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Steel Joint Consortium (Iran, Afghanistan, Russia, China, India and Germany) in Herat, and the Economic, Political and Security Impacts in the Region, by Futuristic Approach with an Emphasis on SWOT

Amir Tavakoli Roody\*; Amir Sadra Javanshiri

Department of International Relations, Isfahan University Email: Amir1\_tavakoli1980@yahoo.com

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#### Abstract

Geopolitical weight has a direct relationship with the geopolitical prestige of the country in the global and regional system, which can increase the dignity and public reputation of the country among other larger, equal or smaller countries. The more credibility and dignity increases, the more provide new opportunities for visible or invisible power, to objectively and subjectively influence processes, decisions, actions and behaviors at different local, regional and global scales. The geopolitical position of eastern Iran, due to its proximity to the countries of central Asia and Afghanistan and its access to high-energy resources; its domination on the world's most important energy and commodity transfer pathways; the strategic location for the land locked countries in Central Asia, Caucasus and Afghanistan to access free waters, connecting China and the countries of Southeast Asia to Europe; and the formation of the Khaf-Herat-China triangle and the region as a gateway for east of the country. The formation of this consortium between relevant countries, particularly five powerful countries in the steel industry in Herat can be considered as a factor in the emergence of Iran's geopolitical power and expanding Iran's influence in the region and Central Asia. Generally, the presence of regional and trans-regional economic powers and the convergence of these countries in the formation of a joint consortium can create a massive geopolitical weight to prevent US threats .Although, this project shows a clear horizon, but there are definitely problems with this process to assess the strengths, weaknesses, threats and opportunities of the swot model, to better recognize the partnership environment. The research method in this paper is descriptiveanalytical and data collection is based on documentary-library method. In this research quantitative and qualitative resources are simultaneously used relative to the problem under discussion which is called mixed research method.

*Keywords:* Consortium; Futuristic approach; Swot; Resilient economy; National economy; Regional; Global economy

#### Introduction

The project of the Steel joint Consortium (Iran, Afghanistan, Russia, China, India and Germany) in Herat with the central role of Iran and Afghanistan has many economic, political and security impacts in the regional and trans-regional areas. We can see this consortium as a factor for the regional and global

economic linkages; which is in line with the resilient economy. In fact, the formation of a steel consortium between relevant countries, especially 5 strong countries in the steel industry in Herat, could be a factor for the emergence of Iran's geopolitical power in the region. The formation of this consortium in Iran has many benefits in many ways, because it firstly increases the geopolitical and geostrategic power and dignity of Iran and serves as an incentive to expand Iran's role in the region and in central Asia. Establishing this consortium in Herat can increase Iran's economic, security, and strategic cooperation with Afghanistan. Also, this consortium will increase the economic power of Afghanistan in the region, and on the other hand, will create a lot of job opportunities for the Afghan work force. Due to its historical and cultural shared interests with Iran, Afghanistan is interested in developing cooperation in various fields to increase its level of interactions (Tasnim: 1394). So, the operation of this project will create greater convergence between the two countries. The goal of Russia's partnership in this consortium is due to the fact that Russia, as a major regional and trans-regional power, adds to the geopolitical weight of this cooperation. Russia seeks to expand the extent of its influence in the region, and attending in the consortium will contribute to this aim. Besides, Russia is one of the top ten trade partners of Iran for strategic goods (Karami., 1389, p. 116-117). It is also vital for Russia to access free waters, so this country must to take action through the Islamic Republic of Iran (Islamic Guardian Monthly). It should be noted that Russia is the fifth largest country in terms of steel production in the world with a capacity of 64623000 tons per year (IEFNA). Therefore, in recent years, despite the increasing convergence and cooperation in various dimensions between Russia and Iran, Russia's presence in this consortium is very beneficial (2009, Dinpajouh).

The researcher's goal is to predict the presence of **China** in the consortium due to China's interest in influencing and exploiting the rich and pristine resources in central Asia (xichao., 2014). On one hand, China has long been regarded as an economic partner of Iran, and can raise the level of its convergence with Iran to an acceptable level by attending this consortium. In the other word, China's motivation for the Khaf-Herat-China corridor and its connection to Europe through the transportation network is very important (Ibrahim Bai Salami., 1394). In addition, China is the world's largest steel producer with a capacity of 738940000 tons per year, so its presence in the consortium is very valuable as the largest steel manufacturing pole (IFNA).

Also, **India**'s presence in this consortium is important and desirable in many ways, as it creates a more appropriate ground for increasing convergence and facilitating communication. greater convergence between Iran and India, and attending in this consortium is created due to some reasons such as (1) increasing the influence in Central Asia, which is very important for India, (2) India's necessity for benefiting of Iran as the shortest, cheapest, safest and most rational route to step up that region, (3) also due to the lack of hostility between Iran and India, (4) lack of serious geopolitical competition between the two countries for influence in Central Asia, and (5) the tension relationships between India and Pakistan (MEHR NEWS., May 17, 1395). India, on the other hand, is the third largest country in terms of steel production in the world with a production capacity of 87531000 tons per year, so India's attending in this consortium as a very powerful element is very beneficial (EFNA).

