

EFFECT OF AFGHANISTAN-CHINA RELATIONSHIP ON ECONOMIC GROWTH: A COMPREHENSIVE ANALYSIS

Gulbadin^{*1}, Samim Jabarkhil²

^{*1}Professor, Faculty of Political Science, Bakhtar University, Kabul, Afghanistan

²Lecturer, Faculty of Political Science, Bakhtar University, Kabul, Afghanistan

^{*1}gulbadin@bakhtar.edu.af; ²jabarkhil@bakhtar.edu.af

Corresponding Author: *

Received	Revised	Accepted	Published
20 January, 2024	15 March, 2024	19 March, 2024	31 March, 2024

ABSTRACT

Afghanistan, amidst ongoing conflict, has received substantial aid for its reconstruction and development. Notably, China and neighboring governments like Pakistan have played crucial roles in this process. This study focuses on Afghanistan's ties with China, exploring their historical relations and China's impact on Afghanistan's economic progress. Through extensive analysis, it highlights China's investments in infrastructure, healthcare, education, and long-term projects, contributing to job creation, income growth, and overall development. The growing trade volume between Afghanistan and China underscores their strong bilateral relations. Additionally, China aids Afghanistan in various sectors like education and telecommunications. Both nations also collaborate on security measures against common threats. This study sheds light on Afghanistan-China relations and suggests avenues for future research, including comparative studies involving other stakeholders like Pakistan, India, and the United States.

Keywords: Afghanistan-China Relation, Economic Development, Foreign Policy

INTRODUCTION

Corporate governance is the position of countries in the world, in terms of continents, neighborhoods, and so on, may matter much more than we usually think when we want to determine the economic performance and economic integration. Economics performance depends on several factors and investment is one of the major factors. However, these factors to exist in the way they do currently in the world primarily depends on their geographical position and ties with neighbors' countries.

Afghanistan occupies a unique place in China's strategic calculus due to its location and good relations. Afghan-China relationship dates back millennia however, the bilateral relations between the two countries have improved more significantly in the current era. According to Blood and Aghajanian (2007), Afghanistan is the center of the ancient world. Indeed, this region has long been a crossroads for land routes connecting China and India with the West, as well as a meeting place for a

wide variety of cultures and civilizations. Hence, Afghanistan is considered as a connecting link between contemporary South Asia, Central Asia, West Asia, and East Asia. Migrants have left a "mosaic of ethnic and linguistic groupings" in this region throughout the years (Mazhar, Khan, and Goraya, 2013). As a result, Afghanistan is a genuinely multi-cultural territory with traces of Chinese culture.

China, which physically borders Afghanistan and continues to manage regional affairs independently, safeguarding itself from shocks from instability outside the region, and play a more significant role in Afghanistan's peaceful reconstruction and development (Bryanski and Buckley, 2012). China hinted at plans for Afghanistan beyond 2014, its commitment to the Afghan's peace, stability, and economic development, China believes that its vision for Afghanistan as a regional hub of commerce,

transportation, and peace indicates their objective of East Asia and South Asia cooperation (Panda, 2014). China has invested heavily in Afghanistan's mining industry. It has committed \$330 million in financing in 2014 onward to provide professional training to 3,000 Afghans in various sectors.

Chinese interests in Afghanistan are threatened, most notably the security of its western autonomous province, critical to the country's economy

(Starriditor, 2012). China is concerned with restoring peace and stability in Afghanistan, which is essential for the Afghan people. Apart from financial resources to make long-term investments in Afghanistan, China demonstrates a strong desire to improve communication, coordination, and collaboration in the face of severe international and regional challenges. China is currently investigating new forms of collaboration and offering strategies for picking non-resource sectors to establish non-resource firms as a new priority for economic cooperation with Afghanistan. Apart from its interests in the stability and restoration of the country's infrastructure, Chinese participation in Afghanistan is gaining increasing popularity with both the general public and the government. At this significant point, China's economic and geopolitical relations with Afghanistan would benefit not just the Afghan economy but also its global stature.

PROBLEM STATEMENT

Various aspects geared the relationship between Afghanistan and China, such as culture, geographical location, common threats and interests, to resolve security hurdles. The sound, secure environment of Afghanistan also impacts China significantly because security is an essential component of this relationship. In general, it can be argued that security and economy are the focused areas of any relationship. China's role in raising the economic development of Afghanistan to limit extremism through economic inducement and appropriate foreign policy is remarkable. The other aspect of this relationship is the emphasis on the strategic position of Afghanistan. Afghanistan is a member of the OBOR project, but it may face security issues.

The insecurity of Afghanistan is common terms to its neighboring countries, which are also

SCO members; similarly, these countries will find an same view on Afghanistan's conflicts. Common interests & threats leads to regional convergence, as the SCO complex to Afghanistan's security. On the other hand, China is playing its role in resolving tensions among Pakistan and Afghanistan relations as China is the steely friend of Pakistan. China's fear is related to the threats of radical groups that raised the danger to security; China's efforts in terms of economic and security concerns are remarkable and accurate compared to the role America played in Afghanistan. Afghanistan and China are also trading partners as most of Afghanistan's products from China and China make the most significant part of foreign investment in Afghanistan.

China plays an influential role in regaining Afghanistan's stability conditions. One crucial aspect of determining the Afghan-China relationship is to link with the OBOR project. The essential feature of Afghanistan tries to sort out some of its economic and security issues to benefit this project. Security and economic development are the key features of OBOR as Afghanistan is taking advantage of this project.

The success of the Afghan-China relationship bases on the security assurance, the geopolitical aspect of both countries having the most significant impact in terms of security; therefore, China puts more effort into the settlement of Afghanistan stability because Afghanistan is the member and China is the head of SCO activities, therefore it gets more impact of Afghanistan's stability.

