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### **Transition, Regional Integration and Complexities: Evolving India-Afghanistan Interface**

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# **Transition, Regional Integration and Complexities: Evolving India-Afghanistan Interface**

**Abstract:** The political and security transitions in 2014 are crucial for Afghanistan and will impact neighbouring countries. As a major stakeholder in security in South Asia, India's role in political, security and economic spheres in Afghanistan is critical for the war-torn country's stability and peace. India's continued interface with Afghanistan depends on how the processes of transition and reconciliation unfold in the country. Though security and strategic thinking continue to dominate the discourse on Afghanistan, recent discovery of natural resource deposits in the country and its potential to emerge as a hub for regional trade in goods and energy have opened new vistas for cooperation among the regional countries, particularly from South Asia and Central Asia.

**Key words:** Security-political transition, reconciliation process, soft power measures, regional trade and energy security

## **Introduction**

The limited success achieved by international forces in Afghanistan has reinforced the proposition that external military intervention often fails to bring lasting peace, effective

security and enduring stability in a country. It has been more than a decade of US-led international military intervention in Afghanistan following the catastrophic attacks of 11 September 2001 but the scenario unfolding in the country is still far from satisfactory. The overall transition process in Afghanistan appears to be complicated and long-drawn: the country is yet to witness political, social and economic stability. Afghanistan remains vulnerable to militant insurgency, political instability, social fragility, economic uncertainty, ethnic rivalry and continued external military and political interventions. Despite decade-long counter-insurgency measures, Taliban continue to maintain their strong political and security presence; rather, they have spread their areas of operations across the length and breadth of the country.<sup>1</sup> The capabilities of Afghan National Security Forces and its diversely trained leadership will be put to test when they take full charge of maintaining internal and external security from the International Security and Assistance Force (ISAF) in 2014.

Afghanistan's dual transitions – political and security – are critical for its future. Former President Hamid Karzai completed his two terms – maximum allowed under the present Constitution of Afghanistan – in the office in 2014. The process to elect a new president was disputed and dragged for some time. The country's Independent Election Commission held run-off on 14 June 2014 after none of the candidates could secure more than 50 per cent of the votes in the first round of election held on April 5, 2014. Though the unity government led by Dr. Ashraf Ghani as President and Dr. Abdullah Abdullah as Chief Executive Officer – a newly devised position akin to Prime Minister<sup>2</sup> – has been

formed on the basis of a deal signed between the two former rival candidates, sceptics are not certain about the viability of the deal and continuity of the government. Persistent uncertainty at the highest level of political leadership can not only create governance crisis but also perpetuate factionalism on ethnic lines.

On the other hand, the reconciliation process, considered critical for peace and stability in the country, is at a nascent stage and has so far remained elusive. A major drawback of this process is that it is not Afghan-initiated, Afghan-led or Afghan-controlled. The last round of the US-Qatar facilitated talks ended abruptly in Doha over the issue of political legitimacy between the Afghan sides.<sup>3</sup> However, Qatar facilitated the first swap of prisoners of war between the US and Taliban. Sgt Bowe Bergdahl was a Taliban captive freed by them in return for the release of five senior Taliban detainees held by the US at the Guantanamo Bay. Though the Karzai administration, which was reportedly not informed about the deal by the US, has criticised it, some analysts are of the view that the swap can assist in reviving the reconciliation process between the Taliban and the Afghan government.

For durable political stability, pervasive peace and inclusive economic development in post-2014 scenario, Afghanistan is seeking international partnership and assistance from other countries, including its near neighbours, such as India, Pakistan and Central Asian states. India, being a major stakeholder in Afghanistan's security and development, has been keenly



observing the unfolding developments in Kabul and has been in touch with regional capitals. Considering the severe implications of instability, continued political disorder and probable re-rise of Taliban in Afghanistan as a threat to its security, wider economic interests and potential energy route, India's concerns are genuine. Besides political and security reasons, India also has substantial economic stakes in Afghanistan. Due to its geo-strategic positioning, Afghanistan can be a bridgehead for India's pursuit of greater economic integration, particularly for energy and mineral resources as well as for increasing trade with Central Asian republics. Though New Delhi remains inclined to primarily employ soft power measures in its quest towards achieving regional stability and greater economic integration between South Asia and Central Asia, voices have been raised from Afghanistan urging India to broaden its defence cooperation with Kabul.

Iran and China, Afghanistan's neighbours in the west and east, have also been keeping an eye on developments in the country because of their security and economic concerns. Iran is a major transit route as well as a market for illicit Afghan narcotics; however, its anti-narcotic measures have been quite effective in keeping the menace in check. Tehran has stringent laws against drugs, which is being implemented swiftly. In 2013, till October, more than 500 people were hanged.<sup>4</sup> Nearly three quarters of all executions were of those convicted for drug charges,<sup>5</sup> with Afghans constituting a bulk of all the executions. The presence of a large number of Afghan refugees in the country, which has its roots in the instability in Afghanistan, is another issue faced by Iran still reeling under Western sanctions. China, on the other hand, is

dealing with separatist tendencies in its western Xinjiang region, bordering Afghanistan and Central Asian republics. The recent violent incident in Beijing's Tiananmen Square and bombings in Urumqi, the regional capital, have been blamed on Uighur separatists by the authorities, who see an unstable Afghanistan as an easy sanctuary for the separatists. China is also trying to address the Afghan issue through economic measures. The country is making huge investments in developing infrastructure in Afghanistan, including an economic rail-line<sup>6</sup> connecting the mines of the country with China's industrial production centres.

In the backdrop of these critical developments, this paper analyzes the situation in Afghanistan and its neighbourhood, but focuses on India's interface with Afghanistan since 2001 and examines Kabul's role in the prospects for India-Central Asia trade, particularly in the areas of minerals and energy resources.

## **Political Transition**

Though Hamid Karzai ruled Afghanistan since the fall of the Taliban government in 2001 and provided a stable leadership at the Centre, political challenges still persist and credentials of new leadership in Kabul are untested. The country's political institutions are still in the evolutionary stages and no single political party or a political persona with pan-Afghan appeal has emerged in the country's political arena. Most of the parties or coalitions are based on ethnic and sectarian lines or in opposition to a particular group, rather than being formed on ideological lines or national issues.

