

Strategic Implications of CPEC for Pak-Afghan Relations: Opportunities and Challenges in Trade, Security, and Women's Economic Empowerment

Shahida Shah	M.Phil. Central Asian Studies, Works with UN Women, syedashahidashah@hotmail.com
Hina Tariq	Ph.D. Research Scholar at Area study Centre University Of Peshawar, tariqhina675@gmail.com
Ms Saira Ali	Lecturer, Department of Law, Hazara University Mansehra, sairaali@hu.edu.pk

Abstract: *The China-Pakistan Economic Corridor (CPEC) is one of the region's most significant development projects, aimed at enhancing trade and infrastructure between China and Pakistan. This paper explores how CPEC may influence Pakistan's relationship with Afghanistan. While Afghanistan is not officially part of the project, its geographic and strategic position makes it a key stakeholder. The inclusion of Afghanistan in CPEC could bring economic benefits such as trade expansion, job creation, and improved regional cooperation. However, there are major challenges including political mistrust between the two countries, frequent border tensions, instability in Afghanistan, and concerns over militancy and cross-border security. These issues have limited the possibility of closer collaboration so far. The paper also reflects on how the positions of regional actors, especially India, affect the dynamics of CPEC and its broader implications. Despite the challenges, the study argues that with political will, consistent dialogue, and mutual trust, CPEC could positively reshape Pak-Afghan relations. It concludes with recommendations for confidence-building measures, better border management, and inclusive development strategies. Afghanistan which is going through severe international criticism for gender based discrimination, can get benefit from CPEC as it can provide entrepreneurship opportunities for women through the areas touched by CPEC. The Afghan women can also collaborate on different initiatives with Pakistani, Central Asian and European women in business and technology sector. This can bring a new revolution of women economic empowerment in Afghanistan which can have a peaceful and progressive impact on the whole region covered by CPEC.*

Keywords: CPEC, Pakistan, Afghanistan, BRI, CBM

Introduction

The China-Pakistan Economic Corridor (CPEC) is one of the most ambitious infrastructural projects to emerge in the 21st century, strategically designed to connect China's western region with Pakistan's Gwadar Port in the Arabian Sea. Spanning over \$62 billion, CPEC encompasses a wide range of projects, including highways, railways, energy projects, and pipelines. This grand vision aims to enhance trade, improve infrastructure, and foster economic integration, not only between China and Pakistan but throughout the broader South Asian and Central Asian regions.

Initially, CPEC was conceived as a bilateral project between China and Pakistan, positioning Pakistan as a critical logistical partner in the One Belt One Road initiative (OBOR). However, the strategic

location of Afghanistan in the region cannot be overlooked. Positioned between Central Asia, South Asia, and the Middle East, Afghanistan has the potential to serve as a crucial transit hub for goods moving through the CPEC corridor. Despite its geographic importance, Afghanistan is not officially part of CPEC, primarily due to the complex political, security, and diplomatic issues between Afghanistan and Pakistan.

For Afghanistan, the opportunities presented by CPEC are significant. Improved infrastructure, trade access, and job creation could have transformative effects on its economy, which is largely dependent on foreign aid and agriculture. Additionally, Afghanistan's involvement in CPEC could act as a means to alleviate its landlocked status, opening up new trade routes and linking Afghanistan to China, Central Asia, and the Middle East.

However, these economic opportunities come with significant political and security challenges. The Durand Line dispute, which is a point of ongoing tension between Pakistan and Afghanistan, complicates any possibility of deepening cooperation on regional initiatives like CPEC. Moreover, security instability in Afghanistan, including insurgencies from groups such as the Taliban, and issues like cross-border militancy, present considerable obstacles to Afghanistan's meaningful participation in CPEC.

