

# IRANIAN-AFGHAN RELATIONS ON THE THRESHOLD OF THE WITHDRAWAL OF AMERICAN TROOPS FROM AFGHANISTAN

Guli YULDASHEVA

*D.Sc. (Political Science), Independent Researcher  
(Tashkent, Uzbekistan)*

## ABSTRACT

**T**his article analyzes the state of Iranian-Afghan relations on the threshold of the withdrawal of the main contingent of American troops from Afghanistan planned for 2014 in the context of the current geopolitical processes going on in Central Asia. It examines the similarities and differences in the strivings of the various actors, the situation in Afghanistan that has arisen as a result of their clash, as well as the regional threats and challenges to Iran's interests. It points to the geopolitical contradictions among regional players, primarily

between the U.S. and Iran, as the main variable influencing the situation in Afghanistan and its relations with Iran. According to the author, these geopolitical contradictions and the challenges and threats to regional stability ensuing from them are creating political and economic problems that are complicating the development of Iranian-Afghan relations. This is making rehabilitation of Afghanistan more difficult, including in the vitally important economic sphere, resulting in destabilization of the situation within the country and around it.

**KEYWORDS:** *Iran, Afghanistan, Central Asia, the U.S., geopolitics.*

## *Introduction*

At present, the ambiguous relations between the West and Iran are having a particularly negative effect on the situation in Afghanistan. This ambiguity is based on the extremely politicized problem of Iran's nuclear potential. Iran's foreign policy, which is distinguished by significant conservatism, and the tougher sanctions being imposed on the country by the West are leading to a certain increase in tension in its relations with the Hamid Karzai government.

It looks as though the situation has reached the point where Afghanistan will undergo further destabilization if the world community puts off its talks with Iran any longer. Such destabilization is not anything the U.S. and its Western allies are interested in, particularly on the threshold of the withdrawal of the peacekeeping forces in 2014. So Washington will most likely keep a window of opportunity open for Iran by not entirely ruling out the likelihood of success in the upcoming round of nuclear talks.

## Common Interests

Afghanistan is one of Iran's closest neighbors with a common border of 936 km in length. The territorial, ethno-religious, and historical-cultural closeness of the two countries, as well as the presence of an influential Shi'ite diaspora in Afghanistan have helped it to become part of Iran's zone of vitally important geopolitical interests and traditional influence. Also, the fact that Afghanistan neighbors on the post-Soviet Central Asian states and plays an important role in ensuring transit and forming their transportation routes and energy grids is making the country Iran's potential doorway into the region. So Tehran is interested in Afghanistan's complete independence from any foreign influence that might destabilize the already precarious ethnopolitical situation in the region.

Iran's position is stable and unwavering with respect to promoting the idea of a united Afghanistan, achieving peace and stability, and creating a coalition government in the country with equal participation of members of all the ethnic groups, confessions, and movements in it (while giving the Shi'ite community specific freedoms). This pragmatism on Iran's part is primarily aimed at establishing a stable, predictable, and friendly country that will not create internal or external problems for it and, if possible, will promote the implementation of its geo-economic plans.

This position largely corresponds to the interests of Afghanistan itself. However, we should also keep in mind that Iran is an important supplier of products and fuel to the region, sponsors Afghan projects in infrastructure, energy, and transport, and occupies (even in conditions of instability) 5% of the country's foreign economic export and 9.1% of its import.<sup>1</sup> The annual goods turnover between Afghanistan and Iran amounts to \$2 billion.<sup>2</sup> Moreover, in the past eight years, Iran has spent more than \$50 million annually to help Afghanistan in its fight against drug trafficking.<sup>3</sup>

Iran and Afghanistan also have in common the fact that the U.S. plays a significant role in their current development; both countries are participants in America's New Silk Road (NSR) strategy, the success of which depends entirely on implementing transport-transit routes designed to link the CA region with South and Southeast Asia and extending them on to Europe.

The common interests and similar fates of the two countries are motivating them to engage in close mutual cooperation.

## Challenges and Threats to Iran from Afghanistan

Given current globalization and geopolitical competition, the situation today around Afghanistan (drug trafficking, refugees, water supply problems, cultural and religious discrepancies, and terrorism) is preventing the realization of the above-mentioned interests, the main bone of contention being the geopolitical disagreements among the players concerned. It is these disagreements that are preventing resolution of most of the regional problems associated with Afghanistan.

Let us take a look at the main contradictions existing in the tandems given below.

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<sup>1</sup> See: "Afghanistan Economy 2013," available at [[http://www.theodora.com/wfbcurrent/afghanistan/afghanistan\\_economy.html](http://www.theodora.com/wfbcurrent/afghanistan/afghanistan_economy.html)], 24 June, 2013.

<sup>2</sup> [[www.regnum.ru/news/polit/1658472.html](http://www.regnum.ru/news/polit/1658472.html)], 14 May, 2013.

