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Afghanistan's Nation Building, Economic Recovery, and War Against Terror & Drugs

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M. Ashraf Haidari is the First Secretary of the Embassy of Afghanistan in Washington DC. He specializes in political, security and development affairs. Features Editor Aaron Saltzman and the First Secretary sat down to an hour and a half phone interview. They discussed many issues facing Afghanistan and the overall peace-building effort five years after international re-engagement in the country.

IAJ: Afghanistan's economic growth, especially since the fall of the Taliban, has been huge. Tell me about the approaches the government took to foster this growth.

HAIDARI: First of all, we've declared the private sector to be the driver of economic growth and sustainable development in Afghanistan. From this baseline, we've implemented a series of reforms that account for fiscal stability and increased investment in Afghanistan. In 2002, we introduced a new currency that replaced the highly devalued old Afghani. At the same time, we've reformed Da Afghanistan Bank, or our central bank, which now effectively regulates the money supply, issues currency, and manages the rate of exchange. In addition, we've signed a number of bilateral trade and transit agreements in the region and beyond to facilitate commerce with and through Afghanistan in an effort to bolster economic growth. Thanks to our international partners, we've also been able to improve our infrastructure, including roads, communications, electricity, and transit -- all of which have had a positive impact on our growing economy.

Additionally, we've made considerable progress in creating a good business and regulatory environment for domestic and foreign investors. In 2003, we established the Afghanistan Investment Support Agency, or AISA, to serve as a one stop shop for investors. AISA facilitates business registration and licensing and promotes investment in Afghanistan. Through trade missions, economic conferences, and chambers of commerce, we've tried to enhance bilateral and multilateral trade and invited investors to explore business opportunities in Afghanistan's many profitable sectors including agriculture, energy, mining, infrastructure, civil aviation and transportation, telecommunications, and water supply. The "first movers" have already made huge profits, and I invite the readers of your journal to visit the AISA website at <http://www.aisa.org.af> to learn about business opportunities in Afghanistan.

IAJ: It seems like the international community took warmly to the new Afghan government – the Karzai government. Were there any countries in general, specifically, that took any

especially warm approach to investment in Afghanistan?

HAIDARI: In fact, many countries have offered reconstruction assistance to Afghanistan with a positive impact on our economy. More specifically, several countries have signed with us trade preference and concessionary agreements, allowing us to export Afghan products without or minimum tariffs, particularly to the United States, Canada, India, China, Japan, the European Union, and Iran. Meantime, Afghanistan is open for business and a burgeoning market for regional and international investors. We're encouraging investors in Asia, Europe, North America, or any country to be a "first mover" to go and invest in Afghanistan at the heart of Central and Southwest Asia.

IAJ: Which industry is taking the biggest leaps forward since the new government took over?

HAIDARI: Several industries have attracted considerable investment, particularly telecommunications, hospitality, manufacturing, construction, and commercial banking. The "first mover" companies in these industries have reaped windfall profits. The telecommunications industry is a prime example of the early risk takers that have made huge profits so far. We're encouraging foreign direct investment in Afghanistan's capital intensive industries such as the natural resources and infrastructure, as well as in building trans-Afghan pipelines. The United States Geological Survey estimates that northern Afghanistan alone has more than 35 trillion cubic feet of natural gas and more than 3 billion barrels of oil. We need to exploit these resources for domestic use and export in the region. Both India and China are rising economic powers, and they need a lot of energy. Afghanistan can be one source of energy for their growing economies, and we're inviting Chinese and Indian energy firms to come and invest in our natural resources.

IAJ: How are Afghanistan's relations with China, and its neighbors in general?

HAIDARI: We've historically tried to maintain excellent relations with all of our neighbors. We have good relations with China; we have good relations with India; we're trying to maintain good relations with Pakistan. We expect the same in return. In fact, we've gone from \$30 million in bilateral trade with Pakistan under the Taliban in 1990s to over \$1.2 billion now. So we've been telling our neighbors that the future of Afghanistan and that of the entire region lies in regional economic cooperation. If everyone prospers then Afghanistan prospers. If we prosper then everyone else in the region will prosper. If we're not secure, then we know from the Soviet and Taliban invasions to the tragic events of 9/11 that no one will be secure and our region will be destabilized indefinitely.

