



AFGHANISTAN: TRADE AND DEVELOPMENT

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Edited by
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August 26, 2021

(Views expressed in the brief are those of the author, and do not represent those of ISSI)

“It is inevitable that struggles which involve the very existence of peoples have had and will continue to have, as long and as often as they are repeated, a profound effect upon the nature of men, their attitudes and institutions,” noted Robert Park, a famous American sociologist, in his 1941 article ‘The Social Function of War.’ The present-day situation in Afghanistan echoes the observation.

The withdrawal of the US-led forces without establishing a sustainable governance system in Afghanistan has created an uncertain situation. The Taliban takeover has so far been peaceful and well-administered. They will need international recognition and support. The uncertain situation can either become chaotic or lead to an unprecedented sovereign era of development.

Taliban face the challenge of rehabilitating institutions, building infrastructure and human resources and establish good governance. Effective mechanisms shall have to be emplaced to circumvent the country’s relapse into conflict. Taliban cannot afford to pursue peace through another war, believably an unending one.

Amidst sound and fury around the Afghan issue, the cost of turmoil borne by the Afghan people is often ignored. Social, psychological and economic ramifications of a downturn in Afghanistan may spill over to the neighbourhood. Common citizens just seek a decent life

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and care less about either an inclusive or other government. Simple and timely interventions by the Taliban can obviate another wave of social catastrophe.

The promotion of trade would fit well into any strategy to build a better Afghanistan. Trade is contingent on the internal peace and cooperation of bordering States. External stakeholders must remain focused on empowering Afghan people in reaching an intra-Afghan settlement and trade promotion. Pakistan, China, Iran, Turkmenistan, Uzbekistan and Tajikistan have their roles clearly cut out in this regard.

History is replete with empirical evidence to suggest that better cross-border economic flows reduce conflict. Trade promoting ventures inter alia fully operational border, easy procedures and the flow of goods, services, labour, technology and capital ensure improved communication and understanding among societies. Regional forums like ASEAN that are built around such ventures, proportionally increase the appetite for maintaining cooperation and ensuring stable relations.

Unfortunately, South Asia has not been able to build ASEAN-type economic connectivity. Interestingly, Asia Pacific thrives within an approachable and cooperative economic environment. South Asia constitutes nearly 24 per cent of the world's population and is resource-rich. However, the largest South Asian country has created a climate that is inimical for regional trade. India's hegemonic aspirations have only drawn a deeper disconnect between member States. To alleviate their security dilemmas, India's neighbours divert limited resources—needed for development—to invest in defence.

Conversely, India uses China as a bogey to justify its military build-up and yet Beijing remains New Delhi's largest trading partner. India can only become worthy of the so-called 'net security provider' title if it becomes conscious of domestic development and regional stability. Such an unstable situation in land-locked Afghanistan's Eastern neighbourhood is an overload on its predicament of a stability lift-off. Its untapped natural resources and its strategic location in Central Asia remain its bane rather than a boon.

It was easier for the Taliban to return to power in twenty years but the real struggle has just begun. Let's grant them a victory over the US. But can they win over themselves and drag

Afghanistan out of its quagmire? They have shown pragmatism so far but governance is an animal difficult to tame.

For the economy and trade to prosper, Pak-Afghan synergy is one of the vital first steps. With a 2,000-kilometers-long contiguous border, Pakistan's sits centrally for transregional trade. According to the World Bank's country snapshot, Pakistan is Afghanistan's second-largest import (US\$299 million) and third-largest export (US\$1,103 million) market.

Afghan-Pakistan Transit Trade Agreement (APTTA) was bilaterally signed in 2010 and came into effect in 2011 for ten years. According to the FBR, around eight million Afghan transit trade containers passed through Pakistan carrying goods. Following its expiry in February this year, the formal revision of APPTA remained stuck in the political dynamics of the Pak-Afghan relationship of that stage. There is a need to revive it.

Business representatives in both countries mutually established Pakistan Afghanistan Joint Chamber of Commerce and Industry (PAJCCI), networking Chambers of Commerce of Karachi, Chaman, Khyber Pakhtunkhwa and Afghanistan. This private initiative jointly recognised and licensed trade entity focused on bringing their business communities together.

According to the evaluation of PAJCCI, trade remains hostage to negligence and trade deficit. If there is a conducive environment, trade can potentially jump between US\$5 to 10 billion. During PM Imran Khan's visit to Kabul in November 2020, both sides issued a shared vision to support peace and stability amongst them and the wider region.

India's revocation of the special status of IIOJ&K in August 2019 and Pakistan's decision to halt trade with India therefore, closed the eastern market routes for Afghanistan. In 2020, Advisor to the PM on commerce and investment expressed interest in signing a preferential trade agreement with Afghanistan. He also expressed interest in facilitating Afghan transit trade through Gwadar and Bin Qasim ports. The establishment of economic zones and tech-based initiatives was also on the agenda. These can be explored again with the new government in Kabul.

Likewise, Pakistan and Uzbekistan exchanged goods through Afghanistan in May 2021 for the first time under technical and financial support from USAID. If the US doesn't sanction

Afghanistan, USAID can continue to support this initiative. During their first trilateral meeting in February this year, officials from Pakistan, Afghanistan, and Uzbekistan agreed on the construction of a trans-Afghan railroad. They signed a roadmap aiming at linking Mazar-e-Sharif in Afghanistan. Construction of the Mazar-e-Sharif section was planned to start in September. Similarly, Tashkent had shown interest in Pakistan's ports. Pakistani goods, such as construction materials, food articles, pharmaceuticals, and fertilizers, will also find good markets in these countries.

Border management is one issue and trade facilitation is another. While staying focused on both, Pakistan is working on new initiatives and strengthening the old ones. The creation of economic zones and industrial states like Rashakai and investment incentives is intended to improve business. Sporadic inter-governmental and border issues must not upset the flow of people and trade goods across the Pak-Afghan border.

Regional geopolitics has been affecting trade. In past, the India factor worked to its detriment. India had been sidestepping Pakistan while promoting trade with Afghanistan. Several initiatives included the New Delhi-Kabul air freight corridor launched in 2016 and efforts for enhanced bilateral trade through Iran's Chabahar port until India was dropped in July 2020 from the 628-kilometres-long Chabahar-Zahedan rail project. It was to be extended to Zaranj across the border in Afghanistan.

Trade is central to ensuring win-win international relations because it improves productivity and integration into larger value chains. The contemporary dynamics of intra- and inter-State conflict and violence lie partly in the power struggles of conflicting parties. However, gaps within systems based on weak governance lapsed development, and sociocultural inequalities also fuel conflict and violence. International peace means peace within nations and their peoples. A country's trade statistics work to foretell its economic strength and eventually lead to political stability within and outside its borders.

In sum, the Taliban must take a fresh and sustainable approach to map out the mainstreaming of Afghanistan regionally. This calls for robust for sustainable development in Afghanistan and cooperative mechanisms with other States. The peace in Afghanistan and the region shall continue to depend on it.