for instance, has strengthened Herat and

contributed to tension between the two regional/ethnic centers.

Nearly all the major ethnic groups in the region, including Pashtuns, Tajiks, and Uzbeks, are found in more than one state. For example, Pashtuns live in both Pakistan and Afghanistan, and Tajiks live in both Afghanistan and Tajikistan. While these ethnic diasporas have not become incubators for active ethnic territorial claims, they have facilitated recruitment to militant groups and the parallel economy. Growing refugee communities and cross-border ethnic ties supported the growth of armed groups in Tajikistan (now reconciled in a fragile peace agreement) and the militant Islamic Movement of Uzbekistan. Ethnic diasporas also facilitated covert operations by states that manipulate ethnicity, as Pakistan did by using Pashtuns to manage its relations with the Taliban. The persistent poverty of Pashtuns on both sides of the Durand Line, which forms the Afghanistan-Pakistan border, 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. Instability in Afghanistan has led to refugee flight and economic emigration, expanding transnational communities of Afghan origin in Pakistan (beyond the Pashtun areas), Iran, Central Asia, and the Persian Gulf. These communities have become important links in a variety of political and economic transnational networks.

All of the governments in the region 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 faces high and rising unemployment. Key resources are in short supply and the source of conflict between and within states. Shortages of water and land are the cause of strife in the volatile Ferghana Valley (which forms part of Kyrgyzstan, Tajikistan, and

Uzbekistan) and in the Pashtun tribal territories (in the cross-border region between Afghanistan and Pakistan). The distribution of energy resources, both hydroelectric and hydrocarbon, is also a source of contention, but could form the basis for future regional cooperation.

Where Things Stand

The presence of U.S. military forces and the establishment of the internationally supported interim and transitional administrations in Afghanistan have temporarily curbed the regional competition that fed the upheavals of the 1990s. Despite repeated assurances by American officials, however, few in the region feel confident that either the U.S. commitment to rebuild Afghanistan or the internationally sponsored government and reconstruction effort will last. The possibility of a new war in Iraq only served to reinforce those doubts. Thus, while states and other regional actors are seeking to benefit from the U.S.-led war on terrorism as well as the Afghan relief and reconstruction efforts, they are quietly maintaining ties to their former allies and provincial warlords, which could lead to the return of regional proxy competition on Afghan soil.

In the fall of 2001, it appeared that in response to U.S. pressure, Gen. Pervez Musharraf, Pakistan's president, was beginning to focus on development while making strides in curbing militant groups, enforcing order, and reforming the madrasas that had incubated the Taliban and other extremist groups. As the Musharraf regime, which came to power following a military takeover in 1999, elaborated on its plans for a "controlled democracy," where the military retains the right to veto key policies, it became evident that it meant to use its collaboration with the United States in Afghanistan to attain international legitimacy and consolidate domestic power. Its approach to militant groups and madrasas has been circumspect, though it has cooperated with the United States to arrest some prominent

al-Qaeda leaders. Many experts suspect that the Inter-Services Intelligence Directorate has resumed interfering in Afghanistan's affairs by supporting elements of the Taliban as well as Gulbuddin Hikmatyar, former mujahidin commander and leader of Hizb-i Islami. Hizb-i Islami, the extremist party that received the largest share of U.S. aid to the Afghan resistance in the 1980s, has now declared jihad against U.S. forces and has claimed responsibility for the recent bomb and rocket attacks in Kabul, Jalalabad, and elsewhere in Afghanistan. Similarly, Islamabad, which hopes that its closer relations with Washington will translate into leverage over India in Kashmir, has apparently resumed infiltrating largely non-Kashmiri Islamic militants into the disputed province.