After the protracted course of presidential election and subsequent audit of votes, a new government with first such democratic transfer of power has come to the office on 29 September 2014 amid continued opposition by Taliban. The political exigencies required the two contenders to converge for peace and political stability. However, managing the internal and external dynamics remains a challenge for the new government. Internally, Taliban have been opposing the government and the security deal signed with the US. Secondly, the leaders need to convince their electorates that unity deal is not against democratic practices because the voters might have voted for either Ghani or Abdullah and not Ghani and Abdullah as the unity government represents. Externally, international pressure, especially from the US and UN, made the two contenders to mend their differences to form the new government. The unity government would be under immense pressure from internal and external complexities in fighting insurgency, facilitating the state-building process, promoting inclusive growth as well as effecting smooth security and political transitions at the provincial level.<sup>7</sup> The inherent contradictions in the unity government are likely to affect its efficiency and smooth functioning, particularly over the appointment of key positions.

The process of reconciliation in Afghanistan has been underway for some time now. It includes Afghan actors, regional players as well as the US, which has been the prime facilitator of the process. The fate of the reconciliation process is critical for both political and security transitions in Afghanistan as well as stability in the region. Although several rounds of talks

between the Karzai administration and Taliban were held in Qatar, a conclusion remains elusive. Talks are shrouded in mystery and voices of discontent are getting louder. Differences among major stakeholders persist on the issue of the presence of foreign forces in Afghanistan, power sharing arrangement, ethno-political representation in governance and protection and promotion of civil and political rights, especially of girls and women etc. Reconciliation talks are now shifting to a new venue, i.e. the UAE; it is hoped that the breakthrough can be achieved in the Abu Dhabi round of negotiations.<sup>8</sup> The new President of Afghanistan Ashraf Ghani in his first week in the office urged the Taliban to join the peace process.<sup>9</sup> However, the Taliban have continued their offensive and there is no positive signal from them to revive the reconciliation process. They have rejected the offer of talks<sup>10</sup> and termed the national unity government as a ‘sham’ orchestrated by the US.<sup>11</sup>

### **Slow Democratization Process**

A holistic approach has been adopted to establish an inclusive, participatory and democratic state-structure in Afghanistan and the constitution also stipulates the aspirations of different sections of the society. However, alien institutions based on Western concept of democratic ethos and values do not seem to be compatible with long tradition of exclusive Afghan political, social and cultural norms and values evolved through historical processes. Instead of evolving internal democratic culture, the notion of liberal democracy has been exported to Afghanistan and a top-down method is applied in its implementation, which

is yet to be imbibed by common Afghan people for desired objectives of modern governance system. The territorial and ethnic loyalties are yet to be crystallised into a pan-Afghan national identity. Social challenges still persist and ethnic and religious fault lines are visible in institutions of governance, including armed forces.<sup>12</sup> Similarly, the political parties also primarily have support bases along the ethno-religious lines.<sup>13</sup>

The current national unity government in Afghanistan has offered a hope to develop pan-Afghan national identity. The current political mechanism between two political leaders of different backgrounds at the top level provides a political opportunity for the country to evolve governance system and institutions that encompass different sections of Afghan population and help create pan-Afghan national identity.

### **Security Transition and Drug Menace**

The ISAF is withdrawing from Afghanistan without putting in place an effective and efficient national security apparatus or completely eradicating insurgency and terror threats. Although the Afghan national forces have taken over the security of almost the entire country, violent and complex nature of attacks at several locations, including in the capital, still occur. The real strength and professionalism of the national forces are yet to be tested when the international forces withdraw completely or play only a limited role of assisting the national forces, envisaged under the agreement signed with the US.

The new Afghan government has signed the Bilateral Security Agreement (BSA) with the US. The BSA allows 9,800 US

and around 2,000 NATO troops to stay in the country till 2024 as well as sustained military and civilian aid from the US to Afghanistan.<sup>14</sup> The BSA also makes provision for training and capacity building of Afghan national forces. The agreement is likely to have positive impact on US-Afghan relations, which came under strain during last phase of Karzai presidency.<sup>15</sup>

The Afghan security forces face multiple internal and external challenges, such as high casualty rate, insider killings, mass desertions and lack of infrastructure and equipment; these are only a few to name.<sup>16</sup> Security in Afghanistan is still fragile and it is a major challenge hampering the country's development in all spheres. Business, investment and other economic activities cannot be carried out smoothly in an insecure environment. It would be reductionist to consider Taliban as the only security threat since there are multiple armed groups indulging in violence, terror, smuggling of narcotics and other criminal activities. The organized groups primarily thrive on opium cultivation and its trade in the international market. Reportedly, Taliban generate their revenues also from narcotics, extortion and illegal exploitation of natural resources. Afghan farmers are forced to pay money to the Taliban on their earnings from the poppy harvest.<sup>17</sup>

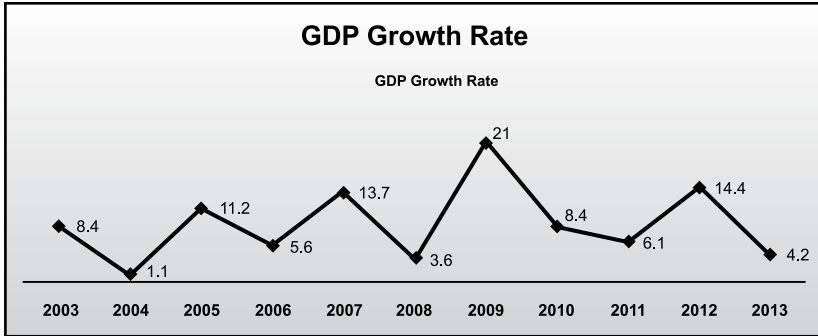
Due to the soil composition, climatic condition, weak regulatory mechanism and involvement of a web of stakeholders deriving benefits as well as lack of licit and decent livelihood opportunities for common Afghans, the country has become the largest opium producer in the world.<sup>18</sup> The Afghanistan Opium Risk

Assessment 2013 report, issued by the United Nations Office on Drugs and Crime, points out that insecurity, weak governance and lack of agriculture support are factors behind the continued opium cultivation.<sup>19</sup> The trio of persisting insecurity, opium cultivation and armed groups form a vicious cycle, contributing to the insecurity and also benefitting from it. However, only Afghans cannot be blamed for opium cultivation. On the demand side, the huge market in the West; and reported involvement of government officials in narcotic trade, especially from Central Asian countries must be analyzed as impediments in mitigating this menace from Afghan lands.<sup>20</sup>

## **Economic Transition and Development**

More than three decades of turmoil and conflict have impeded the development of the Afghan economy. International isolation of the country under the Taliban regime almost completely severed its connections with regional and international financial organisations as well as the global economic structures. Prolonged wars destroyed the local economy, livelihood system, and hampered prospects for business activities in an increasingly globalising world. Following the ousting of Taliban, international efforts have been made to revive the Afghan economy and generate employment for youth at the local level. Nevertheless, since 2004, Afghan economy has made substantial progress. It has developed at an average growth rate of 9.2 per cent in the last ten years (2003-2012).<sup>21</sup> Table 1 illustrates that apart from agriculture, services, construction and manufacturing sectors are crucial for the Afghan economy. The share of these sectors in

**Figure 1: Annual GDP Growth Rate in Afghanistan, 2003-13**



*Source:* The World Bank<sup>22</sup>

the country's GDP has been constantly rising. Growth in these sectors would generate employment opportunities as well as diversify the base of the Afghan economy.