<sup>3</sup> See: "Iran-Afghanistan Bilateral Ties Unaffected by Western Sanctions — Official," available at [<http://en.trend.az/regions/iran/2119355.html>], 14 February, 2013.

- ***Iran-U.S.*** As we know, Iran's foreign policy is aimed at establishing a multipolar world order under the U.N. aegis, in which it and other Islamic countries will form one of the poles of power. It stands to reason that this does not suit U.S. policy, which is aimed at world leadership and restructuring the Middle East, South Asia, and Central Asia in a way that ensures Iran's isolation from them. Tehran thinks that the attempts to manipulate the contradictions between Sunnis and Shi'ites are another of the West's conspiracies in this respect, which is interested in implementing the "divide and rule" tactic in order to prevent unification of the Muslim world.<sup>4</sup>
- ***U.S.-Russia.*** The U.S.'s striving toward unipolarity and world leadership contradicts the Russian concept of multipolarity under the U.N. aegis. The idea of establishing a Eurasian Union of States does not fit America's strategy of global domination aimed at limiting the influence of Russia, Iran, and China in the new system of international relations. In this respect, most Russian experts are sure that the NSR strategy is aimed at joining the markets and transport corridors in Central Asia and South Asia in a way that will subsequently isolate Russia.
- ***U.S.-China.*** China, like Russia, is interested in a multipolar world order and all-embracing partnership with the CA countries and Afghanistan. However, Beijing's rapid growth and extremely active geo-economic strategy in CA and Afghanistan, as well as its clear striving for global domination, contradict Washington's interests.
- ***U.S.-Pakistan.*** The Washington-Islamabad partnership is complicated by a whole slew of factors (the Afghan-Pakistani border and ethnoreligious contradictions, the difficult ethnoreligious and domestic political situation in Pakistan that is boosting the activity of terrorist groups in the region, and Pakistan's striving for regional leadership, etc.) that are contributing to a delay in the practical implementation of the U.S.'s new Afghan strategy.
- ***India-Pakistan.*** At the beginning of the 1990s, rivalry to gain influence in CA was added to the territorial and ethno-religious disagreements between India and Pakistan. In addition to official rhetoric, this influence is geared at assisting each of the sides to accede to unions of states that oppose each other.
- ***Iran-Saudi Arabia.*** As we know, Iran and Saudi Arabia are vying with each other to gain influence in CA and the Middle East. The U.S. is taking advantage of the historical-cultural kinship between the Central Asian region and Saudi Arabia, the financial superiority of the latter over Iran, and the existence of religious discrepancies between them to advance its interests in the Islamic world, including Afghanistan.

It is obvious that geopolitical contradictions among strategic partners are primarily reflected in choosing appropriate methods, means, and ways to implement the Afghan strategy. They are preventing stability from being achieved in the region and are delaying Afghanistan's reconstruction and modernization, whereby playing into the hands of various radical-Islamic and other illegal groups. This is providing fertile soil for cultivating various regional and global challenges and threats, to which the following apply:

1. ***Drug trafficking.*** The ongoing flow of drugs from Afghanistan and Pakistan to the CA countries, Europe, and the Persian Gulf poses a threat both to Iran and the entire region. According to the U.N., there are 1.2 million drug users in Iran (according to other esti-

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<sup>4</sup> See: S.-U. Soraya, "Shi'ite Revival or Majority Resistance?" available at [<http://www.payvand.com>], 9 June, 2006.

mates there are more than one million), while Tehran spends \$1 billion every year on fighting this evil.

According to experts, “Afghanistan’s opium production is expected to increase from 75 percent of global production to 90 percent, and the Afghan government will increasingly rely on and participate in drug flows to counterbalance the decrease of foreign funding and the diminished U.S. and NATO presence monitoring the issue.”<sup>5</sup>

2. **Refugees.** According to the official viewpoint, there are around 3 million illegalized Afghan refugees in Iran at present, which is placing a heavy burden on the country. Based on a bilateral agreement reached with the assistance of the U.N. High Commissioner Office for Refugees, a special Program on Repatriation of Afghan Citizens was drawn up in Iran; the date of its final completion was 20 April, 2010.

However, on the threshold of withdrawal of the peacekeeping troops from Afghanistan, the flow of refugees continues to grow, which is forcing Tehran to repatriate them every year. According to U.N. estimates, in the first half of 2012, Iran deported 711 Afghan refugees at day,<sup>6</sup> whereby arousing Kabul’s discontent. What is more, the matter is going as far as shooting illegal Afghan migrants who try to cross the border (in particular on 11 May, 2013), due to the increase in military-political cooperation between the Hamid Karzai government and the White House.