The destruction of the Taliban regime and al-Qaeda bases in Afghanistan disrupted the operation of some militant organizations in the region. The mainly Arab groups affiliated with al-Qaeda, Pakistani militant groups associated with the Taliban, and the IMU lost their bases in Afghanistan. Some of the militant units dispersed, with individual members making their way to surrounding states. A number of these units appear to have regrouped in Pakistan, where they have been attempting to destabilize the Musharraf regime by targeting Westerners and Pakistani Christians.

States in the region have also resumed interfering in Afghanistan's affairs, perhaps anticipating the shift in Washington's attention from Afghanistan to Iraq. They are undermining the Karzai government by strengthening the militias of various warlords who control most of Afghanistan outside Kabul. The United States, Kabul's main supporter, stopped arming independent commanders who were temporary allies in the fight against al-Qaeda only belatedly and inconsistently. Russia is sending military equipment directly to Afghanistan's minister of defense, Abdul Qasim Fahim, instead of supplying the newly constituted

Afghan National Army. Iran, in addition to resuming its funding of Ismail Khan of Herat, has also been accused of giving refuge to members of al-Qaeda fleeing U.S. troops in Afghanistan. The ethnic Uzbek deputy minister of defense, Gen. Abdul Rashid Dostum, a former Communist militia commander who joined the Northern Alliance, is seeking aid from Uzbekistan and Turkey to either maintain or increase his control of much of northern Afghanistan. Thus the change of government in Afghanistan has not yet led to an improved security environment.

Among other problems facing Afghanistan is the resumption of drug trafficking. Kabul made a belated attempt to suppress poppy cultivation in spring 2002 after most of the harvest was in, but trafficking, with prices for opium nearly 50 percent above their previous highs, is a lucrative business. The trade in goods transiting Afghanistan from Dubai to be smuggled into Pakistan, though disrupted to some extent by the war and lack of security along some routes, has been a major source of revenue for warlords in control of Afghanistan's border regions, in particular Ismail Khan in Herat and Abdul Rashid Dostum in Mazar-e Sharif. According to a customs official we spoke with last May, approximately 70 percent of Afghanistan's foreign trade was coming by way of Iran and was subject to duties in Herat, rather than in Kandahar or Kabul. In addition to these drains on the Afghan economy, the return of refugees has outpaced all expectations, with over 2 million returning in 2002 alone, well over the 800,000 returnees projected by United Nations High Commissioner for Refugees. Ironically, the exodus of Afghan refugees from Pakistan is weakening the Pakistani economy, which previously benefited from foreign exchange earned from the export of carpets made by Afghans.

The problem of internally displaced persons within Afghanistan, especially of Pashtuns driven out of the north by Tajik

and Uzbek militias, contributes to instability. The drought that began in the winter of 1999, continued into the fall of 2002, at least in southern Afghanistan and in the neighboring regions of Pakistan and Iran. Reconstruction assistance to Afghanistan has not yet led to significant improvement in the lives of the people of Afghanistan or of the neighboring countries. Hence, while some causes of regional conflict have been removed or at least suppressed, many remain.

Afghanistan illustrates both the transnational and regional character of contemporary armed conflict and the difficulties in achieving regional cooperation in postconflict reconstruction. Influential figures in the Afghan government, and indeed most Afghans, attribute their country's misfortune to interference by their neighbors—especially Pakistan, but also Iran, Russia, and the Central Asian states—and are wary of engaging these same neighbors, at least without adequate security guarantees from third parties.

The Need for Regional Cooperation

Despite these problems, regional cooperation involving governments, the private sector, and other nonstate actors is essential to the sustainable reconstruction of Afghanistan because however prolonged the involvement of the international community may be, the country will eventually be on its own. The changed political circumstances in the region in the aftermath of the U.S.-led invasion provide an opportunity to improve regional relations by expanding legitimate trade and initiating other forms of positive cooperation. Such regional cooperation could be based on participation in the reconstruction of Afghanistan; the surrounding states would, in turn, profit from a more stable and just Afghanistan.