Positive trends of economic revival are observed in almost all sectors of the national economy. However, a major challenge for the Afghan economy is to sustain the momentum of growth in the wake of global economic slowdown, as well as in the scenario after the drawdown of foreign forces from the country. As international forces withdrawing in 2014 and when most of the international donors, particularly the US and eurozone countries are in financial crisis, Kabul faces a daunting task of generating resources for an economy, which is excessively dependent on international assistance.<sup>23</sup> The impact of dwindling international development assistance is already visible. The World Food Programme has been forced to cut the food supply to Afghanistan affecting up to a million people due to fall in international aid.<sup>24</sup>



In addition to international assistance, which cannot continue for any country forever, Afghanistan needs to generate revenues from domestic sources. The country needs huge resources to build infrastructure, promote inclusive economic growth and alleviate poverty. According to the World Bank, Afghanistan's tax revenue collection is relatively low at 7.5 per cent of GDP in 2012, which declined from 8.9 percent in 2011 and 9.1 per cent in 2010.<sup>25</sup>

**Table 1: Sector Share in GDP (in per cent)**

Sector	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Agriculture</b>	38.5	36.8	28.5	30.2	27.2	27.3	22.4	27	23.3
<b>Mining</b>	0.1	0.1	0.2	0.3	0.3	0.5	0.5	0.4	0.6
<b>Manufacturing</b>	18.7	18.1	18.8	17.4	17.1	15.6	15.4	13.5	13
<b>Construction</b>	4.8	6	9.4	11.2	13.8	13.2	14	12.5	12.4
<b>Other Industry</b>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Services</b>	37.8	38.8	43.1	40.9	41.6	43.4	47.6	46.5	50.7

*Source:* The World Bank 2012, 24<sup>26</sup>

The country has a weak financial system and it needs to be strengthened and made efficient to establish a viable base for a vibrant economy. Majority of the Afghan population depends on agriculture for its livelihood, but only 12 per cent of its total land is arable and 75 per cent land is prone to desertification.<sup>27</sup> To overcome the economic challenges, the Afghan government has undertaken many initiatives, including the assistance of regional countries, major world powers and global financial institutions.

The country is blessed with huge natural resources and has immense potential for becoming a regional trade transit corridor.<sup>28</sup> The recent discovery of natural resources provides viable base

for sustained economic growth and future industrialization. Estimates of natural resources in Afghanistan range from US \$ 1 trillion<sup>29</sup> to 3 trillion,<sup>30</sup> and include huge reserves of oil, gas, copper, iron, gold, etc. The iron ore deposits are worth US \$ 421 billion; copper deposits about US \$ 274 billion; and gold deposits are worth US \$ 25 billion.<sup>31</sup> Besides, the country has 36.5 trillion cubic feet of natural gas and 3.6 billion barrels reserves of oil.<sup>32</sup> Table 1 shows that the share of the mining sector has been constantly growing in Afghan GDP, but it still remains less than one per cent. In addition, Afghanistan has huge potential in construction and services sectors, besides the possibility of cultivating and processing opium for medicinal usage. Relatively young population is another economic dividend for the country. About 68 per cent of the total 31 million population of Afghanistan is below 25 years of age.<sup>33</sup> With youth skill enhancement programmes and capacity building, this energetic youth force can be transformed into a productive human resource base.

### **Kabul's Policy Response to Revive Economy**

The initiatives undertaken by the Afghan government have borne fruits for the Afghan economy. Kabul has reformed its policies and regulations to attract investments in the country's mining and infrastructure sectors. It has also undertaken initiatives to remove the existing physical infrastructure bottlenecks. The Constitution of Afghanistan (2004) and the Afghan Investment Law (2005) assure foreign investors of complete safeguard for their investments, including 100 per cent ownership and no restrictions on repatriation of capital and revenue.<sup>34</sup> However,

Afghanistan needs to do more at various fronts. In addition to hostile political and security environment, the country still ranks low in the ‘Worldwide Governance Indicators’ report on the issues of voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption.<sup>35</sup> It ranks 175, along with North Korea and Somalia, on the Transparency International Corruption Perceptions Index 2013.<sup>36</sup> The country status in the ease in doing business is still not favourable. Afghanistan’s doing business rank is 164 out of 189 countries in 2014.<sup>37</sup>

Kabul has launched a number of initiatives to develop infrastructure in the country, such as the National and Regional Resource Corridors Programme (NRRCP) formulated under the Infrastructure Development Cluster.<sup>38</sup> These programmes are an integrated economic initiative that link existing and planned infrastructure projects with corridors of high export potential from extractive industries. Afghanistan is also attempting to increase its linkages with neighbouring countries, including Tajikistan, Turkmenistan and Uzbekistan. A modern transportation network that links Afghanistan with its neighbours would spur long-term growth in the region. In 2010, the country signed the Afghanistan-Pakistan Transit Trade Agreement, allowing transit of goods from Afghanistan to India via Pakistan. Effective security measures, conducive political environment, etc. are essential for the optimization of potential of the trade agreement.

President Ashraf Ghani, who is an academician and has the experience of serving at the World Bank and later as Finance Minister under the Karzai administration, is taking initiatives

to revive Afghan economy. He has amply indicated to address the internal political challenges including corruption. To attract foreign investor, President Ghani has assured to create ‘sound investment environment for international investors’ and termed it as ‘one of the priorities’ of his government.<sup>39</sup> He took his first official visit to China to underscore the importance of economy in the government’s policy.

### **Evolving India’s Interface with Afghanistan**

Since antiquity, India has close political, cultural and economic linkages with regions of Afghanistan. The Mauryan Empire of Pataliputra included the areas of Afghanistan, ushering the ‘Gandhara Art’ in later period. Buddhism travelled to Afghanistan and further to Central Asia from India. Cultural linkages and trade ties through the Silk Route connected the two countries in the historical past.<sup>40</sup> Afghanistan had also figured in India’s strategic thinking in the medieval period. The security of Afghanistan was important for Delhi Sultans, and later, during the Mughal era, for Akbar's 'scientific frontier' of Kabul-Ghazni-Kandahar line of defence.<sup>41</sup> Due to India's vulnerability to invasions via Afghanistan, the British Empire tried to develop Afghanistan as a buffer zone between India and the Tsarist Russia. Despite geographical continuity, the British Empire and the Tsarist Russia created a wedge between Afghanistan-India connectivity. However, people-to-people and cultural contacts remained intact.