Ultimately the reasons for attending **Germany** along with other countries in this consortium is important because of the geopolitical situation of Iran which is a very good option for Germany, it means Iran's proximity to the Middle East, Central Asia, Caucasus, Mediterranean Sea and North Africa (Rahmani., 2005: 101). Iran is the only Middle East country which has a strategic value for Germany; also, Iran is the third German business partner in the Middle East; Germany among the European countries, has made the most investment in Iran, which has encouraged investment from other European countries, because the rest of the European countries rely on Germany's recognition of Iran (Rahmani., 2005: 144). Germany is the most important country for transferring the technology to Iran. In addition to the geo-economic advantages, Iran has the highest cultural commonality with Germany in terms of race and language among Asian countries (Rahmani., 2005, p. 14); And in some ways, Germany has acted as a medium for the relationships between Iran and the West. Therefore, on one hand, the economic leadership

of Germany in the European Union, and its industrial and commercial relationships with the Islamic Republic of Iran and, on the other hand the motivation to reach Central Asia and the Caucasus region, can act as a counter weight to US threats about the consortium. The statistics for the capacity of Germany's steel production is 42100000 tons per year (2016) (IFNA), so its role can be beneficial in this consortium in various ways.

Generally, the presence of regional and trans-regional economic powers and the convergence of these countries in the formation of a joint consortium can create massive geopolitical weight to prevent US threats, since the US presence in Afghanistan is a major threat that we discuss it in the future. One of the largest mines of iron ore (Sangan) in the Middle East is in the eastern border of Iran. By exploiting this rich divine capacity and proper management and designing a plan for sustainable development, we can help the economic power and national strength of Iran. Khaf-Herat railway is a facilitating factor for the joint cooperation of Sangan mines with the steel consortium in Herat due to its proximity to the pathways. Also, we can mention the availability of trained human resources in the mining industry in Khaf district as another potential for these cooperations. On the other hand, large companies in Khaf, look for a plan to develop the region by investment and increasing productivity.

Although the project will provide a clear horizon, there will surely be some problems in implementing this process. So, we try to evaluate the strengths, weaknesses, threats and opportunities based on the **swot** model to better understand the partnership environment. The most serious and prominent threat is the region's water shortage which has resulted from persistent droughts (negative water bill) and frequent use of groundwater. Definitely water shortage and the existence of dry areas are a threat to the development of the region and the steel industry, since pelletizing and steel companies and industry activities require increasing amount of water. Meanwhile the steel industry in the region should have a long-term plan and prospect. Therefore, the water crisis not only challenges them in the short term, but also in the long term brings them to a dead end, and we cannot achieve agility. Therefore, due to the presence of industries, pelletizing factories, economic movements and activities in the Khaf area (Sangan) and several other factors, that lead to population loading, and given the severe dehydration in Khaf area (Sangan), and because all these factors require a lot of water resources, we can eliminate this shortage and water crisis by exchange diplomacy from abundant sources of water in Afghanistan, Harirood River and Herat Plain, located in 90 km from Sangan area. The Islamic Republic of Iran can, in turn, supply the strategic energy resource (Electricity, Gas), of the consortium in Herat.

# Theoretical Discussion Geopolitics

Although geopolitics has been discussed in the past century and has a prominent position, it has not been able to reach a clear agreed definition for various reasons (Hafez Nia., 2006: 22). For this reason, geopolitics is today one of the most controversial issues that has attracted the attention of thinkers and political leaders of the world, and researchers and scientific groups in this field are reviewing and criticizing geopolitics (Lottwack., 1380). Therefore, there is no general and predetermined definition for this term.

This term was presented for the first time by Rudolph Killen in 1899 (Radès., 1390). Generally, the concepts such as power, conflict, convergence, power hierarchy, influence area, competition, decision making, control, hierarchy and influence, Peace and cooperation, resources and environment, static factors (constant), dynamic factors (variable), national interests, judicial relations, security, national unity, national authority and etc. are found in geopolitics (Mehrabi., 2007). According to this mentioned concepts in the geopolitics, we can express several examples of the definitions mentioned for the geopolitics: "The science of studying the perception of environmental facts in order to achieve power

(Ezzati, Shukri., 1391,2)"; "The impact of geographical, economic and demographic factors on the policies, especially foreign policy of a country (Hafeznia., 1385, 27)"; "Science of the relationships between space and politics (dwivedm., 1990)"; and "the role and impact of geographical factors in politics (Priest born in 1382)".

Overall, the definition of the geopolitics in this paper is stated as: "geopolitics is the behavior of organized human groups towards each other based on geography, power and politics (Hafez Nia., 2006, 37, 34)".

On the other hand, major changes occurred in the geopolitical concept by the collapse of the Soviet Union, in such a way that geopolitics turned from a geostrategic and military approach to a geoeconomic approach (Namy, Abbasy., 1388, 43). Edward Lutvak introduced the geo-economical paradigm with a broad concept in the geographic and political science in 1990. In fact, geo-economics has been formed from the combination of three elements of geography, power, and economy, and it seems that politics, as a major factor in geopolitics, has replaced by economy.