In the past year, the Afghan government focused on engaging with the United States, the United Nations, major aid donors, and other global actors in order to insulate itself

from its neighbors. The government's draft National Development Framework (NDF) did not mention regional cooperation; its trade strategy focused on markets in developed countries.⁶ In May 2002, one of the principal authors of the NDF described Afghanistan's relationship with its neighbors as a "cold peace" and said that, while regional cooperation might be necessary, the country was not ready to embrace it in the absence of political progress and security guarantees. However, in February of this year, Foreign Minister Abdullah Abdullah announced that regional cooperation was to be a major focus of Afghanistan's foreign policy.

The reconstruction of Afghanistan will require not only the repair and expansion of infrastructure and the revitalization of the economy, but also the reconstruction of national institutions, beginning with the state itself. The political tasks of reconstruction means that the Afghan authorities are leery of forms of cooperation that may serve to reinforce direct ties between regions of Afghanistan (which are controlled by competing warlords) and their immediate neighbors, as between Kandahar and Pakistan or between Herat and Iran. While Afghans are still debating how centralized their future government should be, the vast majority oppose a pattern of reconstruction that would reinforce local control based on armed force and alliances with neighboring countries. And 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 they fear may leave them even more vulnerable to drug and arms trafficking, and to the spread of ideologies they cannot control.

The prospects for regional cooperation will thus be strongly influenced by the actions of the United States. If it were to make the reconstruction of Afghanistan the keystone of regional cooperation, Washington would provide a sustainable basis for maintaining peace when the international

community moves on. Until then, a strong U.S. commitment to preventing regional interference in Afghanistan will reassure the Afghan authorities, lessen their fears of being overwhelmed by outside interference, and give them the confidence to cooperate more closely with their neighbors.

Regional cooperation is more likely in some areas than in others. Cooperation on security issues, except for specific antiterrorist operations, is likely to be the last area to be broached. Precisely because of their history with respect to Afghanistan, neighboring states have been excluded from participation in both the International Security Assistance Force and from U.S. and European efforts to build Afghan national security forces. Broad international security guarantees will be required for regional cooperation in other areas. Some have even advocated formal neutrality for Afghanistan, as for Austria. If all its neighbors agreed to respect Afghan neutrality, none would have to intervene to preempt actions by rivals.⁷

If the region, with international assistance, does manage to attain a level of stability and security, governments and the private sector can begin to cooperate in a number of areas. Governments can cooperate bilaterally with Afghanistan and with each other, if necessary through Kabul, in reconstruction efforts and to redress their common development deficits. Indeed the two are linked, as a more cooperative region could provide larger markets for Afghanistan's trade and production, which could fund improvements in infrastructure.

Cooperation among law enforcement agencies will be necessary to control drug trafficking, although 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 involved with drug mafias. In order to control opium production, crop substitution will be necessary, and here shared regional agricultural expertise can come into play. Farmers will probably want

to plant alternative cash crops for export, rather than revert to subsistence farming, and nearby countries could provide important markets for fruits, vegetables, and cut flowers.

Promoting trade within the region and beyond is the sector where cooperation is most necessary and will be most beneficial.⁸ An increase in regional trade will create a powerful lobby for peaceful relations within the region. According to the Afghan minister of commerce, Sayed Mustafa Kazemi, Pakistani businessmen have expressed strong interest in trade with Afghanistan but have encountered political obstacles from their own government. Islamabad's intransigence with respect to negotiating new trade agreements with Kabul despite pressure from its own business community has led the Afghan administration to concentrate on preferential trade agreements with Iran and India.

The Afghan administration has named road construction and repair as a top priority. The United States has started to rebuild the Kabul-Kandahar highway from Kabul, and Japan is slated to start rebuilding it from the Kandahar end as soon as Tokyo is satisfied with security conditions. The construction and repair of bridges and tunnels, better repair facilities for trucks, and insurance that is recognized across borders are vital to the economic health of this mountainous region. Kabul has signed trilateral trade agreements with Iran and India, which, among other things, commits them to upgrading road and rail lines connecting the three countries.⁹ Iran and Afghanistan recently reopened a customs post in Milak in southwest Afghanistan, and Iran is 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 Afghan government to collect customs because the post is in a relatively deserted area, away from the control of the local warlord.