3. **Water supply.** The anti-Iranian sanctions and Kabul’s potential distancing from Tehran have led to the appearance of a new challenge to national security: the problem of joint use of the water resources of the Helmand River that originates in the mountains of Central Afghanistan. According to experts, the general agreement that was signed in 1973 between the countries situated on the banks of the Helmand River is not reducing the tension in this issue. The Kamal Khan dam, which regulates the water flow to the Iranian province of Sistan and Balochistan, is a source of animosity on both sides.<sup>7</sup>
4. **Cultural-religious disagreements.** Iran, faced with international isolation, is forced to support the Shi’ites living in Afghanistan (by financing their cultural and religious activity, as well as with the help of the media). It stands to reason that this creates additional imbalance in the ethnocultural situation in Afghanistan.
5. **Terrorism.** Until the situation in Afghanistan returns to normal, threats (which are relatively weak today) will potentially continue to come from different terrorist groups (al-Qa’eda, Jundullah, etc.) close to the border with Iran, the activity of which might intensify in a situation where there is no consent among the regional actors.

## Iranian-Afghan Relations in the Light of Current Geopolitical Reality

Iran’s policy in the Afghan vector entirely depends on its relations with the U.S. These relations are one of the key factors in the development of the entire Afghan settlement process. At present,

<sup>5</sup> “The Significance of the Tajik-Afghan Border,” Stratfor.com, 22 May, 2013, available at [<http://www.stratfor.com/analysis/significance-tajik-afghan-border>], 12 June, 2013.

<sup>6</sup> See: O. Samad, “Iran’s Influence in Afghanistan after U.S. Pullout,” 17 January, 2013, available at [<http://iranprimer.usip.org/blog/2013/jan/17/iran%E2%80%99s-influence-afghanistan-after-us-pullout>], 24 June, 2013.

<sup>7</sup> See: Ibidem.

overcoming Iranian-American contradictions depends on two interdependent factors. The matter concerns settling Iran's nuclear problem and interaction between the two countries in dealing with the current situation in Afghanistan.

Settlement of the extremely politicized nuclear problem (aggravation of which is associated with the current Iranian-American contradictions) will not in itself remove the deep-rooted ideological contradictions between the U.S. and Iran reflected in their geopolitical vision of the development prospects of Iran, the Middle East, and Afghanistan.

Reaching a consensus on international security, the gravest problem today, will make it possible to reach some balance in the coexistence of the two systems represented by the Shi'ite-Sunni autocracies and Western democracies. Washington is hardly interested in prolonging the current situation, which could lead to destabilization of Afghanistan and its adjacent regions. This might lead to chaos, which, if it spirals out of control, will deal a serious blow both to the security and geopolitical interests of the U.S., as well as to the projects it is planning. In this sense, the idea of controllable chaos would be suicidal for the U.S., since not only the Middle East, CA, and SA would be inundated by a potential wave of terrorism; at best, America's plans for global domination would be brought to a halt. Talking about Washington's failures, it is enough to recall the 2001 terrorist acts, as well as the consequences of the events in Iraq, Palestine, Syria, and Afghanistan, which stimulated the development of the idea of multipolarity.

The most mutually beneficial approach would be one based on a balance of interests in the region. Within the framework of such regional partnership, reaching a compromise with Iran would allow Washington to save face on the threshold of troop withdrawal and ensure American companies access to the region's oil and gas resources on acceptable terms in the future.

However, the endless disputes between the pro-Israeli and pro-Iranian U.S. elites are serving to retain the dualism of Washington's strategy. On the one hand, the U.S. has a pessimistic attitude toward the prospects for developing relations with Iran<sup>8</sup> and does not exclude the possibility of carrying out a preventive strike on the country. The most Washington is prepared to do is continue its restraining tactics, increase further confrontation, and toughen up sanctions with the aim of accelerating changes in Iran that meet the West's interests.

On the other hand, Washington appears to be well aware that delaying resolution of the Iranian dilemma with its Afghan and Syrian components may, in addition to destabilizing the vast region, turn into a geopolitical defeat for the U.S. in the face of Russia, China, and Iran. This is prompting the U.S. to try and establish mutually acceptable partnership by continuing its political bargaining with Tehran (including secret talks).

Tehran, in turn, is resolutely against the U.S.'s military presence in CA, which could go on forever. In this event, Iran would find itself in the grips of a military-political blockade, while its regional activity would be significantly limited. Meanwhile, the negative influence of the sanctions on the country's economy and foreign policy is forcing Tehran to hold a dialog with the U.S. in order to break the viscous circle that has formed and reach a compromise solution to the nuclear problem. One of Iran's strategic interests is to restore its role in CA, Afghanistan, the Middle East, and the world community as a whole, as well as in global economic relations with Western Europe and the Asia Pacific Region.