In mid 20<sup>th</sup> century, the partition of India broke the geographical contiguity,<sup>42</sup> but political interactions intensified further. The

Soviet intervention in Afghanistan in late 1970s could not bring political order and stability; rather, the country became a battleground between two opposing ideologies and superpowers, unleashing a new phase of violence that still persists. Soviet intervention could not produce the desired results, its military withdrawal in 1989 created a vacuum leading to infighting and, ultimately, the rise of Taliban, who came to power in 1996 and continued until ousted by the US-led international forces in 2001.

Political disorder and civil war in Afghanistan hampered New Delhi's relations with Kabul in this period. India did not recognize the Taliban government and had already closed its embassy in Kabul.<sup>43</sup> India considered the Taliban as a threat to its security, especially in Jammu and Kashmir province.<sup>44</sup> However, the post-Taliban period in Afghanistan provided opportunities for India's renewed and extensive association in the realm of state-building, security, energy security, economy, reconstruction and development. India joined the international community's efforts to rebuild Afghanistan after the fall of the Taliban. It has been an important participant in almost all significant international conferences on Afghanistan, including Bonn (I-2001 and II-2011), London (I-2006 and II-2010), Tokyo (2002), Paris (2008) and other regional conferences. India always emphasized that the Afghan political integration process should be Afghan-led.<sup>45</sup>

At the bilateral level of political contacts, India is assisting Afghanistan in the state-building processes. It played a key role in establishing institutions and infrastructure, for instance, building the Parliament House in Kabul.<sup>46</sup> India's role is

prominent in facilitating the election process; it has provided Electronic Voting Machines, trained staff, and provided fund for parliament building construction. India and Afghanistan also signed an MoU on cooperation in the areas of local governance in May 2008 at Kabul.<sup>47</sup> India adopted a cautious approach and did not commit troops on the ground in Afghanistan. On the other hand, New Delhi has been playing a significant role in the process of reconstruction and development, capacity building and skill enhancement. By pledging around US \$ 2 billion<sup>48</sup> for reconstruction and development of Afghanistan, India has emerged as the largest regional donor. Differing from the approach adopted by traditional donors, India has opted for demand-driven method for providing assistance to the Afghan people, i.e., infrastructure development, capacity building, education and empowerment of women, local government, public health, agriculture and election process.

Besides India's non-interference principles, the country's political engagement with Kabul is constrained due to regional geo-political environment, ineffective regional institutional mechanism, common Afghans' disliking of the presence of foreign troops, especially due to cultural issues and rising civilian casualty, and the long-drawn nature of conflict in Afghanistan. New Delhi also believes that its direct military engagement in Afghanistan could incur heavy cost on its exchequer without any contribution to its stated objective of political settlement of Afghan crisis and may divert its main focus from the empowerment of the Afghan people.

Reconstruction and development are the focus areas of India's engagement in Afghanistan. New Delhi believes that inclusive

development is fundamental to establishing a viable and peaceful statehood in Afghanistan. India has made substantial contributions in building infrastructure. For example, the Zaranj-Delaram road,<sup>49</sup> Salma dam power project,<sup>50</sup> Pul-e Khumri transmission line,<sup>51</sup> schools and hospitals in Kabul, Jalalabad, Kandahar, Herat and Mazar-e-Sharif, etc. Education, public health and infrastructure have improved significantly since 2001, and India's assistance in these areas has been considered crucial by the people of Afghanistan as well as the international community.<sup>52</sup> Recently, India has provided a grant of US \$ 1 million for building a cricket stadium in Kandahar.<sup>53</sup> It also supported the construction of the Afghan National Agricultural Sciences and Technology University (ANSTU) in Kandahar.<sup>54</sup> Capacity building and empowerment of women, particularly in terms of skill development, is another crucial area in which India has made meaningful contributions. New Delhi provides a large number of scholarships to various sections of Afghan population, for instance 2,000 scholarships to Afghans annually for schooling and training in India, including training for 500 Afghan civil servants.<sup>55</sup>

It is pertinent to note that a huge chunk of Afghan population is below 25 years of age and India's policy of capacity building and skill development is focused on tapping the youth potential. It will not only assist Afghanistan in its development, but also keep the youth engaged in economic activities and away from the activities detrimental to the country's security and stability, such as terrorism, organized crimes and drug and human trafficking. Afghan students have a positive perception about Indian assistance for education and scholarships. IT and medical education and

training are the major attractions for Afghan students coming to India for study.<sup>56</sup> Additionally, in its innovative approach, more than 80 Indian-supported, but Afghan-owned small development projects are at various stages of implementation.<sup>57</sup> India is an IT power and has huge experience in the implementation of IT projects in the field of governance and development at a feasible cost. It can provide Afghanistan e-governance solutions to enhance governance at the grassroots levels. Information and Communication Technology (ICT) can play a critical role in providing services in rural and remote areas, and enabling the population to access services like e-health, e-education, etc.

New Delhi's soft power measures and people-centric approach has created a positive perception of India among Afghans. However, due to persistent fighting between insurgents and ISAF, weak governance, massive corruption and other institutional and social factors, the international development assistance, including that from India, has produced limited results. Afghanistan is yet to recover from the destruction of wars and civil wars; it needs more development assistance to support its reconstruction and development processes.

Regionally, India-Pakistan relationship has a bearing on India-Afghanistan relations. Islamabad perceives that India's wider development engagement and multifaceted economic and commercial linkages in Afghanistan would be detrimental to Pakistan's strategic interest. On the other hand, the regional grouping of South Asian Association for Regional Cooperation (SAARC) could have been an important catalyst to initiate solution for the Afghan problem. Afghanistan joined SAARC



during the 2007 Delhi Summit, but the organization has not taken any effective initiative to bring back peace and stability in the country. Politically and economically, it would not be viable for India to commit long-term boot presence in Afghanistan; however, New Delhi will remain committed to the country's reconstruction and development.