The great variety of national trade regimes and customs requirements in the region makes trade difficult. The World Bank has organized joint training for customs officials of a number of countries from the region. The Asian Development Bank (ADB) has initiated discussions with Central Asian and Chinese leaders with the aim of setting up a regional customs coordination committee. During an August 2002 visit to Islamabad by Afghanistan's finance and foreign ministers, Pakistan and Afghanistan established a joint economic commission chaired by the two countries' finance ministers to work on customs coordination, among other things. The ADB has also promised to help Afghanistan gain better access to regional markets: Iran, for instance, has a centralized state body for the purchase of grain, which makes it difficult for Afghan producers to market their wheat there. And the Central Asian states still by and large maintain cumbersome Soviet-style trade practices.

Measures to facilitate and promote trade would make it easier for the large number of existing traders, some of whom now operate in gray areas or through bribing customs officials, to legalize their activity. Instead of reinforcing the weakness of state institutions, trade activity could contribute to regional stability and development.

While the region has both hydroelectric and hydrocarbon resources, Afghanistan is relatively deficient in both. However, it does have some hydroelectric plants and irrigation systems that are in need of repair, gas reserves in the north that have not been tapped since 1989, and potential oil reserves in the south. Stability and security in Afghanistan would also open up possibilities for energy transport through the country, including by way of a proposed gas pipeline from Turkmenistan to Pakistan via western Afghanistan. The presidents of the three countries signed a memorandum of understanding on that project in May 2002, and the ADB has allocated \$1.5 million for a feasibility study. This project could be made

profitable by building a gas liquefaction plant at the Pakistani port of Gwadar in Baluchistan to export 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. While some have speculated that Iran would oppose such a pipeline as competing with its own plans, Iranian officials from the reformist camp claim that Iran would support any economically feasible pipeline project, though it would oppose any that were implemented solely to bypass Iran. Tehran recognizes that an unstable Afghanistan is more costly to itself in terms of refugee flows and the narcotics trade than the loss of potential pipeline revenues. Tajikistan and Uzbekistan are currently providing electricity to Kunduz and Mazar-e-Sharif, respectively.

The lack of water is one of the major constraints on growth and development in the region, never more so than now, with much of the area recovering from a four-year drought. Afghanistan shares river basins with all the neighboring countries: the Amu Darya and the Panj 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 by 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 both of which is responsible for the desiccation of the Aral Sea and pollution in the region. International agreements regulate the sharing of water in all these river basins, but the recent drought has led to conflict between Afghanistan and Iran. Tehran claims that it has not been receiving its full allocation under the Helmand River agreement. Afghanistan, on the other hand, now uses less than a 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 at odds with

its Central Asian neighbors, who are already uneasy about Afghanistan's future water demands. Afghan officials, in turn, charge that Soviet-era artificial embankments on the Central Asian side of the Amu Darya and the Panj are causing the erosion of the natural Afghan shoreline. Rational planning for the use of scarce water resources will require regional cooperation and the sharing of expertise.

Afghans share languages and a common culture with all of their neighbors. While in the past this has facilitated foreign interference, it could also be a source of positive interchanges. Afghan refugees and indigenous educated professionals in Central Asia feel that they have been overlooked in the reconstruction planning, though they could contribute a great deal as teachers, doctors, and engineers. Iran and Pakistan could also provide personnel who speak Afghan languages, as well as textbooks and training materials, but sensitivities are still quite high, especially regarding Pakistan, since these countries were a major source of foreign interference. Professionals from neighboring countries with expertise in agriculture, irrigation, and others areas where knowledge of local conditions is important could also contribute to the rehabilitation of the Afghan economy.