In order to achieve their goals, both countries are making use of bilateral and multilateral formats of interstate relations and international institutions (primarily the U.N.). In particular, in addition to developing bilateral relations with all the CA states, Tehran is actively cooperating with the world

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<sup>8</sup> See, for example: G. Bryan, A.H. Cordesman, "U.S. and Iranian Strategic Competition. Sanctions, Energy, Arms Control and Regime Change," Center for Strategic and International Studies," available at [130625\_iransanctions\_pdf, June 26, 2013], 26 June, 2013.

community to stabilize Afghanistan and participating in all the international conferences on this problem (for example, Istanbul, November 2011; Bonn, December 2011; Kabul, The Heart of Asia Conference, June 2012). Carrying out diplomatic measures and continuing the dialog, Iran and the U.S., however, are actively using what has customarily become aggressive rhetoric in their tactical arsenal, not to mention the sanction regime being applied by the White House.

The clash between the U.S. and Iranian approaches in the Afghan process will most likely force Washington to seriously consider using the Pakistani-Saudi tandem to implement American strategy.

For example, the leaders of Saudi Arabia and Afghanistan have been attempting today, not without obvious American interference, to establish constructive cooperation with Pakistan. It is expected that when Nawaz Sharif (who is friendly with the Saudis) is elected to the post of prime minister, Saudi Arabia will gain a lever of influence over Pakistan's security and foreign policy, which will help to successfully complete the talks with the Taliban before withdrawal of troops in 2014. However, the rivalry between the two leading parties of Pakistan—Nawaz's Pakistani Muslim League and Imran Khan's Tehreek-e-Insaf party—should be kept in mind; according to experts, this could strengthen the Taliban, which will not fail to take advantage of this situation in its interests.

Iranian experts have foreseen the possible rapprochement between the Pakistani leadership and Washington. As early as 2002, they indicated that if the American-Pakistani initiatives to settle the Afghan crisis were successful, Iran's position would significantly weaken. Afghanistan will become a new strategic rival for Tehran and the latter will not be able to withdraw CA out of its geopolitical isolation.<sup>9</sup> So it is not at all surprising that there were reports in the press about a delegation of high-ranking representatives of the Taliban movement arriving in Iran (on the invitation of the country's authorities) to discuss cooperation after the international forces are withdrawn from Afghanistan. According to Afghan experts,<sup>10</sup> the movement's representatives are trying to establish relations with Iran without involving Pakistan.

Incidentally, the historical differences that have become quite obvious between the Shi'ite branch of Islam professed in Tehran and the religious views of al-Qa'eda and the Taliban will make it difficult to establish a long-term partnership between the sides. In this respect, it appears very plausible that the actual sources of this disinformation could be the Wahhabis (Salafis) supported by the Saudis and Qatars.

Meanwhile, the Iranian Ministry of Foreign Affairs has refuted the reports that a delegation of the Afghan Taliban has arrived in Tehran and assured that they are incorrect.<sup>11</sup>

The Afghan leadership itself is clearly not interested in making the domestic situation in the country any worse than it already is, repeatedly expressing its desire to assist in removing the tension between Iran and the U.S. Moreover, the fact that the Hamid Karzai administration will most likely continue to cooperate with the U.S. after 2014 has caused a split in Afghan society, a large part of which is against America's military presence in Afghanistan.

Nevertheless, in the interests of the country's security, President Hamid Karzai gave permission on 9 May of this year for nine American bases to remain in Afghan territory. In so doing, Hamid

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<sup>9</sup> See: N. Sonboli, "Iran i sfera bezopasnosti Tsentralnoi Azii posle 11 sentiabria," *Amu Darya* (Tehran), No. 12, Summer 2002, pp. 110, 118-121.

<sup>10</sup> See: "Afghan Government Probes Taliban Visit To Iran," available at [<http://www.rferl.org/content/afghanistan-iran-taliban/25005609.html>], 3 June, 2013.

<sup>11</sup> See: "MID Irana oproverg soobshchenie o pribytii delegatsii afganskikh talibov v Tegeran," Russian IRIB Service, available at [[http://www.iran.ru/news/politics/87996/MID\\_Irana\\_oproverg\\_soobshchenie\\_o\\_pribytii\\_delegatsii\\_afganskikh\\_talibov\\_v\\_Tegeran](http://www.iran.ru/news/politics/87996/MID_Irana_oproverg_soobshchenie_o_pribytii_delegatsii_afganskikh_talibov_v_Tegeran)], 3 June, 2013.

Karzai made it clear<sup>12</sup> that the United States will continue to have an influence on the country's political system in order to avoid a situation similar to the one that developed in Iraq when the lack of consent with the local administration helped pro-Iranian forces come to power.

Although the details of Hamid Karzai's position are not clear, it is most likely aimed, among other things, at implementing America's New Silk Road strategy in a format advantageous to Afghanistan.

