



the Hollings Center
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The American Institute
of Afghanistan Studies

**AFGHANISTAN'S OTHER NEIGHBORS:
IRAN, CENTRAL ASIA, AND CHINA**

CONFERENCE REPORT

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and the Hollings Center for International Dialogue

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EXECUTIVE SUMMARY

Although Afghanistan's relationship with its neighbor, Pakistan, has received considerable attention, its relationship with its other neighbors—China, Iran, Tajikistan, Turkmenistan, and Uzbekistan—largely has been neglected. This is shortsighted because Afghanistan's long-term prospects for becoming militarily secure, politically stable, and economically prosperous will depend on strengthening its links with these neighbors. To address this issue, the American Institute of Afghanistan Studies (AIAS) and the Hollings Center for International Dialogue organized in Istanbul in July 2008 a three-day seminar of 26 leading experts from Afghanistan, the Central Asian Republics, the European Union, Turkey, and the United States entitled "Afghanistan's Other Neighbors: Iran, Central Asia, and China." The seminar's key findings and recommendations include the following:

Opportunities

- By linking landlocked Central Asia to South Asia and the Near East, Afghanistan occupies a strategic location. With better security and an improved infrastructure, Afghanistan could transport natural gas and electricity from Central Asia to South Asia, export mineral resources to China, and serve as the international hub for overland trade from ports in Iran and Pakistan. These developments have a greater potential to transform Afghanistan's economy than any direct international aid or domestic investments.
- Afghanistan's borders with Iran and Central Asia are relatively peaceful. Although Iran, Tajikistan, and Uzbekistan all have had connections with specific political groups in Afghanistan, each sees a more stable Afghanistan as in its own national interest.

Challenges

- Afghanistan's neighbors remain uncertain about the international community's commitment to Afghanistan. As a result, they pursue policies designed to protect their own short-term interests at the expense of building regional cooperation and stability within Afghanistan.
- Afghanistan's reconstruction has focused on specific projects and bilateral relationships with neighbors. Little emphasis has been placed on developing an integrated regional framework of development and investment that would give each nation in the region a strong economic incentive to seek the success of all.

Afghanistan and Iran

- The presence of almost two million Afghan refugees in Iran has made expatriate remittances a vital part of the Afghan economy. This population also has produced political tensions because Iranians view Afghan workers as unwelcome immigrants.
- The antagonistic relationship between Iran and the United States prevents Kabul from developing fully beneficial ties with Tehran. An improvement in U.S.-Iranian relations would contribute significantly to stability in Afghanistan.

Afghanistan and Central Asia

- The Central Asian states approach Afghanistan from a short-term perspective and with considerable reluctance. They have made few efforts to develop infrastructure projects and economic ties to Afghanistan that might give them better links to the outside world.
- The drug traffic from Afghanistan through Central Asia threatens the stability of these states by undermining central government authority through corruption, but the governments are unwilling to tackle the problem because the trade is too lucrative.

Afghanistan and China

- Although China has the shortest border and the lowest profile of any of Afghanistan's neighbors, its 2008 agreement to invest \$3 billion to mine copper there could transform Afghanistan's economy and make China the country's largest foreign investor.
- Chinese investment will have a strong indirect effect on its longstanding ally, Pakistan, because China would have considerable interest in reducing the influence of insurgents that are using Pakistan as a base to target foreign projects in Afghanistan.

RECOMMENDATIONS

What Afghans Should Do for Themselves

- *Afghans will need to take greater initiative in planning their own future.* Until now, Afghanistan's government has taken a passive approach and has allowed others to determine its economic development, build its infrastructure, and propose trade deals. To become stable, Afghanistan must take responsibility for setting its own agenda and for linking the disparate parts into a coherent whole. Afghanistan should insist on direct representation at all international conferences about its future.
- *Opportunities for refugees to participate in Afghanistan's reconstruction should be given high priority and discrimination against them should be eliminated.* Returnees have skills that the country desperately needs.

What Other Countries Should Do

- *Future efforts by the United States and NATO to build stability in Afghanistan should be addressed in a regional context.* Giving all the states in the region common and mutually beneficial economic ties will pay large security and political dividends that the current bilateral agreements alone cannot provide.
- *Iran and the United States should begin a bilateral discussion on how best to bring stability to Afghanistan.* Because stabilizing Afghanistan is one of the few areas where Iran and the United States have a common interest, a diplomatic dialogue has considerable promise and need not be linked to the issues that still divide the two countries.

INTRODUCTION

Landlocked Afghanistan lies in the heart of Asia. It links three major cultural and geographic regions: the Indian subcontinent to the southeast, Central Asia to the north, and the Iranian Plateau in the west. Geography may not be destiny, but it has set the course of Afghan history for millennia. Even today Afghanistan continues to share cross-border populations, trade links, labor migrations, and cultural ties that transcend current nation-state boundaries. Although Afghanistan's relationship with its southeastern neighbor, Pakistan, receives considerable scrutiny, its relationship with its other neighbors to the west and north—China, Iran, Tajikistan, Turkmenistan, and Uzbekistan—has received much less attention.

To address this issue, the American Institute of Afghanistan Studies (AIAS) and the Hollings Center for International Dialogue cosponsored a seminar in Istanbul in July 2008 entitled “Afghanistan's Other Neighbors: Iran, Central Asia, and China.” Building on a path-breaking July 2007 AIAS-Hollings Center conference on the Durand Line, the contested border between Afghanistan and Pakistan, the seminar brought together a diverse and interdisciplinary group of 26 prominent scholars, diplomats, former government officials, and NGO representatives from Afghanistan, the Central Asian Republics, the European Union, Turkey, and the United States.¹ (See Appendix 2 for a list of participants). Discussions explored the past, present, and future connections between Afghanistan and its northern and western neighbors. The seminar concluded that Afghanistan's long-term prospects for political stability and economic prosperity depend on strengthening its links with these neighbors. Both the Afghan government and the international community therefore must give far greater attention to the structure of these relationships, their present status, and their future prospects when creating development and security policies for Afghanistan. This report summarizes the key discussion points and main conclusions of the seminar.²

BACKGROUND

International Boundaries and Their Legacy

Afghanistan was not always a unitary state within its present boundaries. Like many countries, it has international borders that were arbitrarily drawn and divided communities that formerly were united. It also encompasses people and places that at other times and under different political orders had only limited connections to today's Afghanistan, but are now an integral part of it. How these territories became incorporated into Afghanistan, or divided from it, affects Afghanistan's present-day political relationships with its neighbors.

