

THE ROLE OF CHINA IN ECONOMIC STABILIZATION AND RECONSTRUCTION OF AFGHANISTAN

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Abstract

China, most populous and rapidly growing industrial country of the world, has shown its strong political, economical and security-based interests in Afghanistan. Afghanistan is rich in terms of natural reserves. China is trying to gain access to these natural resources like Aynak copper and oil reserves, providing economic aid and thus improving political relations. Shanghai Cooperation Organisation (SCO) is playing a part in addressing security problems of Afghanistan and China is observer while Afghanistan is a member of SAARC. On the other hand, Afghan government is appreciating and taking this greater role in a positive sense because it is bringing modesty in their relations from bilateral partnership to strategic partnership.

Introduction

The Rise of China is presenting a new international framework of supremacy. China is rising peacefully but there are certain questions as to how it will govern the world or overcome its socio-economic, political, security challenges, etc. There is a view that China would control these problems as Europe controlled many of its problems during and after renaissance as it did for industrial revolution.

Presently, China is a permanent member of UN Security Council. Its growth rate remained 10% annually for 30 years. In 2007, China lead Germany as world's third biggest economic power while in 2009, it overtook Japan and now it is the world's second biggest economy, United States being the first.¹ In 2005, a Washington based think-tank, Earth Policy Institute, claimed that China was the biggest consumer in several fields. In 2006, WTO said that China is the second biggest exporter of the world.² This rapid development of

China is disturbing the Western powers because they are unable to control the growth of China.

China has more than 1.3 billion people³ with its population growth rate being 0.493 per cent annually.⁴ In present days, China has achieved a better growth rate. Due to rapid development of industry and modernization programme, its energy demands are increasing tremendously and it makes 17 per cent of the entire demand of the world. As IAEA predicts, in 2020 China's total energy demands will be 44 per cent.⁵ In terms of industry, China is a very strong country. Its share in global industrial production was 2.2 per cent in 1999 which increased to 6.6 % in 2002. Chinese imports are increasing with an annual average of 15 per cent from 1979, which shows that China is the third largest importer after Germany and United States.⁶ In 2005, according to China's International Chamber of Commerce, 23 per cent of Chinese companies are ready to increase their investment abroad. In 2000, China's foreign investment reserves were \$7.6 billion which increased in 2005 and reached to \$57.2 billion.⁷

On domestic level, quality and allocation of resources do not fulfil required demand. China has oil and coal in north and northwestern areas, and has hydro-electric reserves in south and southwest areas. At present, China is developing industrially and this massive industrial development is demanding a vast quantity of raw material. Along with this, China is facing a difference between demand and supply. Therefore, China's reserves are not fulfilling the demand of this fast industrial development. On the other hand, unlike other countries, China is utilizing energy on large scale. More than 75 per cent of China's energy consumption, primarily, relies upon coal, which is increasing environmental problems.⁸

Current rising energy demand of China is likely to disturb geopolitics. In 2004, when China's fast growing energy needs increased, it came under the study of international politics because these demands were creating serious concerns for all states. China's basic energy delivery of electricity and coal was doubled and coal production was raised

by 50 per cent from 1980 to 2000. China's energy use was increased by 15 per cent within a year and use of coal reached 14.4 per cent, in 2004. There are several causes of China's fast growing energy uses like: rapid growing population and economy, fast growing industry, quickly growing modernization and trade. In 2001, China's economy grew four times and its energy output increased by two times. This huge development surprised industrialized countries of the world. Its use of energy sprang up more rapidly than its GDP. This rapid progress shocked not only China but also the world, because this thing had very substantial impact on world's market of energy.⁹

China's speedy economic development increased due to its reliance on other countries for the vast variety of reserves. In 2006, China was second in terms of energy consumers and then in 2004 it left Japan behind in terms of oil import.¹⁰ China is on top in terms of coal consumption, although China has more than 33 per cent of world's coal deposits but due to growing economy and increasing population, its domestic reserves are not meeting its requirement and in future it is expected that the demand of coal along with other energy sources will also increase.¹¹ China's fast economic growth, along with high level of trade, modernization, rapid growing industry, technological advancement and high foreign reserves, are the causes of its high level of energy consumption.