The China-Afghanistan relationship can be articulated through numerous factors like China and Afghanistan as neighbors share borders, cultures, history, which is more dominant. Afghanistan has combined the OBOR project and declares the official position of Afghanistan in its relation with China. Afghanistan is located in the center of the countries and considers a hub for other nations. Therefore, most countries have been trying to have good long-term relations with Afghanistan to improve their economic condition. China and Afghanistan are trying to strengthen their relationship to enhance their economic position. Keeping in view the aforementioned key reasons, the current study

examines the Afghan-China relations and its impact on economic development of Afghanistan.

RESEARCH OBJECTIVES

The fundamental objectives of the current study are to;

1. Assess Afghan-China relations,
2. Analyze the dynamics of the foreign policy of China towards Afghanistan.
3. Examine the role of China in the economic development of Afghanistan.

RESEARCH QUESTIONS

For the accomplishment of the study objectives as mentioned above, the questions to be addressed under this study are given below;

1. How is the relationship between Afghanistan and China?
2. What are the Dynamics of Foreign Policy of China's towards Afghanistan?
3. What is the role of China in the economic development of Afghanistan?

LITERATURE REVIEW

AFGHAN-CHINA RELATION

Afghan-China relations date all the way back to ancient civilization, and Zhang Qian may have been the first envoy of the Han emperor to go to northern Afghanistan in 128 BC. King Kanishka of Afghanistan's Kushan

empire used to send ambassadors to the Han Reign. The joint trips lasted until modernity, despite the fact that the history of the connection between the two areas plainly demonstrates that it was fraught with religious and commercial concerns (Munadi, 2014).

Afghanistan's ties with China began in August 30, 1922, however both nations signed a friendship treaty in March 1944 (Sakhanyer, 2005). China has maintained diplomatic ties with Afghanistan's since January 20, 1955, based on China's five fundamental values of mutual respect, trust, support, and peaceful coexistence, all of which contribute to the extension of the historic friendship. In 1955, Afghan ambassador Abdul Samad established improved diplomatic relations in Peking.

President Dawood Khan asked Premier Zhou Enlai to visit Afghanistan in November 1956. For the first time in the history of China-Afghan relationship, the

Chinese Prime Minister and his team visited Afghanistan on January 19, 1957, for a five-day state visit (Munadi, 2014). However, from 1996 to 2001, ties ceased entirely during the Taliban era (Sadiq, 2016).

Bilateral ambassadorial contacts were significantly revived with the formation of Afghanistan's provincial government in 2001. The numerous visits of Afghan presidents at various points in time, most notably in 2002 and 2010, 2017, facilitated increased levels of official interaction. Hamid Karzai (Ex-president) and Ashraf Ghani (current President), presidents of Afghanistan, paid several visits, while Chinese forces paid many visits to Kabul. Yang Jiechi, China's foreign minister visited Kabul in 2010 to participate in a conference. Zhou Yongkang visited Afghanistan to see President Karzai and believed that China's foreign policy priority should be to develop ties with neighbors such as Afghanistan.

On October 28, 2014, President Xi Jinping met with President Ashraf Ghani to discuss Afghanistan's triple transition in politics, security, and economy, as well as China's support for Afghanistan in retaining national independence, dominance, and regional integrity, as well as the peaceful settlement progressions involving a negotiated settlement. Dr. Abdullah Abdullah, the Afghan chief executive, visited China on May 20, 2016, at the invitation of Chinese President Xi Jinping. Chinese President Xi Jinping emphasized collaborating and developing relations between China and Afghanistan during the meeting (Sadiq, 2019).

CHINA'S INTERESTS IN AFGHANISTAN

China is Afghanistan's largest foreign investor, having invested billions of dollars in various economic initiatives. China has grown its involvement in Afghanistan over the last two decades through a two-step process: investments and political engagement. China inked a \$3.5 billion deal in 2007 to manage the Ayanak copper-gold mine in Logar Province, eastern Afghanistan, becoming the country's first significant investor and developer (SCMP, March 20, 2014). Following that, the company engaged in oil and gas exploration and the building of railway infrastructure across the war-torn nation. China has developed contacts with both the

Afghan government and the Taliban in order to promote a political solution to the war, particularly in light of the US decision to halt peace negotiations with the Taliban.

China has been active in the run-up to the Afghanistan endgame, expecting a more prominent role in the country after the withdrawal of US troops. China's economic aspirations in Afghanistan are compatible with the nation's larger objectives of westernizing the country, increasing regional trade connections, building energy pipelines, and cementing its regional economic supremacy. China anticipated to boost its strategic ties with Pakistan and Afghanistan to make the "Pamir Group" and a new Silk Road linking the Caucasus and western China.

China has a favorable geographical and geopolitical environment in which to develop its Afghan interests. China and Afghanistan are connected by the Wakhan Corridor, a nineteenth-century buffer zone created to divide the Russian and British empires. Additionally, the neighbor countries generally have favorable relations with China and welcome China's growing involvement in the war-torn country.

China has developed itself as a major political actor in Afghanistan, and with the withdrawal of US forces, China's involvement is expected to become much more significant. US approach to Afghanistan has been unpredictable, with sudden U-turns enabling China to enhance its influence in the war-torn nation. In September 2019, US suddenly halted a one-year round of peace negotiations between the US and the Taliban (British Broadcasting Corporation, 2019). China elevated its diplomatic profile in the peace process by expressing its willingness for discussions between the Afghan government and the Taliban (South China Morning Post, 2019).

Negotiations between the US and the Taliban started in December 2018 to achieve an agreement by February 2020. China was allowed to extend its involvement in Afghanistan's reconciliation during the three-month pause, and Beijing spoke with both the Afghan government and the Taliban. China has offered to host a conference between the Afghan government and the Taliban, but the Taliban declined, characterizing the Afghan government as a

US puppet. China initiates and lead a genuine political settlement in Afghanistan after the US military departure.