On the other hand, the U.S. continues to count on regulating Iran's nuclear program by peaceful means; according to U.S. Secretary of State John Kerry, "the situation is becoming increasingly dangerous with each passing month."<sup>13</sup> In this respect, there is always the possibility of holding a series of secret talks with Tehran. Such thoughts are supported by the fact that the U.S. opened a consulate in Herat in June 2012, located less than 50 miles from the Iranian border. According to several experts, this will make it possible not only "to monitor Iranian activity in Herat and the surrounding area," but also create opportunities for holding secret talks with Tehran "away the watchful eyes of the world."<sup>14</sup>

As Iranian experts themselves believe, the need to ensure the safety of the troops remaining in Afghan territory also speaks in favor of establishing relations between their country and other regional neighbors.<sup>15</sup> In their opinion, the withdrawal of American troops from Afghanistan and the June presidential election in Tehran could open up new horizons for Washington with respect to practical cooperation with Iran. In this event, Iran will act as a potential strategic partner of the U.S. in implementing Afghanistan's peaceful transformation.

However, at present, this prospect is very doubtful, particularly if we keep in mind that Tehran and Washington have different interests in the Middle East; this factor will undoubtedly have a negative influence on the level of assumed Iranian-American partnership in Afghanistan. We would do well to recall a characteristic historical precedent at this juncture: as we know, constructive cooperation in Afghanistan after 2001 ended in Iran being made part of the axis of evil.

All the same, there are several positive factors that demonstrate the possibility of achieving a certain breakthrough in Iranian-American relations in the mid term.

The main provisions of Iran's foreign political doctrine proceed from pragmatic moderate considerations. For example, former president Mahmoud Ahmadinejad was in favor of reinforcing Iran's status in the Islamic world by means of active participation in the activity of the Organization of the Islamic Conference, and by developing contacts with essentially all the states, including with NATO members.<sup>16</sup> Iranian experts believed that when the new monolithic and consolidated conservative cabinet headed by Mahmoud Ahmadinejad came to power, the prospects for holding serious talks with the U.S. could increase.<sup>17</sup> Even the Supreme Leader of Iran Ayatollah Ali Khamenei was inclined toward cooperation with the U.S. He saw it as a way to resolve the country's current problems, but providing that Washington agreed to equal conditions.

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<sup>12</sup> See: "Karzai Ensures a Continued U.S. Presence in Afghanistan," available at [<http://www.stratfor.com/ANALYSIS/KARZAI-ENSURES-CONTINUED-US-PRESENCE-AFGHANISTAN>], 9 May, 2013.

<sup>13</sup> "U.S. Secretary of State: The Situation around Iran's Nuclear Program is Becoming Increasingly Dangerous with Each Passing Month," available in Russian at [<http://www.itar-tass.com/c11/756608.html>], 3 June, 2013.

<sup>14</sup> A. Bozkurt, "U.S. Secret Talks with Iran over Afghanistan," 31 December, 2012, available at [<http://www.todayszaman.com/columnist-302684-us-secret-talks-with-iran-over-afghanistan.html>], 24 June, 2013.

<sup>15</sup> See: S.H. Mousavian, "Engage with Iran in Afghanistan," available at [<http://nationalinterest.org/commentary/engage-iran-afghanistan-8528>], 30 May, 2013.

<sup>16</sup> See: "Iran's Strategic Role in the Islamic World," Mehr News Agency (Tehran), available at [[www.mehrnews.com](http://www.mehrnews.com)], 9 December, 2005.

<sup>17</sup> See: A. Keshavarzian, "Clash of Neoconservatives? The Bush Administration and Iran's New President," Foreign Policy in Focus Policy Report, available at [<http://www.fpif.org>], 10 August, 2005.

The June presidential election in Iran again showed signs of moderation gaining the upper hand in the state's political development, which is shown by Hassan Rouhani's advent to power, who combines adherence to both the country's conservative and reform elite.

We should also remind you that Tehran's approach to the Greater Middle East project sponsored by the U.S. before the Arab Revolution was distinguished by relative restraint. In particular, Iranian experts propose refraining from unconstructive criticism of the West's initiatives and addressing "without great political outlays" only "certain aspects" of the Middle East program. They also called for "a positive sum game" that presumes Iran's participation in different programs in the Middle East.<sup>18</sup> It is thought that these approaches have not dramatically changed since then and could very easily be used as a foundation in regulating the Syrian problem with Iran's participation.

What is more, Washington will most likely have to count on growing economic cooperation between the post-Soviet CA countries and Iran, including Afghanistan (see below). Continuing American pressure in this issue with all the negative consequences ensuing in security and the economy will in fact accelerate the CA states' search for alternative routes, including through China, as well as intensify partnership between the regional countries and Russia, which is not at all in the U.S.'s interests.

We must also keep in mind the Indian factor. Iran, as the main supplier of energy resources and oil to India, is an important partner for it with respect to possible opposition with Pakistan, as well as in security issues relating to Afghanistan. What is more, India and Iran are in favor of advancing a North-South transport corridor capable of uniting Russia, CA and SA that is mutually advantageous for all the sides concerned.