¹ See the conference report entitled “The Durand Line: History, Consequences, and Future,” available at www.hollingscenter.org/reports.html.

² Discussions were held on a not-for-attribution basis. This report was written by Thomas Barfield, President of AIAS, and edited by Amy Hawthorne, Executive Director of the Hollings Center.

In the 16th century, Afghanistan's territory was divided among three powerful empires. The Indian-based Moghal Empire ruled over Kabul and eastern Afghanistan. Northern Afghanistan (Maimana, Mazar-i-Sherif, and Kunduz) was part of a Central Asian polity ruled by Uzbek emirs. Western Afghanistan was an integral part of Iranian Khorason that put Herat under the control of the Safavid Empire. Southern Afghanistan was first a Moghal territory that later came under the control of Iran after the Safavids conquered Kandahar. In 1747, Ahmad Shah Durrani united these regions into a single Afghan state that also initially included large parts of northern India, Iranian Khorason, and Central Asia. This large empire fragmented after his death so that his successors were reduced to ruling the "Kingdom of Caubul," as the first British envoy, Monstuart Elphinstone, labeled it in 1808. At that time, the kingdom struggled against newly aggressive neighbors that claimed large parts of Afghanistan as their own. Bukhara battled Kabul for control of the North (Afghan Turkestan). The Qajar dynasty in Iran sought to reclaim Herat. The Sikhs succeeded in expelling the Afghans from India and conquered Peshawar and the Khyber Pass as well. Rivalries within the dynasty itself left Kandahar and the South virtually autonomous.

These disputes among local powers were rendered moot when European colonial powers entered the fray in the mid-19th century, but this only heightened the danger to Afghanistan. After the British came into northwest India, they mounted two failed wars (1839–1842 and 1878–1880) to conquer and dismember Afghanistan before agreeing to preserve it as an autonomous buffer state between their own territories in India and those seized by an expanding Czarist Russia in Central Asia. The Russians periodically threatened to incorporate Afghan Turkestan into their own colonial empire after conquering Bukhara in 1865, but in 1873 and 1885, they finally agreed under British pressure to recognize it as part of Afghanistan. Iran had earlier recognized Afghanistan's western border and gave up its claims to Herat in the 1857 Treaty of Paris, under which the British Government agreed to arbitrate all conflicts between Iran and Afghanistan. Afghanistan's southern and eastern borders were unilaterally set by the British imposition of the Durand Line in 1893. In 1895, Britain and Russia agreed to extend Afghanistan's northern boundary east into the Pamir Mountains to produce the Wakhan Corridor, a new buffer zone that separated their respective empires and gave Afghanistan its tiny border with Chinese Xinjiang. (In 1963, the People's Republic of China formally accepted the existing border with Afghanistan).

How these borders were drawn has had long-term political consequences. Successive Afghan governments of all political persuasions have rejected the legitimacy of the Durand Line because it split the region's Pashtun population. As a result, the contested border itself has soured relations with neighboring Pakistan for the past 60 years. It remains a great barrier to reconciliation between the two countries. By way of contrast, Afghanistan's rulers raised few objections to borders that divided non-Pashtun communities in the North and West. These borders constituted recognized international boundaries at the time they were drawn and have remained unchallenged since then. The few minor disputes that did arise were resolved quietly through peaceful negotiations.

Afghanistan's relations with Iran, the Central Asian states, and China thus have always been on a firmer foundation than have its relations with Pakistan. For example, while Iran had as good a

historical claim to Herat as Afghanistan did to Peshawar, Iran long ago relegated this issue to the history books. Yet, Afghan maps continue to draw the boundary of an independent Pashtunistan with Pakistan at the Indus River. The absence of territorial disputes with its northern and western neighbors, as well as solid agreements about where the border lies, is an advantage of considerable importance to Afghanistan.

Changes in the 20th Century

Until the early 20th century, international boundaries, however demarcated, meant very little for ordinary people. Afghans defined themselves more as members of a broader Islamic world and local ethnic groups than as parts of a single nation-state. There were few barriers to trade and travel between Afghanistan and its neighbors, so people could cross the borders at will. Afghanistan also was heir to an older Persianate tradition that gave the entire region a cultural cohesiveness that transcended national boundaries and even Sunni-Shiite sectarian divisions. Although Afghanistan's rulers were Pashtun by ethnicity, Persian remained the language of government administration and high culture and was Afghanistan's most common lingua franca. The same was true in Central Asia, where such old urban centers as Bukhara and Samarkand retained Persian-speaking populations and cultural traditions under dynasties of Turkish origin. Far from displacing this Persianate cultural tradition, these Turkish dynasties, which had ruled much of the region since the 11th century, embraced it as their own. Their populations were commonly bilingual, often intermarried with Persian speakers, and developed relationships that were more symbiotic than antagonistic.

These traditional relationships began to change in the late 19th century. The "Great Game" politics pursued by colonial regimes in British India and Czarist Russia stripped autonomy away from local rulers. The process continued in the postcolonial 20th century when the desire to create nation-states emphasized internal development at the expense of transnational ties. A nationalist and modernizing Iran turned its back on its poorer eastern neighbor as irrelevant to its foreign policy and economic development. There was a sharper break with Central Asia after the Soviet Union dissolved the old khanates in 1920 and then reorganized them into ethnic republics. This severed the formerly close economic and social ties between the peoples of northern Afghanistan and Central Asia. For the next half century, the two populations had almost no direct contact with each other. All relationships between Afghanistan and Central Asia during this period went through Moscow.

These changes had little policy impact on Pashtun-dominated Afghan governments in Kabul because they maintained a resolutely southern Asian orientation. Almost all of Afghanistan's imports and exports transited through the port of Karachi rather than through Iran or Central Asia. Afghan foreign policy, too, was fixated on the South where disagreements on the political status of the Pashtuns in the North-West Frontier Province (NWFP) and Baluchistan reignited after Pakistan became independent in 1947. Observers could be forgiven for assuming that Afghanistan had no other neighbors because the question of "Pashtunistan" so dominated Afghan foreign policy. The Soviet invasion of 1979 only partially changed this equation. Millions of Afghan refugees fled to Iran, but many more fled to Pakistan, which channeled money and arms to the *mujahideen* parties it favored. Although the Soviet aid also flooded into Afghanistan

to support the Kabul government and many young Afghans went to study in the USSR during the 10-year Soviet occupation, the borders between northern Afghanistan and Central Asia remained closed to private trade and travel.

