



India – Afghanistan

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1 Introduction

- The Islamic Republic of Afghanistan is a landlocked country in South-Central Asia. It is variously described as being located within Central Asia, South Asia, or the Middle East.
- It is bordered by Iran in the west, Pakistan in the south and east, Turkmenistan, Uzbekistan and Tajikistan in the north, and China in the far northeast.
- It was ancient focal point of the **Silk Road** and migration. It is an important geostrategic location, connecting East and West Asia or the Middle East.
- The land has been a target of various invaders, as well as a source from which local powers invaded neighbouring regions to form their own empires. Ahmad Shah Durrani created the Durrani Empire in 1747, which is considered the beginning of modern Afghanistan.
- Afghanistan consists of various ethnic and religious satraps like Pashtunes- Sunni (located in Western Frontier Province of Pakistan and Eastern Afghanistan), Hazra- Shia (Iran's side), Uzbeks and Tajiks (located in central side),
- Due to its strategic location this country from the ancient time till now became a war zone. For example late 19th century Afghanistan became buffer state in the "**Great Game**" between British India and Russian Empire, Soviet war in Afghanistan, recent emergence of Taliban.



2 Background of the bilateral relation

- India and Afghanistan have a strong relationship based on historical and cultural links.
- The relationship is not limited to the governments and has its foundations in the historical contacts and exchanges between the people.
- In recent past, Indo-Afghan relations have been further strengthened by the **Strategic Partnership Agreement** signed between the two countries in 2011.
- As Afghanistan was preparing itself for three simultaneous political, security and economic transitions in 2014, India had allayed its fears about its future by making a long term commitment to the security and development of Afghanistan.
- The Strategic Partnership Agreement (SPA) between the two sides, inter alia, provides for assistance to help rebuild Afghanistan's infrastructure and institutions, education and technical assistance to rebuild indigenous Afghan capacity in different areas, encouraging investment in Afghanistan's natural resources, providing duty free access to the Indian market for Afghanistan's export.

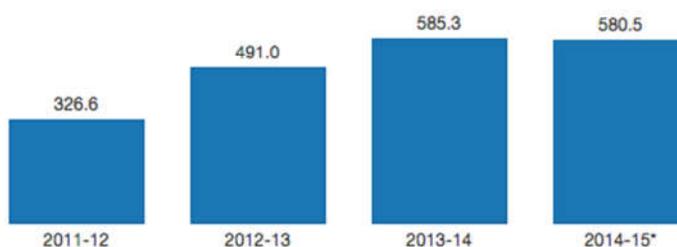
3 Development Cooperation

- Bilaterally, India has played a significant role in the reconstruction and rehabilitation of Afghanistan.
- India's extensive developmental assistance programme, which now stands at around US 2 billion, is a strong signal of its abiding commitment to peace, stability and prosperity in Afghanistan during this critical period of security and governance transition.
- This makes India one of the leading donor nations to Afghanistan, and by far the largest from among the regional countries.

- India believes that sustainable development of Afghanistan requires long-term investment in Afghanistan that can help it exploit its natural resource wealth. India is, thus, at the forefront of the promotion of investment in Afghanistan and a consortium of public and private Indian companies has been selected to make one of the biggest investments in the country's mining sector, in the **Hajigak iron ore** reserves.
- Major Indian projects in Afghanistan nearing completion include Salma Dam, new Afghan Parliament building, Doshi (already charged) & Charikar (expected to be completed by end August 2015) substations, Restoration of Store Place (expected to be completed in by December 2015).
- India has also committed to contribute substantially in improving transportation system in Kabul and has decided to donate 1000 buses to Afghanistan.
- A significant addition to India's development portfolio in Afghanistan is the **Small Development Projects (SDP)** scheme, in the fields of agriculture, rural development, education, health, vocational training, etc.
- Government of India also **grants ICCR scholarships** to 1000 Afghans every year to pursue under graduate courses in various Indian universities in major cities across India.