Today, geostrategic territories should have economic-military justification. The geo-economy term is actually the rename and the purpose of geo-strategy. In fact, in the concept of geo-economy, the goals transform into strategic goals by interacting with and manipulating economic strategies and utilizing the geopolitical context. In fact, we can consider the 21 century as the period of mastery of new concepts such as geo-economics. Geo-economical notion era is a new period, in which the country's role and its implementation all depends on their economical assets; and role playing, position of countries and geographic areas in the major strategies of the great powers ( that determine the international politics), also depends on the economic power, by which regional actors are linked to the world economic system, either as energy producers, or as distributors or distribution facilitators, or the complementary circles of this system.

# Geopolitical Dignity (Status)

Geopolitical dignity includes the balance of forces and the positive and negative factors affecting the national power in a country, in other words the algebraic sum of elements of national power. So, in estimating the geopolitical weight (status) we must consider the factors and variables affecting national power in various aspects. Geopolitical weight shows the country's position or its dignity between a set of countries or in the regional and world geopolitical system (Hafeznia., 1384, 109). All variables and quantifiable positive and negative factors related to derivations and 9 components of power including territorial, political, cultural, economic, social, military, scientific-technological, and spatial and transboundary powers are considered in measuring the geopolitical dignity.

Geopolitical weight has a direct relationship with the geopolitical dignity of the country in the global and regional system. That is, the higher is the weight, the greater will be the country's dignity and reputation among the other countries, including larger, equal or smaller countries. The greater the degree of credit and dignity, the more new opportunities of visible or invisible power for objective and subjective influences on processes, decision making, actions and behaviors are provided at various local, regional and global scales, and the country can gradually become leaders in collective processes and interactions, and play a central political and international role.

The countries that practically affect the processes, decisions, and collective actions of international and regional organizations, and also affect other countries and their actions, are those that have geopolitical weight, consequently, more dignity and more prevalence among other members of the international and regional organization. So, they can reproduce the power and make opportunity to advance their views, policies, goals and plans at the regional and global levels.

# Geopolitical Dependence

"The interests and goals of a country or a political agent depend to the values and geographical advantages of another country or political agent". Locations and geographical spaces have certain attributes and values, and resources and advantages are not distributed equally around the world. In other words, the distribution pattern of benefits and the demand for the geographic advantage is unbalanced. From these places and geographical spaces, followed by the human groups residing in them, nations and governments are dependent on each other. Geopolitical dependence reflects this fact. The geographic advantages of countries have a wide range. But some countries have all or part of it, and some of them do not.

This is a necessity of geographical interdependence, the philosophy of cooperation and international partnership, and the development and evolution of the world's political system. In geopolitical logic, dependency is in contrast to independence, strength and freedom of action. Countries that depend on the geographical advantages of others, in the absence of balanced geographical advantages, are in the position of power and their national and foreign policies are passive, so their national interests and objectives are faced with challenges and threats; and their geopolitical dignity is reduced in the region and the world.

On the contrary, the reduction of dependence or creation of balancing mechanisms for geopolitics can ensure national power, national security, independence and national development. So, governments and states try to reduce their level of geopolitical dependence to others and use the equilibrium instruments and mechanisms at inevitable conditions, on the other hand, they try to increase the others dependence to themselves (Hafeznia., 1384, 146).

#### Strategic Partnership

In the literature about the cooperation and partnership, we can see the terms such as "Collaboration", "Participation" and "Alliances". We assume all of them as synonymous in this study and define them as "cooperation and partnership between organizations that work together to get some strategic goals "(Muller., 2000, p. 49). The research conducted in the field of partnership is very wide, and has been addressed from various issues such as organizational theories, economics, sociology, psychology, policy making, and technology management. In order to obtain a comprehensive and brief picture of theoretical findings in the field of technological and scientific cooperation, we present a process-based conceptual structure. By this structure, we can divide theoretical and empirical findings in the field of partnership and organize them from a managerial point of view. This model is also a guide for partnership development (Muller., 2000, p49). The process of partnership development divide into the following steps: defining goals, selecting partners, identifying the appropriate organizational and legal structure, partnership management, partnership end.

Partnerships fill the gap between company's existing resources and future requirements, and increase the competitiveness of organizations by providing the organizations with access to external resources and creating synergies, promoting learning and rapid change. Partnership is one of the most important tools for business management to improve the competitiveness of organizations, especially in complex and turbulent environments, as well as one of the most important strategic maneuvers in the industry (Haffman., 2001, p357). The number of intra-organizational cooperation, such as strategic partnership, has grown significantly over the last few years. 500 of the world's first-class businesses have more than 60% of strategic partnerships (Ireland., 2002). Today, the ability to effectively manage partnerships is a competitive advantage. Our knowledge about the effective partnership management

reduces the partnership errors through improved management practices (Iraland., 2002). Strategic partnerships are the engines of growth and productivity in local and international markets (Ireland., 2002). Partnership is one of the most powerful factors in creating value in the new and old environment. Therefore, senior executives need to consider it as a key component of corporate strategies because of the potential for value creation that is hidden in strategic partnerships (Ireland., 2002). Partnerships are fast and flexible approaches for access to complementary resources and skills. It also reduces costs and risk, makes access to new markets, economies of scale, preventing entering the competitors, and acquires knowledge and skills for the companies (Tavakoli., 1395).

# Swot Model

**Swot model** consists of strengths, weaknesses, opportunities and threats. The first step in the strategic planning process is to determine the organization's goals and missions. Then, through a swot analysis, which is one of the tools for developing a strategy, we can design a strategy for the organization proportional to its environment. Using this analysis, it will be possible, firstly, to analyze internal and external environments and, secondly, to make strategic decisions that balance strengths with environmental opportunities (James et al., 1979, Saibi translation., 2007). The swot technique is one of the techniques for strategic planning.

