

Afghanistan reconstruction in regional perspective

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The reconstruction of Afghanistan is in part dependent upon the reintegration of Afghanistan into the international community. Reintegration, in turn, is dependent upon Afghanistan's trans-border infrastructure of communication, trade, transport, water, power and investment. Accordingly, increased regional economic cooperation is a key element of Afghanistan's reconstruction. This article analyses regional economic cooperation in the South and Central Asian region in terms of logic, institutions, actors, and expectations. The article argues in favour of inclusiveness to enlarge the number of beneficiaries of economic benefits of regional economic cooperation while avoiding the pitfalls of risky strategies of faulty collective action.

Keywords: Afghanistan; infrastructure; economic integration; regional economic cooperation

Afghanistan: regional integration lynchpin

There is consensus in the international policy community that normalization and reconstruction of Afghanistan must be based upon enhanced security, improved governance, and greater economic and social development. The London Conference on Afghanistan in January–February 2006 adopted the Afghan Compact that stipulated the principles for reconstruction, relying heavily on regional economic cooperation as a means for creating long-term conditions for Afghanistan's reintegration into the international community.¹ Richard Boucher, the US assistant secretary of state for South and Central Asia, noted in a recent interview that, 'We've focused on the trade and investment side . . . and we're always looking for chances to connect [the Central Asian states] to Afghanistan, with electricity, and to make sure that Afghanistan becomes not just a problem, but an opportunity for them' (Radio Free Europe/Radio Liberty [RFE/RL] 2009). The analysis offered here centres on the issue of regional economic cooperation in South and Central Asia in the context of Afghanistan's economic recovery and reconstruction.

Consensus support for the idea of regional economic cooperation makes a great deal of sense. Afghanistan's tragic history of occupation, external domination, exploitation, disorder and disarray calls for broad-based and widely regional support for reconstruction. Afghanistan's role as the focus of the global war on terrorism involves the interests of all major global actors as well as regional Central Asian actors.² Afghanistan's geographical position as an underdeveloped country physically located in the midst of rapidly developing regions further underscores the importance of regional cooperation. Regional economic cooperation promises to promote development that enhances prosperity while spreading benefits equitably and widely throughout the

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region. These reasons underscore the broad regional and international support for greater regional cooperation in South and Central Asia.

The stakes involved in regional economic cooperation in South and Central Asia are large and growing. A picture of underdeveloped and imperilled but struggling Afghanistan – a picture that is borne out by an objective representation of the contemporary circumstances – does not adequately convey the policy implications of the massive regional transformation in South and Central Asia that looms just over the horizon. Afghanistan's relations with the countries of the region were heavily influenced by the country's unique historical fate (Dil 1977, Tarzi 1991, Rubin 1997, 2002, Gibbs 2000, Goodson 2001, Rashid 2001, Bosin 2002, Akimbekov 2003, Corwin 2003, Collins 2004, Coll 2005, Ghufuran 2006). The Central Asian states of the former Soviet Union (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) had a very different economic situation, political context and security relationship. The events of September 11 and the ensuing US led-coalition to eliminate the Taliban from Afghanistan (Operation Enduring Freedom) transformed relations among the countries of the region. Given recent trends and fully realistic assumptions about future patterns of development, it can be expected that the rising demand for power in China, India and Pakistan will further reshape the geopolitical balance in the Southeast Asian region during the next two decades. Afghanistan is physically situated squarely in the centre of the expected changes. As these changes take place they will create new demands and produce new policy influences that are sufficiently powerful to completely rework the political terrain throughout the region (Buzan 1991, Efezil and Stone 2003).