**Security:** The signing of the strategic partnership deal between India and Afghanistan in 2011 has widened the scope of security cooperation between the two countries. However, India is still not inclined to send its troops to deal with insurgents in Afghanistan. Despite requests from Afghanistan, India has purposefully maintained its role in military engagement limited only to training the military personnel. Considering Pakistan's suspicions, New Delhi is not in favour of deploying its troops in Afghanistan. However, it has a contingent of paramilitary forces to protect its installations, diplomatic missions and development and infrastructure projects in various parts of Afghanistan.<sup>58</sup>

It is expected that India would play a major economic and political role in Afghanistan after the US withdrawal. The Obama administration has also been indicating that the US would not be involved in direct military engagement where it sees no 'core national interest'.<sup>59</sup> In this scenario, Afghanistan and India may expand their defence cooperation. Kabul has shown its interest in buying arms and equipment from India. Considering the geo-political environment, New Delhi is careful in providing arms directly to Kabul because it may provoke Pakistan and the insurgents in Afghanistan.<sup>60</sup> Reportedly, India, Afghanistan and Russia are developing a triangular partnership

to bring security and stability in Afghanistan. A deal has been signed through which Afghanistan will buy arms from Russia and the payment will be made by India.<sup>61</sup> Besides the issues of security, the most important question in the near future is to safeguard India's substantial economic, social and developmental investments in the country. India has been in close contacts with Afghan government authorities and the country's other political currents; for example the National Front of Afghanistan also has positive perception about India's engagement in Afghanistan.<sup>62</sup> Former prominent Taliban leader, Abdul Salam Zaeef, whose autobiography provided the world the perceptible reasons behind the origin of Taliban, visited India.<sup>63</sup> On the other hand, a Taliban statement said, "no doubt that India is a significant country in the region" and stated that they want to "have cordial relations with India on the basis of sovereignty, equality, mutual respect and non-interference in each other's internal affairs."<sup>64</sup> Traditionally, Pashtuns have been closer to India and Taliban overwhelmingly include Pashtuns. Hence, isolating them from Afghanistan mainstream would not be a prudent approach by any stakeholder visualizing a stable Afghanistan.

**Economic:** The India-Afghanistan Strategic Partnership Agreement also emphasizes on reconstruction and development, economic engagement and trade and investment. Mining and hydrocarbons are seen as major potential areas of cooperation between the two countries.<sup>65</sup> Recently discovered natural resources provide opportunities for Indian investments in Afghanistan. Indian companies have been granted Hajigak bids to mine four blocks of an estimated reserve of 2 billion tonnes of iron ore.<sup>66</sup> Indian Inc. has also shown interest in Afghanistan's

petroleum blocks and copper ore mines.<sup>67</sup> New Delhi and Kabul are engaged in exploring opportunities for greater economic cooperation. Trade figures show that economic engagement has been gradually increasing with Afghanistan and Central Asian countries.<sup>68</sup> Table 2 illustrates that trade with Afghanistan has increased by around US \$100 million during last five years, while with Kazakhstan it has tripled in the same period.

Trade between India and Afghanistan has been hampered due to the absence of direct connectivity between the two countries, as Afghanistan is a landlocked country. Bulk trade is possible via a route passing through a third country. Pakistan has common borders with India and Afghanistan, however, strained relations between India and Pakistan as well as between Pakistan and Afghanistan have further undermined the prospects of greater economic exchanges between New Delhi and Kabul. To overcome the connectivity issue, India has been making serious efforts in recent years. During the then Prime Minister Manmohan Singh's visit to Tehran to attend the Non-Aligned Movement (NAM) Summit in August 2012, a tripartite meeting of India, Iran and Afghanistan was held and it was decided to set up a Joint Working Group to boost trade and transit through Chabahar to Afghanistan and Central Asia.<sup>69</sup> The first consignment from Afghanistan to India via Chabahar port of Iran, consisting of 20 containers of Afghan dry fruits, came to Mumbai in September 2013.<sup>70</sup> The Chabahar port will provide a shorter route for trade between India and Afghanistan as well as direct access to Central Asian republics. A trilateral agreement between Afghanistan, Pakistan and Iran is expected to be signed.<sup>71</sup> Reportedly, India intends to expedite the upgrading of

Chabahar port. New Delhi has pledged US \$ 100 million for the project.<sup>72</sup> The government of India has approved the investment in Chabahar project.<sup>73</sup> Besides, Afghanistan is a bridge between South Asia and Central Asia. As the country becomes stable, India's trade and economic engagement with Afghanistan would get a boost, and Kabul can become a conduit in expanding its engagement further with Central Asian countries by making the present bilateral mechanism as multilateral regional trade and transit treaty.

The Afghanistan-Pakistan Transit Trade Agreement (APTTA) 2010 allows the passage of Afghan goods through the territory of Pakistan. The agreement also allows Afghan trucks to carry Afghan transit export cargo to the Wagah border where the cargo is transferred to Indian trucks. During the past months, more than 2,000 truckloads of dry fruits, pulses crossed to India through the Wagah border.<sup>74</sup> However, Pakistan does not allow Indian exports to Afghanistan via Wagah border, and says that it "could be discussed at an appropriate time in the future."<sup>75</sup> If the political relations improve between India and Pakistan, Islamabad may consider granting New Delhi a "Most Favoured Nation" (MFN) status, which will give substantial boost to economic and commercial relationships between both countries. Recently, Pakistan and Afghanistan have also agreed to widen the scope of their transit trade agreement to include Tajikistan.<sup>76</sup> Three Central Asian countries border Afghanistan and they can approach Pakistan and Afghanistan to explore the possibility of making the APTTA a multilateral and inter-regional trade and transit agreement.

**Table 2: India's Trade with Central Asian Countries and Afghanistan (in US \$ Millions)**

Country	2009-10	2010-11	2011-12	2012-13	2013-14
Afghanistan	588.74	568.44	643.41	632.18	683.1
Kazakhstan	291.44	310.59	436.25	426.22	917.84
Kyrgyzstan	27.48	26.98	31.44	37.07	35.18
Tajikistan	32.57	41.33	30.13	48.01	55.13
Turkmenistan	46.15	35.89	63.41	78.25	87.73
Uzbekistan	84	81.05	126.43	156.75	145.56

*Source:* Directorate General of Foreign Trade, Ministry of Commerce and Industry, India

Once included, goods from Central Asian countries could come to India via road, and when Pakistan grants India the MFN status, goods from India could also go through road to Afghanistan and further to Central Asia. Further, when fully operational, the International North South Transport Corridor (INSTC) would be another crucial route to trade with Afghanistan and Central Asia. Using the connectivity of the Afghanistan corridor of the garland road, trade would increase between India, Iran and Afghanistan on the one side and Central Asia and Russia on the other.