In current international environment, it seems that the epicentre of international economics or economic system is shifting from the West to Asia due to rise of China. This rise of China has become a major concern for the West. Though they are dealing with the rise of China, yet they do not fully understand its real impacts. In prevailing Asian context, especially after September 2001, when United States entered Afghanistan with some new strategies, China's role was not insignificant. In reality, there are numerous horizons where interests of both China and Afghanistan are same and where they might find new cooperative opportunities.¹² Both China and Afghanistan have common borders and political relations between them have remained well. China also resisted any foreign intervention in Afghanistan during

Cold War era. At the time of Soviet invasion in Afghanistan, China supported United States and other allies against Soviet Union. After the withdrawal of Soviet forces from Afghanistan, China stopped supporting them. After the decline of Soviet-sponsored government of Afghanistan, Taliban came into the helm of Afghanistan's affairs and like many other countries, China also did not favour this regime and clogged all official relations and closed its embassy in Kabul. After the decline of the Taliban regime in Afghanistan in 2001, China redeveloped official political relations with the newly-elected government of Hamid Karzai. Since then, China is developing its business relations with Afghanistan in an attempt to secure its commercial interests.¹³

Presently China is not as actively involved in Afghanistan as United States and its allies are, but it is securing its interests, avoiding the possible conflict with the West. China wants to develop a strong relationship with Afghanistan, having no concern with any form of government. West claims that China is gaining benefits at the expense of US and its allies and calls it a free-rider. On the other hand, China denies it because China's interests are different. USA and its allies are combating against Al-Qaeda for a peaceful Afghanistan while China has no such concern except for stability. China has a broader perspective because whoever wins power will necessarily need foreign investment and this will provide leverage to China.¹⁴

In Afghanistan, China is increasing its soft image which shows that Chinese interests are different from the West. United States and its allies plan to eliminate Taliban and form a government which would secure their interests in a better way. On the other hand, China is working on humanitarian basis and is participating in the reconstruction of conflict-ridden country.

China's Post-9/11 Foreign Policy towards Afghanistan

China's foreign policy is based on five principles of peaceful co-existence which stresses on 'non-intervention', respect of the sovereignty and physical boundaries of other countries, at the same

time 'non-interference' in the domestic affairs of other countries. Similarly, China's policy towards Afghanistan is also based on the same principle of non-intervention. Currently, there are certain indications as to China's policy towards Afghanistan. In prevailing international environment, epicentre of China's foreign policy is to secure its business interests in Afghanistan which cannot be achieved without the support of international community.¹⁵ After September 2001 terrorist attacks, when United States and its allies invaded Afghanistan, China was one of those countries which developed official political relations with new Afghan government. In February 2002, China reopened its embassy in Kabul and provided 5 million dollars aid to Afghanistan, on emergency basis. Initially in its policy, China showed leverage towards Afghanistan. China also made different promises for reconstruction and diplomatic help which also included China's presence in Kabul Declaration. China also agreed to respect Afghanistan's sovereignty and its borders. China also promised to carry on peace talk with Taliban and both countries signed many bilateral agreements to strengthen their relations. Both agreed to enhance their cooperation in many fields, especially in the fields of economics and technology.¹⁶

After September 2001, focal point of China's policy was to augment its presence in Afghanistan. It gave massive economic assistance and won the bid of Afghanistan's 3.5 billion dollars Aynak copper project which rendered China the biggest foreign investor.¹⁷ China is also working on different other projects enhancing the economic power of Afghanistan. In current circumstances, China is busy in developing energy sector, training the people of Afghanistan in mining and cooperating in controlling drugs. In its policy, China clearly showed its support to Afghan government on different United Nations resolutions, relating to the issue of Afghanistan. China also assured strong diplomatic help and gave Afghanistan the status of an observer in SCO to curb terrorism, drug smuggling and other crimes in Afghanistan. In Afghanistan, China clearly showed its support to United States global objectives. In a joint statement with president Obama, the Chinese Primer assured his country's support

in Afghanistan, in order to counter terrorism and to sustain internal stability to gain sustainable social and economic growth.¹⁸