Reorientation in the Late 20th and Early 21st Centuries

When the Cold War ended with the collapse of the Soviet Union in 1991, the ethnic republics of Soviet Central Asia bordering Afghanistan—Tajikistan, Turkmenistan, and Uzbekistan—suddenly found themselves independent and in need of new economic and political policies. For the first time since the British and Russians split the region into opposing spheres of influence in the mid-19th century, it seemed possible that the old “Silk Route” network of trade and political ties that formerly bound the region together might once again flourish. Given Afghanistan’s strategic location as the region’s key transit point, this presented the country with a unique opportunity because trade routes from Iran or Pakistan and India would have to pass through it.

Afghanistan, however, was unable to respond to this changing situation because of its decade-long civil war that erupted in the wake of the dissolution of the Soviet-backed government in Kabul in 1992. During the civil war, neighboring countries were willing to support such regional commanders as General Abdul Rashid Dostum (backed by Uzbekistan), Ahmad Shah Masud (backed by Iran and Tajikistan), and Ismail Khan (backed by Iran) to counter the influence of the Pakistan-backed Taliban. But they did not intervene directly in the fighting. They lent support for various reasons. Iran saw the spreading radical Sunni Islamist movement as a danger to its own Shiite Islamic Republic. The Central Asian states, whose leaders had all come up through the Soviet political system, feared that the Taliban intended to expand their jihad into their countries once they had consolidated their grip over Afghanistan. Nevertheless, despite their aid (and that of Russia and India as well), by mid-2001, the Taliban controlled 90 percent of Afghanistan and were on the verge of eliminating its enemy’s last strongholds.

The Taliban never achieved this goal because after al Qaeda attacked the United States in September 2001, the United States responded by attacking Afghanistan. In less than 10 weeks, the Taliban were expelled from Afghanistan and replaced by a new government led by Hamid Karzai. Unlike Pakistan, which dropped its support of the Taliban only under pressure, Afghanistan’s northern and western neighbors supported the United States’ intervention. Despite its longstanding hostility toward the United States, Iran gave tacit approval to the United States’ intervention and assisted the Afghans in forging a new government during the December 2001 negotiations in Bonn, Germany. Kyrgyzstan, Tajikistan, and Uzbekistan all provided bases for international troops and aircraft, overflight rights, and overland access to Afghanistan from the north.

If the collapse of the Soviet Union was the massive earthquake that shook the region in 1991, the United States’ intervention into Afghanistan 10 years later produced an aftershock that was almost as great. The international community began a long-term commitment to rebuilding Afghanistan’s infrastructure and economy, uneven though it has been, to give Afghanistan links to the outside world it had never had before. Afghanistan’s neighbors began to look at the country differently as well.

AFGHANISTAN AND IRAN

Iran shares a 560-mile (900-km) border with western Afghanistan and has business, religious, familial, and historical ties with the people there. Although Iran and Afghanistan currently have good diplomatic relations and growing economic ties, several issues complicate their relationship. On Tehran's side, these include Iran's longstanding hostility toward the United States, the uncertain status of almost two million Afghans living in Iran, and the security threat presented by the uncontrolled drug trade across its border with Afghanistan. Kabul's concerns are more inchoate, but include the difficulty of maintaining U.S. support without alienating Iran (and vice versa) and fears of Iranian "cultural imperialism." Important ethnic and regional considerations also come into play for Kabul. Iran shares the closest ties with groups (Shiite Hazaras and Persian-speaking Sunnis) and regions (Herat and western Afghanistan) that have opposed Pashtun-dominated governments in the past.

Iran's opposition to the return of the Taliban, its concern about the drug economy affecting its citizens, and its plans to expand trade ties with Afghanistan and Central Asia make it a potential ally in bringing stability to Afghanistan because none of these goals can be achieved without it. These are all areas in which the United States and Iran agree and so could serve as the basis of cooperation. More important for Iran, the sooner stability comes to Afghanistan, the more likely international forces are to depart. Of all Afghanistan's neighbors, Iran is also the only state that has the ability to balance Pakistan's influence in Afghanistan with a comparable presence. Afghanistan has always proved more stable when it has been able to offset the influence of outsiders seeking influence through competition.

Politics: When My Friend Is Your Enemy

Iranian relations with Afghanistan have always been overshadowed by Iran's other priorities, most notably its relations with the West, concerns with Iraq, oil politics, and its role in the larger Islamic world. Because Iran does not look upon Afghanistan as a peer polity, its relationship with the United States has set the agenda for its dealings with Afghanistan since 2001. Therefore, although Iran supported the U.S. toppling of the Taliban in 2001 and shed no tears when the United States removed its old enemy Saddam Hussein in Iraq in 2003, the Iranian government has opposed U.S. troops remaining in both Afghanistan and Iraq, fearing the establishment of permanent bases from which attacks could be launched against it.

As a result, Iranian relations with Afghanistan often appear paradoxical. President Karzai has been well-received in both Washington and Tehran but is criticized by each for his friendship with the other. A telling consequence of this was the U.S. decision to prohibit contractors paving the Kabul-Kandahar road from purchasing cheaper and more readily available asphalt from Iran. This increased the construction costs tremendously with no benefit for Afghanistan. Similarly, if Iranian animosity toward the United States has induced Iran to supply weapons to the resurgent Taliban, as some in the U.S. government have asserted, they would be doing so at the cost of rebuilding a radical Sunni movement hostile to Shiites.

Although the Afghans appreciate the aid Iran has provided—more than a half billion dollars since 2001—they are ambivalent about Iran’s motives because it could open the door to greater Iranian interference in Afghanistan’s internal affairs. This concern increased when the warm relations established between Iranian President Mohammad Khatami and the Karzai government cooled after President Mahmoud Ahmadinejad took power in 2005. But, despite its suspicions, Afghanistan would be willing to establish closer economic relations with Iran if it were not constrained by U.S. policies on one hand and, on the other, Iranian demands for guarantees against U.S. actions (against Iran) that Afghanistan is in no position to deliver. The underlying problem is that the Afghan and U.S. governments remain at odds about the strategic intentions of Afghanistan’s neighbors, and hence about the policies needed to engage them. For Afghanistan, Iran is a friend and Pakistan is an enemy, whereas for the United States Iran is an enemy and Pakistan a friend.