The success of regional economic cooperation will hinge upon the expansion of the region's physical infrastructure for transportation, communication, energy and investment (Odum and Johnson 2004 and Ghufuran 2006). In anticipation of these changes major actors, including states, international organizations, and private commercial entities, have been scrambling to prepare for the transformation of the region. For instance, the Russian government, the originator and continuous supporter of the Commonwealth of Independent States (CIS) has revitalized its cooperation initiatives in Central Asia by sponsoring the formation of the Eurasian Economic Community in 2001 and, more recently, by announcing a new 'North-South Initiative' in December 2004 (Sakwa and Webber 1999, Gleason 2001). The US government in the mid-1990s began supporting the creation of new physical infrastructure development, emphasizing the importance of multiple access routes to markets in order to diminish tendencies toward monopolistic domination. The Baku–Tbilisi–Ceyhan pipeline project (BTC) was one of the first examples of US policy of promoting multiple forms of access to markets. After a decade of planning, consultation, and multilateral support, the BTC oil pipeline connected Kazakhstan's landlocked oil producers with world markets when it was officially opened in late 2005. The BTC is one element of a larger policy goal of creating a policy framework and the associated physical infrastructure conducive to conditions for sustainable and equitable growth throughout the region. As Frederick Starr pointed out, 'By re-opening ancient east-west and north-south trade routes, the United States and its partners are creating a great new Eurasian economic zone' (Starr 2004, p. 72).

The US government has more recently refocused its activities toward the region by announcing a new 'Central Asian Regional Cooperation Initiative' in October 2005. The State Department reorganized bureaus and changed programme spending priorities to align its bureaucratic process with new, post-Soviet policy objectives. The State Department also initiated a number of activities to underscore regional policy goals such as co-sponsoring a major international conference in Kabul in March 2006 and a major business forum on 'electricity beyond borders' in June 2006, designed to foster a regional electricity market (Hanks and Gleason 2006, Norling 2006). India, Iran, Pakistan, Russia and Turkmenistan have been negotiating over the

terms of major trans-Afghanistan energy, transportation and communication projects. Oil-rich investors from the Middle Eastern states have begun canvassing Central Asia for major investment opportunities in energy and transportation.

All of this attention reflects recognition of the importance of the South and Central Asian region. There is a new engagement of firms, international organizations, and states in programmes to sponsor regional cooperation. All the parties recognize that enhancing regional economic cooperation is an eminently desirable goal. Yet there are some circumstances in which even though something is desirable and broadly supported it may not be easily attainable and may be difficult to sustain. In Central Asia there has been considerable rhetorical support for promoting greater cooperation. Political leaders have repeatedly proclaimed their commitment to policies geared to increase coordination, cooperation, policy harmonization, and mutual benefit. Formal agreements have been signed to underwrite these efforts. In the 1990s the leaders of the post-Soviet republics repeatedly announced 'breakthrough' trade agreements and new customs unions. In 1994 the leaders even announced the formation of a new Central Asian Union. Later they revised the organization to form a Central Asian Commonwealth. But despite these agreements on paper and before the press, in reality trade between the countries of the region continued to decline as trade with countries outside the region increased. Border arrangements and disagreements over water and power exchanges continued to bedevil regional cooperation.

More recently, the states in the region endorsed a new series of agreements with respect to the emergence of post-Taliban Afghanistan. These included the Good Neighbourly Relations Declaration of 2002, the Berlin Agreements of 2003, the Dubai Declaration of 2003, the Bishkek Conference statement of 2004, and the Kabul Conference statement of December 2005. But these rhetorical commitments too have fallen far short of expectations. As the conveners of the Afghanistan London Conference in early 2006 announced, these regional agreements have simply not been successful in achieving their goals. The imbalances in Afghanistan's economic relationship with regional partners are particularly stark when assessed via the mechanism of cross-border trade (see Table 1). When something is important, is a good idea, and is broadly supported but does not work, it should encourage us to rethink, both theoretically and practically, how to approach the problem. In assessing regional cooperation, we should ask what is desired in terms of common objectives, what the interested parties and institutions are, what the logic of the situation is, and what policies or policy mix possess the greatest prospects for success.

Table 1. Trade regime between Afghanistan and regional partners, 2004–2006 (in millions of USD).