The swot model is one of the strategic tools for matching the strengths and weaknesses inside the system with the opportunities and threats outside the system. From the perspective of this model, an effective strategy possibly brings the strengths and opportunities to the maximum and the weaknesses and threats to minimum. Swot analysis is a term used to identify the internal strengths and weaknesses of an organization, and external opportunities and threats that an entity or territory faces. Swot analysis is the systematic identification of the factors, which strategies must be best adapted to them. The logic of the approach is that an effective strategy must maximize the strengths and opportunities of the system and minimize weaknesses and threats. This logic, if is used correctly, will have great results in selecting and designing an effective strategy and will be considered as an effective strategic management tool (Pierce & Robinson., 2009). Basically, swot is a strategic planning and is a tool for exploitation in the preliminary stages of decision-making in applied strategic planning. This method has been used in various programming texts that have been presented in different ways for each of the stages (Cobin. Mintisburg. James., 1979, Saebi translation., 2007).

### Research Methodology

In this research, the method is analytical-descriptive and based on data collection through documentary-library method. In this research quantitative and qualitative resources are simultaneously used and applied proportional to the problem under discussion which is called **mixed research method**.

#### Research Scope

Geographical location of Herat province: Herat province is Afghanistan's second-largest city and the industrial pole of Afghanistan. This province is located between the  $67\,^\circ$  29' 41" of eastern el-bald length (alphabet) and 34 ° 34 ′ 22" of north el-bald width (alphanumeric altitude), with a height of 2500 meters. Herat from the north is neighboring with Turkmenistan, from the west with Iran, from the south to Farah province, from the south-east with Badghis and Ghor. Its area is 55,686 m².

# The Geopolitical Significance of the Khaf Area

Khaf border city is located near the Afghanistan with 123 kilometers of common border at the entrance of the eastern gate of the country, and the Central Asia-Pacific Bridge to Iran is located 262 kilometers from the city of Mashhad in the southeast of Khorasan Razavi province. The area of the city is 9128 m2, which is restricted to the cities of Taibad (Doğaron border) and Torbat Jam from the north, to Torbat Heydarieh and Gonabad cities from the west and Qayenat from the south, and from the east to Afghanistan. (Tavakoli., 1391).

Over the past two centuries, from geopolitical and geostrategic views, Iran has been located exactly among the rival strategies of the two major global powers; and has played a buffer role in the process of competitive behaviors of the global powers (Hafez Nia., 2002). Therefore, Iran has a significant position in terms of geopolitical theories, and is one of the important regions of the country, due to the geopolitical potential of the Khaf area, which has a prominent position in geopolitical views. Khaf area in east of Iran; the possibility of creating an East-South corridor; access of Southeast Asian countries and Central Asian land locked countries to waterways; the completion of the North-South corridor, and the major transit routes for goods from China to Europe, have provided trade potentials for activating the economic sector. We can expect a clear commercial vision for the future of the region's trade by regional organizations such as "Aco" and "ASEAN", (Hafez Nia and Rumina., 2005), we can predict a dry port with regional and global operations for Khaf area. In fact, the sensitive and strategic location of the Khaf area has caused the political significance of the area in the country. There are several reasons that cause a province, city and even a village (such as the village of Asalouyeh) to have more political significance than their other counterparts, and consequently have a greater impact on economic decisions of the country. These reasons may be economical: (Mobarakeh, Lar, Salafchegan, Rafsanjan), religious (Qom, Mashhad), or military (Hormozgan). Khaf Region has much potential for increasing its political power.

Some factors make the trans-regional significance of the region to be more sensitive, like locating one of the largest iron ore mines in the country and the Middle East with a reserve of 1.2 billion tons along with the geographic location of the city on the border with Afghanistan; the Central Asian highway along with one of the most important railways on the border with the largest group of land locked countries as well as the historic route of the Silk Road railway, connecting bridge and East-West Corridor, the linkage of the biggest economic hegemony of Asia (China) to Europe, the Middle East, and etc...

The broad potential of the Khaf area is not limited to the city or even the province, but all have transnational significance. Thus, the region has actual and potential capacities with an impact and influence at the national and regional levels. The strategic and geopolitical impact of this region will be much more extensive than its indigenous issues. The reason, on one hand, is due to the impact of its economic potential on political power and, on the other hand, due to the geo-economic (economical geography) position of the Khaf region. Iran tries to become a major steel producer in the next decade, and Sangan mines has a special position in this planning; and steel industry is a mother industry and is a stimulator for the industrial development (tavakoly., 1395).

### **Research Findings**

In this paper, we have tried to study the types of existing capacities, strengths, weaknesses, opportunities and threats to better understand this consortium, so that we can provide operational strategies and sustained approaches by a desirable pattern. Considering the swot model, we look at the strengths and weaknesses of the opportunities and threats of the consortium.

