

# Engaging Regional Players in Afghanistan

## Threats and Opportunities

A Report of the CSIS Post-Conflict Reconstruction Project

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## Background

This report is the result of an experts meeting hosted by the Post-Conflict Reconstruction (PCR) Project on October 15, 2009. The discussion focused on the role of regional players in Afghanistan and Pakistan – primarily China, India, Iran, Russia, and Saudi Arabia – in promoting stability in the region. It was attended by a number of government officials and non-governmental experts, who underscored how each country is currently involved in Afghanistan and Pakistan, what the regional interests are, and how each country can be engaged to work towards an effective regional strategy. This report summarizes the key conclusions from the meeting and highlights avenues for further research.

## Key Questions

1. What are the national interests of each regional player in Afghanistan?
2. What are regional players currently doing to promote stability in Afghanistan and Pakistan?
3. What national interests may contradict regional cooperation on Afghanistan?
4. What can each regional player bring to the table to promote regional integration and reconstruction efforts?
5. What incentives can other players offer to induce each country to play a more positive role?

## Country Experts

China – Andrew Small, Transatlantic Fellow at the German Marshall Fund

India – Teresita Schaffer, Director of the South Asia Program at CSIS

Iran – Amin Tarzi, Director of Middle East Studies at the Marine Corps University

Russia – Andrew Kuchins, Director of the Russia and Eurasia Program at CSIS

Saudi Arabia – Frank Anderson, President of the Middle East Policy Council

## The Role of Regional Players in Afghanistan

### On China

*China should expand its role in the region to actively use its unique influence over Pakistan and advance its investment interests in Afghanistan.*

China's policy on Afghanistan remains narrowly defined. The policy focuses mostly on financial support for the UN mission, protecting China's investments and personnel in the region, and maintaining a strong alliance with Pakistan. China is publicly willing to contribute more but is

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waiting on a clear strategy. This gap in China's policy represents an opportunity to engage China to play a more constructive role in the region.

China wants stability in Afghanistan in order to further its own economic and security interests, as well as to safeguard its alliance with Pakistan. China is benefiting from the copper, iron, gold and uranium deposits in Afghanistan – its \$3.5 billion investment in the Aynak copper mine is Afghanistan's largest infrastructure project. China obviously prefers stability in Afghanistan so that these investment projects can continue. Moreover, China has large-scale investments in Pakistan and a historically strong relationship with the Pakistani government and military. It is therefore affected by the deteriorating security-situation in Pakistan, which is affecting its own migrant laborers, as demonstrated by the kidnapping and killing of Chinese engineers.

China's level of engagement will remain constrained, however, by its own national interests. Although China wants to see the United States successfully stabilize Afghanistan, it is also wary of a long-term U.S. or NATO presence. Chinese analysts predict U.S. domination of the region and warn of possible encirclement, with U.S. bases remaining near China's borders for decades. China also wants to preserve its relative immunity from international terrorism, which it may become the target of if it is more active in Afghanistan. It also does not want to risk angering its own Muslim minorities.

Despite these constraints, there remain significant opportunities for bringing China on board with a regional strategy. China can be encouraged to spur economic development in Afghanistan, which would be simultaneously beneficial for China. Most importantly, it is in China's best interest to stabilize Pakistan. While China may be unwilling to deal with Pakistan in a multilateral forum, it could certainly be encouraged to work with Pakistan bilaterally to achieve stability where their economic interests lie.

### ***On India***

*India's engagement in Afghanistan must be crafted as a three-player strategy, bringing Pakistan to the table to alleviate national security concerns.*

India recognizes that a stable Afghanistan is vital for safeguarding its borders and preventing terrorism from spilling over into its territory. The recent attacks on the Indian embassy in Kabul illustrate how vulnerable India is to Islamic terrorism. This susceptibility to attack would aggravate if Afghanistan were to fall to the Taliban, a scenario that India wants to avoid at all costs. Certainly, India has made its presence in Afghanistan substantially stronger since the toppling of the Taliban regime. India is the largest regional donor to Afghanistan, spending over \$1.2 billion in reconstruction since 2001. India is also interested in using Afghanistan as a potential trade route to access Central Asian energy, and is already pursuing energy cooperation with the Central Asian states. This active involvement proves that India can be an extremely valuable regional player.

India's increasing presence in Afghanistan, however, must be carefully assessed. Pakistan is incredibly suspicious of India's role in Afghanistan and therefore, if not managed correctly, Indian involvement could be more destabilizing than stabilizing. Afghanistan is strategically located along the troublesome southern Pakistani border, where India has been accused of aiding separatist movements amongst Balochi Nationalists. India has opened four consulates in Afghanistan, in Herat, Mazar-e-Sharif, Jalalabad, and Kandahar. Since 2006, India has deployed its own

paramilitary force to guard its workers in Afghanistan, and in 2007 India opened its first military airbase overseas in Tajikistan. These activities have greatly augmented Pakistan's fears of encroachment by India.

While Afghanistan has long been a pawn in the game between India and Pakistan, the rivalry has intensified since 2001, and some analysts warn that Afghanistan may become the new Kashmir. For Pakistan, Afghanistan is a zone of Islamist influence useful to keep India at bay; for India, Afghanistan is a strategically located ally, giving it the power to stir up trouble in Pakistan, in a way that is cheaper than engaging Pakistan in Kashmir. While India's influence in Afghanistan continues to grow, Pakistan will continue to hedge its bets on the Taliban, seeing the Taliban as an effective counter-weight to the Indian influence in Afghanistan.