	Exports to:	Imports from:
Kazakhstan	0.3	86.4
Kyrgyzstan	0.3	8.0
Tajikistan	4.0	7.7
Turkmenistan	0	107
Uzbekistan	2.7*	119.3*
Pakistan	45	511
India	39	170
China (PRC)	1.0	64

*The World Bank data indicate a figure of zero for both imports and exports between Uzbekistan and Afghanistan in 2004. In addition, there are considerable discrepancies between the figures shown for some countries and data produced by the International Monetary Fund [IMF]. (See IMF 2006).

Sources: Byrd *et al.* 2006, ADB 2006.

Agendas of cooperation

Regional cooperation programmes that are successful are ones that are driven by the individual interests of the stakeholders cooperating in order to gain yet greater benefit in coordinating their interests in a common endeavour. The Asian Development Bank's (ADB) CAREC programme is oriented toward engaging stakeholder commitment and incentivizing major actors in ways that enhance their commitment to the success of cooperative activities. As Joseph Eichenberger of the Asian Development Bank argued, 'Strong ownership and active engagement by the Governments... is vital to the success of this CAREC initiative and to the cause of regional cooperation more broadly.' Eichenberger went on to add that, 'We need to craft a well specified action plan that engages each of us fully, sets performance targets, and captures the core issues that ultimately will drive regional integration' (Eichenberger 2005).

As the foregoing discussion of the logic of cooperation illustrates, there are many circumstances in which common interests to cooperate fall prey to individual shirking, sandbagging, and free riding – activities that undermine cooperation. Regional economic cooperation efforts easily overlook the extent to which the major actors agree to the same goal yet comprehend this agreement in very different ways. Regional economic cooperation efforts also too often fail to recognize that the agenda of the actors sometimes involves subtexts that are not immediately apparent. Obviously, regional economic cooperation activities often involve an element of diplomacy because there are many actors involved. But these efforts also involve a need to see clearly the hidden or suppressed agendas of the actors in order to ensure that cooperative interests continue to be the dominant factor. The major regional stakeholders include Afghanistan, the 'front-line' states (Iran, Turkmenistan, Uzbekistan, Tajikistan, China and Pakistan), as well as Russia, India, the US and interested European Union countries. The major international organizations are stakeholders themselves, often having a variety of different agendas. Private sector oil, gas, and electric power, transport, communication and investment companies also are major stakeholders. Each of these agendas merits detailed, individual analysis. Two of the particularly important agendas are those of Russia and the United States.

Russian strategy and cooperation

Russia has profound security and strategic interests in Afghanistan and the broader Central Asian region. In early 2000 Russian leaders began shaping a policy designed to recover the influence that Moscow played in Asia and the Middle East during the Soviet period (Belokrenitsky 1994, Allison 2004). The establishment in 2001 of the 'Eurasian Economic Community' – or 'EurAsEc' – under Russian guidance marked the deliberate effort to use influence through infrastructure and policy coordination for more traditional geopolitical aims. In August 2004 the Russian government offered an insight into the purposes of its foreign policy by announcing a list of 'Strategic Enterprises and Strategic Stock Companies' that would be retained under government control.³ The list illustrates a coordinated and well-focused government initiative aimed at a qualitative change in the relation between the Russian government and commercial development of infrastructure industries throughout the former USSR, and in close contact with the Middle East and South Asia. The announcement of a new Russian government programme, the 'North–South Initiative' provided yet further indication that the Russian government was seeking to develop a new strategic posture with respect to the Caucasus and Central Asia. The promotion of the North–South initiative was one of the tasks of Sergei Mironov, chairman of the Russian Council of the Federation, on his triangle trip to Astana and Teheran in mid-December 2004.

The commercially inspired strategic extension back into Asia and the Middle East involves a comprehensive series of policy initiatives. Russian higher educational institutions were induced

to re-establish links with Central Asian universities through extension programmes and affiliated relationships. Russia re-established military connections through the Kant airbase near Bishkek in Kyrgyzstan and at an observation laboratory in Tajikistan. Russian special services were revitalized through a host of unpublicized connections with the national services in each of the Central Asian countries, with the exception of Turkmenistan, which remained a holdout. The most recent advance in Russia's project is the political realignment of Uzbekistan announced in October 2005 after the expulsion of US forces from military bases in Uzbekistan (Gleason 2006), although recent moves by Russia to establish a base in Kyrgyzstan have heightened tensions between Tashkent and Moscow.