# Strengths

- 1. The emergence of strategic and geopolitical power in Iran and political maneuver of Iran in Afghanistan and Central Asia
- 2. Helping to develop Iran-Herat-China Railways and commercial development
- 3. Creating a convergence of Iran and Afghanistan in Central Asia and regional and trans-regional powers
- 4. Development of infrastructures in the Khaf area
- 5. The emergence of the developmental business market in Iran, Afghanistan and Central Asia
- 6. Creating a chain of service businesses
- 7. Improving the security and economy of the region
- 8. Development of the steel export market to Central Asia
- 9. Investment opportunities for employment
- 10. Connecting China to Europe through Iran
- 11-Step in the direction of a resilient economy
- 12. Access to the pristine market of Afghanistan

Because of several strength points of this project, the researcher tries to describe these points briefly by a general concept. Iran, geo-politically and geo-strategically has located exactly in line with the strategies of the two-rival major global powers over the past two centuries, and played the role of a buffer for competitive behaviors of great powers (Hafez Nia., 2002). The geopolitical position of eastern Iran (Khaf Region), due to its proximity to the countries of Afghanistan and Central Asia, and its location in the transit path to the free waters of the world, offers an opportunity to Central Asian countries and Afghanistan to access international free waters and the Chinese communication bridge. It has created a special status for the expansion of regional and international exchanges, as well as business potential to activate the economic sectors and investment opportunities and employment in the region. Existence of regional organizations such as the "Eco" and "ASEE" will provide a clear business perspective for the future of this region (Hafez Nia & Rumina., 2005). After the collapse of the Soviet Union and the establishment of newly independent republics, their urgent need is more highlighted for access to free waters with high capacities for transporting goods and fuel to Khaf and Makran coast with its unique features and superb communication capacity.

Therefore, Iran has turned into a regional two-structural member through Chabahar harbor: including Oman Sea-Indian Ocean structure and the communication structure of Khaf (dry harbor) with land locked countries; and can communicate with three continents of Africa, Asia and the Oceania. Central Asia, along with one of the most important railway lines on the border with the largest group of land locked countries as well as the historic route of Silk Road railway; connecting Bridge and the eastwest corridor; linkage of the largest economic hegemony of Asia (China) to Europe and the Middle East; and the importance of impacts in national and regional levels, make the area more sensitive than ever before. Therefore, Khaf region has influential potential and actual capacities, due to the impact of economic potential on political power on one hand, and the geo-economic (economical geography)

position of Khaf region on the other hand. Iran attempts to become the biggest steel producer in the future, and Sangan mines have a special position in this planning. Steel industry is one of the mother industries and stimulates industrial development (Tavakoli., 1395).

The formation of this consortium in line with resilient economy focuses on endogenous grounds of industrial areas and, by creating economic mobility and dynamism in Afghanistan, can provide a security support on the eastern border of Iran, because in this region efforts aim to replace economic-oriented view with a security-oriented view.

#### **Weakness Points**

- 1. Lack of necessary infrastructures in Afghanistan
- 2-Lack of expert human resources
- 3. The economic dependence of Afghanistan on western foreign aids
- 4. Political instability
- 5- Insecurity
- 6. Administrative corruption
- 7. Lack of rule of law and social justice

The researcher has tried to explain these factors in a general sense. The factors we have listed are among the deficiency components in Afghanistan, which can play a downward role in accelerating the advancement of the consortium, as these weaknesses will cause problems in this country for investment and economic projects. Afghanistan has lost its economic, social and political infrastructure during more than three decades of civil war, which has seriously affected the economic development of Afghanistan.

Economic infrastructures have destroyed, from transportation to administrative and legal systems; and Afghanistan has lost its human forces due to immigration abroad, so their economic development has faced major challenges (Shafagna., 1392). According to the US International Development Agency, the existence of worn out roads in Afghanistan prevented the goods get to the domestic and foreign markets (News Agency; 1392). On the other hand, Afghanistan has no definite industrial strategy, because this country is located in Heartland or in the heart of the dry lands, so the relevant infrastructures need to be expanded for its industrial and economic development (Ibrahim Bai Salami., 2009). Indeed, the shortage of specialized work forces is one of the factors that are responsible for the backwardness of the country for several decades. The presence of expert, efficient and skilled work forces is considered as one of the components of the political and economic power of a country in the international system. Therefore, due to Afghanistan inability in capacity building for educated young people, political conflicts, low level of technological development, lack of research facilities, etc. resulted in the shortage of expert and efficient human resources in this area. In addition, some factors such as political instability, insecurity, lack of rule of law and social justice, administrative corruption, external financial affiliation and ... are among the weaknesses and barriers to economic development in Afghanistan. Because, there is no coherent program for economic development in addition to the political instability; and insecurity, which is the most important challenge for economic development became an obstacle to attracting investment in this country. Due to the weakness of central power and its lack of supremacy over the entire country, local sub-sovereignty has emerged, and prevented the realization of macro-economic policies of the state. In addition, despite the administrative corruption in Afghanistan, the investment doesn't occur in a correct way, which in turn makes a gap between people and government and reduces the security and, as a result, takes out domestic and foreign capital from the country.

The economic dependency of Afghanistan on foreign aid is a leverage of foreign powers to impose their policies in Afghanistan, which is an important factor for making independent decisions in Afghanistan (Shafagna., 1392).