China needs to take straight and strong measures to stabilize Afghanistan, preventing it from becoming a serious threat to its internal security. At present, many Chinese companies are running diverse projects in Afghanistan. China, in its foreign policy, is improving its relations with the government of Afghanistan by providing it with aid. Chinese companies, in the advent of improved political relations with the government of Afghanistan, would work in a better way. Thus, trade between both countries would augment and China would easily have access to the natural resources of Afghanistan.

China's Role in the Post-9/11 redevelopment of Afghanistan

In post-9/11 scenario China played a constructive role in the redevelopment process of Afghanistan. It supported the international community to overcome the problems of Afghanistan. After the removal of Taliban government and intervention of allies in the helm of Afghanistan, China supported the efforts of international community. It stood by the international community for the redevelopment of Afghanistan. China's role in the reconstruction of Afghanistan can be analyzed as follows:-

➤ China's Political Engagement with Afghanistan

- Since long, China and Afghanistan are enjoying good relations. After the independence of PRC, Afghanistan was among the first ones to recognize China. Initially China did not focus on developing diplomatic relations with Afghanistan. Official diplomatic relations between China and Afghanistan were established in January 1955 and both countries exchanged their ambassadors. Later on, China granted loans to Afghanistan on different occasions and to make their relations stronger, both countries signed many treaties. Since the establishment of diplomatic relations,

China showed a little presence in Afghanistan until Taliban emerged at the helm of affairs in Afghanistan in 1996.¹⁹ After the incident of 9/11, China reestablished its frozen relations with newly elected government of Hamid Karzai. In December 2002, both countries signed 'Kabul Declaration on Good Neighbourly Relations'. Under this agreement, China has to respect territorial sovereignty of Afghanistan as well as it would support peace process of Afghanistan and will provide assistance in its reconstruction. In coming years, bilateral political relations were not so deep, therefore, high officials of both countries made short visits. In the same period, Chinese aid towards Afghanistan remained limited till 2007.²⁰ In 2007-08 China's export to Afghanistan was below 50 million dollars.

- In 2006, both countries signed the 'treaty of bilateral friendship and cooperation' during the visit of President Karzai to China. In 2008, China showed deep interest in Afghanistan when the Afghan government allowed foreign investors.²¹ In March 2010, during Afghan President Hamid Karzai's visit, both countries signed three different agreements. In these agreements, economic and technical cooperation was improved. Duty free access to some Afghani goods and larger cooperation in irrigation, mining, agriculture, infrastructure development and hydroelectric fields was also proposed. Thus, both countries increased cooperation in natural deposits, road development, agriculture and electricity.²²
- When China's interest in Afghanistan depleted, political officials of both countries exchanged frequent visits. Political leaders of both countries met many times at different forums, and China joined different organizations for peaceful solution of Afghanistan issue.

- In response to China's deep interest in developing good political relations, Afghanistan's leadership showed their political interests. Presently, many Chinese companies are busy in the reconstruction of Afghanistan. Chinese policymakers understand that when political relations will improve, their companies would work in a better way.