4 Economic and Commercial relation

India's Aid to Afghanistan (In Rs Crore)



- India fully recognizes the pre-eminence of Afghanistan as a junction of trade routes between central, south and west Asia.
- Afghanistan is important for India not just from the strategic viewpoint but also because it holds business potential for Indian companies.
- Considering the immense possibilities of trade between India and Afghanistan, the bilateral trade figure of US\$ 683 million (US\$ 474 million exports and US\$ 209 million imports by India) for the year 2013-14 is a rather modest figure.
- Major Indian exports to Afghanistan are man-made filaments, apparels and clothing accessories, pharma products, cereals, dairy and poultry products. Afghan exports to India primarily comprise of dry and fresh fruits.
- India has undertaken a series of measures to achieve the full potential of trade development between the two countries.
- A Preferential Trade Agreement was signed with Afghanistan in March 2003, under which India allowed substantial duty concessions [ranging from 50% to 100%] to 38 dry fruit products. In November 2011, India removed basic customs duties for all Afghan products [except alcohol and tobacco products], giving those duty free access to the Indian market.
- With the operation of **Chabahar port** in Iran, Afghan exports would receive a major boost, as a new transit route would be available for the country to trade with India and the rest of the world.
- A Public-Private consortium of Indian iron ore mining and steel companies (AFISCO), led by Steel Authority of India, secured a tender for the Hajigak iron ore reserves, with plans to construct a 1.2 MTPA steel plant, including a 90 MW capacity power plant.
- Since beginning of 2013, Indian business delegations are regularly visiting Afghanistan.

Facts:

- Relations between the people of Afghanistan and India traces to the **Indus Valley Civilisation**.
- In 1999, India became one of the key supporters of the anti-Taliban Northern Alliance.
- India's support and collaboration extends to rebuilding of air links, power plants and investing in health and education sectors as well as helping to train Afghan civil servants, diplomats and police.
- In 2005, India proposed Afghanistan's membership in the **South Asian Association for Regional**

Cooperation (SAARC). Both nations also developed strategic and military cooperation against Islamic militants.

- Three memorandums of understanding (MOUs) for strengthening cooperation in the fields of rural development, education and standardisation during Hamid Karzai's visit to India in April 2006.
- During the 15th SAARC summit in Colombo, India pledged another \$450 million alongside a further \$750 million already pledged for ongoing and forthcoming projects.
- India condemned the assassination of former Afghan President Burhanuddin Rabbani in September 2011. India reiterated the steadfast support of the people and government of India in Afghanistan's "**quest for peace and efforts to strengthen the roots of democracy**"
- India seeks to expand its economic presence in Afghanistan as the international coalition fighting the Taliban withdraws combat forces through 2014.

5 Security concerns for India

- **Terrorism** in Afghanistan and Pakistan is in a state of turmoil and moving closer to becoming a failed state.
- The spread of terrorism in Pakistan would affect India's security adversely. Afghanistan has also been passing through turmoil and chaos and this is affecting India.
- Terrorism has become a very complex issue. There is a need for India to take a realistic approach on Afghanistan.
- The US invaded Afghanistan in 2001 but Taliban leaders escaped into Pakistani tribal areas in the **FATA and NWFP** along the Pakistan-Afghanistan border. India should take into account developments in Pakistan's border areas.
- The Swat valley is now under the control of Taliban and in all likelihood this area will be entirely lost from Pakistan. Pakistani army and civil administration think that the 'war on terrorism' is not theirs, but a war that the US has been fighting.
- There is total lack of governance and devolution of power would prove disastrous. Pakistan has real and legitimate security concerns.
- As far as Pashtuns are concerned, the **Durand Line** is non-existent since the Pashtuns are settled on both sides of the border between Pakistan and Afghanistan.
- **Drugs** are generating the income that is fuelling terrorism. Afghanistan needs an alternative source of income.
- **Drug trafficking** in Afghanistan is bothering India due to its trade in India also. Various states of India like Punjab have been affected by drugs addiction mostly in young generation.
- There can be no military solution for the Afghanistan problem unless it has a political objective. In the long run, India and Pakistan have common interests in Afghanistan.
- India could not do anything to stop 26/11 attacks in Mumbai. India does not have the leverage to convince the Pakistani army to rein in the attackers.
- India needs to study the Pakistan army, its powers, perks, and ideological leanings. It also needs to study about the nature of Pakistan society and military, as well as the dynamics of internal politics.
- India should work with Pakistan to find a solution to the Afghan problem. Neutral states like Switzerland and the countries of the region should be proactive in obtaining a long-term solution for Afghanistan.