Participants vigorously discussed whether it was possible to open a dialogue between Iran and the United States on Afghanistan in the absence of policy changes on other issues important to the U.S.-Iranian relationship. Many argued that this might have indeed been possible once, but the opportunity had been forgone by the Bush administration. All agreed that although any improvements in relations between the United States and Iran would benefit Afghanistan, the Afghan government lacks enough influence with either party to change the situation on its own. It is unclear how the Obama administration may alter U.S. policy toward Iran because both nations have such a lengthy list of longstanding differences (including Iran’s nuclear program) that are deeply entrenched. Nevertheless, participants agreed that Afghanistan might be one area where their common interests could make a start at resolving these differences.

Refugees: A Tie That Binds and Divides

Iran currently hosts 900,000 legally registered Afghan refugees on its soil, and more than 1.5 million Afghans without legal status. Most refugees arrived after the Soviet Union invaded Afghanistan in 1979. Many were Hazaras who shared a common Shiite faith with Iranians, but some were Sunni Persian speakers who saw Iran as a better destination than Pakistan because they shared a common language with Iranians and Iran had a higher standard of living. In addition, while Pakistan was keen to confine Afghan refugees to camps where they would be dependent on international humanitarian aid, Iran established fewer refugee camps. Iran instead encouraged Afghans to seek temporary work throughout the country because the demands of the Iran-Iraq War left it short of manpower. The remittances sent home by Afghan workers in Iran (estimated at \$500 million annually) constitute a significant part of the Afghan economy.

Over time, the status of these refugees, many of whom were born in Iran, has become problematic. Although Iran offered more economic opportunities to Afghan refugees, many resented their treatment there and came back to Afghanistan with decidedly mixed feelings about Iran. Even those who had the proper documentation were treated as “second class citizens” and were excluded from many opportunities. Those in the country without documentation were treated worse. Part of the animosity derived from the status of Afghans as refugees. Like many refugee-receiving countries, Iran has assumed that they and their descendants would return to Afghanistan. Many did return in 2002 following the Taliban’s

expulsion, but many more have stayed in Iran. Their presence has fueled a broad sentiment among ordinary Iranians that Afghan refugees pose a significant burden on Iran's economy and that those who lack proper documentation should be deported. In 2007, the Iranian government expelled 350,000 illegal Afghan immigrants, forcing them back into a country where the economic and security situation remains difficult. The Afghans interpreted this as a hostile act designed to undermine the country's stability. The deportations also underscored Afghanistan's inability to influence Iranian policy in an area that most directly affects its own people.

The return of refugees from Iran (and Pakistan) has been poorly handled both by the UN High Commissioner for Refugees (UNHCR) and by the Afghan Ministry for Refugees, which assumed that refugees would naturally return to the rural areas from which they came. Instead, they have gravitated toward cities like Kabul, where they find few job opportunities. Although many refugees return to Afghanistan with new skills and seek a system of credit and opportunity that would allow them to use these skills to build lives and homes, they are met instead with indifference or hostility. This has resulted in refugees returning to Iran and Pakistan despite Afghanistan's desperate need to retain skilled people to build its own economy.

Cultural Issues: Fear of Iran's Shadow

Because Iran is so culturally dominant in the Persian-speaking world, Afghans fear falling victim to what they view as Iranian "cultural imperialism." Examples cited by seminar participants included Iran's plans to finance construction of the University of Herat, its distribution of Iranian textbooks, and the large number of Afghans seeking higher education in Iran. (There are currently more than 8,000 Afghans engaged in religious study in Qom, the clerical center of Iran). Some Afghans argue that their own autonomy could be lost if they do not limit the spread of Iranian cultural products such as books, fashions, and Iran-based educational institutions. There has also been considerable resistance to reabsorbing former refugees from Iran, particularly those who received higher levels of education there. Although one would assume that Afghanistan would welcome the repatriation of skilled Afghans from anywhere in the world, those with degrees from Iran face discriminatory barriers. Ministries in Kabul have refused to recognize their degrees or to certify the private schools that they have established. Kabul University will not hire Iranian-trained scholars even though their level of competence often is higher than that of those who already hold positions there.

Part of this concern is rooted in Afghan regional and ethnic politics. Although residents of Herat see the increasing prosperity of their city due to Iranian aid and trade as an unmitigated benefit, the Kabul government fears that Iran is attempting to weaken the influence of the central government as a way to establish its own sphere of influence in western Afghanistan. The populations (Shiite Hazaras and Persian-speaking Sunnis) and regions (Herat) with which Iran shares the closest ties have been historically excluded from national power by Pashtun-dominated governments. The Karzai administration is no exception. It remains ambivalent about Iran's ties to these groups and about the influence of the large number of Afghan refugees still resident in Iran. Although closer cooperation with Iran might improve conditions for the country as a whole, Kabul seems intent on preventing Iran from taking a larger role in the

Persian-language sphere in which it already has a large comparative advantage. In fact, a larger Iranian role could serve a positive function by serving as a counterweight to Pakistan.

Economics: Generous Benefactor or Influence Seeker?

Iran is one of the largest donors of direct aid to Afghanistan. After the Taliban fell, Tehran offered \$560 million for reconstruction efforts, and by 2006, it was one of the few countries that had actually delivered all that it had promised. At the most recent international meeting to raise aid for Afghanistan, held in June 2008 in Paris, Iran promised Afghanistan an additional \$50 million in aid and \$300 million in loans to be delivered over the next three years. Iran's aid has been particularly noticeable in the Herat region, where it has provided electricity, new roads, and investments in trade. These ties, and Iran's infrastructure development and trade networks, have already resulted in Iranian goods replacing Pakistani goods in most markets in western Afghanistan.

Seminar participants concluded that Iran's current investment and development strategy in Afghanistan can be best understood as a complex game in which Iran is hedging its bets on an uncertain future. On the one hand, if Afghanistan again devolves into anarchy, Iran's investments in the West and close connections with Herat would lay the groundwork for an autonomous buffer zone that would help Iran protect itself. On the other, if Afghanistan becomes stable, it is to Iran's advantage to take part in the country's reconstruction and to use it as a link to Central Asia and Pakistan. An example of this latter strategy was Iran's allowing India to construct a 135-mile road through Iran that connects the Iranian port of Chahbahar with Afghanistan's Nimroz province. Completed in September 2008 as part of a larger \$1.1 billion reconstruction scheme financed by India, the road created a new transport corridor into landlocked Afghanistan. It not only breaks Pakistan's monopoly on Afghanistan's seaborne transit trade but also positions Iran to become the most efficient transit route from Central Asia to the Persian Gulf. Afghanistan, however, is not central to Iran's future economic development. Thus, unlike the Central Asian neighbors, which need to move energy exports through Afghanistan, or China, which plans major resource development in the country, Iranian interests in Afghanistan are more political than economic.