➤ **China's Economic Role in Afghanistan**

- Afghanistan is an extremely under-developed country with extreme poverty, unemployment and poor infrastructure. Presently, more than 90 per cent of Afghan budget is based on foreign aid. In 2001, after the formation of political government in Afghanistan, China emerged as a major player in the redevelopment of war-torn country. Initially in January 2002, China promised to give the aid of \$150 million for the reconstruction of Afghanistan.²³ In the beginning, China gave economic assistance to Afghanistan on different projects which include 10 million dollars for Parwan Irrigation Project and for a hospital in Kabul. Moreover, China gave human resource training to more than 800 different officials of Afghanistan and also gave technical training to local Afghans in different departments. In 2003, China gave the grant of \$15 million after signing Economic and Technical Cooperation Agreement.²⁴ Later on, China emerged as a vital economic player in Afghanistan. Then in 2009, it provided 75 million dollars as economic aid.²⁵ From 2002 to 2010, China gave economic assistance of 205.3 million dollars, and 19.5 million dollars as loan to Afghanistan. In 2011, China gave free aid of 23.7 million dollars to Afghanistan²⁶.
- Despite all this economic assistance and mutual trade agreements, Sino-Afghan economic committee identified many new areas of cooperation like: agriculture, infrastructure building, hydroelectricity and natural reserves.²⁷ Both

countries are also doing fine in bilateral business. Chinese telecommunication companies, Huawei and ZTE, updated 200,000 Afghanistan's analog telephone lines to digital.²⁸

- Afghanistan has the largest unexplored reserves of copper, coal, iron, gas, cobalt, mercury, gold, lithium and thorium, estimated to more than 1 trillion dollars. The sites of these deposits are now open for international investors. After the opening of these sites, China showed its interests in these reserves. In prevailing international environment, China has largest economy of the world while Afghanistan needs this economy badly. China's industry is excelling amongst world's industries and in order to maintain its smooth growth, China needs massive natural reserves. Its domestic resources are insufficient to fulfil the demand of its growing industry, so in order to meet this demand China is improving its role in Afghanistan. China is interested in the stability of Afghanistan because it has economic interests behind all this and wants favourable environment for its companies which are working in Afghanistan and sending natural resources back to China.

- **Aynak Copper**

- The tender of world's largest and most notable untapped reserves of Aynak Copper was won by China Metallurgical Corporation (MCC). This is the biggest foreign investment in the history of Afghanistan and if it is explored properly, it would generate the revenue bigger than all the projects of Afghanistan.²⁹ Statistically, this project has reserves of more than 88 billion dollars which is double of Afghanistan's GDP. In 2007, when President Karzai welcomed foreign investors for investment in natural resource sector of Afghanistan, China's MCC won

the tender of Aynak Copper project in 3.5 billion dollars for the period of 30 years and the investment of this project presents biggest direct foreign investment throughout Afghanistan's history. In cost and benefit analysis, the total amount of this project presents 20 per cent of all foreign direct investment in Afghanistan since 2001, and income from this project will give 45 per cent of Afghanistan's total national budget just from this single project. Along with this project, China promised to build 400 megawatt power plant to support the operation in mine, along with the water development and sanitization plant for common people. To fulfil the demand of electricity for mining, MCC will tunnel a new coal mine for their generators. In addition to this, company will construct a plant for the refinement of copper ore and a rail track to carry coal to plant and bring copper to China. According to the terms of the project, MCC will construct roads, mosques and schools in Afghanistan.³⁰ This mine project will generate 4,000 jobs for local people and generate more than 11 million tons of copper in the next 25 years.³¹ In 2010, MCC signed another agreement regarding Aynak project that if possible, it will construct railway track, from north of Pakistan, via Aynak and Kabul, to south of Uzbekistan.³² Success of this project will increase further Chinese investments in Afghanistan. Chinese companies will find some leverage in comparison with other companies.

- In this project, China is recruiting local people and indirectly through this recruitment, it is improving the structure of war-ton society. Like MCC, in all other projects which China has in Afghanistan, it is following the strategy of giving jobs to local people.

It is because China wants to prevent them from getting involved in any unlawful activity. When these people will have their jobs, Afghanistan will become stable and it will serve China in a better way.