Although security dominates the discourse on Afghanistan, the potential for business and trade opportunities in the country are emerging as prominent areas of bilateral cooperation. Indian businesses are interested in harnessing commercial potential, particularly, in the areas of mineral and natural resources. Steel Authority of India Limited (SAIL), National Mineral Development Corporation Ltd. (NMDC) and Rashtriya Ispat

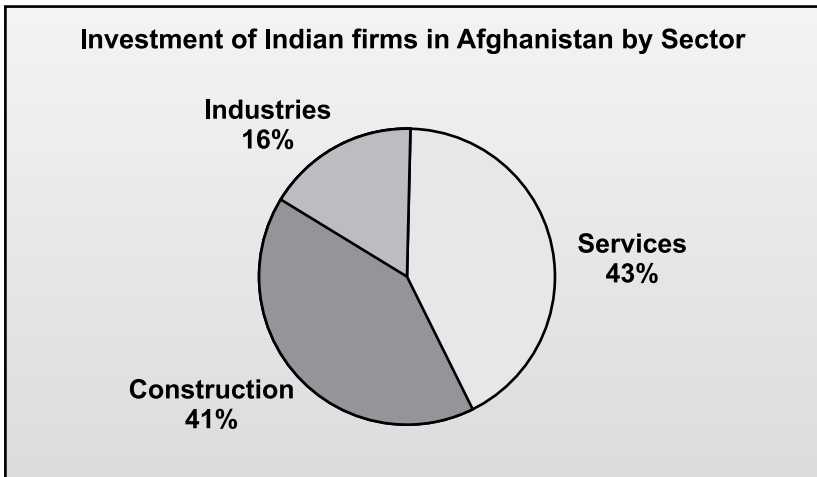
Nigam Limited (RINL) are some public enterprises engaged in Afghanistan. India can optimize huge potential of rising Afghan services sector. To give a boost to Afghan economy, India organized a first of its kind, Delhi Investment Summit on Afghanistan, on 28 June 2012, to highlight business opportunities in Afghanistan. Indian companies have made investments of around US \$ 25 million since 2001.<sup>77</sup> Services and construction are prime destinations for Indian investment in Afghanistan. India's economic presence in the country would significantly contribute in transforming the aid-based Afghan economy to a self-sustaining and vibrant economy.

Although India has been granted bids for Hajigak mines and signed the deal for Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas pipeline project, substantial progress is yet to be made in terms of the implementation of both the projects. Connectivity between the two countries is still a problem and how the explored minerals would be transported to India or to the international market is a question that needs to be addressed. On the other hand, India's economic engagement has primarily been state-driven, the private sector needs to be encouraged to come forward for investments and development after the security scenario is workable. New Delhi is making Indian entrepreneurs aware of the business potential of Afghanistan by holding workshops and conferences, taking businessmen to Afghanistan on business tours, promoting business-to-business contacts, etc. In collaboration with US Agency for International Development (USAID), the Kabul Chamber of Commerce and Industry, and the Federation of Indian Chambers of Commerce

and Industries (FICCI), India organised the India-Afghanistan Innovation Partnership Fair in Kabul to showcase innovations of industries from India and Afghanistan and facilitate trade between the two countries.<sup>78</sup>

To explore the potential and exploit abundant natural resources in Central Asia, the regional countries are converging their political, economic and financial resources to resolve the condition in Afghanistan. Two biggest regional investors in Afghanistan –India and China –recently held their first ever dialogue on Afghanistan. Both the countries held the dialogue as constructive and fruitful.<sup>79</sup> Similarly, India and Pakistan are also trying to find common grounds on Afghanistan. Taking the regional integration further in resolving the situation in Afghanistan, India, Iran and

**Fig 2: Investment from Indian Firms in Afghanistan by Sector**



Source: Delhi Investment Summit on Afghanistan, ‘Economic links between India and Afghanistan.’<sup>80</sup>

Afghanistan held a meeting in Tehran during the NAM summit in 2012.

**Energy:** There is an increasing trend of greater economic cooperation and integration between South Asian and Central Asian countries. Hydrocarbon resources available in abundance in Central Asia can be piped through Afghanistan to energy-starved South Asia. The hydrocarbons have the potential to accelerate development in the entire region and make economic and commercial linkages robust and dynamic. The 1,700 km long and US \$ 9 billion TAPI pipeline is an important economic venture and reportedly some positive developments in this direction have made in recent times, including the signing of an agreement in 2012 and the recent selection of Asian Development Bank (ADB) as the transaction advisor for the project.<sup>81</sup> Decision has been taken to create a special purpose vehicle registered in New Jersey, USA, and form TAPI Ltd.<sup>82</sup> The stakeholders are looking for a consortium leader and an experienced firm to build the pipeline.<sup>83</sup> French energy multinational, Total, is reportedly interested to lead a consortium with the support of ADB.<sup>84</sup> Despite multiple political and security challenges and escalating costs, all stakeholders are certain of its feasibility and keen to materialize the project.

The ease of sanctions on Iran and likely agreement with major powers on the nuclear issue has encouraged Tehran to look for new markets for export of its natural gas. Iran has the second largest natural gas reserves in the world<sup>85</sup> and has expressed its desire to join the TAPI venture to access the South Asian market.<sup>86</sup> Apart from India and Pakistan, another South Asian



energy deficient country, Bangladesh, had already expressed its interest in joining the TAPI project a few years ago.<sup>87</sup> Renewing its efforts to join the project, Bangladesh recently held talks with Turkmenistan and plans to discuss it with other stakeholders.<sup>88</sup> Greater participation would enhance not only the economic viability, but also minimize the political risks to the project. Besides, a pipeline from India's Punjab to West Bengal, before entering Bangladesh, would be a boon for industries along the pipeline in the Northern plain.

The progress made on TAPI has initiated discussions on another ambitious energy pipeline project from Russia to India along the North-South axis. The two countries are discussing the possibility of a crude oil pipeline from Russia to India. As Russia is keen to diversify its energy exports from the European to Asian markets and India is looking for alternative sources for increasing the demand for oil, this energy partnership has the potential to deeply influence energy market equation in the Eurasian region.

In the long term, a billion plus economically prospering population will be an attractive market for Russia and, in turn, India can also refine and export petro-chemical products, besides providing the access of the Indian Ocean to Russian crude oil. In the wake of Ukraine crisis and economic sanctions from the West, Russia is interested to expand energy partnership with China and India. Russia and China have already signed US \$ 400 billion gas deal on 21 May 2014.<sup>89</sup> New Delhi and Moscow had discussion on the 'possibility of building another pipeline along the route of the planned TAPI' on the sidelines of BRICS summit in Brazil in July 2014. The Russian Ambassador to India, Alexander

Kadakin stated, “We (India and Russia) are planning to examine feasibility of the Indian initiative to construct a land pipeline which would run from Russia’s southern border to India either along the projected TAPI route or through the Himalayas.”<sup>90</sup> India has also proposed another oil pipeline from Kazakhstan. The 1500-km long India-Kazakhstan pipeline would originate from Shymkent in Kazakhstan and pass through Uzbekistan before entering Afghanistan to follow the TAPI route.<sup>91</sup>