Pakistan is China's main diplomatic card in terms of consolidating its political influence in Afghanistan. Pakistan is believed to have played a significant part in covert Chinese-Taliban talks. Maulana Sami ul Haq, a staunch Afghan Taliban supporter, urged China in October 2018 to take a more substantial role in Afghan peace talks. Maulana Abdullah, nicknamed the "Father of the Taliban," pleaded with Beijing to intervene in the Afghan conflict as an arbitrator (Jamestown, 2007). He said that greater Chinese involvement in the region is essential given China's stakes and that Afghanistan-related problems should not be left to the U.S. alone.

AFGHANISTAN-CHINA POLITICAL ENGAGEMENT

China and Afghanistan have had a long history of a strong political relationship. Afghanistan was one of the first countries to acknowledge China's independence following its declaration. China and Afghanistan established official diplomatic ties and exchanged ambassadors in January 1955. Later, China granted loans to Afghanistan, and the two nations signed several agreements to strengthen their relationship. China maintained a minor presence in Afghanistan after diplomatic relations were established till 1996. However, China re-strengthened its relations with Afghanistan in 2001 again. Both nations signed the "Kabul Declaration on Good Neighborly Relations" in December 2002. China, under the deal, to protect Afghanistan's territorial sovereignty and support the country's peace process and rebuilding. Political ties between the two nations were not as strong in the years that followed, so high-ranking officials from both countries paid brief trips. Both the countries inked a "treaty of mutual friendship and cooperation" in 2006. China has developed a strong interest in Afghanistan since the Afghan government opened the country to international business in 2008. As China's interest in Afghanistan waned, the two nations' senior officials met regularly. Both nations' top officials have met several times in various settings, and China has joined several coalitions to resolve the Afghan war peacefully. Afghanistan's leadership demonstrated

its political interests in response to China's sincere desire to establish excellent political connections. Numerous Chinese businesses are currently participating in the rehabilitation of Afghanistan. The Chinese leadership understands that when political ties improve, the economic condition will improve as well.

CHINA AND PEACE IN AFGHANISTAN

The significant barrier to restoring peace is the government's instability. China, along with a number of other nations, is working to bring peace to Afghanistan. To safeguard its security and stability, China desires a secure and stable Afghanistan. China is concerned that restoring the Taliban government will have a significant influence on the separatist movement in Xinjiang. Peace talks between the Taliban and the Afghan government are being facilitated by China. Afghanistan established the Afghanistan-Pakistan-China Trilateral Dialogue in 2012. The SCO's inaugural summit, held in Beijing, endorsed a "Afghan-led, Afghan-owned" reconciliation process, reaffirmed the UN essential role, and asked the SCO and other international and regional organizations to play a more active role in bringing peace to Afghanistan. In 2014, China named Sun Yuxi as a special envoy for Afghanistan, entrusted with coordinating with all parties to maintain the country's stability.

China's principal goal in working with Afghanistan is to support political reconciliation. As a result, the first formal peace dialogue between Afghan government and Taliban took place in Pakistan in year 2015, in the presence of Chinese and US officials. Due to its positive reputation in Afghanistan, China is ideally positioned to provide such mediation. China is actively participating in the peace-building process and has allied with the Afghan government.

China works to bring peace to Afghanistan through the SCO, which endorsed the "Six plus two" idea. The digits "6" and "2" refer to Afghanistan's neighbors, including China, Uzbekistan, Turkmenistan, Tajikistan, Pakistan, and Iran. China's engagement in Afghanistan's economic growth is another significant contribution to the country's peace and security. It has the potential to help the state address its militancy and terrorism problems, as

poverty is an essential source of instability. The Aynak and Amu Drya projects contribute to Afghanistan's GDP growth. Aynak project will provide half of Afghanistan's current annual budget. Additionally, such Chinese investments result in many jobs, which is advantageous in a nation like Afghanistan, where the GDP is highly dependent on foreign assistance.

China sees economic development as the primary method by which it can contribute to the peace and stability of Afghanistan and the surrounding region. China's foreign policy is geared at economic development as a method of promoting peace. China feels that peace is impossible without noneconomic development.

China also lends support to Afghanistan's anti-drug effort. Afghanistan's drug and opium production also contributes to the country's terrorism problem. According to Riaz Khan, a former Pakistani foreign secretary, the drug mafia contributes to Afghanistan's bloodshed by funding radicals. China provides anti-narcotics training to the Afghan military. Additionally, China is assisting Afghan security personnel in strengthening their skills. The Afghan army receives mine-clearing training from Nanjing University, China.

THE FUTURE PROSPECTS

China wants a stable Afghanistan to spread its influence into Eurasia, and it cannot afford to remain neutral until US troops go and the country undergoes a democratic transition. China and Afghanistan inked a strategic partnership in 2012, detailing China's post-2014 objectives in Afghanistan. China is concerned that if the Taliban seize power, they will significantly influence the separatist ETIM (Greene, 2012). In any case, China has a more prominent role in Afghanistan and has already profited from the country's pre-Soviet connections.

Regarding Chinese policy toward Afghanistan, it's self-evident that the country's stability is a top priority. The Central Asian gas pipeline exemplifies China's increasing holdings in Central Asia. Meanwhile, in light of Moscow's re-energized push for Eurasian integration, the withdrawal of significant ISAF forces from Afghanistan, and the decline in US involvement in the region, there are

indications that China is re-evaluating and reconsidering its Central Asian position.

China has been hesitant to take on significant obligations to restore peace in Afghanistan, preferring to avoid the war's devastation and security vacuum and expressing scant support for a long-term U.S. military commitment in the country. China anticipates the SCO's involvement in stabilizing Afghanistan beyond 2014, and the argument states that it is primarily focused on bilateral measures.