It will also be necessary to take a regional approach in dealing with the problems in border provinces, which have or may become incubators of conflict or violence because of their entrenched poverty and indigenous power structures. In 2001, the World Bank identified several such problem areas, including the Pashtun tribal territories in Pakistan and Afghanistan, the Fergana Valley, and Sistan-Balochistan in Iran, together with the neighboring desert areas of Afghanistan and Pakistan. One Afghan scholar, highlighting the importance of the Pashtun areas, has remarked that they "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 if not lower than those in Afghanistan. Literacy in the tribal territories, for instance, is estimated at 11 percent for men and less than 1 percent for women.¹⁰

Some of these regional problems, particularly those having to do with infrastructure or public policy, are inherently the responsibility of governments and intergovernmental organizations. However, the Afghan administration's development framework emphasizes that economic growth and reconstruction should be led by the private sector. When the finance ministers of Iran, Afghanistan, and Pakistan, together with the administrator of the United Nations Development Program (UNDP), signed a joint communiqué on economic cooperation in Tehran on May 18, 2002, they also emphasized the role of the private sector.

However, private business interests are organized differently and have different roles in relation to government in various countries. In Central Asia, the Soviet heritage has left the private sector relatively weak and dependent on government. On the other hand, private businesses in Turkey, Iran, and Pakistan are actively looking for opportunities and contracts in the Afghanistan reconstruction project. Turkish businessmen have already organized a trade council for Turkish businesses working in Afghanistan. Relations between the Iranian government and private business are particularly close and supportive, and Iranian companies appear to be far ahead of others in the region in doing business in Afghanistan. The first private air service to Kabul airport, for instance, is being provided by the privately owned Mahan Airlines, based in Tehran. The Pakistani private sector, in contrast, is hampered by a license-permit raj that requires endless paperwork. Regularizing business practices and permissions should be a subject for the economic cooperation

commission established at the meeting in Tehran last May.

What Can Be Done

Regional cooperation is likely only when states value the opportunities that openness can create more than the need for control. The latter, among other concerns, defeated a UNDP proposal for a joint development authority for the three states of the Ferghana Valley and limited the scope of the South Asia Association for Regional Cooperation (SAARC). The makeup of the states in the region makes cooperation more difficult. All have various weaknesses, with Afghanistan being an extreme case, where state structures have barely existed for much of the past 23 years. Agreements on cooperation do not in themselves create the management capacity to benefit from cooperation. Cooperation is also more difficult when states' administrative systems and trade regimes are incommensurate.

This region is unlikely to become organized under a single, multifunctional umbrella organization like the European Union, the Organization of American States, or the African Union. Rather, various efforts at cooperation for specific purposes among different parts of the region, possibly linked to neighboring regions, 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 states. Traders from Turkey, United Arab Emirates, Iran, Afghanistan, Pakistan, and India are already organized and accustomed to working together. Traders from Iran, Pakistan, and Afghanistan, including many based in Dubai, attended the meeting on economic cooperation in Tehran in significant numbers. The Civil Society Forum supported by the Swiss Peace Foundation in Kabul is helping Afghan traders organize and communicate their needs to the authorities.

Official cooperation can evolve gradually from technical work. Along these lines, the

Asian Development Bank launched 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, Kyrgyzstan, 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 tend to focus on their national economies and links to developed countries, rather than links to their neighbors. However, when Afghanistan's finance minister participated in a CAREC meeting in Shanghai in May 2003, he suggested that Afghanistan, Iran, and Pakistan might join the organization in the future. Clearly, there is growing political will in the region with respect to economic cooperation, despite the legacy of suspicion and mistrust from years of regional strife.