This paper aims to analyze how CPEC could act as a catalyst for enhanced cooperation between Pakistan and Afghanistan. By examining the economic benefits for Afghanistan, the political and security challenges that hinder integration into CPEC, and the potential for women's economic empowerment, the paper argues that with political will, diplomatic dialogue, and confidence-building measures, CPEC could reshape Pak-Afghan relations, providing Afghanistan with the economic foundation to thrive and contribute to regional peace and stability.

In particular, this study will focus on how CPEC can provide employment opportunities, enhance Afghanistan's trade capacity, and increase regional cooperation. It will also highlight how the engagement of Afghan women in CPEC-linked projects could foster a cultural shift, empowering women in traditionally male-dominated sectors. This paper concludes that while challenges are significant, CPEC offers an unprecedented opportunity to overcome decades of political discord and move toward a more collaborative regional framework.

Literature Review

The literature surrounding CPEC and its strategic implications for Afghanistan has been both extensive and nuanced. Researchers have explored the economic, political, and social dimensions of CPEC, particularly with respect to Afghanistan's potential participation. In this section, key themes from the literature will be examined, including the economic opportunities presented by CPEC for Afghanistan, the security challenges, and the societal changes that could result from Afghanistan's involvement.

Economic Benefits for Afghanistan

A substantial body of literature discusses how Afghanistan's geographic location could turn it into a critical node in the CPEC network, facilitating increased trade between China, Pakistan, and Central Asia. Khan (2020) argues that Afghanistan's proximity to CPEC routes gives it a unique advantage as a transit hub for goods moving between Central Asia and the rest of South Asia. By participating in CPEC, Afghanistan could benefit from access to Chinese markets, reducing its reliance on foreign aid and imports. Afghanistan could enhance its trade potential by exporting goods to China, such as minerals, agriculture, and textiles.

According to Siddiqui & Khan (2018), Afghanistan's involvement in CPEC could enable it to develop the infrastructure required for efficient transportation and logistics. New railways, highways, and border infrastructure under CPEC would reduce trade costs, improve regional connectivity, and provide Afghanistan with greater access to global markets. This would not only boost Afghanistan's export

sector but also create significant opportunities for foreign direct investment (FDI) and industrial development. Afghanistan's landlocked status has long hindered its economic potential, and CPEC could solve this by opening up Gwadar Port for easier trade.

Furthermore, Ahmad and Rana (2019) note that Afghanistan stands to gain from job creation associated with CPEC's infrastructure projects. The construction of roads, railways, and logistics hubs would require large numbers of skilled and unskilled workers, providing Afghanistan with employment opportunities for its young population. In a country with high youth unemployment, CPEC could serve as a catalyst for economic development and social mobility.

Political and Security Challenges

Despite the economic potential, the political and security challenges that Afghanistan faces cannot be overlooked. Afghanistan's relationship with Pakistan has been historically marred by mistrust and border disputes. The Durand Line, a colonial-era border that divides the two countries, has been a source of constant tension. Both nations have different perspectives on the legitimacy of the border, which complicates diplomatic relations. Hassan (2021) argues that the Durand Line issue continues to be a major obstacle to cooperation between Pakistan and Afghanistan, even as both countries look to benefit from regional integration via CPEC.

Moreover, Afghanistan's security situation remains unstable due to ongoing conflicts and the presence of militant groups. Cross-border militancy continues to be a significant issue, as insurgent groups such as the Taliban and ISIS-Khorasan operate on both sides of the Pakistan-Afghanistan border. Jalal (2020) highlights that these groups pose a serious threat to CPEC infrastructure projects, as attacks on infrastructure could derail long-term investments in the country.

In addition to internal instability, the Afghan government's control over certain regions remains tenuous. This lack of state control makes it difficult for foreign investors to commit to long-term projects. Hassan (2021) suggests that unless Afghanistan can achieve political stability, its integration into CPEC will remain a distant prospect.