Before the Taliban was overturned in 2001, India and Iran supported the Northern Alliance together. It goes without saying that they are still not interested today in the Taliban or other radical groups returning to power. What is more, India and Iran are certainly not interested in intensification of the Sunni bloc that unites Afghanistan, Pakistan, and Saudi Arabia, since it could create threats to security (both ideological and political).<sup>19</sup> So it is pretty certain that neither objective factors nor geopolitical interests will hinder regional partnership between the two countries. This is also shown by the 17th session of the Indian-Iranian joint commission held on 3-5 May, 2013, at which three memorandums were signed on mutual understanding, including cooperation among analytical institutions.

In this context, it is worth noting the American approach to India's role and importance in the region. In particular, U.S. Under Secretary for Political Affairs Wendy Sherman highly evaluates its key role in ensuring security in Afghanistan and reducing the level of its importation of Iranian oil. In her words, India has always been a leader in reviving the New Silk Road and an active participant in the heart of Asia process. The U.S. intends to further its relationship with the country through the strategic dialog.<sup>20</sup>

So it can be concluded that the U.S. is unlikely to do anything that will significantly hinder the Indian-Iranian partnership (this is at least how things stand at the moment). It seems to be easier for the Americans to find a common language with Tehran than put the NSR project in jeopardy. Nor can

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<sup>18</sup> See: K. Afrasiabi, "Iran and the Greater Middle East Initiative," *The Iranian Journal of International Affairs* (Tehran), Vol. XVII, No. 2-3, Summer-Fall 2004, pp. 255-284.

<sup>19</sup> See: A. Bhatnagar, "Indo-Iranian Cooperation in Afghanistan Faces Challenges," *The Institute of Peace and Conflict Studies*, 22 August, 2012, available at [<http://atlanticintel.com/2013/05/indo-iranian-cooperation-in-afghanistan-faces-challenges>], 7 May, 2013.

<sup>20</sup> See: "Comments on India's Relations with Iran, Afghanistan, and the U.S. Remarks Wendy Sherman Under Secretary for Political Affairs, New Delhi, India," available at [<http://www.state.gov/p/us/rm/2013/202682.htm>], 24 May, 2013.



the United States ignore the fact that Pakistan, despite the existing difficulties, is ready to develop economic projects with Iran's participation.

For example, issues were discussed at a meeting held recently of the trade ministers of Pakistan, Iran, and Afghanistan concerning expansion of transit trade, encouraging investments in the private sector, and developing infrastructure, transport, and supply routes. According to a statement by the Afghan side, there is every chance that bilateral trade between Afghanistan and Pakistan will increase in the future from the current \$2.5 to 5 billion.<sup>21</sup> President Asif Ali Zardari assured that Pakistan is positively evaluating the Iranian-Pakistani gas pipeline project and is ready to implement many other economic bilateral initiatives, particularly in the import of electricity, the export of grain, and the development of the transportation system (including implementation of the TAPI project).<sup>22</sup>

At the same time, Iran is willing to sign an agreement on a structured approach to defining the nature of the nuclear research being carried out, providing that the nuclear file will subsequently be closed.

Such is the ambiguous reality of the processes going on around Afghanistan, which cannot help but have an influence on the economic situation in the country.

## Economic Problems

The Iranian-American contradictions are having an impact on the economic situation in Afghanistan. In this respect, let us take a look at the priority areas of Iran's economic activity in Afghanistan, which are energy and transportation.

**Energy.** Kabul gets most of its energy resources from neighboring Iran, which also provides 15% of the oil delivered to Afghanistan.<sup>23</sup> Keeping in mind the mutual interest, in 2011 Iran and Afghanistan signed an agreement, under which Tehran pledged to supply its neighbor with one million tons of oil, gas, gasoline, and reactive fuel. In turn, Afghanistan is willing, despite the current problems, to continue purchasing oil from Iran.<sup>24</sup>

However, the implementation of any energy agreements between the two countries is jeopardized today by the international sanctions imposed on Iran. Officially, these sanctions are to prevent Iranian corporations from obtaining income from business that might be used to develop the country's nuclear program. In practice, however, the sanction policy is causing the Afghan reconstruction and stabilization program declared by the U.S. to have a destabilizing effect on the domestic situation in the country.

In particular, problems are arising in Afghanistan's financial system (for example, the credit imbalance with subsequent disruption of financial operations with Iran).<sup>25</sup> In conditions where the above-mentioned sanctions are being tightened, the uncompetitive Afghan markets are being saturated with low-quality Iranian goods. "The trade imbalance is further compounded by heavy Iranian

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<sup>21</sup> See: T. Khan, "Pakistan, Iran, Afghanistan to Step Up Business Ties," *The Express Tribune*, 10 January, 2013, available at [<http://tribune.com.pk/story/491834/pakistan-iran-afghanistan-to-step-up-business-ties/>], 10 January, 2013.

<sup>22</sup> See: "Zardari for Early Convening of Pak-Iran-Afghanistan Summit," available at [<http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/national/22-Mar-2013/zardari-for-early-convening-of-pak-iran-afghanistan-summit/>], 22 March, 2013.