Central Asia is not only replete with hydrocarbon resources, it has huge potential of hydro-power as well. The Kyrgyz Republic and Tajikistan can sufficiently meet the total energy requirement of the region and export the surplus with least investments. To tap this potential, the US-supported CASA project has been envisaged for South Asian-Central Asian energy cooperation. The CASA-1000 power transmission line<sup>92</sup> is a project between the producing countries, Kyrgyzstan and Tajikistan, and the consuming countries, Afghanistan and Pakistan. The project is already underway and is backed by the World Bank and other international agencies. The financial support of US \$ 15 million in 2013 by the US has increased the project’s viability and led to greater political and economic convergence in the region.<sup>93</sup> Pakistan and Afghanistan have agreed on transit fee and agreement was signed between them on regional electricity trade as part of the CASA-1000 electricity transmission and trade project.<sup>94</sup> In recent times, demands have been made to involve India in the project to benefit from this cheap and environment-friendly power generation project. In view of the shortage of electricity during summer times and its excess availability in the

producing countries during this time, India can benefit from this project by putting minimum infrastructure in place and using the existing power grid.<sup>95</sup> Such projects highlight that multilateral engagements would be beneficial to both Central Asia and South Asia.

### **India's Engagement in Multilateral Processes in Afghanistan**

As evident, India is pursuing bilateral as well as multilateral approaches in the areas of politics, economy as well as culture to bring peace and stability in Afghanistan. New Delhi is also facilitating the important Regional Economic Cooperation Conference on Afghanistan (RECCA) initiative. The programme envisages bringing stability in Afghanistan by integrating it with wider regional economies of Central Asia, South Asia and West Asia. India, which hosted the second RECCA conference in New Delhi in 2006, participates in the programme in economic spheres, primarily focusing on human resource development and inclusive growth. India's programmes are oriented to address the economic and social issues at the grassroots level of the Afghan society. India is also heading the Trade, Commerce and Investment Opportunities CBM (TCI-CBM), adopted in the Istanbul process.<sup>96</sup>

New Delhi participates in other regional political, strategic and economic organizations, which have relevance in the shaping of strategic environment in South Asia and Central Asia. India is an observer member of Shanghai Cooperation Organisation (SCO) and has applied for a full membership. The SCO provides

a platform for regional countries to discuss and find solutions for regional political, security and ethnic problems. India has also been participating since 2001 in the international donors' conferences on Afghanistan for building global opinion to find a political solution for the Afghan crisis and to generate financial resources for reconstruction and development. Taking specific initiatives, New Delhi organized the regional summits for attracting foreign direct investment, and holding trilateral dialogue with China on further economic engagement in Afghanistan.

### **Afghanistan: A Hub in Emerging Regional Economic Dynamics**

Afghanistan is placed in a crucial regional political and economic, especially energy, setting; it interconnects the regions of Central Asia, South Asia, West Asia as well as East Asia, through China. The situation in Afghanistan impacts regional countries and they impact the situation in Afghanistan in turn. Kabul can efficiently convert its present disadvantage of landlocked geopolitical location into a geopolitical dividend and become an important pivot of regional political, economic and cultural exchanges.

**South Asia:** The regional dynamics of South Asian region remain complex and primarily dominated by high politics. The competitive regional political environment has hampered the process of finding lasting solutions for political and security problems in Afghanistan. Two major South Asian powers, India and Pakistan, have divergent policy approaches, which often do not allow them to reach a policy consensus

regarding Afghanistan's security and political issues. India's close engagement with Afghanistan is viewed in Pakistan with concern that it would provide New Delhi a strategic advantage on Pakistan's western frontier. Islamabad is wary of Indian consulates, especially in Southern Afghanistan, bordering Pakistan. It has accused India of assisting the secessionist Baluch movements.<sup>97</sup> On the other hand, in addition to security, India considers Kabul its traditional friend and sees Afghanistan as a gateway to Central Asia. In recent years, security has been the prime reason for convergence between the two countries and Kabul sees India as a strategic partner and big economy in the neighbourhood, ready to play a crucial role in the country's transformation. New Delhi maintains that its relationship with Kabul is not directed against Pakistan.

The nature of bilateral relationship between India and Pakistan has effectively rendered the regional grouping of SAARC redundant in addressing the problems in Afghanistan. With Afghanistan as its member, the SAARC could have been a forceful and stable regional platform to resolve the crisis in Afghanistan. However, the Indo-Pak rivalry has handicapped the grouping, especially in Afghanistan.

The change of guard in Islamabad with the first successful transfer of power from one democratically elected government to another, chaotic security situation, drawdown of ISAF from Afghanistan in 2014 and improved political understanding between Kabul and Islamabad are the key reasons for generating hope for a meaningful cooperation among regional powers. The new government in India led by Prime Minister Narendra Modi has taken a proactive approach to engage neighbours. He showed

his keenness to engage regional countries by inviting leaders of SAARC countries to his inauguration to the office. The invitation to SAARC leaders has sent a strong signal that New Delhi wishes to pursue a policy of constructive engagement with all neighbours. India and Pakistan are exploring the possibilities to revive dialogue and greater economic engagement. Some serious attempts can be made by both countries to further normalize their relationship before the SAARC summit, scheduled to be held in Kathmandu in November 2014. Pakistan Prime Minister Nawaz Sharif said that he would also pursue the “economic interest of Pakistan.”<sup>98</sup> Although high level of political synergies and trust is essential for energizing SAARC, India and Pakistan should focus on greater trade and connectivity in the region, which can enhance economic interdependence as well as reduce the risk of conflict.

India and Pakistan are also talking over a bilateral LNG pipeline. Such a pipeline between the two countries is feasible for two main reasons: first, the Punjab province in Pakistan is facing severe electricity shortages, and the country reportedly has no LNG import infrastructure. And second, India has an LNG pipeline from Dahej, Gujarat to its Punjab province. A 110-km pipeline is proposed between the two countries for enabling Pakistan to generate power through the LNG plants. This pipeline is significant for India too, as it is also trying to bring natural gas from Central Asia through TAPI pipeline via Pakistan.<sup>99</sup> The new government in India has positively indicated its intentions to export hydrocarbons to Pakistan. In a further positive development, India and Pakistan have agreed on

the gas pricing formula. The two countries are also discussing the prospects of electricity supply from India to Pakistan. It is proposed that India can supply electricity to Pakistan through a grid corridor that can carry 500-1000 mw electricity.<sup>100</sup> Such multi-stakeholder projects would further create political and economic environment for mega regional projects.