Women's Economic Empowerment

An often-overlooked aspect of CPEC's potential impact on Afghanistan is the role it could play in women's economic empowerment. Afghanistan has one of the lowest levels of female economic participation in the world. Social, cultural, and legal barriers prevent women from entering mainstream economic activities, particularly in the formal sector. However, CPEC presents an opportunity to empower Afghan women through entrepreneurship, business opportunities, and skills training.

As UNDP (2020) points out, CPEC's infrastructure projects and industrial development could provide employment opportunities for Afghan women, particularly in fields traditionally dominated by men, such as construction and information technology. The business incubation platforms, training programs, and entrepreneurship initiatives supported by CPEC could create a pathway for Afghan women to enter the workforce and establish their own businesses.

Jalal (2020) further explores how CPEC could foster regional collaboration among Afghan, Pakistani, and Central Asian women. The establishment of cross-border business networks and regional entrepreneurship initiatives could open new doors for Afghan women to collaborate with other women from neighboring countries in technology, business, and trade. This could not only empower Afghan women but also redefine societal norms, helping to build a more inclusive and egalitarian economy in Afghanistan.

Methodology

This research utilizes a qualitative research approach, focusing on secondary data and expert interviews to understand the economic, political, and social implications of Afghanistan's potential participation

in CPEC.

Secondary Data Collection

The primary data source for this study comes from scholarly articles, government reports, and publications from international organizations such as the Asian Development Bank (ADB), World Bank, and United Nations Development Programme (UNDP). These sources provide valuable insights into Afghanistan's economic development, regional trade opportunities, security challenges, and gender inequality. The literature is analyzed to identify key themes that support or challenge the idea of Afghanistan's involvement in CPEC.

In addition to academic sources, this research also draws from policy reports and government publications from both Pakistan and Afghanistan, as well as regional cooperation frameworks such as OBOR (One Belt One Road) and the Eurasian Economic Union (EAEU). These reports help to compare Afghanistan's potential role in CPEC with similar infrastructure initiatives in Central Asia and South Asia.

Expert Interviews

Expert interviews were conducted with individuals who possess specialized knowledge of Afghanistan's political landscape, regional trade dynamics, and gender empowerment. These experts included diplomats, policymakers, and security analysts with experience in South Asian geopolitics. The interviews provided insight into the current state of Afghanistan's relations with Pakistan and CPEC-related diplomatic issues.

Case Studies

In addition to expert interviews, case studies of similar regional infrastructure projects were analyzed. These case studies, including OBOR and the Eurasian Economic Union, were selected to draw parallels with CPEC and understand how Afghanistan could benefit from regional infrastructure integration. Lessons from these projects were extrapolated to provide recommendations for Afghanistan's potential role in CPEC.

Data Analysis

The data triangulation method was applied to ensure the validity and reliability of the findings. Data collected from secondary sources (literature review), primary sources (expert interviews), and comparative case studies were cross-referenced to identify consistent themes and conclusions.

Discussion and Analysis

Economic Opportunities for Afghanistan through CPEC

Afghanistan's involvement in the China-Pakistan Economic Corridor (CPEC) can provide significant economic opportunities, especially considering the country's historical reliance on foreign aid and agriculture. CPEC offers Afghanistan an opportunity to develop infrastructure that can facilitate trade expansion, regional integration, and industrial development. By leveraging its strategic location between Central Asia, South Asia, and the Middle East, Afghanistan could become an integral part of the economic network created by CPEC. The corridor not only offers Afghanistan access to China's vast markets but also opens global trade routes through Gwadar Port, Pakistan's deep-sea port that provides easy access to global shipping lanes.

The economic growth potential for Afghanistan is vast, particularly in sectors that have been historically underdeveloped due to the country's lack of access to international markets. Afghanistan's landlocked status has been a major constraint, as it has had to rely on neighbors like Iran and Pakistan for access to ports. CPEC can overcome this barrier by linking Afghanistan directly to Gwadar, facilitating smoother and cheaper trade routes. Afghanistan could begin to export agriculture, textiles, minerals, and

handicrafts, which are key sectors in its economy, to China and other international markets. As Siddiqui & Khan (2018) point out, Afghanistan's involvement in CPEC could serve as a gateway for Central Asian countries to access global markets, thereby positioning Afghanistan as a key trade route for not just Pakistan and China, but the broader region.