Narcotics in Iran and Afghanistan: A Plague in Both Their Houses

Afghanistan is the world's largest producer of opium, and Iran is the world's largest consumer. The *UN World Drug Report for 2005* estimated that Iran had the highest proportion of opiate addicts in the world, numbering more than two million people, or 2.8 percent of the population over age 15. Drugs from Afghanistan not only supply a domestic market but also are traded onward to Turkey and Europe. Many smuggling routes run through the triborder areas of Baluchistan that divide Afghanistan, Iran, and Pakistan. The trade helps fund a secessionist Baluch insurgency that is opposed to the Islamic Republic. Well before the United States invasion of Afghanistan, Iran had invested about \$1 billion to construct an elaborate series of earthworks, forts, and deep trenches along its entire border with Afghanistan, designed to channel drug smugglers to areas where they could be intercepted by Iranian security forces. But the smugglers are well-armed and have fast vehicles, so these obstacles are far from effective.

More than 3,500 Iranian security personnel have died fighting drug traffickers since the 1979 Islamic revolution. For these reasons, Iran has a strong interest in the effectiveness of Afghanistan's counter-narcotics efforts. Because the United States also has concerns about the instability created by the drug trade, this area is one of possible bilateral cooperation.

Conclusions about Iran

It is important not to over-generalize the intentions of Iran in Afghanistan (or indeed any of the other regional or international actors) or to limit them simply to governments. There are important Iranian actors, including some Afghan refugees, who can play a critical role independent of the policies of the Iranian government.

Participants drew the following conclusions about how Iran and Afghanistan currently view their relationship:

1. Although Iran plays a much larger role in Afghanistan today than it has at any time since the mid-19th century, its policy toward the country is superseded by other international priorities, particularly its relationship with the United States. This makes it difficult or impossible for the Afghan government to establish independent bilateral relations with Iran.
2. The large Afghan refugee presence in Iran has given the two countries a closer network of ties than ever before, and refugees' remittances to Afghanistan are a vital part of the Afghan economy. The refugees' continued presence in Iran, however, is a source of tension because the majority are undocumented aliens subject to deportation. Iranians also see them as unwelcome immigrants who increase the competition for jobs.
3. There is a prejudice toward Afghan refugees returning from Iran, where they were better integrated into society than were refugees in Pakistan. Afghans educated in Iran have been denied positions in the government and NGOs, resulting in a "brain drain" that Afghanistan can ill afford.
4. Afghanistan sees itself as the victim of a U.S.-Iranian rivalry that is an uncomfortable reminder of its earlier history as a buffer state where its interests were sacrificed to the priorities of others. Although the Afghan government would like to see better cooperation between these two powers, it fears the consequences of any arrangements made without its participation.

AFGHANISTAN AND CENTRAL ASIA

The legacy of the Soviet Union has hindered Afghanistan's relations with the Central Asian Republics in three main ways. First, a cultural disjunction left the populations on either side of the border distinct from and distrustful of each other. Second, the old Soviet governmental organizations remained intact after these states gained independence and their leaderships were fearful of any political change. Third, the economic structures of the newly independent states retained the "command economy" aspects of the old regime and were resistant to reform even

when such resistance stymied their economic development. Despite these obstacles, the prospect of exporting natural gas and hydroelectric power from Central Asia to South Asia through Afghanistan holds great potential. New bridges and road links also promise economic opportunities for a region that is even more landlocked than Afghanistan.

Ethnicity and Culture: Afghanistan and Central Asia as Different Worlds

As the 20th century began, the peoples of northern Afghanistan shared a common cultural worldview with their neighbors in Central Asia, even though the latter had been under Russian colonial rule for more than 50 years. At that time, although internationally accepted, Afghanistan's borders with Central Asia of 1,458 miles (2,246 km) presented few obstacles to the local transnational communities that had had no role in determining them. They crossed them at will and northern Afghanistan had stronger trade links with Bukhara than Kabul. This changed in the late 1920s when the Soviet Union strengthened its grip over the region and hardened the frontier, making what had been simply a line on the map all too real on the ground.

New policies of isolation, radical social change, and economic reorganization now put these formerly similar groups on very different historical trajectories. The response by some was emigration: large numbers of Tajik and Uzbek refugees fled to northern Afghanistan. Others sought to resist the new regime. Although the Afghan government under King Amanullah (1919–1929) initially supported armed resistance against the Soviets, it reversed course when the Soviets threatened to retaliate. During the 1930s, Joseph Stalin further hardened the border and fenced it off from Afghanistan. Unlike the Durand Line, where border controls were pro forma or nonexistent, Afghanistan's northern border became impermeable. As just one of the Soviet Union's many "Iron Curtains," it was designed and maintained (at great expense) more to keep its own people in than to keep others out. As generations passed, personal and cultural links between cross-border populations atrophied and then disappeared. By the time the Soviet Union broke up in 1991, the communities on either side of the border may have shared the same languages, but they were no longer the same people.

The Soviet policy of creating ethnic republics intentionally divided, and in some cases created, the ethnic groups on which these republics were based. Previously, ethnic groups had never been distinct political units. The old khanates had been multiethnic, and boundaries between groups had been fairly loose. By contrast, the Soviet Union politicized ethnicity and redefined it in a much more simplistic manner. This restructuring broke up the old khanates and local ethnic identities, replacing them with national republics such as Tajikistan, Turkmenistan, and Uzbekistan, each with a unique history and identity. The immigration of large numbers of Slavic peoples into the northern Central Asian region further complicated the ethnography. Within this new political framework, the Soviets also radically restructured local society and culture. Villages were relocated to create large collective farms, and the government attempted to eradicate religion. Raising the status of women and their visibility in the workplace was given priority along with the inculcation of socialist values. Knowledge of Russian became instrumental for individual advancement in education or politics. Cyrillic script replaced Arabic script for writing

local languages, cutting people off from their past and making the various Turkish languages there appear more distinctly different from one another.