It is also believed that US-Iran nuclear deal may pave the way for the revival of Iran-Pakistan-India pipeline.<sup>101</sup> On the other hand, Pakistan is also taking initiatives to resolve the differences in Afghanistan-Pakistan relations and create conducive atmosphere for reconciliation process with Taliban in Afghanistan. During the visit of former Afghanistan President Hamid Karzai to Islamabad in 2013, Pakistan extended support for the peace process in Afghanistan. It has released some prominent Taliban figures to facilitate the reconciliation process, including Mullah Hakim Baradar.<sup>102</sup> Prime Minister Nawaz Sharif also paid a reciprocal visit to Afghanistan in the backdrop of Loya Jirga and the signing of the interim nuclear deal between Iran and P5+1, to sort out the differences between the two countries over certain issues and facilitate greater economic cooperation benefitting the two countries.<sup>103</sup> Pakistan shares the view with India that the reconciliation process should be Afghan-led and Afghan-owned.

The US also favours greater Indo-Pak parlance for India's deeper engagement in Afghanistan. Washington is trying to build synergies between India and Pakistan to stabilize Afghanistan. The US considers that the urge for stability in Afghanistan is common to all regional countries, including India and Pakistan

and it believes that stability and security of Afghanistan is a ‘point for constructive engagement’ between the two countries.<sup>104</sup>

**Central Asia:** Afghanistan’s geo-political location, multi-ethnic composition of its population and its diverse religious belief systems transcend the relationship across its borders. With the drawdown of forces from Afghanistan in 2014 and a porous border between the two countries, Tajikistan is concerned about political and security uncertainties. Tajikistan fears that an emboldened Taliban would support the extremists in Tajikistan and try to destabilize the country. To counter any eventuality, Dushanbe has taken wide ranging measures, including extending its military base deal with Moscow, duly approved by the Parliament<sup>102</sup>, procuring advanced equipment and anti-terror and anti-narcotics training from the US,<sup>105</sup> and has tried to tighten its control over the Gorno-Badakhshan region, which borders Afghanistan, by launching a major military operation in 2012, and increasing cooperation with Russia to secure its borders with its southern neighbour. It has adopted a collective approach to deal with any future scenario.

The Uzbek authorities, on the other hand, are concerned that a stronger Taliban would encourage Uzbek extremists to carry out their anti-government operations in Uzbekistan. Many Uzbeks are thought to have joined the Taliban movement and are receiving training from them. Tashkent also sees a link with the security situation in Afghanistan and the activities of the Islamic Movement of Uzbekistan in the country. Keeping in view the emerging scenario, the Uzbek government has adopted dual approach. It has increased its cooperation with



Kabul as well as strengthened its security measures. Recently, Uzbekistan completed a railway line to Afghanistan, which is the first railway line in northern Afghanistan.<sup>106</sup> Tashkent is also developing social infrastructure in Afghanistan besides providing financial aid to Kabul. The Uzbek government is cooperating with Western countries in stabilizing Afghanistan; it has allowed the Northern Distribution Network roads through its territory. However, the Uzbek authorities probably consider that Afghanistan is not ready for transition in 2014, and they are focusing more on strengthening the country's own security capabilities and preferring to deal with the possible drawdown fallouts on their own.<sup>107</sup> Tashkent has left the Collective Security Treaty Organization (CSTO) recently and has articulated a policy that restricts the presence of any foreign military bases in the country.

Turkmenistan, another neighbour of Afghanistan in Central Asia, is a crucial country for future economic development of Afghanistan. The Turkmen government provides financial support to Afghanistan. It also supplies electricity to the country on 'favourable terms' besides providing humanitarian assistance and building facilities for the people.<sup>108</sup> The recently signed TAPI gas pipeline agreement can transform Afghanistan into a regional energy hub, besides generating revenues as transit fee for supply of gas from Turkmenistan through its territory to Pakistan and India.

These three Central Asian countries, Tajikistan, Turkmenistan and Uzbekistan, have direct borders with Afghanistan and, hence, are taking measures focussing on evolving situation in their

neighbourhood. The two other Central Asian countries having no direct border with Afghanistan – Kazakhstan and Kyrgyzstan – are focusing more on economic aspects than security to deal with the 2014 drawdown and stabilizing the country.

Kazakhstan is very active in resolving the problems in Afghanistan. Politically, Astana is engaged in regional dialogues in Central Asia. Being the largest and strongest economy in the region, it is providing substantial economic aid to Afghanistan. It delivers thousands of tons of food, fuel and equipment to the country besides offering 1,000 university scholarships to Afghan students. Kazakhstan's main initiatives are aimed at increasing bilateral trade and investment as well as agriculture, education and infrastructure.<sup>109</sup>

## **Conclusion**

The prevailing international political and economic scenario seems to be conducive to resolve the Afghan problem. The international community, including the US, multilateral organizations, neighbouring and regional countries, is concerned and it is taking concerted efforts to stabilize Afghanistan in the continued global economic slump. On the other hand, there is a strong urge on the part of common Afghan people as well as the armed opposition groups to end the long-running crisis affecting the country in all spheres.

No other country, except those with geo-political proximity to Afghanistan are the most affected due to the instability in the country. Consequently, the situation in Afghanistan would affect

more its neighbouring countries in South Asia and Central Asia. Although the situation in Afghanistan provides for competing political environment, it also provides an ideal opportunity for regional economic cooperation and greater political and social interactions. Both the regions of South Asia and Central Asia remain highly unexplored in terms of inter and intra-regional trade and investment. Peace and stability in Afghanistan have the potential to enhance trade and economic cooperation and integration between South Asia and Central Asia. Greater regional trade and economic engagement would usher not only development and prosperity, but also reduce the risks of regional political and strategic hostility.

India's policy towards Afghanistan has been inclusive, consistent and engaging. New Delhi has been constantly involved in political and development processes in Afghanistan. It is making meaningful contributions, which have also been taken positively by both the Afghan establishment and common Afghans. Taking history and geo-politics into consideration, it is prudent not to send troops to Afghanistan. Supplying heavy weaponry as demanded by the Afghanistan government can be crucial for the country, however, from India's perspective, the control and monitoring of the supplied weapons could become a complicated issue bilaterally and regionally. Security, energy security, economy and access to Central Asia are India's strategic interests in Afghanistan, which can be achieved without arming the Afghanistan national forces with heavy weapons.

Despite the cautious approach, encouraging political and security situation in Afghanistan post-2014 is likely to continue

and enhance India's development partnership with the country. In the economic sector, India is taking into consideration the requirements of Afghanistan and joining hands with regional countries, i.e., Pakistan, Turkmenistan and Iran. Afghanistan is also taking initiatives to harness its economic potential and geostrategic positioning to be a gateway to Central Asia. India as an emerging economic power can play a critical role in assisting Afghanistan to emerge as a model of bilateral and regional cooperation.

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