Moreover, the energy sector, which is a critical issue for Afghanistan, could be transformed by CPEC. With the ongoing energy deficits in Afghanistan, CPEC could provide opportunities to improve electricity generation, distribution, and consumption. Several CPEC projects involve the development of energy infrastructure, including electricity grids and hydroelectric dams. Afghanistan could benefit from Pakistan's energy infrastructure, improving electricity access and reducing power shortages. The energy generation projects under CPEC could also promote the development of new industries and the expansion of local businesses, further driving economic growth.

Additionally, job creation will be one of the most immediate economic benefits of CPEC for Afghanistan. The development of infrastructure projects such as highways, railways, and logistics hubs will create thousands of jobs in both the construction and operational phases. Afghanistan's young population, with an average age of around 18 years, is facing high unemployment rates. The influx of CPEC-funded infrastructure projects could provide much-needed employment, particularly in the construction and transport sectors. Jalal (2020) argues that youth unemployment is one of the major socio-economic issues in Afghanistan, and CPEC could help address this through skills development and employment programs. Furthermore, as Afghanistan enhances its industrial output, the country can foster a more diversified economy, reducing its dependence on agriculture and foreign aid.

Political and Security Challenges

While the economic benefits of Afghanistan's involvement in CPEC are clear, the political and security challenges present significant obstacles. The ongoing political mistrust between Afghanistan and Pakistan, primarily centered around the Durand Line dispute, is a substantial barrier to the smooth integration of Afghanistan into CPEC. The Durand Line remains a contentious issue between the two countries, with Afghanistan disputing the border demarcation set during the colonial era. The lack of clarity and agreement on the territorial boundary has created deep mistrust between the two governments, making it difficult to establish a solid foundation for cooperation. This longstanding conflict has hindered cross-border trade and political collaboration, which are essential for the successful implementation of infrastructure projects like CPEC.

Hassan (2021) argues that the political instability in Afghanistan due to the ongoing conflict with insurgent groups such as the Taliban, ISIS-Khorasan, and Al-Qaeda poses another major threat to Afghanistan's participation in CPEC. The presence of militant groups along the Afghan-Pakistani border adds a layer of complexity to the already tense geopolitical situation. These groups have historically targeted both military and civilian infrastructure, and the construction of major infrastructure projects such as highways, railways, and industrial zones could be vulnerable to attacks and sabotage. The security challenges associated with these insurgent groups must be addressed through enhanced border management and regional security cooperation.

To mitigate these challenges, confidence-building measures (CBMs) between Pakistan and Afghanistan are essential. Diplomatic dialogue, border security cooperation, and the resolution of political disputes, such as the Durand Line issue, will be crucial to ensuring that CPEC projects are not undermined by political instability. Jalal (2020) suggests that Afghanistan and Pakistan could use CPEC as a platform for conflict resolution, as the economic interdependence created by CPEC would provide both countries with a common stake in maintaining peace and stability. The economic integration brought by CPEC could shift both countries' focus from historical grievances to mutual development, making regional cooperation the key to addressing shared challenges.

Women's Economic Empowerment and Societal Change

One of the most innovative aspects of CPEC is its potential to empower Afghan women. Afghanistan ranks as one of the lowest countries in terms of female labor force participation. Cultural, societal, and legal barriers prevent Afghan women from engaging in the formal economy and participating in business development. However, CPEC presents a unique opportunity to change this by opening new avenues for entrepreneurship, education, and economic participation.