During the 70 years of Soviet rule, Central Asians oriented themselves toward Moscow and eventually came to believe that they had little in common with their neighbors to the South. They also adopted the Soviet prejudice that all these neighbors were culturally inferior, economically backward, and dangerous. This attitude hardened during the Afghan-Soviet war in the 1980s. The collapse of the Soviet Union and the independence of the Central Asian states in 1991 did not change these views. If anything, they were reinforced by the civil war that engulfed Afghanistan after 1992. Hence, seminar participants argued that common ethnicity shared by transborder populations was offset by the fact that Uzbeks and Tajiks in post-Soviet Central Asia live in a completely different mental universe than their co-ethnics in the South. Although Islam's role in post-Soviet Central Asian states is much greater than it was under the Soviets, it does not have the central cultural role it does in Afghanistan. Daily prayers, fasting during Ramadan, or praise of *shari'a* law—aspects of everyday life in Afghanistan—are often viewed as bordering on religious extremism by Central Asians.

Political Engagement: Watchful Wariness

Seminar participants noted that along with these cultural differences, important political differences exist. Afghanistan's Central Asian neighbors suppress political opposition and have never held free elections. Many of these countries are also still in the nation-building process because, during the Soviet period, they had little real autonomy and "bourgeois nationalism" was condemned. Upon independence, however, their leaders (all former Communist Party officials) repositioned themselves as nationalists, the only ideology available to justify the existence of their states. For this reason, seminar participants questioned whether the leaders of such autocratic regimes might not see instability in Afghanistan as useful for solidifying their own power bases (by using an argument that "we're better off than Afghanistan"). As noted above, this plays into the existing perception of the citizenry of the post-Soviet successor states that the Afghan border marks the "end of civilization." Instability in Afghanistan also provides a justification for the Central Asian leaders to use a security argument to hold onto power. In particular, these governments portray Islamic fundamentalism as a danger to the region and as a threat to their political power, giving them a reason to be wary of Afghanistan. This fear was reinforced when interest in Islam soared soon after independence. Regional governments moved to suppress its growth when, in the absence of other outlets, Islam became associated with demands for political change.

International politics also play an indirect role in relations between Central Asia and Afghanistan. Although Afghanistan has shown little interest in how neighboring governments deal with their own people, its Western allies care about such issues, and this has complicated Afghanistan's bilateral relations with them. Participants noted that the United States' foreign policy toward Central Asia has periodically shifted between pursuing democratic reforms and protecting human rights on the one hand and prioritizing security relations and cooperation in the Afghan war on the other. This has led to difficulties with countries like Uzbekistan. Much of the cooperation it provided after September 2001 ended in May 2005 when the United States

and the European Community imposed sanctions on the government in the wake of significant human rights violations in the country. Since U.S. supply routes to landlocked Afghanistan through Pakistan have become more vulnerable to disruption, the lack of transit facilities, bases, and supplies from Uzbekistan imposed a significant burden on the forces there. Yet such international disputes have had little impact on generally positive bilateral relationships between Afghanistan and its Central Asian neighbors.

Economics: From Missing Links to Vital Links

The Soviet Union left Central Asia with an impressive physical infrastructure, including paved roads, massive irrigation schemes, electric lines, hydroelectric dams, and natural gas pipelines. The population also has a much higher level of literacy than its neighbors to the south. These advantages have not resulted in an expansion of economic development, however, because the economy remains as centrally directed, but regionally less integrated, than it was during the Soviet period. In the post-Soviet era, each new state has looked at its own economy and resources as independent and to be jealously guarded from encroachments by neighboring states. Uzbekistan, the region's most populous country that formerly played a particularly important role as the region's distribution and administrative center, now found itself at odds with its less populous neighbors that have control of critical resources. These include water (Kyrgyzstan, Tajikistan), natural gas (Turkmenistan), and oil (Kazakhstan). Disputes have arisen about payments and availability and about whether water in dams should be used primarily for irrigation of cotton (most profitable for Uzbekistan) or production of hydropower (potentially more profitable for Tajikistan and Kyrgyzstan). These problems have been exacerbated by the high level of animosity among the region's five leaders, making it impossible to reestablish regional cooperation on issues of hydropower, water, and energy. As a result, Afghanistan's relations with Central Asia are fragmented and hamstrung by disputes among the Central Asian states themselves.

The legacy of the Soviet Union still has a powerful impact on how Central Asian governments approach economic reform and trade. They have maintained the existing economic structure in which the state is the dominant actor and political stability of the regime takes priority over economic growth. Uzbekistan in particular has discouraged private trade and continues to subsidize commercial cotton production on large collective farms, as during Soviet times. The oil and gas industry is entirely government-owned in Turkmenistan as are the hydroelectric facilities in Tajikistan and Kyrgyzstan. Because the populations of these states retain a tradition of political passivity and fear of economic change, they put little pressure on the governments there to reform.

This highly centralized structure is in marked contrast with Afghanistan, where entrepreneurial activity is high when it comes to trade, agriculture is family-based, and the state has a small role in the economy. It is hard for people in states that require stamped seals on every document and bureaucratic permissions for seemingly every transaction to deal with Afghan counterparts who use anonymous cash transactions through informal networks of trade based on trust. The exception is the lucrative opium trade that transits from Afghanistan to Central Asia, mostly through Tajikistan. The opium products are exchanged for cash, weapons, or alcohol, and the

sums of money involved are so large that smugglers can co-opt most government officials through bribery.

Participants noted that this illicit trade was far more innovative, aggressive, and successful in establishing cross-border ties than activity in other sectors of the economy. In this respect, Afghanistan's northern border is beginning to resemble Afghanistan's Durand Line frontier, where smuggling has always been an economic mainstay. Because the profits involved are so huge, the money flow from this trade undermines post-Soviet political systems where control of all other aspects of the economy remains in the hands of the state and the small political elite that runs it. Yet such payments so enrich politically powerful individuals that their self-interest outweighs concerns about the long-term political consequences of this drug trade.