# **Opportunities**

- 1. The strategic role of the joint steel consortium in Central Asia
- 2. Huge transit potential
- 3. Transferring raw materials and products of Khaf Iron Ore to international markets
- 4. Completion of the Silk Road railway or (east entrance gateway)
- 5-Water crisis
- 6- Exchange diplomacy
- 7. Powerful and well-educated human resources in Khaf as the political arm of the country

In explaining the opportunities, we should state that the Iran's geopolitical position in the east, due to its proximity to the countries of Central Asia and Afghanistan, and its location at the pathway of global free waters, provides an opportunity for the countries of Central Asia and Afghanistan to access international free waters and the connecting bridge of China. On one hand, Iran has a great transit route due to its appropriate geopolitical position. On the other hand, Sangan mines in the eastern strip of the country produce 40 million tons of iron ore per year; and the existence of the Khaf-Herat-China corridor make possible the transmission of raw and processed materials from Sangan Iron Ore to international markets. The opening of Khaf-Herat-China railway is a good economic leap for Khaf area, because acts as a gateway to the east of the country and the dry harbor, and the people of this region will benefit from these economic activities and will see economic prosperity by railways and the acceleration of sustainable development in the region (Tavakoli., 1394). So, these factors have provided a special position for the expansion of regional and international exchanges in Iran. Expansion of exchanges in the field of transferring modern technologies and modern industrial technologies from Europe, can contribute to the development of this consortium. Also, the presence of expert and skilled labor of Iran (Khaf area) in this consortium, due to the lack of skilled and effective labor in Afghanistan, considered as the political arm and power leverage of Iran in Afghanistan. But one of the most serious and most prominent threats for establishment of this consortium is water shortage in Khaf area, which results from persistent droughts, negative water bill and excessive use of ground water. Certainly, water shortage is a threat to development and steel industry in the region, because the pelletizing and steel companies and totally industrial activities have urgent need to water. On the one hand, steel industries in the region should have a perspective in their long-term plans, so the water crisis not only faces these programs with challenges in the short term, but also can lead them to a dead end. In fact, we cannot be optimistic about the agility capacity of industrial units, so we can resolve the water shortage in Khaf area by exchange diplomacy. It means we can supply water shortage of Sangan mines from the rich and abundant Afghan water resources in Harirood River and the Herat Plain, which is located 90 km from the Sangan area. Mutually the Islamic

Republic of Iran supplies the energy strategic goods (electricity and gas) of the consortium, provided to supply gas from the Sarakhs area and electricity from the Khaf area with a 500-megawatt tunnel.

#### **Threats**

- 1. American Threat
- 2. Pakistan threats
- 3- Taliban
- 4. Terrorism
- 5. Extremism
- 6. The heterogeneous and inconsistent structure of the Afghan National Security Forces

Given the multiplicity of threat points, we briefly describe some of the threats generally. Afghanistan is of great importance due to the geopolitical position of the country in terms of its neighborliness with present and past rivals of U.S. The US invasion to Afghanistan in 2001 was not solely due to the fight against terrorism, but followed other hidden and silent factors. Factors such as: 1) The proximity of Afghanistan to two powerful rivals of the United States, Russia and China, and the U.S. effort to control these two competitors in the region (Vaezi., 2008, 55-58); 2) Neighboring with Iran as the center of the energy Hartland; 3) Influence on Iran's national security; 4) Preventing Iran's influential expansion in Central Asia ...

Afghanistan plays a key role in US plans for controlling the oil and gas reserves in the land locked Central Asian region (Safavi., 2010, 17). The presence of the United States in Afghanistan directly affects Iran's national security because of the cultural and political subscriptions of the two neighboring countries, Iran and Afghanistan against each other (stepanva., 2009). Because on one hand, with the presence of the United States in Afghanistan and the occupation of this country, there have been fluctuations in the past threats such as drugs and refugees, and on the other hand, new threats appeared in other areas, which could have impacts on Iran's security, and was not the case before the US presence in Afghanistan (Maley., 1998). Also, the United States created a large number of military bases in Afghanistan seeking to tighten the Iran's energy blockade loop as the Heartland of a strategic energy, to consolidate its hegemony (Vaezi., 1389, 33). Also, the United States, by dominating Afghanistan seeks to secure energy supply from both the Persian Gulf and the Central Asian region, which has no access to the free Seas, so that it can reduce the influence and scope of Iran's maneuvers in this regard. Therefore, the United States is seeking to exploit communicating and geo-economic role of Afghanistan by the occupation of this country, as a communicating bridge between central Asia and Persian Gulf (Safavi., 1389, 13). In fact, the main cause of the confrontation between Iran and the United States after the events of September 11, 2001, was the attempt of a regional actor, the Islamic Republic of Iran for role playing. in order to achieve its regional status and dignity. On one hand, Iran tries to access its political, economic, and cultural opportunities in the region, and on the other hand, a global actor, the United States, tries to consolidate its regional hegemony to prevent Iran from acting as an opponent of the United States in many ways (Barzegar., 2006, p. 160).