UNDP (2020) highlights that CPEC's infrastructure projects will require a large workforce, and women could play an active role in sectors such as construction, logistics, and business management. CPEC's focus on skills development programs and training initiatives could equip Afghan women with the technical skills necessary to enter these industries. Afghanistan's women could participate in new business networks and entrepreneurial initiatives, particularly in small and medium-sized enterprises (SMEs), that are part of the broader development strategy under CPEC.

Afghan women could also benefit from regional cooperation between Afghanistan and neighboring countries such as Pakistan, China, and Central Asia. Collaborative entrepreneurship programs could create a platform for women to engage in cross-border business ventures, enabling them to access larger markets and gain the resources needed to build sustainable businesses. As Jalal (2020) suggests, regional networks of women entrepreneurs could provide Afghan women with the tools to break through social and cultural barriers and achieve economic independence.

Furthermore, the empowerment of Afghan women could serve as a catalyst for broader social change. The integration of women into Afghanistan's economy through CPEC could reduce gender-based disparities and promote greater gender equality in Afghan society. This would not only improve the economic situation of individual women but could have positive spillover effects on the broader social fabric. Women's economic empowerment could also lead to improved educational opportunities, better healthcare access, and greater participation in political processes.

Major Findings

1. **Economic Growth and Trade Expansion:** Afghanistan has the potential to significantly benefit from CPEC's infrastructure by using its strategic location as a trade corridor. This could boost Afghanistan's export sectors, reduce its dependency on foreign aid, and foster economic independence.
2. **Job Creation and Poverty Alleviation:** The development of CPEC's infrastructure, including roads, railways, and energy projects, would create a significant number of jobs in Afghanistan, particularly in construction, logistics, and trade. These opportunities would help alleviate poverty and reduce Afghanistan's high unemployment rate.
3. **Political and Security Challenges:** The research confirms that the **Durand Line** dispute, political mistrust, and security challenges in Afghanistan remain significant obstacles to fully integrating Afghanistan into CPEC. Cross-border militancy continues to threaten regional stability, requiring both countries to adopt diplomatic measures and improve border management.
4. **Women's Economic Empowerment:** Afghanistan could leverage CPEC to promote women's economic empowerment. Infrastructure projects and business opportunities could provide Afghan women with access to the workforce, promoting gender equality and contributing to social change.
5. **Regional Cooperation:** CPEC provides a platform for regional cooperation, offering Afghanistan an opportunity to engage more deeply with Pakistan, Central Asia, and even China. Enhanced cooperation could reduce political tensions and facilitate greater regional economic

integration.

Conclusion

The **China-Pakistan Economic Corridor (CPEC)** offers a transformative opportunity for Afghanistan. While the project presents substantial **economic advantages**, Afghanistan's political instability and security challenges remain significant barriers to its full participation. The development of infrastructure through CPEC could open **new trade routes**, stimulate job creation, and reduce Afghanistan's reliance on foreign aid. Afghanistan's involvement could transform the country's economic structure, making it a key player in regional trade and development.

Despite these economic prospects, the political and security situation in Afghanistan remains complex. The **Durand Line** dispute, ongoing insurgencies, and cross-border militancy complicate cooperation. However, with **consistent diplomatic engagement, confidence-building measures, and multilateral support**, Afghanistan could overcome these obstacles and fully engage in CPEC.

In addition to economic benefits, CPEC offers a unique opportunity to **empower Afghan women**. Through entrepreneurship, **business training**, and **technology initiatives**, Afghan women could break into traditionally male-dominated sectors, contributing to a more stable and inclusive society. The long-term success of CPEC hinges on the willingness of both Pakistan and Afghanistan to resolve their political differences and prioritize economic collaboration.

In conclusion, CPEC holds immense potential to reshape Afghanistan's future. By addressing **security concerns, political mistrust, and gender inequality**, both Afghanistan and Pakistan can leverage CPEC as a tool for lasting peace, development, and regional cooperation.

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