According to the USA, this has ramifications for Central Asia's great-power struggle. China is progressively transforming Central Asia into its backyard rather than Russia's, creating some regional duties that China has not yet addressed. As a result, China will need to develop a Central Asian policy and the Afghan plan. Countries in the region have a greater possibility of engaging in Afghanistan. Afghanistan has been admitted as an observer member to the SCO. The SCO is eager to play a more prominent role in Afghanistan, despite its current obscurity. Following the withdrawal of Western soldiers, China has signed several agreements with Afghanistan, indicating that it is adhering to its resource mobilization program of investing in mining and communications and pledges to facilitate, teach, support, and equip Afghan police. On the other side, security continues to be an essential concern. While the SCO member states lack the financial resources to engage in Afghanistan, they may assist with capacity building. Afghanistan is unlikely to grow into a Transit Nucleus between India and Central Asia in the post-2014 era, and hence positive ties with Central Asia are envisaged. Except for the TAPI gas pipeline, "overland trade" can be profitable, but only if it is consistent.

Afghanistan and China, being neighboring states, maintain diplomatic relations with one another since 1955. After the invasion of Afghanistan by the former Soviet Union in 1979, the relationships between Afghanistan and China faded and reached their worst point. Their relations improved significantly in the 21st century. China always maintained a supportive and neutral policy towards Afghanistan. It never interfered in the internal matters of Afghanistan.

DISCUSSION AND CONCLUSION

DISCUSSION

When the US and its allies attacked Afghanistan on September 11, 2001, China opted for an economic role rather than a military one, seeking close ties with the Afghanistan. China is concerned that the USA is attempting to constrain it and that action in Afghanistan is part of that strategy. Second, China is geo-economically committed to Afghanistan to defend its Xinjiang region and prevent it from becoming a haven for terrorists, critical for China. Thirdly, China promotes a strategy of world harmony, and as a result of this policy, China seeks global peace, particularly in its immediate vicinity.

Afghanistan is very important to China for several reasons, not the least of which being security. China's economy is expanding as it seeks natural resources from other countries. China's primary goal in developing its presence in Afghanistan is to provide peace and stability to a country threatened by extremism. China wishes to strengthen economic ties with Afghanistan as a result of the country's rich natural resources. China is a key player due to its geographical advantages as a neighboring country. China offers humanitarian assistance to Afghanistan. It aids in the reconstruction of Afghanistan devastated by violence.

China maintains cordial relations with the Taliban. As a result, they do not pose a grave threat to China. China hopes to benefit from its presence in Afghanistan by creating a reputation for being a responsible emerging power.

This study firmly focused on development and resource problems that may be seen through China's foreign and economic policy perspective. As Andrew Small's (2012) *China's Af-Pak Moment* emphasizes that it is essential to understand how China conducts foreign relations in the areas of South and Central Asia internationally and to understand China's involvement in Afghanistan. In Afghanistan, China wants to preserve stability to avoid being exploited as a stage for strikes on Pakistan. Furthermore, with continued instability in Western China, Beijing authorities are suspected of using Afghanistan as a piece of training or operational basis to attack the Chinese government by Chinese or Afghan radicals. Despite their concerns for Afghan stability, it is doubtful that the Chinese authorities would see

"active engagement" with NATO or the US as the most effective approach for their own safety goals. According to Small, when the Chinese Government is seen as a Western stabilizing partner in Afghanistan, it may be targeted by Afghan militants or local organizations. This leads indirectly to economic development and job generation in the region. This allows China to pursue both security and economic aims simultaneously, depending on a continuous supply of natural resources. In addition, the Carnegie Endowment Report concluded that it is unlikely that China's economic interests – and those of state-owned enterprises such as MCC and CNPC – will be jeopardized by prevented overly open cooperation with the international community in Afghanistan if groups like the Taliban play a more significant part in the country's future.

The geo-economic significance of Afghanistan and the considerable Chinese investment in the country are evidence of both administrations' desire to deepen ties and maintain economic cooperation. A regional cooperation agreement may contribute to overcoming its crisis, unpredictable security conditions, poor economies, and divided societies by enabling Afghanistan to have positive relations with the world. To achieve this, China has developed a strategy to stabilize Afghanistan carefully after 2014 via economic investment and rebuilding. It supports communications, education, and healthcare networks and training for the ANAF and the ANP.

China's growth might not afford to be hostile to neighbors, especially in Afghanistan, where NATO and the US remain in power. China is prepared to engage constructively with Afghanistan and Central Asia so that its economic and political influence may extend beyond Eurasia.

As discussed in previous chapters, Afghanistan is an undeveloped nation with high poverty, unemployment, and poor infrastructure. Foreign assistance now provides for more than 90% of Afghanistan's budget. Following the establishment of a democratic government in 2001, China became a significant player in rebuilding Afghanistan. China pledged a \$150 million contribution to the reconstruction of Afghanistan in January 2002. Initially, China gave Afghanistan with financial assistance for several projects, including a donation

of \$10 million to the Parwan Irrigation Project and the Kabul Hospital.

Furthermore, China has provided training to around 800 Afghan officials on human resources development and technical training in various ministries. After signing the ETCA in 2003, China contributed \$15 million. China developed a significant economic footprint in Afghanistan. It provided 75 million dollars to the local economy in 2009. During 2002 and 2010, China provided Afghanistan with \$205.3 million in economic aid and \$19.5 million in loans. In 2011, China offered total assistance to Afghanistan for \$23.7 million. Despite this financial assistance and reciprocal trade agreements, the Sino-Afghan Economic Committee identified many new fields of cooperation, including agriculture, development of infrastructure, hydropower, and natural resources. Both nations have a successful bilateral trade partnership. Huawei and ZTE, two Chinese telecommunications companies, converted 200,000 analog telephone lines to digital.

For a total of \$1 trillion to \$3 trillion, Afghanistan own the world's most enormous undisclosed reservoirs of natural resources. Such resources are available to global investors because of their openness, and China has shown interest in them. From the worldwide perspective of today, China has the largest economy in the world. China's industry is one of the biggest in the world, and its ongoing development requires enormous natural resources. Due to China's limited domestic resources, it is increasing its involvement in Afghanistan to satisfy its rising industry's demands.