Therefore, the United States simply does not allow Iran to expand its influence in the region, especially Afghanistan, because Afghanistan is very important for the United States in terms of geopolitics, but there are serious threats to Afghanistan's domestic security issues; Since Afghanistan had no legitimate and legal government, and in practice it was considered a failed state, it turned to a terrorist breeding ground (Sadjadpour., 1387, 147-148). Serious threats such as extremism, drug trafficking, the

activities of organized terrorist groups and fundamentalist groups, etc., are largely rising from Afghanistan, and Afghanistan is a kind of evil mine (Jahanbakhsh., 1393, 85-86). One of the most dangerous terrorist groups in Afghanistan is Taliban group, that is considered as an ideological rival of Iran, and seeks to isolate Iran's activities in the region and acts as a ring of Iran's strategic blockade (Mujtahadzadeh., 1377.18). On the other hand, ethnic imbalances and gaps between the employees in Afghan National Army, the largest military institution, have created eccentricity tendencies and lack of coordination in counter-terrorism operations. Another major threat is Pakistan, where the main causes of Pakistan's movements in Afghanistan, is hostility between Pakistan and India, and the wars and clashes between the two countries have increased suspicion among civilian and military authorities in Pakistan about the motives for India's presence in Afghanistan, and any close interaction between two countries (Fayyad., 2008, 23). So, Pakistan wants to influence in Afghanistan in order to counter India's threat and prevent siege through Afghanistan (2011 shinn & Dobbins).

# The existence of Afghanistan is economically beneficial for Pakistan

- 1. Access to Central Asia and compete with Iran in the regional markets
- 2. Using the transit route of Central Asian gas and oil pipelines through Afghanistan to Pakistan
- 3. Using the ports of Guadar and Karachi in competition with Chabahar and Bandar Abbas ports of Iran
- 4. Utilization of significant energy and electricity resources in Central Asia (FarzinNia., 2004, 38)

And politically: Resolving territorial disputes with Afghanistan and competing with India.

Therefore, Afghanistan's presence for Pakistan has led to find its strategic depth, and also is important to expand its influence in the Central Asian region and to access roadways to Central Asia (Esmatollahi., 2010, 5).

#### Research Design

Though the strengths and weaknesses, opportunities and threats of the consortium were examined, we concluded that the formation of this consortium has good competitive advantages, but in order to implement it, we need to provide a scientific approach, to know how to place these great powers near each other to achieve common interests. Thus, in order to have an operational administrative support, we should apply the strategic partnership model. This model is one of the approaches used in the business world and most of the world's major companies. Given the fact that this model is effective for large companies and resulted good achievements, we can also use this model in this consortium. Based on this model, closer common interests of the members, the conflicts between them decrease, and somehow it strengthens the convergence space and undermines tensions. The strategic partnership model allows us to compete with strength and support in foreign markets of various fields.

In the current study, based on the analysis of the consortium position in the present and future, the status of internal capabilities and the necessary approaches to achieve strategic goals are identified. In the first phase, we will outline the objectives of the consortium strategic partnership and, after analyzing and identifying the barriers and risks and recognizing the swot model, partners will be selected. This is a very important step in the development process of our partnership, because the success of the partnership is very dependent on the role of the partner. Considering the various forms of cooperation, the next step is finding an appropriate organizational model and designing the contract, which its conceptual model is

shown in Figure (1). Since the partnership is for a certain period of time, at the end of the work, we should make decision to terminate the cooperation or expansion of further activities.

It is important to note that these steps may overlap or repeat. In the strategic partnership model, partners have identical goals, clear attitudes and specific strategy, and the interaction between them makes it possible to identify the values and expectations of each other. Based on this model, the sense of cooperation and teamwork increases between the members, thus the contradictions and conflicts are resolved and more coordination and convergence are formed. Naturally, in the constructive partnership, effective and strong communication is created between the parties, as well as a sense of commitment and trust between the partners, since they all seek to achieve joint goals. This partnership model makes other members avoid of opportunistic and self-directed behaviors, and show more flexibility towards other members. So the parties are advocates of collective partnership rather than their own interests, while the convergence of partners in a project, increase the quality level of their communications and facilitate the development of cooperation at other levels. According to this model, the decision levels are explained; in such a way to identify which item is responsible for what part of the decisions. In addition, utilization and transfer of knowledge, as well as a balance of relations based on cost sharing and risk is conducted in this partnership between the partners. Then improves how the implementation plan works, and ultimately the exit strategy is forecasted, so this type of strategic partnership model is a valuable model for interacting relevant countries in forming the Consortium.

The current model aims to portray the areas of convergence and joint economic engagement in mining and industrial activities as a successful and transferable experience to Central Asian countries, and provide further ground for cooperation in the Central Asian region. Regarding the topics mentioned in the strategic partnership model, the conceptual model of the research is as follows: by designing an effective model of strategic partnership at international level with regard to efficient human resources, we can achieve trans-regional cooperation, which according to diplomatic conditions and relations with the countries of the region, the implementation of such a model is achievable (Tavakoli., 1395).