<sup>23</sup> See: "Sanktsii protiv Irana skazalis na ekonomike Afghanistana," available at [[www.regnum.ru/news/polit/1658472.html](http://www.regnum.ru/news/polit/1658472.html)], 14 May, 2013.

<sup>24</sup> See: "Afghanistan Continues Iran Oil Purchase Despite Pressure from the U.S.," available at [<http://www.wadsam.com/afghanistan-continues-iran-oil-purchase-despite-pressure-from-the-us-9879/>], 3 February, 2013.

<sup>25</sup> See: "Sanktsii protiv Irana skazalis na ekonomike Afghanistana."

investment in western Afghanistan. Iran has also destabilized Afghan markets by purchasing large amounts of foreign currency.” Unable to transfer money out of Iran in a legitimate manner, the Iranian traders instead convert their *Rial* in Afghanistan.<sup>26</sup>

It appears that Washington is well aware of what is going on, but its ambiguous position regarding Iran, inert and bureaucratic financial institutions, as well as out-and-out corruption are preventing the appropriate decisions from being made on several important issues. As a result, the sanction provisions tend to ignore the inconvenient aspects of U.S. tactics in Afghanistan.

For example, according to the October report from Special Inspector General for Afghanistan Reconstruction (SIGAR), “No Afghan entities have yet been sanctioned, even though Afghanistan currently imports between 33% and 50% of its fuel from Iran.”<sup>27</sup> The U.S. State Department, which continues to insist on reducing the import of Iranian fuel into Afghanistan, nevertheless recognizes the difficulties in ensuring energy deliveries to the country and in choosing reliable exporters.

According to experts, another problem is financing Afghanistan’s purchases of Iranian oil. It is very likely that by investing in the development of Afghan military-political structures, Washington is indirectly paying for Iranian fuel. Some of the Iranian oil purchased with American dollars is going to supply the military operations of the U.S. or its authorized representatives with fuel (meaning the Afghan National Army).

Given the confrontation between the U.S. and Iran and the ongoing sanctions against the latter, implementing the TAPI (Turkmenistan-Afghanistan-Pakistan-India) and Iran-Pakistan gas pipeline projects looks highly problematic. Advancing their implementation will depend not so much on how the Iranian nuclear problem is resolved as on stabilizing the domestic situation in Pakistan.

Despite the achievements in laying the Iranian-Pakistani pipeline, Nawaz Sharif’s government will have to withstand both U.S. pressure (which is hindering the development of any projects involving Iran) and resistance from the powerful anti-American and anti-Iranian opposition in the country in order to successfully complete its construction. Moreover, efficient functioning of any regional pipeline, even after it has been launched, depends on relations with neighbors, that is, normalization of Afghan-Pakistani and Afghan-Iranian relations in particular, which have seen better times. Consequently, in the next 1-2 years, no radical changes can be expected in this area, particularly after new anti-Iranian sanctions go into effect.

In this respect, India has come forward with an initiative for building the TAPI-2 gas pipeline (going from the Russian gas fields in Western Siberia through Kazakhstan, Uzbekistan, Turkmenistan, Afghanistan, and Pakistan to India). Implementation of this project is also doubtful (at least in the short term) due to the absence of the necessary mutual understanding among Afghanistan, Pakistan, and India.

**Transport.** The anti-Iranian sanctions have also affected Afghanistan’s transport sphere. International business has to overcome various restrictions associated with U.S. pressure on projects involving Iranian companies and banks.

In particular, Washington is demanding that transit be halted along the route that passes through Bandar Abbas, which is causing tension in Afghan business circles. According to Deputy Director of the Afghanistan Chamber of Commerce and Industries Khan Jan Alokozai, Kabul imports foreign goods that are vitally important for the country’s development totaling more than \$2 billion via this route.<sup>28</sup>

<sup>26</sup> See: O. Samad, op. cit.

<sup>27</sup> N. Schwellenbach, “Et Tu, Karzai? Afghanistan Violates U.S. Iran Sanctions,” available at [<http://whowhatwhy.com/2013/01/30/e-tu-karzai-afghanistan-violates-us-iran-sanctions/>], 30 January, 2013.

<sup>28</sup> See: SAJAD, “U.S. Urge Afghanistan to End Trade Ties with Iran,” available at [<http://www.khaama.com/us-urge-afghanistan-to-end-trade-ties-with-iran-184>], 2 September, 2013.

Feeling pressure from the U.S., the Afghan government has begun talking about the need to use the Iranian trade port of Chabahar. According to members of the Afghan government, all the necessary facilities for Afghan businessmen should be in place there with the help of Indian investors by 28 May. Moreover, the Afghan ministries of trade and finance have been set the task of using the transit route that starts at the port of Chabahar for transporting cargo.<sup>29</sup>

It should be noted that possible halting of the operation of the Iran-Afghanistan-Uzbekistan rail corridor with access to the Iranian ports of Bandar Abbas and Chabahar is not in Uzbekistan's interests. Afghanistan, which is striving to gain access to the world markets, particularly given the instability presumed after 2014, is not interested in this either.