In a series of steps across a broad sector of activities emphasizing physical infrastructures and financing, Russia re-established rail lines, shipping, electric grids and hydroelectric stations, oil and gas pipelines, and some important industrial facilities in aluminium and telecommunications. Under Kremlin guidance, United Energy Systems (UES), Russia's large electric power public utility, aligned with Gazprom, the world's largest natural gas producer and marketer. Russia sought to reintegrate the Soviet-era electric grid in order to establish UES as the dominant player in the region's power market. In order to capture market position, UES negotiated power supply agreements with Armenia, Azerbaijan, Georgia and Kazakhstan on terms attractive to the countries. UES took over responsibility for running Armenia's Medzamor power plant in 2003. In September 2003 UES took over Georgia's main power plants. In August 2003 electricity generated in Tajikistan began to flow into the Russian republic (Valentinov 2003). Moreover, by September 2004, UES had concluded a deal to take a 50% equity share in Kazakhstan's large Ekibastuz power plant in northern Kazakhstan.

Russia's power strategists then turned to developing an integrated power strategy linking Russia's vast natural gas reserves with Central Asia's largely untapped hydroelectric potential. Hydroelectric power is typically less expensive than coal, oil or gas, but is subject to seasonal demands as irrigation users and heat users compete for control of the generating regime. Linking gas and hydroelectric makes economic and environmental sense, as small gas-fired plants can be situated close to urban populations with little risk or environmental impact. Russia's first step was to seek to gain controlling shares in existing hydroelectric plants in Kyrgyzstan and Tajikistan. UES chief Anatoly Chubais headed a delegation to Kyrgyzstan in summer 2004 aimed at negotiating deals to take control of financially ailing Kyrgyz hydroelectric stations. The Russian negotiators proposed trading Kyrgyz debt for a stake in the facilities and offering to bring the larger Kambar-Ata power station online by 2007. The Russian negotiators used the same approach in Tajikistan, a country heavily indebted to Russia for military help in the 1992–1997 civil war. In the summer of 2004, UES took the step of forming a consortium to finance the completion of the unfinished Sangtuda power station in the Vakhsh cascade. The initial Russian proposal was to take a controlling share in the Sangtuda station in exchange for writing off some US\$50M of Tajikistan's debt and bringing US\$50M of new investment to the deal. Russian strategists made it clear that if Gazprom and UES succeed in winning controlling interests in Central Asia's hydroelectric plants, it would open Russia's energy vistas far beyond Central Asia. As demand for electric power rises in response to the reconstruction of Afghanistan and population growth in western China, Pakistan, and Iran, UES and Gazprom will be positioned to reintegrate the Soviet-era electric grid throughout the Caucasus and Central Asia in a way that enhances Russia's strategic influence throughout the entire region.

These bilateral agreements between Russia and the Central Asian partners have increasingly been pulled into the larger framework of the EurAsEc. Even Uzbekistan, which had long resisted any dominating external influences that it perceived in regional organizations such as the Commonwealth of Independent States, relented in October 2005 when Uzbek President Islam Karimov agreed to join the EurAsEC. Turkmenistan has remained a holdout in these

negotiations. Officially, Turkmenistan has a policy its leader terms ‘positive neutrality’. In practice, this usually means a policy of hedging all bets and not committing to anything that does not seem to gain the full advantage of Turkmenistan’s greatest asset, its substantial but unproven gas reserves. During the Soviet period Turkmenistan’s gas industry was linked by transportation routes to the north, serving Russian and Ukrainian gas consumers. After independence, Turkmenistan has followed a turbulent course of attempting to demand world market prices for natural gas while seeking new market outlets. Russia’s influence ebbed in Turkmenistan when the prospects for using a trans-Caspian gas pipeline to ship gas to European markets looked promising. Turkmenistan also pursued the idea of selling its gas through a trans-Afghanistan pipeline, forming close relations with the Taliban government. When the trans-Caspian pipeline project failed for financial reasons and the trans-Afghanistan pipeline failed for political reasons, Turkmenistan returned to negotiations with Russia, eventually agreeing to a 25-year gas marketing agreement.