# The management of partner relations

Commitment of the parties Make effective strong and communication relationships of Good personal managers with other peers Open communication Senior Management Support Teamwork and collaboration The presence of a champion and Lack of opportunistic behaviors defender of the partnership *flexibility* Mutual trust **Conflict Resolution System Coordination** Constant structural assessment of the **Quality of communication** process attitude Managing the forming process *Management* operation Clear strategic attitude Understanding of the goals **Determining** and Strategic

partnership

**Identifing** the values and expectations of the parties

Partner selection

deep understanding culture and corporate the communication both partners

Open and honest negotiations

Forecasting exit strategy from partnership

Official analysis of financial issues

**Partnership** 

Forecasting executive categories

clarifying responsibilities

The responsibility for delivering the final items of the project

to improve the implementation plan

Explaining the levels of decisionmaking (who is responsible for what part of the decision)

Balance of relationships based on and risk sharing knowledge exploitation

Partnership finishing Strategy

Fig. 1 Strategic Partnership Model

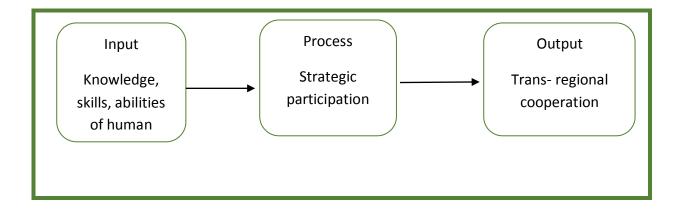


Fig. 2 Strategic partnership model



Fig. 3 Strategic partnership model

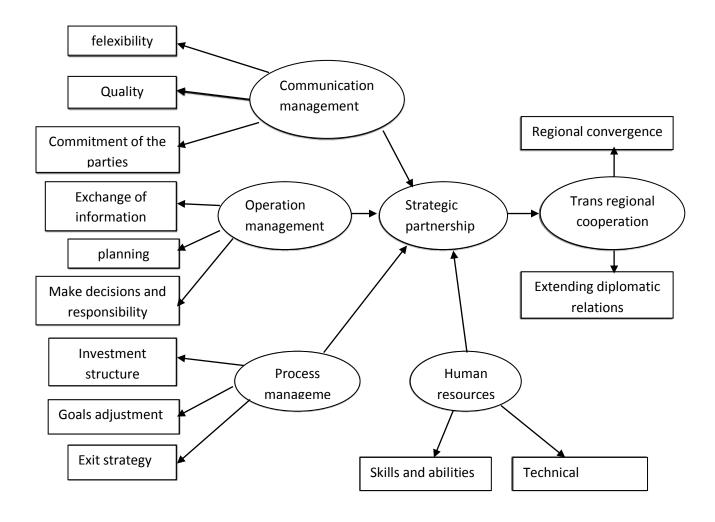


Fig. 4 Strategic partnership model

# **Conclusion**

Geographic factors including national power, position and inherent characteristics are perhaps among the most important components of geopolitical weight. Obviously having a capability does not necessarily result in power generation, but this capability must turn from potential to actual. The geopolitical position of East of Iran due to its proximity to the countries of Central Asia and Afghanistan and its access to high-energy resources, the domination on the world's most important energy and commodity transfer route, the strategic location for access of land locked countries in Central Asia, Caucasus and Afghanistan to free waters and China connecting bridge and the countries of Southeast Asia to Europe; and the formation of the Khaf-Herat-China triangle and... are part of the capabilities of the region as a gateway for the east of the country.

Given its geopolitical position, Iran can play an important role as the centerpiece of the security alliance in Central Asia. Therefore, Iran's approach in its eastern borders is a cooperative and peaceful approach combined with economic activity. Iran is struggling to establish stability and peace on the eastern strip, because the problems of unrest in these countries are spreading rapidly in the region and Iran, which is in no way in line with the national interests of Iran. Consequently, the most important factor in controlling the existing problems would be to increase the partnership and convergence in Central Asia, as joining the interests of the Central Asian countries would result in increasing regional partnership, adopting a unit strategy and dependency of the benefits. Indeed, it has made it necessary to achieve a native and stable economic partnership and activity, away from the interventionist role and destruction of foreign agents in the Central Asian region. The factor of economic partnerships plays an important role in the process of convergence and coalitions.

In a world where security is achieved through cooperation and convergence, it will be very lowcost and fruitful. The cooperation of Iran and the countries of Central Asia in economic affairs can contribute to the development, consolidation and extending of these countries and lead to a balance of power in the region. So, the future of industry in Afghanistan and Central Asia will be in the mining sector. Merging the life of people in Khaf with the mine and creating universities and scientific centers relevant to the mining sector can make these people specialists who will become Iran's arm for presence in Central Asia and Afghanistan. On the other hand, we can supply the water shortage of Sangan mines in Khaf area from the Harirood River and Herat Plain in Afghanistan through exchange diplomacy. Therefore, by forming the consortium, the infrastructure of the Khaf area will be expanded. On the other hand, the consortium can create a chain of service businesses in the region, after that business markets is appeared. Also, in this business space and due to the appropriate transit pathway, we can export the raw and processed products of Khaf iron ore to international markets, which will lead to the expansion of the steel export market to Central Asia. Therefore, by establishing this consortium and creating these opportunities in the Khaf area, the security eastern border is improved. The location of the Khaf area next to the biggest region of the world, which possess the most important talent of the mining industry; and Iran which is the best way to transport these heavy weight products to global markets, indicates the importance of Khaf mines and its industrial facilities more than anywhere else in Iran. Undoubtedly, the development and construction of Khaf area for the Islamic Republic of Iran has strategic and geoeconomical interests both economically, politically and militarily. Therefore, Iran contributes to development in the Khaf region and increases its geopolitical weight and dignity in the region and even in the world by forming this consortium in its eastern border, so that it plays an important role in the kind and level of Iranian acting in geopolitical competitions.

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