IAJ: Tell me about what's going on to seal the deal with Pakistan since relations have been on slightly shaky terms lately.

HAIDARI: Afghan-Pakistan relations are based on the Declaration of Good Neighborly Relations which we signed with all of our neighbors in December 2002. We appreciate Pakistan's generosity towards Afghan refugees and their support of our resistance against the Soviet occupation in 1980s. But where we have problems is when the Taliban and Al-Qaeda terrorists continue receiving ideological motivation, training, weapons and equipment, intelligence support, [and permission to operate] in major Pakistani cities, including in the tribal agencies of North and South Waziristan from where the Taliban and Al Qaeda terrorists infiltrate Afghanistan. They burn our schools, destroy our hospitals and mosques, assassinate our clergy and terrorize civilians by suicide-bomb attacks. And then they run back to safe

sanctuaries across the border. So we're seeking international assistance to fight and eliminate these original sources of terrorism and insecurity that lie outside Afghanistan with the sincere cooperation of the government of Pakistan.

IAJ: It seems like the treaty with the tribal areas of Waziristan was kind of a hindrance to progress. What are your thoughts on the issue?

HAIDARI: Pakistan's peace accord with the Waziristan Taliban has not really generated the result that we all expected. The number of terrorist attacks since the signing of the treaty has gone up by 300% according to an Associated Press report. But we're giving the treaty a chance anyway to see if it really works. Let us not forget that these people are the same people the Coalition and NATO-ISAF forces are fighting in Afghanistan... are the same people who attacked the United States on 9/11 and destroyed Afghanistan for a full decade. Signing a peace treaty with them can hardly help solve the security problem in Afghanistan and the war against terrorism.

However, at a trilateral meeting with President Bush in September 2006, President Karzai and President Musharraf agreed to empower tribal leaders and strengthen traditional mechanisms of governance on both sides of the border. They also agreed to hold Jirga meetings in both countries and personally attend them to secure full tribal support in the war against terrorism. The Presidents also agreed that trust and confidence should be the basis of their common commitment to eliminating the sources of terrorist training, funding, and motivation outside Afghanistan.

IAJ: Tell me what goes into a successful loya jirga.

HAIDARI: In case of what the two Presidents have agreed, a successful Jirga meeting would inclusively consist of tribal leaders, religious leaders, civil society leaders, members of parliament from both countries, and prominent elders to discuss security problems on sides of the border and offer their views on how to resolve them. The process has to be honest and safe from manipulation to produce the consensus needed to plan for a common effective response. If successfully carried out, the outcome should be institutionalized to ensure its execution. The government of Afghanistan is doing our part by having set up a Commission with a role for the United Nations and major international actors to help hold the Jirga meeting on our side of the border and implement the Jirga's resolution afterwards.

IAJ: I know there at least were a lot of warlords in Afghanistan. Are they all behind the Karzai government, the loya jirgas, and the relationship with the Pakistanis?

HAIDARI: Yes, the Afghan people stand united behind President Karzai as he's trying to secure Afghanistan through mechanisms such as the proposed Jirga meeting. Jirgas (councils) are like town hall meetings and consensual as a decision making process. It is a manifestation of democracy and a traditional way of governance in Afghanistan. While building our new democratic institutions, we resort to traditional ways of democratic governance, traditional ways of negotiating, and traditional ways of solving problems – in this case the security challenge that originates from extremism and terrorism in Pakistan.

IAJ: Tell me about the different ethnicities in Afghanistan. I know in 2002, after the official war had stopped and the reconstruction had just begun, there was a lot of animosity between the

ethnicities.