But in the wake of the elimination of the Taliban, thanks to the US-led Operation Enduring Freedom, Turkmenistan has returned to the hopes of finding an alternative outlet to markets. In 2002 the leaders of Afghanistan, Pakistan, and Turkmenistan signed a memorandum of understanding to proceed with the feasibility study for the construction and financing of a gas pipeline from Dovletabad in Turkmenistan via Afghanistan to Pakistan. The cost of the 1,460-kilometre pipeline was assumed to be between US\$2.8 billion and US\$3.5 billion. The new trans-Afghanistan gas pipeline is gaining in importance due to the sharp upturn in demand for power fuels in south Asia. According to the most likely forecast scenario of the US Department of Energy’s *International Energy Outlook 2005*, ‘India’s gas consumption is projected to grow at an average annual rate of 5.1%, from 0.9 trillion cubic feet in 2002 to 2.8 trillion cubic feet in 2025’ (International Energy Outlook [IEO] 2005: 43).

The expected increase in energy demand in Southeast Asia is one of the principal reasons why the ADB has been promoting cooperation designed to link energy producers and prospective future energy markets throughout Asia. The expected combined gas demand from India and Pakistan is expected to rise to 50 billion cubic metres a year in the next decade. Since 2002 the ADB has been emphasizing the possibilities of gas pipeline projects bringing Central Asian gas to markets in Southeast Asia. However, the ADB, following the performance of a reserve audit in 2005, concluded that Turkmenistan’s gas reserves could supply enough gas for the Trans-Afghanistan Pipeline only for a few years before production decline unless Turkmenistan did not find other gas fields to bring online (ADB 2005, 2006). At the same time, a proposed US\$7 billion scheme to pipe natural gas from offshore Iran to Pakistan and India is gaining momentum. This 2,700 km pipeline would cost more than double the Turkmen scheme and would leave out Afghanistan, where security concerns remain. Pakistan, with its own reserves declining, is expected to begin importing gas after late 2008. Dan Millison, an ADB energy specialist, has argued that demand in South Asia is expected to be so strong that it would justify both pipelines and may even be so strong that there ‘may be a need for a third pipeline from Qatar or Oman’ (ADB 2005).

American policy and integration

The influence of the changing terrain of power use and power production has become one of the most important aspects of US policy in the South and Central Asian region. As US Secretary of State Condoleezza Rice noted in congressional hearings in April 2006, ‘Nothing has taken me more aback as secretary of state than the way energy is – I will use the word *warping* – international diplomacy’ (O’Neil 2006). Rice’s comment suggests that many of the more traditional concerns of diplomats are being transformed under the influence of rising energy prices and

impending future power shortfalls. US policy was quick to respond to the immediate security challenges in Central Asia after the events of 11 September 2001. But the more systematic change in perspective to focus on the politics of infrastructure came only after Rice took over the helm of the US State Department. In autumn 2005 Rice announced conceptual and practical changes in policy. On a conceptual level, Rice announced that it was important to make administrative changes in the US that would reflect the emerging priorities. Addressing students at the Eurasian National University in Astana she announced that the US would realign the bureaucratic divisions within the Department of State to encourage greater emphasis on recognizing the importance of linkages between Central Asia and Asian countries. She announced that the Central Asian countries would be shifted out of the large European Affairs Bureau and shifted to the renamed Bureau of South and Central Asian Affairs. On a practical level, the US introduced a host of new initiatives in transportation, energy, and telecommunication. These new initiatives were conducted out of the Departments of Energy and Commerce as well as coordinated by the US State Department. The initiatives are regional, not national in their essence. In February 2006 USAID launched a new power market programme in Central Asia to help create regional electric power markets linking Kazakhstan, Kyrgyzstan, and Tajikistan. USAID intends to create working groups, finance them, and organize meetings.