○ **Trade Relations**

- In 21st century, China emerged as the biggest trading partner of Afghanistan, and in its first nine years, bilateral trade between the two countries reached \$250 million from \$25 million. This was considered to be a very strong trade development yet it was mediocre and unilateral. Majority of official trade comprised of Chinese electrical products.³³
- In 2006, ‘Sino-Afghan Economic Committee’, for increasing bilateral trade, was set up and it gave duty free access to about 278 goods. Later on in 2010, both countries signed ‘Comprehensive Cooperative Partnership Agreement’, to boost their economic trade. This agreement promised larger economic and technological cooperation, giving a favourable tariff to many products of Afghanistan.³⁴ In 2012, China promised to give 23.8 million dollars to increase investment and bilateral trade.

Along with the increase in bilateral trade and resource exploration, both countries would focus in the fields of agriculture, engineering and the growth of infrastructure.³⁵ Afghanistan’s government is interested in enhancing bilateral trade with China, importing technological items. It is expected that this would boost up after the stabilization of Afghanistan.

Trade between Afghanistan and China, 1999-2009

Year	Chinese Export to Afghanistan (USD Millions)	Chinese Import from Afghanistan (USD Millions)	Total Value of Trade (USD Millions)
1999	16.68	2.90	19.58
2000	19.89	5.40	25.29
2002	19.92	0.08	19.99
2003	26.45	0.61	27.06
2004	56.97	0.95	57.92
2005	51.21	1.56	52.77
2006	100.47	0.19	100.66
2007	169.00	2.00	171.00
2008	152	3	155
2009	215	1	216

Source: Steven A. Zyck, “The Role of China in Afghanistan’s Economic Development and Reconstruction”, *Civil Military Focus Centre*, (March 2012), p.3.

From 1999 to 2009, trade between China and Afghanistan reached \$216 million from \$19.58 million, which makes China the biggest trading partner of Afghanistan.³⁶ While in 2011, bilateral trade was estimated to be about \$234 million, Afghanistan’s export being just \$4.4 million.³⁷ In such a short period, this was considerably a huge improvement. But, it remains minimal, being only one sided. China’s export consists of cheap electronic items.³⁸

China sees Afghanistan as a gigantic trading partner. Its work is supporting allies and boosting up the wrecked economy of Afghanistan. China’s efforts in Afghanistan are improving living standard of people and attempting to cease elongated war. China is investing profusely on the infrastructure which would strengthen its basis. This large scale investment is a major factor in bringing peace and stability to the future of Afghanistan.³⁹

China is focusing on economic interests in the name of political relations. Through investment China is paving its way to political support in order to evolve more companies. Here, China has economic interests, competing with other players in Afghanistan, and it holds leverage over other players because of its historic soft image and five principles of peaceful coexistence.

China's Security Concerns in Afghanistan

In contrast with other neighbouring countries, China has border with Afghanistan and it remained less involved in internal affairs of Afghanistan. China shares about 100-km long border with Afghanistan. China has no ethnic community in Afghanistan and it did not interfere in the political affairs of Afghanistan.⁴⁰

After the withdrawal of Soviet forces, an unending conflict emerged in Afghanistan which disturbed not only Afghanistan itself but also its surrounding areas. This unending war and instability in Afghanistan disturbed China's Western Xinjiang province. Since then, China's policy is greatly concerned with the security and stability of Xinjiang region. In broader view Afghanistan is a major external factor which disturbed not only Xinjiang but also overall security environment of Central and South Asia. The emergence of Taliban's government in Afghanistan provided favourable environment to those who disturb China, through Xinjiang. Consequently, some fresh challenges like — smuggling, drug trafficking, narcotics and terrorism — confronted China. After the invasion of United States in 2001, the intensity of these threats increased, which disturbed overall security environment of the region.⁴¹

Recently, the presidents of both countries, in a joint statement, declared to cooperate with each other in intelligence sharing against the terrorists. China gave the grant of 23 million dollars for taking necessary measures for the situation which would emerge after the departure of Western troops after 2014. China does not want

Afghanistan to be under the control of Taliban because it thinks that they shelter East Turkestan Islamic Movement which is led by Uighurs, those who want independence of Xinjiang.