One of the authors of the Afghanistan's New Silk Road strategy, well-known Professor Frederick Starr, also points to the illogical actions of the American leadership. He believes that Washington's actions are essentially effectively sponsoring its adversary. The matter concerns support by the U.S. and NATO of Iranian ports in the Persian and Oman gulfs.

The U.S. has been unable to lay any kind of transport corridor linking the northern Central Asian neighbors of Afghanistan with the indicated ports. According to Starr, Iran has been taking advantage of this by relying on Indian and Russian assistance to build a convenient port and free economic area in the Gulf of Oman (in Chabahar) from which cargoes are sent to Afghanistan. Chinese companies are not standing on the sidelines either; it took no time for them to rebuild the Gwadar port.

In this respect, Starr cautioned Washington about making such mistakes in the transportation of Central Asian gas to Pakistan and India. The American professor also criticizes President Barack Obama and the U.S. National Security Council for not giving enough support to the TAPI project, without which this energy corridor cannot be built. However, it stands to reason that given the U.S. external debt of \$16 trillion, this is not an easy task. However, as Professor Starr emphasized, all that is required of Washington is effective leadership.<sup>30</sup>

It goes without saying that the United States cannot ignore the interests of the CA countries associated with building the region's transportation and trade system. In counterbalance to their possible rapid reorientation in the Eurasian vector (in particular by participating in the NSR project on the basis of the Customs Union and implementing the North-South transport corridor), Washington, by all expectations, will assist the development of Afghan routes, which is impossible without Iran's active participation in them.

## *Conclusion*

Keeping in mind the objective factors, it can be said that Iran and Afghanistan are "doomed to economic partnership." Neither Iran, nor Afghanistan, nor Pakistan are interested in prolonging regional instability, which is fraught with threats to the existence of the regimes in power in these countries.

In this respect, it appears that the U.S. is taking a wait-and-see position in regional partnership issues and will not put up any strong resistance to projects involving Iran. In so doing, the stakes are being placed on possible normalization of relations with it in the future. It is obvious that, keeping in mind the inclination of most countries toward economic partnership with Iran, which is involved in the conflicts in the Middle East and Afghanistan, Washington is striving, if not to engage Tehran's

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<sup>29</sup> [<http://www.iran.ru>], 28 May, 2013.

<sup>30</sup> See: F. Starr, "Why Is the United States Subsidizing Iran?" available at [[http://www.foreignpolicy.com/articles/2013/02/04/why\\_is\\_the\\_united\\_states\\_subsidizing\\_iran?page=0,1&wp\\_login\\_redirect=0](http://www.foreignpolicy.com/articles/2013/02/04/why_is_the_united_states_subsidizing_iran?page=0,1&wp_login_redirect=0) FEBRUARY 4, 2013], 4 February, 2013.

support, at least to achieve neutralization of its influence on the resolution of regional problems. If the new round of talks with Iran is successful, the U.S. will still be able not only to save face, but also to reshape the entire Middle East region, as well as the CA and SA, within the NSR strategy with the active participation of Iran, Russia, and China.

Incidentally, it appears that the worries of the international community about the establishment of a unipolar world headed by the U.S. and its launching military operations in different corners of the planet are overly exaggerated.

As the above facts show, resistance of the international community to U.S. policy in the Afghan-Iranian vector is forcing it to change its strategy and is encouraging the establishment of a real multifaceted regional approach (even if still imperfect). Otherwise, we can expect the destabilization of Afghanistan, CA, and the Middle East, which will not only be detrimental to the NSR plans, but also to the idea of U.S. global leadership. This is shown in particular by the results of the Bush rule, the negative consequences of which are still being felt today.

So, it appears that the international community will continue looking for a consensus on the Iranian and Afghan questions. We can confidently presume that it will be based on the common regional challenges and threats to the sides interested in the Afghan peace process. In any case, success will depend on progress in the nuclear talks on Iran, which evidently should be reinforced by corresponding constructive actions by Tehran and the Euroatlantic community in Afghanistan and the Middle East countries. However, it is unlikely that this scenario will be implemented in the short term.

As for the CA states bordering on Afghanistan, they are extremely interested in its sustainable and independent development; they are willing to unite all regional forces and resources to achieve this country's restoration, stabilization and modernization.

Afghanistan is very important for the CA republics both with respect to ensuring the safety of its southern borders in the face of the current threats and challenges (radical movements, drugs, illegal migration, and so on) coming from the AfPak zone and with respect to the development of a new alternative network of transportation-transit routes through it.

The continuing western economic pressure on CA and the U.S. anti-Iranian strategy, which excludes the participation of Tehran in energy transportation and other projects, are preserving socio-economic and political instability in the region.

In these conditions, it is preferable and safer for the CA countries to establish partnership within the framework of the Eurasian Union being formed with participation of Russia, Iran, and China.