Similarly, Kyrgyzstan sought military support from the US, offering the use of military facilities as logistical support for America's role in Operation Enduring Freedom in Afghanistan. When the US was pushed out of base facilities in neighbouring Uzbekistan in autumn 2005, Kyrgyzstan was quick to offer the US a replacement by expanding the Ganci Airbase near Kyrgyzstan's capital city of Bishkek (Daly *et al.* 2006, Gleason 2006). Kyrgyzstan's newly elected President, Kurmanbek Bakiev, following a meeting with Secretary of State Condoleezza Rice in October 2005, reaffirmed the continuation of a US military presence in Central Asia, announcing that US troops would stay in Kyrgyzstan 'as long as the situation in Afghanistan warranted it' (Saidazimova 2005).

The American agenda in the region obviously is primarily focused on the success of Afghanistan reconstruction. America has made a major investment in Afghanistan and political leaders have repeatedly affirmed the American intention to continue to support Afghanistan's economic and political development well into the future, although the level of military commitment to combating a resurgent Taliban is currently a matter of heated policy debate. America has provided substantial direct assistance in military security, economic and social development both through national means and through the intermediation of international institutions such as the World Bank and the Asian Development Bank. American diplomats are also interested in creating opportunities for American firms to compete in the business opportunities that are created by Afghanistan's normalization. On a larger strategic level there is also a concern that the normalization of Afghanistan will be followed by a period of increasing modernisation in health, environmental management, and political stability throughout the region and the avoidance of dominant influences of any one actor in the region.

Moreover, Afghanistan's supporters must take a more determined and more resourceful look at the problems of drug trafficking. Opium production has continued to remain at high levels despite the elimination of Taliban control (United Nations Office on Drugs and Crime [UNODC] 2005). Indeed, provinces in the southern part of the country witnessed a startling increase in production in the years immediately after the removal of the Taliban from power (see Figure 1). The most recent figures indicate that the country produced twice the amount of opium in 2007 compared to 2005, with Helmand Province accounting for half of the total (UNODC 2007). Afghanistan's neighbours, particularly those in the transit path or terminal markets for Afghanistan heroin consider the rise in production to be 'catastrophic' (Schoofs



Figure 1. Net change in area devoted to poppy production, 2002–2006 (in hectares). Cartography by Mike Larson, Oklahoma State University.

2003). The immediate impact of opium trafficking may be catastrophic for the drug clients and their public officials, but Afghanistan's domestic long-term costs of the drug trade must all take into account the corrupting effects that may overcome the benefits of the investment in the country's development prospects. Afghanistan has an entire generation of regional leaders whose resources were based in opium revenues either directly or indirectly. There is a great deal of evidence that drug revenues neutralize reform programmes in a variety of formidable ways (Bertram et al 1996, Stares 1996, Goodson 2005, Townsend 2005). What many of the case studies suggest is that the long-term consequences of the dependence upon opium cultivation can be expected to undermine basic institutions of self-rule. Eradication programmes are often unsuccessful except in the short term. As long as programmes to limit demand are not successful, the revenue of opium traffickers can be expected to make the industry resilient enough to evade and survive eradication campaigns. Moreover, eradication campaigns can start a political dynamic that can undermine other political goals. There are no simple solutions to this problem, but regional cooperation programmes should not assume that cooperation will take root and thrive despite the effects of local government corruption along border regions.

Furthermore, Afghanistan is the source region for almost all illicit drug trafficking involving opium and its derivatives in surrounding states, a problem that continues to undermine stability and development in those countries. Some studies estimate that nearly 100% of the illegal opiates reaching Afghanistan's Central Asian neighbours, as well as Turkey, Pakistan, Iran and Russia originate in poppy fields in Afghanistan, and British law enforcement officials believe that close to 90% of the heroin smuggled into the country is derived from Afghan sources (Blanchard 2007). But some progress has been achieved in recent years, as poppy cultivation has shifted almost exclusively to southern provinces where the Taliban remain in control of much of the countryside, with other areas of the country becoming essentially free of the crop, reversing a trend toward cultivation in non-traditional areas that was established as recently as 2004 (UNODC 2004). As Afghan officials themselves point out, the key to addressing the drug issue is via a coordinated, regional approach such as that called for in UN Security Council Resolution 1818, an approach that is not only directed at undermining production but which also commits resources to eliminating markets in surrounding countries (Haidari 2009). No issue more starkly highlights the regional significance of Afghanistan than the 'poppy problem', and none better illustrates the necessity and potential of further integration.