HAIDARI: We're a united and strong nation with more than five millennia of rich history. However, outsiders have occasionally politicized our ethnic diversity to their advantage. On the grassroots level, Afghans coexist and they intermarry. In my own relatives, we have Pashtuns, we have Tajiks, we have Hazaras, we have Uzbeks, and we have Shi'as and Sunnis. The ethno-sectarian issue becomes a problem when demagogues politicize and use it for personal agendas or betray the Afghan nation in support of outsiders. We know that it was actually the Afghan blood of Pashtuns, of Tajiks, of Hazaras, and of Uzbeks that defeated the Soviet and Taliban invaders. We're a people best defined by a religion of peace, tolerance and coexistence, and a culture of diversity, hospitality and freedom. That's what defines the Afghan freedom and the Afghan national identity.

IAJ: With all of the ethnic reprisals, and destruction of cultural heritage tell me what the Afghan government is doing to reunite the people.

HAIDARI: The people of Afghanistan are united in building a new state in Afghanistan. They have embraced democracy. They debated and adopted our new Constitution, they voted to elect our president, and they voted to elect members of our parliament. Now, they are expecting their trust in democracy to bear fruit. In other words, they are demanding reconstruction—their lives to be rebuilt. The government of Afghanistan has outlined the basic needs of our people in the Afghanistan Compact and the Afghanistan National Development Strategy and presented both documents to the international community for assistance. So the sooner our international partners help us deliver on the promise of democracy and freedom, the stronger our new state will be against terrorists and extremists that try hard to turn around popular support for peace-building in Afghanistan. Our government is doing everything we can to sustain popular support as a strategic asset in the war against terrorism.

IAJ: Tell me about how women have expanded their roles within Afghan society.

HAIDARI: More than two decades of war and destruction had marginalized women in the Afghan society, and made them a prime victim of every tragedy. Their many losses as mothers and sisters coupled with cultural constraints left Afghan women even more vulnerable under the oppressive regime of the Taliban, which effectively imposed gender apartheid in Afghanistan. But the agony of the Afghan women ended with the fall of the Taliban five years ago. Since then, Afghan women have been an integral part of the political process. From the Bonn talks and the Constitutional Loya Jirga to the presidential and parliamentary elections, Afghan women have played an active role in determining the future course of Afghanistan.

Never before did women more strongly demonstrate their determination to participate in the Afghan politics than by participating in the parliamentary elections on September 18, 2005. On that day, the women of Afghanistan continued to make history as they turned out in unexpectedly large numbers to elect members of parliament and 34 provincial councils. Women voters accounted for 43 percent of voters, in defiance of many terrorist threats from Taliban and al Qaeda insurgents. Now, women occupy 27.3 percent of the seats in our parliament.

Beyond parliament, an increasing number of women have returned to the workplace as members of the cabinet, governors, ambassadors, physicians, businesswomen, lawyers, army officers and teachers. In these roles, they hold numerous leadership positions in the

private, public and civil society sectors of Afghanistan. This has happened as a direct result of the government's commitment to gender equality under the constitution. Our Ministry of Women's Affairs now works to ensure that the government's gender-sensitive policies are fully implemented to safeguard the rights of women under the constitution. In the meantime, our Ministry of Foreign Affairs is spearheading the government's efforts through our 55 diplomatic missions abroad to harness the goodwill and support of the international community for the women of Afghanistan.

The reaction of people to women's participation in the society is very positive. Across Afghanistan, people are sending their daughters to school, to English courses, to computer courses, in the hope that they will learn and stand on their own feet, and contribute to their families and to their society. However, Afghan women's participation in the society should not be compared with the freedom of women in developed countries. It took those countries centuries to be where they are today. In Afghanistan, it has only been five years, and in that short period women have come a long way.

IAJ: Tell me about what Afghanistan is doing to combat the security threats.

HAIDARI: With international assistance, we're building our National Army and National Police. Right now we have 30,000 soldiers in the Army, who have been deployed along with the Coalition and NATO-ISAF forces in the south and east of Afghanistan. They're effectively fighting the Taliban insurgents, and have been received extremely well by the people in their areas of deployment. Our National Police is going through ongoing reform to make them capable of providing law and order throughout Afghanistan. In addition, more than 30,000 troops from 37 nations are helping maintain security in Afghanistan. At the same time, we're building law enforcement institutions and reforming the judicial system to prosecute and punish perpetrators against law and order, and peace and security.