China has no military presence in Afghanistan because China's policymakers have a view that this would turn terrorists against China and it may disturb China greatly. On the other hand, United States is convincing China to open Wakhan Corridor for trade. But, China is unwilling to open this corridor for US supplies. It has two reasons: Firstly, this corridor consists of mountains and it is, therefore, impenetrable in winter due to heavy snow fall. Secondly, China does not want to become a part of any Western alliance because it is much cautious about its Xinjiang security situation. There is no sympathy for Taliban in China's foreign policy, but China never condemns anyone specifically, following a low key approach. China's careful approach towards Afghanistan is based upon China's foreign policy's five principles of peaceful coexistence. China has a view that Taliban cannot be eliminated by military forces because they hold a strong political force at the helm of Afghanistan's politics.⁴²

There is no bad experience between China and Afghanistan and no political or social group in Afghanistan opposes China. Policymakers of China are worried about the long-term presence of NATO in the neighbourhood of China which poses security threat to China, while on other hand China is not in favour of immediate withdrawal of NATO forces from Afghanistan because it would put in danger many Chinese business and security interests. In geopolitical point of view, presence of NATO in Afghanistan and Central Asia is mounting competition among great powers in the region. This is unfavourable for China, not only politically but security-wise also.

China and Afghanistan's Oil and Gas Cooperation

Currently, China's most vital investment in natural resource sector is in Amu Darya oil field in north of Afghanistan. It makes

China biggest investor in Afghanistan's history. In December 2011, China National Petroleum Corporation won the tender to drill three oilfields for the period of next 25 years at Amu Darya River Basin.⁴³ Under the conditions of the agreement, in the start, CNPC will invest approximately 400 million dollars in the exploration of oil and it may generate the revenue of \$7 billion, for this conflict ridden country.⁴⁴

According to the terms of agreement, China will pay Afghanistan 20% tax on income and 15% royalty and 70% of revenue on income. It is estimated that during the period of 25 years, Afghan government should take \$7 billion. CNPC's actual work on oil exploration will be for 23 years, and 2 years will be consumed on instalment of the project. This project will give annually \$304.35 million to Afghan government. According to a survey, these oilfields have reserves of more than 87 million barrels, and Afghan government is considering this tender to be a test for larger oil reserves in upcoming years.⁴⁵

Exploration of oil is giving another platform to China to enlarge its footprint in Afghanistan. Furthermore, by giving jobs to local people in these oilfields, China will help political government of Afghanistan in ensuring peace and stability. By exploration of oil, China can further improve its economic ties with Afghanistan and to some extent can meet the increasing thrust of its rapid growing industry. On the other hand, these reserves of oil will give biggest revenue to Afghan government and it would be better able to improve the condition of this war-torn society.

China and Afghanistan: Strategic Partnership

Afghanistan has concluded many strategic partnership agreements with Britain, India and United States regarding insurance of loss after the departure of NATO at the end of 2014. In the series of these agreements, president of Afghanistan met their counterpart in China to upgrade their everlasting friendly relations to the level of strategic partnership. This partnership would cover broader perspective including security, economy and culture.⁴⁶

For developing strategic partnership and communication on important matters, both sides are strengthening their political relations, enhancing mutual trust and increasing direct communication between high officials. This development of relations between two countries is opening new horizons for advancing their strategic cooperation which not only will serve the primary interests of both countries but it will also bring peace and stability and ensure the development in the region. In the light of their strategic cooperation, both sides are increasing their cooperation in the fields of trade, economy, agriculture, infrastructure, resource management, energy and other projects. Similarly, China is showing its willingness to assist Afghanistan in the field of education, culture, telecommunication and broadcasting. It is also providing training to Afghans in different fields. In order to counter three forces of evil -- terrorism, extremism and separatism -- both countries are enhancing their security cooperation. While under the umbrella of SCO and SAARC, both are enhancing their cooperation and mutual coordination for regional integration. For peace and stability, China is participating in different regional and international forums regarding Afghanistan, respecting the will of local people. In addition to it, China is working with international community for the development of peace and stability in the region. On the other hand, China is adopting friendly policies towards Afghanistan, giving altruistic assistance. This up-gradation of relations, from bilateral to strategic partnership, is providing a platform to both countries to enhance their relations in multilateral fields.