Discussion: pitfalls and paths to success

Looking forward, there is a great deal of cooperation that will need to be coordinated. As redevelopment in Afghanistan proceeds, new pressures can be expected for revisions in the current arrangements with respect to the division of the waters of the Pyandzh, Amu-darya, Tedjen, Konar, Helmand and other rivers. New competition can be expected with respect to the contest over the distributional benefits related to new gas, oil, electrical and transportation infrastructure (Boucher 2006). New tensions can be expected with respect to the sharing of the common burdens of addressing the problems of communicable diseases, the consequences of organized crime and drug traffic, repatriation of refugees and the threats of political insurgency, based in ethno-regionalism or sectarian identities. These emerging common challenges only further underscore the importance of the success of new initiatives to promote greater regional cooperation.

In confronting these challenges a healthy degree of realism is in order. First, any realist will abandon the language and concepts of the 'Great Game' competition over Afghanistan. Nineteenth-century concepts of struggle to capture imperial territory for loot have nothing to do

with the twenty-first-century tasks of building international standards of policy and practice. To the extent that a Great Game in Afghanistan ever took place except in a few romanticized history books, there is nothing of any value that can be attributed to it. Contemporary policies should be oriented toward leaving a legacy of value and benefit to Afghanistan, rather than one of division and backwardness. A second element of realism should concentrate on what can be practically attained in Afghanistan's present circumstances. Afghanistan's success at reconstruction will need to be measured not in months but in years or even decades. Given Afghanistan's current situation, any progress, no matter how modest, is a valuable and important stride forward. An important element of realism will be to build upon the modest but important success achieved to date. International efforts have led to success that can further contribute to regional coordination. International Security Assistance Force (ISAF) military operations have been successful in closing virtually all of the *al-Qaeda* terrorist training camps and sending into disarray the Taliban-led coalitions of insurgents. The US Department of Defence's Provincial Reconstruction Team (PRT) initiatives have been highly successful at establishing momentum for local normalization, but also still on too small of a scale. Afghanistan's elections have been a great step forward in reassuring the public that a law-based form of government is being constructed. Initially, the Karzai government's efforts to improve governance at all levels were successful at starting economic and social reconstruction by supporting the Afghan interim government, not by imposing it from outside (Starr 2006), but recently this progress has been marred by rampant corruption and a questionable presidential election. While troublesome from a policy perspective, such issues alone are unlikely to result in a strategic withdrawal from Afghanistan, and indications are that the Obama administration intends to increase the number of U.S. forces, although the exact number of new troops remains in questions.⁴

Regional cooperation efforts can build upon these successes by avoiding pitfalls that will tend to limit that commitment that stakeholders are willing to make (Ottaway 2003). One of the greatest pitfalls of regional cooperation efforts is the assumption that major infrastructure projects will be self-sustaining once they are completed. For physical infrastructure to be successful there is a parallel system of soft infrastructure – laws, policies, practices, and standards – that are less easily installed and monitored than physical structures but every bit as important if the physical infrastructures of transportation, communication, and energy are going to be successful. The progress in the establishment of the large public infrastructure brings the costs of transportation, shipping, communication, power and investment way down, enabling entrepreneurial activity to lurch into action. But the hard infrastructure – the physical systems – does not work unless the soft infrastructure – the structure of incentives and the policy environment – is also in place.