Let me be clear that we're a state that started building from scratch. We started from zero up. Afghanistan has been a least developed country since the beginning of her modern statehood early in the last century. So ours is a state still very much in the process of being built, and is going through the same state-building challenges that every developed country has in the past. Of course there will emerge new challenges when you build a new democratic state, particularly when you lack the resources. Young democracies are always prone to instability and conflict than authoritarian regimes with stronger institutions. So, our young democracy is in need of the necessary resources to consolidate our state institutions so they can uphold the rule of law and protect people.

IAJ: What kind of corruption does the government of Afghanistan have to deal with?

HAIDARI: Corruption is a byproduct of weak governance, where you don't have the resources to pay government officials. Just to give you an example, what would happen if your government didn't have police in New York? What if your government couldn't pay the police in Los Angeles? There would be huge rates of crime. And if your government lacked the resources to look after the police in New York or Los Angeles or Washington D.C., the drug market would corrupt the unpaid police and state officials.

What you have in the U.S. are the resources to train, vet, and pay your law enforcement officials to do the job right. On the contrary, we lack the resources in Afghanistan to do the same. With the minimum assistance that we get from the international community, we do our

best to make both ends meet. But we've alerted our international partners of the fact that the face of any effective government is a functional judicial system and police, both of which have received the least attention and investment over the past five years. So the sooner we get these two institutions up and running, the safer our people and state will be from transnational criminals that prey on weak governance and unpaid government officials.

IAJ: How big of a role do opium farms play in the economy, both on a positive and negative basis?

HAIDARI: Narco-terrorism is not only threatening our new democracy but also endangering international stability. President Karzai often says: "If we do not eliminate drugs, drugs will eliminate us." The President's statement sums up the need for the international community to cooperate more closely in the fight against drugs. Failure to do so will harm producing and consuming countries alike, while narco-terrorism will threaten the security of every nation. Historically, Afghanistan had never been a drug producing country. But today opium production is the result of 30 years of war and destruction in the country. Drug mafia has capitalized on the farmer's poverty and lack of alternative income to engage them in poppy cultivation. Peasants remain extremely poor; however, most of the drug revenues go to traffickers and usurious landlords.

IAJ: Are you receiving enough help from the international community to fight narcotics?

HAIDARI: A major pillar of our eight-pillar Drug Control Strategy is rural development – providing sustainable alternative livelihoods to 3 million farmers in rural Afghanistan. Another key pillar of our Strategy is law enforcement and interdiction of drug traffickers. I believe that if our international partners strategically focus on these two areas to provide means of legal agriculture and broader rural development assistance to our farmers and to help our counter-narcotics police go after high value traffickers, we should be able to solve the drug problem in Afghanistan overtime. So far, however, counter-narcotics assistance to Afghanistan has been ad hoc and outside the Afghan budget. The problem didn't grab attention until 2004 when the rise in drug production alarmed the international community. Since then, the U.S. has increased funding to help us fight narcotics. It is a long fight, but with sustainable rural development, we can overcome drug production in Afghanistan.

IAJ: It seems, overall though, that things are starting to come together, and that the problems facing Afghanistan are getting worked out.

HAIDARI: Yes, five years of international blood and treasure have gone into creating a legitimate government in Afghanistan. In addition, international efforts to build peace in Afghanistan continue to enjoy the support of the Afghan people, who don't want to see our country slide back into the chaos of the 1990s. Moreover, we're committed to a strategy to win the peace through implementation of the Afghanistan Compact and the Afghanistan National Development Strategy. With these essentials in place, we're far closer to success than to failure. We need a minimum of \$5 billion a year to implement the short- and long-term objectives of our integrated strategy for security, governance and development. Our international partners must deliver on the pledges they made during the London Conference earlier this year to make possible the implementation of our three-pronged strategy. At the same time, they must build on lessons learned from five years of nation building in Afghanistan to ensure that aid is used effectively through close coordination with Afghan partners, based on sound policies that are centered on local ownership of the development

process, so that Afghans themselves can take responsibility for the future of their country.

As we learned from the 9/11 tragedy and the suffering of the Afghan people throughout the 1990s, a failed Afghanistan is not an option for the international community. Success is the only way forward.