6 Post U.S. withdrawal

- Once the United States and NATO forces leave the Afghanistan-Pakistan region, the ongoing conflict in the region is likely to be exacerbated.
- The Taliban is undefeated and waiting to reestablish the **Islamic Emirate of Afghanistan**.
- Pakistan has also been using home-grown terrorist groups against India and is likely to increase their strength in Kashmir to keep India fully engaged here after American withdrawal.

- The clash between the Afghan government and the Taliban is likely to intensify once the full responsibility of insurgency operations is taken over by **Afghan National Security forces (ANSF)**.
- Pakistan's hidden role in Afghanistan and proxy war against the Afghan government will tilt the balance in favour of the Taliban and the ANSF may not be able to defend Kabul in these circumstances without external assistance.
- In this context, Pakistan is greatly concerned about the growing cooperation between Afghanistan and India, to divide the Pashtun tribes and for strengthening the western border of British India against Russian designs. It was never accepted by any Afghan ruler as a legitimate boundary; the sentiments on both sides of the Durand Line remain the same till today.
- There is no doubt **the Pashtunistan** movement can put a spanner in Pakistani plans in this region and pose a real danger to its integrity as united Pashtun tribes would demand nearly half of Pakistan, including its vital Indian Ocean ports of Jiwani, Gwadar and Pasni.
- Pakistan cannot accept this as these ports provide Pakistan unhindered access to the Persian Gulf and add to its strategic reach.
- The idea of Pashtunistan is totally unacceptable to Islamabad, and Pakistanis have consistently.
- The need is to intensify our efforts in the region. It is also because **ISIS activities** are gaining roots in Afghanistan and the region is gradually emerging as a hotbed for breeding Islamic extremism.
- If the recent trends are any indicators of the future, the security situation in Afghanistan is serious and headed to take a complicated turn that would further test the tenacity and already dwindling resources of the Afghan government and security forces.
- It is in the interest of not only India but entire South Asia and also in the interest of Central Asia that the rein of Afghanistan should not be handed over to the radicals once again.

7 Future trends in Indo-Afghan relations

- India is aware that the situation in Afghanistan could deteriorate markedly. The withdrawal of most Western troops coupled with questions over the 2014 election both give grounds for concern.
- While India is investing heavily in measures to support the central government, its response to the worst-case scenario-the collapse of central government authority and return to full-scale conflict-is relatively easy to gauge.
- India's is already taking steps to reinvigorate its relationship with Tajikistan. In September 2012 they agreed to the 'continuing expansion of defense cooperation' and to establish a 'friendship hospital'.
- India's commercial operations are cautious. **The SAIL-led consortium AFISCO (Afghan Iron and Steel Consortium)** would appear to be proceeding slowly in operationalizing the Hajigak iron-ore mine. This has led to threats that it risks losing its license if it fails to meet production targets or to start mining within six months of the license being granted.
- AFISCO is the preferred bid for three out of four blocks and is currently negotiating terms of the contract.
- While SAIL argues that its position relates to financing issues, it seems more likely that it does not plan any significant investments until the trajectory of security within Afghanistan is clearer. If the consortium were to expedite investment, this would provide a fair indication that Indian expectations of civil war are falling.
- The presence of **ISIS** in Afghanistan has direct security implications for India. Therefore, as developments in Afghanistan will directly impinge on India's security, the present and future demands that the government of India should craft a futuristic policy and execute it strategically to cease the opportunity in Afghanistan.

8 Conclusion

- India's relationship with Afghanistan is multi-layered; there is clearly a military and security angle, under which India aspires for stability within Afghanistan and hanging over which is the shadow of its relationship with Pakistan.
- While growing, the military relationship with Afghanistan remains relatively low-key, though it has the potential to be significantly ramped up dependent both upon developments in Afghanistan and on the actions taken by Pakistan.
- More positively, there is a social and economic engagement, including investment by Indian firms and development projects undertaken by the Indian government.
- India's lead role under the Istanbul Process of regional engagement reflects its attempts to normalize Afghanistan in the eyes of the region.
- Clearly, this engagement is contingent on stability in Afghanistan. While India is assisting in facilitating Afghan trading links through Iran (intended to reduce Afghanistan's reliance on Pakistan) there is awareness that trading links transiting Pakistan make more sense and would act to build confidence between India and Pakistan.
- Thousands of Afghan students study in India, and Afghanistan is the largest recipient of scholarships provided by the Indian Council for Cultural Relations.

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