Another important pitfall of regional cooperation efforts is the tendency to implement programmes putting too much reliance on state-centric solutions to problems. In authoritarian contexts the prestige of government sector appointments frequently far exceeds that of private sector appointments. There is a natural tendency for local analysts to see the solution to a coordination problem as the appointment of a new government official, assisted presumably by a supporting staff, who will be charged with helping to coordinate activities. Multilateral financial institutions are themselves state-sponsored and thus to a large extent are state-centric institutions. Naturally, when problems develop many IFI-sponsored assessments often diagnose development problems as resulting from insufficient state capacity and urge capacity building as a means to address problems. Creating a new framework of parallel, coordinating officials in the countries that are called upon to act in tandem may often have little to do with making the necessary decisions. Capacity-building programmes then hire staff who are intended to act as coordinators but are often simply adding another layer of quasi-governmental officials. Efforts to spur regional cooperation by creating bureaucratic layers to overcome the barriers to regional cooperation

often produce just the opposite effect. If the actual cause of deficient policy coordination was resistance in the high level leadership to policy change, then new layers of bureaucratic intermediaries is unlikely to lead to enduring change. They hardly add to the incentives of the governments to overcome the basic impediments to cooperation.

Concluding notes

One of the most important aspects of regional cooperation is simply the use of dialogue and discussion to continually highlight the importance of cooperative postures on the part of all stakeholders. Afghanistan and its donor-sponsors should of course continue to strengthen the policy dialogue that is taking place in high-level meetings. But promoters of cooperation should go beyond this by seeking to enable the real engines of cooperation and development in ways that promote regional economic cooperation. The real engines of development are not the government programmes themselves; the real engines of development are the entrepreneurial forces that government programmes can unleash by establishing a framework of clear, equitable and enforceable policy, by creating on a temporary basis start-up programmes through grants and micro-lending institutions, and by promoting public-private partnerships to make public infrastructure available to the widest degree.

Of course, government development programmes are often Janus-faced, presenting both the answer and the problem. Any government strong enough to defend individual rights is also strong enough to undermine them. In underdeveloped countries government programmes put in the hands of local officials a tremendous amount of control over the lives of citizens. The fact of the matter is that the reason that reform programmes are so often problematic in achieving success is that there are some people who have very rational reasons to oppose reform. The traditional solution to this quandary is non-governmental civic initiative that continues to emphasize openness, transparency, open competition, and accountability. The most reliable way to overcome the constraints on cooperation is to find formulas to link the natural beneficiaries of greater economic cooperation. Didactic exhortation to ‘cooperate more’ is less useful than demonstration of the benefits of success that broadens the sphere of beneficiaries. Showcasing success in enterprise zones, for instance, often has much more benefit than efforts to dissuade officials from strategies of rent seeking and personal empowerment. Finding formulas that seek maximum inclusiveness in order to enlarge the community of beneficiaries of regional cooperation is an important unfinished task in Afghanistan.

Notes

1. The United Nations Security Council endorsed the Bonn Agreement on 7 December 2001. The Bonn Agreement mandated an Emergency *Loya Jirga* that was held in June 2002. The *Loya Jirga* confirmed Hamid Karzai as head of state for the Afghanistan Transitional Administration. The constitution adopted on 4 January 2004 established a strong presidential system but also mandated important law-making, representative and oversight functions to a bicameral National Assembly (*Shura-e Milli*), consisting of a 249-seat *Wolesi Jirga* (House of the People, lower house) and a 102-seat *Meshrano Jirga* (House of Elders, upper house). The presidential election was held on 9 October 2004. The inauguration of the legislature was delayed but took place on 19 December 2005. Regarding political development in Afghanistan see International Crisis Group [ICG] reports Nos. 88, 101, and 116.
2. The Central Asian region, when defined in terms of infrastructure complementarities of both contemporary and historical significance, includes Afghanistan, Iran, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Pakistan and Uzbekistan. For certain analytical purposes it is also useful to include the north-western regions of India, the western regions of China, Turkey, and the Caucasus states of Armenia, Azerbaijan and Georgia.

3. The list of 'Strategic Enterprises and Strategic Stock Companies' was first circulated in summer 2004 after issued as a Presidential Decree No. 1009 of 4 August 2004. See: <http://www.kremlin.ru/text/docs/2004/08/75174.shtml>.
4. As of late November 2009, it appears that the Obama administration may send approximately an additional 30,000 troops to Afghanistan.

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