MMC has won the tender for the most significant and most crucial undeveloped copper resources in the world. This is the most important foreign investment in history in Afghanistan. In 2007, Afghanistan allowed foreign investors to contribute in Afghanistan's natural resource. MCC received the Aynak Copper project for \$3.5 billion over 30 years, making it the most significant direct foreign investment in Afghanistan.

According to a cost-benefit analysis, 20% of all foreign direct investment in Afghanistan since 2001 is worth the total value of this project. Project income represents 45% of Afghanistan's entire national budget. As part of the project, China agreed to

construct a 400-megawatt power plant that would support mining activities, water development, and sanitation facilities for the general public. MCC constructs a new coal mine for its generators to meet the demand for mining energy. In addition, the firm is building a copper ore refinery and a railway link to transport coal to the facility and copper to China.

MCC will build roads, mosques, and schools in Afghanistan under the provisions of the deal. Over the next 25 years, the business will employ 4,000 people and generate more than 11 million tons of copper. MCC committed to construct a railway track that connects northern Pakistan with southern Uzbekistan through Aynak and Kabul in a revised Aynak agreement.

MCC-China employs Afghans and therefore indirectly reinforces the structure of the war-torn nation. This is because China does not want them to participate in any criminal activities. If they have employment, Afghanistan will be more stable and able to serve China more efficiently.

China became Afghanistan's most significant economic partner in the twenty-first century, with bilateral trade increasing from \$25 million to \$250 million in the first nine years. The Sino-Afghan Economic Committee was established in 2006 to promote bilateral trade, and it granted duty-free access to approximately 278 items. The two countries signed the CCPA in 2010 to foster economic cooperation. This agreement included a commitment to increase economic and scientific cooperation and tariff reductions on a range of Afghan products. China pledged \$23.8 million in 2012 to boost bilateral investment and trade.

Both countries focus on agricultural, engineering, and infrastructure development and bilateral trade and resource discoveries. The Afghan government aims to increase bilateral trade with China by obtaining technology products. This is likely to increase in the future, given Afghanistan's stability. Between 1999 and 2009, China's trade with Afghanistan increased from \$19.58 million to \$216 million, making China Afghanistan's most significant commercial partner. Afghanistan exported only \$4.4 million in 2011, despite expectations that bilateral trade would exceed \$234 million in 2011. This was a substantial

transformation in such a short period. China's primary export is low-cost electrical equipment.

Afghanistan is a significant trading partner for China. Its mission is to assist friends while also assisting in the economic reconstruction of Afghanistan. China's efforts in Afghanistan aim to enhance people's living standards and end the country's protracted war. China is investing heavily in infrastructure to bolster its economy. This substantial investment is critical for Afghanistan's future peace and security.

China is pursuing economic interests under the guise of political ties. China is laying the basis for political support by spending to expand its enterprise base. China has economic interests in Afghanistan, where it competes with and exerts influence over other actors.

The Amu Darya oil field is China's most significant natural resource initiative in Afghanistan to drill three oil fields for 25 years. The agreement documents that CNPC immediately invest \$400 million in oil exploration, generating a potential \$7 billion in revenue for this war-torn country.

Under the provisions of this deal, China pay 20% income tax to Afghanistan, 15% royalty, and 70% income. The Government of Afghanistan aims to raise \$7 billion over the next 25 years. The current activity for the CNPC oil exploration take 23 years, plus a further two years to execute the project. This initiative provide the Afghan government \$304.35 million annually.

According to research, these oilfields contain approximately 87 million barrels of reserves, and, in the future, the Government of Afghanistan considers this tender to be a test for additional oil.

China has a new platform to increase its influence through the growth of the petroleum sector in Afghanistan. Furthermore, by supplying employees in these oilfields, China assists the Afghan government in maintaining peace and stability. China's oil drilling strengthens its economic connections with Afghanistan while also meeting the requirements of its fast expanding economy. These oil riches provide the Afghan Government with the most considerable money to better relieve the situation in this war-torn nation.

CONCLUSION

The main objective of this study was to analyze the relation between Afghan and China, examine the dynamics of China's foreign policy toward Afghanistan, and explain China's role in Afghanistan's economic growth. According to the study, the relation between Afghanistan and China dates back to ancient civilizations. Since January 20, 1955, China has maintained diplomatic relations with Afghanistan's territory based on China's five essential ideals of mutual respect, trust, support, and peaceful coexistence.

China has consistently maintained a pro-Afghanistan and neutral stance. China has significant interests in Afghanistan since the country is endowed with natural and people resources and has a crucial position in the area. China's objectives for Afghanistan may be deduced from its foreign policy. Security is the primary focus of China's foreign policy in Afghanistan, followed by commercial and economic interests and public diplomacy.

Afghanistan's geo-economics' significance, as well as China's huge investment in the country, indicates that both regimes' intention to strengthen ties and preserve economic cooperation. China has good relationship with Afghanistan and has been trying to make it stronger. There are a number of reasons that China extends good ties with Afghanistan and one of the most important is that China's economy is expanding as it seeks natural resources from other countries. Therefore, China strives to bring about peace and stability in Afghanistan that will help in easily importing natural resources from Afghanistan and exporting final goods to it. Furthermore, China provide humanitarian assistance to Afghanistan.

China has formulated strategy to stabilize Afghanistan after 2014 by investing in and rebuilding the country's economy. It has provided support for Afghan National Armed Forces and Afghan National Police communications, education, and healthcare networks, as well as training. China has invested and donated billions of dollars on human resources development and technical training for Afghans in various ministries. Furthermore, both countries have a successful bilateral trade relationship. 200,000 analog telephone lines in Afghanistan were converted to digital by Huawei and ZTE, two Chinese telecommunications companies.

MMC was awarded the bidding for the world's most significant and critical undeveloped copper resources. This is the largest foreign investment in Afghanistan's history, and it has the potential to generate more revenue than all of the country's other projects combined. The Aynak Copper project was acquired by MCC for \$3.5 billion over 30 years, making it the largest direct foreign investment. China built a 400-megawatt power plant to serve mining activity, water development, and public sanitation.