Political leaders in the Afghan regions bordering the Central Asian Republics have not always waited for the Kabul government to make the first move. All major cities there had agreements with neighboring states to tap into their electric grids (Herat with Turkmenistan, Mazar-i-Sharif with Uzbekistan, and Kunduz with Tajikistan) well before the Afghan government had even developed a national energy policy. This has given them advantages over cities south of the Hindu Kush that still lack dependable power today. More important, participants noted several large-scale projects (some completed, some still planned) that will eventually benefit both sides and could change the whole regional economy. The four most significant are:

1. A 670-meter truck bridge over the Panj River completed in 2007 by Indian engineers, which linked Afghanistan and Tajikistan for the first time. The bridge cost \$38 million and was financed by the United States and Norway. Some smaller bridges also have been constructed at crossings in the upper part of the river.
2. A \$500 million project to build a 1,300-megawatt, high-transmission power line from Tajikistan and Kyrgyzstan through Afghanistan across the Khyber Pass to Peshawar, Pakistan, by 2013. It will be funded by a consortium of the Asian Development Bank, the World Bank, and the Islamic Development Bank.
3. A rail transit corridor, which Russia has offered to facilitate, linking Europe to Afghanistan by building a long-planned railway that connects Termez, Uzbekistan, with Mazar-i-Sharif, Afghanistan, via a bridge over the Amu Darya River. China has also proposed building its own railroad from Afghanistan to Xinjiang via Central Asia (route undetermined) to transport copper ore from Afghan mines that it is developing.
4. Plans for a \$2 billion Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project were revived in April 2008 when India agreed to join the consortium and share the gas equally with Pakistan. The thousand-mile pipeline would supply 90 million cubic meters of natural gas to South Asia daily from the gas fields in Turkmenistan.

Participants noted that neither the Afghan nor the Central Asian governments have taken an active role in the planning, financing, or constructing these projects, leaving them bystanders in their own economic development. Instead they have responded to development plans and timetables initiated by others. Thus far their exclusive focus has been on the immediate revenue they will derive from the sale of their resources, transit fees, or royalties. They have no

macroeconomic policies designed to improve their economies as a whole or to make structural changes to respond to new opportunities.

Conclusions about Central Asia

Seminar participants drew the following conclusions about how neighboring post-Soviet Central Asian countries currently view their relationship with Afghanistan:

1. Central Asian states do not believe they have any power to influence developments in Afghanistan and thus lack any real regional strategic policy of their own. They evaluate their engagement with Afghanistan strictly on the basis of the unilateral advantages that they may derive in the short term rather than what may benefit the region in the long term.
2. These nations feel shortchanged due to the attention paid by the West to Afghanistan and wish to see some of the development funding directed to their states.
3. Central Asian states fear that if Afghanistan falls back into disorder, their own security interests could be threatened by the spread of Islamist political movements at their doorstep.
4. Central Asian states see drug smuggling out of Afghanistan into Central Asia (particularly Tajikistan and Uzbekistan) as politically destabilizing for the region. But, despite internal security apparatuses that are far more robust than in Afghanistan, they lack the will to tackle the problem because it is too lucrative to abolish.

The participants drew the following conclusions about how Afghanistan currently views its relations with the post-Soviet Central Asian countries:

1. Afghanistan retains a South Asian orientation in which Central Asia remains peripheral as compared with either Pakistan or Iran. The United States and NATO have a similar orientation, paying little attention to the Central Asian nations or building linkages to them.
2. Provinces in northern Afghanistan have a keen interest in building stronger ties with Central Asia and would benefit most from developing such ties, but they currently lack the influence in Kabul to make this a priority for the Afghan government.
3. Afghanistan fears the consequences of state collapse in Central Asia and so supports the existing political structures despite their repressive nature. The Tajik civil war in the early 1990s, during which 90,000 refugees temporarily sought refuge in Afghanistan, provided an example of the problems that could arise from uncontrolled regime change.

In terms of economic development, participants concluded that neither the Afghan nor Central Asian governments currently have the capacity to deal with the contemporary system of international trade and investment. The Afghan government retains its long-standing position as a *rentier* state, deriving its support from international aid, transit fees, and export taxes. Leaders of the Central Asian states retain a Soviet command-economy mentality in which they are willing to sacrifice broad-based economic development and international trade advantages when they

cannot monopolize profits from such policies or if they could undermine their political control. But regardless of how the governments have responded to plans for the future, as new infrastructure projects are completed, they have immediate positive results that should not be underestimated. When the bridge capable of carrying trucks to Tajikistan over the Panj River replaced the old ferries in 2007, there was a sevenfold increase in trade through that route and land prices along the road south to Kunduz increased dramatically.

AFGHANISTAN AND CHINA

Idle Promises or a New Silk Route Partner?

Of all the bordering countries, China has had the least direct influence on Afghanistan. Although technically a neighbor, China's border with Afghanistan is only 47 miles (76 km) long and is located in the remote and largely inaccessible Pamir Mountain range. An old Silk Route camel caravan trail that used to pass through it was closed by the People's Republic of China in 1949. Following the collapse of the Soviet Union, China began to play a larger role in Central Asian politics and economic development. Alarmed by the Taliban's support of Uighur separatists seeking the independence of the western Xinjiang Province, China founded an international alliance in 1996 known as the "Shanghai Five" (China, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan) that focused on battling terrorist threats and drug smuggling emanating from Afghanistan. In 2001, when Uzbekistan joined, the group was renamed the Shanghai Cooperation Organization; it now includes India, Iran, Mongolia, and Pakistan as observers. These diplomatic moves and increasing investment in its western Xinjiang province have given China more prominence in Central Asia than it has had for many centuries.

China has been supportive of the Karzai government but its aid program had been relatively small and low profile when compared with that of Iran or even India. This changed in May 2008 when China signed a \$3 billion agreement for a 30-year lease to develop Afghanistan's biggest untapped copper deposit that has an estimated value of \$88 billion. China also agreed to construct a 400-megawatt power plant for the project that would electrify much of Kabul. To get the ore out of Afghanistan, China plans to build the country's first railroad north through the Hindu Kush Mountains to its western province of Xinjiang. Because Afghanistan's total GDP in 2007 was an estimated \$7.5 billion, the size of this investment dwarfs any previously proposed. If the project is completed, China would have the largest direct economic stake in Afghanistan and would facilitate investments in Afghanistan's extensive iron, aluminum, and marble deposits. Because this agreement is so new and needs implementation, seminar participants concluded that, although China is currently the least important of Afghanistan's immediate neighbors, it may become one of the most important in the next decade. It is unclear whether Chinese investment is part of a broader political strategy by the People's Republic of China to gain future influence in Afghanistan or just another example of its willingness to take on risky investments to meet its economy's growing need for raw materials. If China does make good on this investment, it would have a strong indirect effect on its long standing ally, Pakistan, because China would then have its own investments put at risk by insurgents based in Pakistan.