Therefore, although India's engagement in Afghanistan offers gainful opportunities, this engagement must take place as a three-way relationship between India, Pakistan, and Afghanistan. Bringing Pakistan and India to the table together may be difficult, but is one of the most central elements to stability in Afghanistan.

### ***On Iran***

*Iran's potentially beneficial role in the region must be weighed against the destabilizing role it could play if its tensions with the U.S. and NATO countries were to escalate.*

Iran has vital interests in being a dominant player in Afghanistan, and has become significantly more involved in the region. Since 2001, Iran has taken an active part in reconstruction in Afghanistan, particularly in the areas close to its border. It has provided generous amounts of economic assistance, granting Afghan goods a 90 percent discount on import duties. Trade between Iran and Afghanistan is high, equaling almost \$1 billion in 2008, and is expected to increase. Moreover, Iran is seriously affected by the high level of drug trafficking from Afghanistan, and is working to combat the drug problems in the region. Reciprocally, Afghanistan is also keen on having strong ties with Iran. It sees Iran, like India, as a potential counterweight to Pakistani influence.

Iran has sometimes been accused of supplying weapons to the Taliban and other extremist groups operating along the Afghanistan-Pakistan border. Some evidence of Iranian weapons in Afghanistan has been discovered, but it is unclear if the Iranian government is formally involved or if the weapons are being smuggled in by third parties and rogue elements within Iran. Some analysts argue that Iran is promoting a policy of "managed instability" in Afghanistan to keep U.S. forces bogged down, although Iran would not favor a return of the Taliban. It is important to recall that Iran denounced the Taliban as early as 1996 deeming it an affront to Islam, and hostility between Iran and the Taliban government almost escalated to a military conflict in 1998.

The potential for improving U.S.-Iranian relations by focusing on Afghanistan is high, even if the nuclear issue is not part of the discussion. In contrast, if U.S. policy becomes more hostile and confrontational, Iran may well use Afghanistan to target U.S. and NATO forces in response. Iran also remembers how it was received the last time it supported U.S. efforts in Afghanistan, by being deemed part of the "axis of evil" by the Bush administration. This time, Iran is looking to be fully integrated into the wider regional strategy for stabilization, without which it is unlikely to cooperate.

## ***On Russia***

*Russia and the Central Asian states must be brought to dialogue with one another to alleviate national security fears and move forward with developing the Northern Distribution Network and other trade routes.*

Afghanistan is an area where U.S.-Russian interests most closely align. Russia needs a more peaceful Afghanistan in order to prevent extremism from spilling over into the Central Asian Republics – which are tribally and culturally linked to Afghanistan – all of which could play a destabilizing role in Russia.

Simultaneously, however, Russia feels sidelined and even threatened by the U.S. military presence in the region. A key example of this is the way in which Russia offered large sums of financial aid to Kyrgyzstan as it announced its decisions to evict U.S. troops earlier in 2009. Russia wants to be the dominant player in Central Asia. The Central Asian states further complicate this relationship. Uzbekistan believes that Russia wants to provoke instability in Afghanistan in order to justify Russian military presence in the region. This insecurity also prevents the expansion of southern transit corridors for Central Asian exports, leaving it dependent on routes controlled by Russia.

Working with Russia to alleviate fears of U.S. domination in Central Asia is key to ensuring greater cooperation on Afghanistan. Dialogue with the Central Asian states to make them understand the benefits of cooperation is similarly vital. As the U.S. decides whether or not it will increase troop levels, success in Afghanistan will also depend on the new Northern Distribution Network which allows resources to reach Afghanistan through Russia and Central Asia. As there are still a number of kinks in this route, the United States will have to work with Russia and the Central Asian states to increase cooperation on the supply line.

## ***On Saudi Arabia***

*Saudi Arabia can lead negotiations with the Taliban, and exercise influence over Pakistan*

Saudi Arabia has a long history of engagement in Afghanistan having worked alongside the United States and Pakistan to aid the Mujahedeen in defeating the Soviets in the 1980s. Post 9/11 Saudi Arabia severed its ties with the Taliban due to international pressure and a falling out with bin-Laden. Saudi relations with the new Afghan government have markedly improved, however, with Saudi reopening its embassy in Kabul in 2002, increasing humanitarian assistance, and expressing interest in investing in the region. Certainly, Saudi Arabia is also interested in expanding its influence in Afghanistan, which is viewed as fertile ground for the spread of Wahabbi Islam and as a way to balance the influence of Iran. .

Saudi Arabia has also played a role in brokering talks with the Taliban and claims that it has almost been able to fully cut-off funding for al-Qaeda and its affiliates flowing from private Saudi sources. Saudi Arabia is also a major investor in and ally of Pakistan, and can leverage this role to convince Pakistan to do more to resolve regional issues, while also getting the “softer” and less ideologically-committed elements within the Taliban to agree to negotiate.

## **Common Interests and Threat Perceptions**

The discussion demonstrates that there are a number of national interests in Afghanistan, as well as areas of common concern both in the region and with the wider international community. These common concerns can form the basis of regional meetings or organized groups, such as an official Contact Group, bringing countries together to cooperate on common concerns (e.g. drugs, refugees, extremism) or subsuming all of them as part of a larger agenda. Regional trade promotion could also help to incentivize the major players into playing a more positive role.

At the same time, a number of countries are becoming increasingly skeptical of U.S. policy in the region. As the United States decides whether it is going to commit further in Afghanistan or not, countries are also hedging their bets. For many regional players, becoming involved in the Afghan gamble will no longer be worth it if the United States leaves.