In 2006, the Sino-Afghan Economic Committee was formed to boost bilateral commerce, and it provided duty-free access to 278 goods. In order to promote economic cooperation, the two nations signed the Comprehensive Cooperative Partnership Agreement in 2010.

Agriculture, engineering, and infrastructure development, as well as bilateral commerce and resource discoveries, are all priorities for both nations. By purchasing technological items, the Afghan government expand bilateral trade with China. Given Afghanistan's stability, this is expected to rise in the future. China's most major natural resource endeavor is the Amu Darya oil field in northern Afghanistan. In December 2011, CNPC was given a 25-year contract to drill three oilfields in the Amu Darya River Basin.

Afghanistan's desire to strengthen relations with China derives from China's economic development and financial assistance to the country, building the basis for increasing economic advantages. China's help is necessary to rebuild Afghanistan's already-devastated economy and wean the country off western financial support. On the other side, Afghanistan favors further SCO collaboration in a range of industries.

REFERENCES

- Addison-Smyth, D. (2005). Ireland's revealed comparative advantage. *Central Bank of Ireland Quart. Bull*, 1, 101-114.
- Ahmadi, Ali. (2016). Improving China-Afghanistan Security Relationship. *Information Day newspaper*. Accessed: <https://www.etilaatroz.com/wp/2016/07/Vol-1102-for-web.pdf>.
- Aliyar, Darab Ali. (2017). One Belt One Road; Extends win-win strategy for China

- and Afghanistan. Accessed: http://dailyAfghanistan.com/opinion_detail.php?post_id=139980. Ammar.
- Alikuzai, H. W. (2013). *A Concise History of Afghanistan in 25 Volumes*. USA: Trafford Publishers.
- An, Z., (2012). *Zhongguo yu Afuhan guanxi shi yanjiu lue* [A Review of the History of Relationship between China and Afghanistan], Gaoxiao Sheke Dongtai [Social Science Perspectives in Higher Education], no. (Anhui University and Renmin University, Beijing).
- Asher, M.G. and R.Sen. (2005). —India-East Asia Integration: A Win-Win for Asia.
- Bahin, Sultan Ahmad. (2015). *Silk Road and convergence*. Accessed: The 8 am newspaper/8am.af/x8am/1394/08/09/silk-and-regional-integration.
- Balassa, B. (1965). The Manchester School, —‘. Trade Liberalization and “Revealed” Comparative Advantage, 33(2), 99-123.
- Balassa, Bela. (1977) —' Revealed' Comparative Advantage Revisited: An Analysis of Relative Export Shares of the Industrial Countries, 1953-1971. *The Manchester School of Economic & Social Studies*, 45(4): 327-44.
- Batra, Amita & Zeba Khan. (2005) —Revealed Comparative Advantage: An Analysis for India and China. Indian Council for Research on International Economic Relations (ICRIER), Working Paper No. 168, New Delhi.
- Brian C. James, “China's interests in Afghanistan: current projects and prospects,” Master Thesis, Naval Postgraduate School California, U.S. (2013): 61-64.
- Blood, P. R. & Aghajanian, A. (Eds.). (2007). *Afghanistan: Past and Present*. Los Angeles: Indo-European Publishing.
- Bryanski, G. and Buckley, C. (2012). *China's Hu Sees Role for Regional Bloc in Afghanistan*, Chicago Tribune. Retrieved from http://articles.chicagotribune.com/2012-0606/news/sns-rt-us-china-russiahughanistanbre85504t-20120605_1_afghanistan-sco-china-s-hu
- Challenges and opportunities for China to invest in Afghanistan. (2013). Accessed: National Coalition of Afghanistan (NCA). www.nca.af/China-Afganistanf2013011502.html.
- Chand, M. (2012, June 8). *India Backs SCO's Bigger Afghan Role*. Russia-India Report. Retrieved from http://in.rbth.com/articles/2012/06/08/india_backs_scos_bigger_afghan_role_15936.html
- China Could Prove Ultimate Winner in Afghanistan. (2013, January 27) Retrieved from <http://www.phantomreport.com/china-could-prove-ultimate-winner-in-afghanistan>
- China -Afghanistan relationship. (2014). Accessed: Embassy of the people's republic of China in the Islamic Republic of Afghanistan. <http://af.China-embassy.org/eng>.
- Cultural Landscape and Archaeological Remains of the Bamiyan Valley, retrieved from <http://whc.unesco.org/en/list/208>
- Daishi, K. (2009, September 21). *Can Envision A Time When China & Afghanistan Share An Open Border*. Our World Forum II at Asia wind.
- Daveed (2014). *China's Post-2014 Role in Afghanistan*, Gartenstein-Ross, Daniel
- Trombly & Nathaniel Barr, *Foundation For Defense Of Democracies*, Washington DC, October 2014.
- Deardorff, A. V. (2001). *International provision of trade services, trade, and fragmentation*. Review of Bergstrand, J. H. (1990). The Heckscher-Ohlin-Samuelson model, the Linder hypothesis and the determinants of bilateral intra-industry trade. *The Economic Journal*, 100(403),1216-1229. *International Economics*, 9(2), 233-248.
- Derven H. J. Van (2000). *Warfare in Chinese History*. BRILL. pp. 122-. ISBN 90-04-11774-1.
- Downs, E., (2012). *China Buys into Afghanistan*, SAIS Review, Vol XXXII no.2, Summer-Fall
- Dirk Van Der Kley, *China's foreign policy in Afghanistan* (Sydney: Lowy Institute for International Policy), 9.
- Donges, J. B., Freytag, A., & Zimmermann, R. (1997). *TAFTA: Assuring its compatibility with global free trade*. *The World Economy*, 20(5), 567-583.
- Elizabeth Wishnick, “Post-2014 Afghanistan Policy and the Limitations of China Global Role,” *Central Asian Affairs* 1 (2014):134.
- Faraji Rad, Abdolreza, and others. (2011). *The new geopolitics of Afghanistan after 9/11 and its impact on national security in Iran*. *The Quarterly of Human Geography* (2):193-205. Accessed spring 2012. <http://www.magiran.com/view.asp?Type=pd f& ID= 976080&l= fa>.
- Farhat Asif, *Pakistan's ties with Central Asian States Irritants and Challenges*, (Pakistan Institute for Peace Studies, January-March 2011), 2.
- Fard, Aziz Ahamad. (2014). *Foreign aid to Afghanistan and administration corruption*. *Worldwide Voice Journal*. <http://fa.rfi.fr/20141204>.