GENERAL CONCLUSIONS

Participants concluded that Afghanistan's relationship with Pakistan, while currently its most significant, has diverted attention away from its relationships with its other neighbors. This is shortsighted because stronger ties with these nations will improve Afghanistan's security, political stability and economic transformation. In terms of security, it was noted that—in sharp comparison with the conflict along the Pakistan frontier—borders with Iran and the Central Asia are relatively peaceful and none of these countries hosts bases for insurgents. Politically, all of these nations see a more stable Afghanistan as in their own national interest. While Iran, Tajikistan, and Uzbekistan all have connections with specific political groups in Afghanistan, they have refrained from getting deeply involved in Afghanistan's domestic politics. Economically, Afghanistan's long-term economic prospects will only improve by tying more closely into a regional economy in which its location gives the country a strategic advantage. Improving its overland transport ties with the North and West, becoming the transit hub for the export of natural gas and electricity from Central Asia, and exporting mineral resources to China promises to transform Afghanistan's economy to a more significant degree than any domestic developments or international development projects.

Participants also drew the following secondary conclusions about obstacles that hinder better relations between Afghanistan and its northern and western neighbors:

1. After 9/11, the United States and NATO achieved a “lowest common denominator” consensus that the objective in Afghanistan was to eliminate the terrorism networks there but never reached a consensus on post-conflict development, security, and stabilization.

Due to the light military footprint of the conflict phase, there were never enough troops to provide security to help ensure the sustainability of reconstruction efforts. In addition, neither the Afghans nor the international community developed a comprehensive plan for building up the country's economic and social institutions. This meant that when the reconstruction period began, the priorities of international actors and Afghanistan's neighbors differed significantly. For example, while all of Afghanistan's neighbors would profit strategically and economically from a stable and democratic Afghanistan, they are unsure about whether the international community will remain committed to this goal over the long haul. As long as this perception remains, Afghanistan's neighbors will see the need to cultivate alternative policies designed to protect their own interests, particularly in the regions they border. Although they are not involved overtly in Afghan politics, they may understand the nature of the shifting power structure in Afghanistan better than the Afghans themselves do.

2. Because U.S. and NATO policy for managing relations between Afghanistan and its neighbors is limited to specific issues and projects, there has been no attempt to integrate them into a regional framework.

Participants noted that the policymakers who redesigned post-war Western Europe rejected a country-by-country planning approach in favor of a regional approach that integrated the region's economy and laid the groundwork for what became the European Union. Although no one was optimistic about achieving such an ambitious goal in Central and South Asia, it was

agreed that there should be much more emphasis on projects that go beyond merely linking countries to their neighbors and instead focus on economic integration. The key to achieving stability in the region is by ensuring that the success of each is a vital concern of all.

3. The antagonistic relationship between Iran and the United States prevents Kabul from establishing mutually beneficial ties with Tehran, although Afghanistan is the one place where U.S. and Iranian interests most closely coincide.

One development, other than Pakistan taking a more active role to end the use of its territory by the Taliban, that could do the most for improving Afghan stability would be an improvement in U.S.-Iranian relations. Issues of mutual interest between the United States and Iran on Afghanistan could serve as the starting point for a U.S.-Iranian dialogue and help to build long-term improvements in relations. Given the longstanding hostility between Washington and Tehran, however, any expectations that a restoration of diplomatic relations will lead to sudden improvement are probably unrealistic. Nevertheless, better U.S.-Iranian cooperation would allow Afghanistan to deal more effectively with Pakistan because its range of political and economic options would expand.

In particular, Afghanistan could break its historic dependency on the port of Karachi as its sole access to the sea. The ability to use new and more modern Iranian ports in the Persian Gulf would give Afghanistan more leverage in negotiating terms of trade with Pakistan and allow greater trade with India. Supplies for international forces currently fighting the Taliban have been interdicted in Pakistan by the Taliban and their allies, so if this alternative became available it would also greatly improve logistical support to troops fighting the Taliban in southern Afghanistan.

4. The Afghan government lacks an integrated foreign policy or strategy for its own economic development.

Nobody knows what Afghanistan's foreign policy is. Although it may be too much to ask for Afghanistan to have a strategic vision of a foreign policy when the country itself is still seeking stability, participants noted that Afghanistan only has responded to initiatives presented to it. It neither presents its own initiatives to others nor maximizes the benefits of individual projects by integrating them into broader policies. If this passive approach continues, Afghanistan will be seen as a beggar state rather than an economic or political partner. Under such conditions Afghanistan will find it difficult to resist increasing pressures from multiple sources (Iran, Pakistan, and the United States) whose strategic interests are at odds with one another.

RECOMMENDATIONS

1. Future efforts to build stability in Afghanistan should be addressed in a regional context. A conference with all the regional players is a first step toward doing this, but participants noted that previous international conferences about Afghanistan have often excluded Afghanistan's participation. Afghanistan should insist that it has a place at the table because its importance to the region and the region's importance to it are no longer in question.
2. Afghanistan and Afghans will need to decide who will lead and who will follow. Foreign efforts to force unity within the country for four decades have all failed. The Afghans themselves will need to step forward, take initiative, and bring an end to the culture of aid dependency. The international community cannot do this for them. Afghanistan should therefore do an inventory of what it has to offer. This will be critical in the shift from a passive to active approach to invest in economic and cultural opportunities and commonalities. This may in turn help lead to the development of an Afghan foreign policy, including a policy toward its northern and western neighbors. It is Afghanistan that should invite others to the table and present what it has to offer: the ability to link all of the necessary pieces together to create a package that connects Central Asia to South and West Asia.
3. Iran and the United States should begin a bilateral discussion on how best to bring stability to Afghanistan, a goal that is in both their interests. Dialogue between Iran and the United States is fraught with difficulties, but discussions about Afghanistan on concrete issues at the ambassadorial level could provide the best platform to make a start. Each could justify setting aside the other issues that divide them because they would be debating the problems of a third party (Afghanistan) and not their own.
4. Expanding the opportunities for returning refugees from Iran to participate in Afghanistan's reconstruction needs to be given higher priority. It is self-defeating for Afghanistan to place obstacles in the path of returnees who have skills that the country desperately needs. Afghanistan must also cultivate stronger relationships with Afghan expatriate communities and protect their interests because their remittances now constitute a vital part of the economy.
5. International actors should develop a coordinated plan for development that ties the whole region together economically. The focus on aid to individual nations creates a zero-sum mentality about which country can garner the most benefits. By providing development aid across borders, Central Asia could redesign its inward-looking Soviet era infrastructure to meet the demands of a regional economy of which it could become an integral part. The most effective investments for improving Afghanistan's economy may well be achieved by assisting its neighbors and giving them a stronger stake in Afghanistan's success.

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