The widespread discussion of a hoped-for Marshall Plan for Afghanistan implicitly evokes a wish for U.S. leadership and support for reconstruction of the entire region. But the United States has clearly stated that while it will lead the military efforts in Afghanistan, it will play only a supporting role in reconstruction. A more modest approach for funding regional initiatives in support of Afghan reconstruction would be for donors to support a World Bank proposal for the establishment of a trust fund for that purpose separate from the Afghanistan Reconstruction Trust Fund.

Such initiatives would most likely have to come from the region and most certainly could only be sustained if regional participants felt themselves to be in charge. Since political considerations are of such importance in determining attitudes toward regional cooperation, the establishment of an informal regional forum might be useful for discussing potential areas of cooperation. The present circumstances provide an occasion for the creation of such a forum, with leadership coming from Afghanistan itself

now that the country's government is internationally recognized. The Karzai government has taken the first step in this process by asking the six neighboring states to sign the Kabul Declaration on Good-Neighborly Relations in December 2002. The declaration affirms "their commitment to constructive and supportive bilateral relationships based on the principles of territorial integrity, mutual respect, friendly relations, cooperation and non-interference in each other's internal affairs." This is a good starting point.

Just as regional cooperation may be essential for Afghanistan's sustainable recovery, Afghanistan's sustainable recovery may be essential for regional cooperation. If the economic benefits of reconstruction are accompanied by increasingly just and legitimate states, the reconstruction of Afghanistan could even contribute to genuine regional peace building. Such peace building will be possible and effective only if the international community supports the construction of a more stable Afghan national state and actively supports regional cooperation. 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. ●

Notes

This article draws on discussions at meetings in Istanbul, in March and June 2002, organized by the Center on International Cooperation (CIC) and the Turkish Foundation for Social and Economic Research, on the changes in South Central Asia and the regional impact of Afghan reconstruction, as well as on research and interviews in Afghanistan and elsewhere. We would like to thank the Rockefeller Foundation, the Ford Foundation, the Open Society Institute, and the governments of Norway and the United Kingdom for their support of the Regional Conflict

Formations and Afghanistan Reconstruction Projects, and of the CIC's work more generally.

1. Regional conflict formations are transnational conflicts that form mutually reinforcing linkages with each other throughout a region, making for more protracted and obdurate discord. In South Central Asia, the regional conflict comprises state and nonstate actors in Afghanistan, Kyrgyzstan, Iran, Pakistan, Tajikistan, Turkmenistan, Uzbekistan, and Kashmir.

2. See Stephen Blank, "The Arming of Central Asia," *Asia Times Online*, August 23, 2002, at www.atimes.com/atimes/SouthAsia/DH24Df02.html.

3. United Nations Office for Drug Control and Crime Prevention, *Global Illicit Drug Trends* (New York: United Nations, 2002).

4. United Nations Office for Drug Control and Crime Prevention, *The Opium Economy in Afghanistan: An International Problem* (New York: United Nations, 2003).

5. United Nations Integrated Regional Information Networks, "Central Asia: HIV/AIDS Growing Rapidly," October 2, 2002.

6. The National Development Framework is available on the website of the Afghan Assistance Coordination Authority, www.afghanaca.com.

7. See Peter Tomsen, "Untying the Afghan Knot," *Fletcher Forum of World Affairs*, vol. 25 (winter 2001), p. 17.

8. See Frederick S. Starr, "Afghanistan: Free Trade and Regional Transformation" (New York: Asia Society, February 2002).

9. See Ahmed Rashid, "Afghanistan Develops New Trade Routes Beyond Pakistan," *The Nation* (Pakistan), January 23, 2003. India is committed to building the Zaranj-Delaram road in southwestern Afghanistan and to working with Iran to rebuild the railroad from the port of Chabahar on the Gulf of Oman, linking it with the Iranian railway network. Iran is committed to building the Milak Bridge over the Helmand River into Afghanistan and upgrading the Chabahar-Milak road to international standards.

10. World Bank, "Afghanistan Border States Development Framework Approach Paper: Discussion Draft," November 12, 2001.