- Gartenstein-Ross, D. Trombly, D. & Barr, N. (2014). China's Post-2014 Role in Afghanistan. FDD PRESS.
- Gary, (2013). Afghanistan. First Russia, then the USA, Next China. Retrieved from http://www.notesilentthoughts.com/2013_01_01_archive.html Gerald Segal, "China and Afghanistan," Asian Survey 21, no. 11(November 1981): 1162.
- Grau, L. W. and Gress, M. A. (Eds.) (2002). The Russian General Staff, The Soviet –Afghan War: How a Super Power Fought and Lost. Kanas: University Press of Kanas, 6.
- Gray, D. D. (2013, June 26) Eyeing Rich Bounty, China in Line for Afghan Role. Saturday Salon. Retrieved from <http://news.yahoo.com/eyeing-rich-bounty-china-line-afghan-role-130247113.html>
- Greene, S. (2012, June 11). China, Afghanistan Deepen Ties. China Digital Times. Retrieved from <http://chinadigitaltimes.net/2012/06/china-afghanistan-deepen-ties/>
- Harooni, M. (2011, December 28). Update 1-Afghanistan Signs Major Oil Deal with China's CNPC. Reuters. Retrieved from <http://www.reuters.com/article/2011/12/28/afghanistan-cnpc-idUSL3E7NS40J20111228>
- Henry, L. (2007). Trade and Economic Arrangements between India and South Asia in the Context of Regional Construction and Globalisation (No. Id: 1055).
- International Boundary Study Afghanistan (2015). China Boundary, China: A History. Hackett Publishing, pp. 167.
- Huasheng, Z. (2012). China and Afghanistan: China's Interests, Stances, and Perspectives. Centre for Strategic and International Studies. Washington, DC.
- Huasheng, Z. (2015, March 5). What is behind China's Growing Attention to Afghanistan. Carnegie. Retrieved from <http://carnegie-mec.org/2015/03/08/what-is-behind-china-s-growing-attention-to-afghanistan>.
- James, Brian C. (2013) China's Interests in Afghanistan: Current projects and future prospects, Monterey, California: Naval Postgraduate School.
- Kerry, J. (2013, November 24). Chronology of Sino-Afghan Relationship- The Loya Jirga and the U.S.-Afghanistan Bilateral Security Agreement, Press Statement of US Department of State. Washington, DC. Retrieved from <http://www.state.gov>.
- Kuhn, A. (2009). China Becomes A Player in Afghanistan's Future. NRP News. <http://www.npr.org/templates/story/story.php?storyId=113967842>
- Lin, C. (2011). China's Silk Road Strategy in AfPak: The Shanghai Cooperation Organization. ISPSW. 2011.
- Mazhar, M. S., Khan, S. O. and Goraya, N. S. (2013). Post 2014-Afghanistan, South Asian Studies, 28(1), 67-84. Minerals program, United States Geological Survey, retrieved from https://gsa.confex.com/gsa/2007AM/finalprogram/abstract_127010.htm.
- Pakistan, India gets SCO's full membership (2015, July 2015). Daily Times. Retrieved from; <http://www.dailytimes.com.pk/national/11-Jul-2015/pakistan-india-get-sco-s-full-embership>.
- Panda, A. (2014, October 29). Afghanistan and China Open a New Chapter. The Diplomat. Retrieved from <http://thediplomat.com/2014/10/afghanistan-and-china-open-a-new-chapter/>.
- Pantucci, R. (2013, April 5). China's Afghanistan Challenge. Diplomat. Retrieved from <http://thediplomat.com/2013/04/chinas-afghanistan-challenge/>
- Pantucci, R. (2013, July 5). How China is seen in Afghanistan. Oriental Morning Post. Retrieved from <http://raffaellopantucci.com/2013/07/05/how-china-is-seen-in-afghanistan/>
- Perlez, J. (2012). China Shows Interest in Afghan Security, Fearing Taliban Would Help Separatists. New York Times.
- Rahimi, S. (2008, October 1). The Emerging Sino-Afghan political and economic relations, Political, Economic and Cultural. Retrieved from <http://sefatrahimi.blogspot.com/2008/10/emerging-sino-afghan-political-and.html>.
- Rashid, A. (2001). Taliban: Militant Islam, Oil and Fundamentalism in Central Asia. London: I.B. Tauris & Co. <http://www.nytimes.com/2012/06/09/world/asia/china-signals-interest-in-afghanistan>
- Richard Weitz, "The Limits of Partnership: China, NATO, and the Afghan War," China Security 6, no. 1(2010):22.
- Scott, A. (2008, September 23). Afghanistan Now Part of China's Central Asian Push, China Briefing. Retrieved from <http://www.china-briefing.com/news/2008/09/23/afghanistan-now-part-of-chinas-central-asianpush.html#more-1476>
- Karmakar, S. (Nov.2005) India–ASEAN Cooperation in Services– A Overview. ICRIER work paper no. 176 pp.05- 10