Response of Afghan Government on China's Role

In response to China's interests, the Afghan government thanked the political government of China for supporting Afghanistan in becoming an observer in SCO. Afghan president welcomed China's initiative to deepen mutual relations and thanked it for its support and assistance in the reconstruction and reconciliation efforts. The Afghan president showed his willingness in developing long-lasting friendly relations and appreciated the advancement in bilateral relations and bilateral strategic and cooperative partnership. Afghanistan welcomed

different Chinese companies to enhance their role in the reconstruction of Afghanistan and it further hoped to establish better political, economic, trade and energy cooperation with China.⁴⁷

President Karzai has publically recognized the economic success of China in Afghanistan. In his meetings with Chinese officials during many of his visits to China, he wished for strong cooperation between China and Afghanistan. His desire for developing strong relations with China is rooted in its (China) economic rise and its economic support to Afghanistan which is providing bases for the generation of greater economic revenue. China's economic support is necessary not only to boost Afghanistan's already wrecked economy but also to reduce its dependence on Western aid. On the other hand, President Karzai is in the favour of larger cooperation of SCO in Afghanistan in different fields.⁴⁸

On 14 November 2007, during a meeting with Chinese Foreign Minister Yang Jiechi, Karzai said that Afghanistan appreciates its customary friendship with China and is arrogant of being friends with it. He thanked and appreciated Chinese support and assistance for bringing peace as well as economic support in reconstruction process. Moreover, the president hoped that bilateral cooperation would increase in future which would create favourable conditions for trade and economic cooperation. This relationship would increase cooperation in countering terrorism as well as increasing communication and coordination in international issues.

After signing of trade agreement between presidents of both countries on 24 March 2010, President Karzai said that China is playing a vital role for peace and stability in Afghanistan and also in the region. He further said that it is an honour for Afghanistan to have a friend like China. Karzai also said that "Afghanistan is willing to cooperate with China and other countries in the region in advancing peace and stability."⁴⁹

Conclusion

In sum, after 9/11 when US and its allies attacked Afghanistan, China made no military involvement, giving preference to economic role and developing good relations with new government. After analysis, it seems that three factors are explaining the possible reasons of China's economic role in Afghanistan. Firstly, China has a fear that US is containing it and intervention in Afghanistan is one aspect of its strategy. Secondly, China is geo-economically involved in Afghanistan to secure its Xinjiang province and to prevent it from becoming a base of terrorists, because this area is very important for China. Thirdly, China is adopting the policy of harmonious world and according to this policy, China wants peace in the world and especially in the neighbourhood. Afghanistan is very important for China, not only from security point of view but also in terms of natural resources. China is growing rapidly and is looking for natural resources in other countries. China's major purpose of increasing role in Afghanistan is to bring peace and stability there as it is facing the threat of extremism from Afghanistan. On the other hand, China wishes to gain commercial interests because Afghanistan is rich in resources. China, being the neighbouring country and having geographical advantage, is playing beneficial role in Afghanistan. Government of Afghanistan is also in favour of China.

China is giving aid to Afghanistan on humanitarian basis. It is taking part in the reconstruction of war-torn country. Along with this, SCO is supporting Afghanistan by eliminating illegal smuggling and threat of terrorism on borders. Along with SCO, forum of SAARC is also giving an opportunity, to both China and Afghanistan, for a better understanding of each other. Through the forum of SAARC, they can discuss their matters in a better way.

In different fields, China and United States have conflict of ideas but in many fields they are cooperating in Afghanistan. China has an advantage in contrast with US that it has good relations with Taliban. So, they are not a big threat to China. It seems that China is playing

a constructive role in Afghanistan because it is defining its image as a responsible rising power.

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