- Kyle, David (2017). "A large part of China's global initiative is being implemented in Afghanistan. Accessed: VOA, News, and Social media. <https://www.darivoa.com/a/China-keen-to-extend-one-belt-one-way-to-Afghanistan/3842385.html>.
- Kenneth Katzman, Afghanistan: Post-Taliban Governance, Security, and U.S. Policy (Washington DC: Congressional Research Service Report RL-30588, February 17, 2016), 51.
- Kurtz, J. (2002). A general investment agreement in the WTO? Lessons from Chapter 11 of NAFTA and the OECD multilateral agreement on investment. University of Pennsylvania Journal of International Economic Law, 23(4).
- Lim, K. T. (1997). Analysis of North Korea's Foreign Trade by Revealed Comparative Advantages. Journal of Economic Development, 22 (2): 97-117.
- Lise, Waldek. (2018). Endemic violence in Afghanistan: a socio-culture. Page of Policing, Intelligence and Counter-Terrorism, Current Terrorist Trends in the Asia Pacific. <https://doi.org/10.1080/18335330.2018.1473630>.
- Mateen Haider, "China ready to support Kabul-Taliban reconciliation," Dawn, February 12, 2015.
- Mogilevskii, R. (2012). Trends and patterns in foreign trade of Central Asian Countries. The University of Central Asia, Graduate School of Development Institute of Public Policy and Administration, Working Paper, (1).
- Michaely, M. (1996). Trade preferential agreements in Latin America: an ex-ante assessment. World Bank policy research working paper, (1583).
- Muhammad Daim Fazil, "China in Afghanistan: Contemporary Engagements and Challenges Ahead," IOSR Journal of Humanities and Social Science 19, no. 8 (2014): 83.
- Munadi, Sayed Mahdi. (2017). Afghanistan Perspective: Economic Initiatives around Afghanistan". Cooperation or Competitions Between stakeholders. Ministry of Foreign Affairs. <https://archivos.juridicas.unam.mx/www/bjv/libros/12/5550/23>.
- Nasri, Ghadir. (2005). A Methodological Deliberation on the School of Regional Complex of Security." Strategic Studies Quarterly 29 (2005):585-607. Accessed: http://quarterly.restudies.org/article_995.html.
- Opacin, N., (2014), China's Role in Afghanistan: A Capitalist Peace Approach, Anchor Academic Publishing.
- Peshgahi Fard, Zuhra. (2008). The position of Afghanistan in the geostrategy of the new global system. Scientific Journals Management System 8(2008):132-99. <http://jgs.khu.ac.ir/article-1-553-fa.html>.
- Qaderi, Ali. (2013). Afghanistan's Place in US Foreign Policy Ranking. Afghanistan daily News. <http://www.dailyAfghanistan.com>. Raja Muhammad Khan, "China's Economic and Strategic Interests in Afghanistan," FWU Journal of Social Sciences 1, no. 1 (2015): 1
- Rajan, R. S., Sen, R., & Siregar, R. Y. (2001). Singapore and free trade agreements: economic relations with Japan and the United States. Institute of Southeast Asian Studies.
- Rajan, R. S., Siregar, R. Y., & Sen, R. (2001). Singapore and the New Regionalism: Bilateral Economic Relations with Japan and the US. Centre for International Economic Studies. Richard Weitz, "The Limits of Partnership: China, NATO, and the Afghan War," China Security 6, no. 1(2010):22.
- Routledge, (2016). Chinese Foreign Relations with the Weak Peripheral States: Asymmetrical Economic Power and Insecurity, by Jeffery Reeves. London and New York: Pages 91-106.
- Rozman, G., (2010) Chinese Strategic Thought toward Asia (New York: Palgrave Macmillan, 5.
- Shambaugh, (2004). Shambaugh finds no evidence that Deng ever made this statement. 18-19.
- Shams, Ajmal. (2018). China has a role in the Afghanistan peace process" The Global Times. <http://www.globaltimes.cn/content/1126002.shtml>.
- Stanzel, A., (2016). China's interests in Afghanistan, China Policy Institute.
- Sutter, G.R., (2007). Chinese Foreign Relations: Power and Policy since the Cold War, Rowman and Littlefield Publishers.
- Tahiri, Noor Rahman. (2017). Afghanistan and China Trade Relationship. Munich Personal RePEc Archive, Oruj University. https://mpr.a.ub.uni-muenchen.de/82098/1/MPPRA_paper_82098.pdf
- Utkulu, U., & Seymen, D. (2004, September). Revealed Comparative Advantage and Competitiveness: Evidence for Turkey vis-à-vis the EU/15. In European trade study group 6th annual conference, ETSG.
- Wadsam, (2013, January 27). China has its Eyes on Afghanistan's Minerals, Afghan Business News Portal. Retrieved from <http://wadsam.com/afghan-business-news/china-has-its-eyes-on-afghanistans-minerals-2342/>

- Wei, Z. (2011). Regional trade liberalization: a theoretical review of dynamic time-path and stability issues. *Asian-Pacific Economic Literature*, 25(1), 1-14.
- Widgrén, M. (2005). Revealed comparative advantage in the Internal Market. Title. World Bank Group (Ed.). (2012). *World Development Indicators 2012*. World Bank Publications.
- Xiangyu, Z., (2011). Afghanistan and Regional Security: Implications for China, *Policy Perspectives*, Vol. 8, No. 2, pp. 65-72, Published by Pluto Journals.
- XU Xin, "Harmonization of NTS Securitization in U.S.-China Security Cooperation," *Ritsumeikan Journal of Asia Pacific Studies* 19, (2004):14.
- Henan) "Zhongguo yu Afuhan youqi hezuo tanxi" [An Analysis of China's Oil and Gas Cooperation with Afghanistan], *Zhongguo Shiyou Daxue Xuebao (Sheke Kexue Ban)* [Journal of China Petroleum University (Social Sciences Edition)] 28, no. 6: 9.
- YAN, F. Z., QIAO, J., & ZHANG, W. B. (2009). An Empirical Study on the Trade Compatibility of High-tech Products between China and the United States [J]. *Journal of Business Economics*, 8, 53-62.
- Yilmaz, B. (2005). The Foreign Trade Pattern and Foreign Trade Specialization in the European Union: A Comparison of Six New Member/Candidate Countries and the EU/15. *Eastern European Economics*, 43(5), 74-100.