

Hassan Daud Butt

The Perspective from Pakistan: Role of the BRI for Afghanistan Reconstruction

Mr. Butt is the CEO of the Khyber Pakhtunkhwa Province Board of Investment in Pakistan. This is an edited transcript of his presentation to the July 31, 2021 Schiller Institute conference, “Afghanistan: A Turning Point in History After the Failed Regime-Change Era.” Subheads have been added.



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Good Morning, good evening, good afternoon, from wherever you are. It's an honor and a privilege to be amongst the kind of speakers who spoke earlier, and the one that will be following. This gives us a good opportunity to speak on a development agenda, as most of the speakers have highlighted: an integrated structure, where each one of us benefits. It's a win-win situation. It cannot be transactional; it has to be win-win, and it has to continue.

I'm so happy that we are talking at an extraordinary time when the world is focused on a post-U.S. withdrawal from Afghanistan and its possible impact on the regional economies. Please remember that I represent a region which is in transition, confronted by a number of challenges, including creating employment opportunities, poverty reduction, development, and boosting sustainable industrial growth.

Together, we need to find fast solutions to these issues and impart a path of stability for ourselves and our friends in Afghanistan, and not to get into any further waste of time. I would say, that we have gone in the last 10 years into a “Thucydides Trap,” as Graham Allison has mentioned in his book.

Ladies and Gentlemen,

As a professional working on economic growth through projects, I believe that regional conflicts and bitter politics have traditionally impeded economic cooperation in the region, which remains one of the least integrated and least cooperative regions in the world, with minimal movement of goods, individuals and investment across the countries.

This situation, I believe, can change with the Belt and Road Initiative (BRI), and the China-Pakistan Economic Corridor (CPEC), which I also strongly believe are the beacon of hope toward a prosperous future, especially in the case when China withdraws and regional and neighboring countries have a very important and significant role to play.

Ladies and Gentlemen,

Our solution to all this can be by a focused approach toward completion of these initiatives that were mentioned earlier, like the Karak Development Authority (KDA), the CPEC, the BRI, and the other initiatives which are connecting from the Wakhan border all the way to Gwadar. Naturally, the CPEC project in my country is connecting Pakistan with the railways and road networks of Afghanistan, China, and Central Asia, and offers a unique opportunity of capitalizing on transforming geo-economic realities.

And, from a point of regional peace, we're talking about regional growth and economic development. I believe that a stable Afghanistan, would, in turn, offer unprecedented opportunities for regional cooperation and development. In such a scenario, the regional countries and neighbors of Afghanistan, including the five Central Asian countries, have much to gain and much to offer, politically and economically in support of a stable, peaceful Afghanistan, which is now hoping for a better future.

Ladies and Gentlemen,

The China-Pakistan Economic Corridor—and I'm a little biased, because I've been the project director of this, and I see a lot of hope around the BRI, and also around the CPEC, which is the flagship project of the BRI—has brought much needed development in needed infrastructure, and in meeting energy requirements, and regional integration to put Pakistan in a position to become a regional trans-shipment and logistics hub.

There's a reason I'm building a case around this, so just bear with me for what I'm saying, and later I'll link it with the development in Afghanistan.

It is happening that Pakistan is leveraging its natural

endowment, and through its industrial cooperation, is venturing into new avenues to become an export-led economy. I believe that these developments, through CPEC and BRI, if extended to Afghanistan, could help boost Afghanistan exports, which are not now in a very good state, especially when I look at the numbers vis-à-vis Pakistan exports to Afghanistan, and Afghanistan's exports to Pakistan and the rest of the world. I believe [that through] the two initiatives of regional integration through seamless, unimpeded trade, Afghanistan can help boost their exports, which is conducive to the country's search for peace.

Pakistan and China have repeatedly shown an interest in regional connectivity, as CPEC's extension into a stable Afghanistan. China and Pakistan can help build and improve infrastructure between Afghanistan and Pakistan, and facilitate our economic linkages.

Through this road and rail integration, Ladies and Gentlemen, I believe that in less than two years a stable Afghanistan will be in a position to export goods, raw materials, and locally-manufactured goods to a large consumer market in Pakistan, the Central Asian republics, Iran, and much beyond, through a stable economy.

I also believe that if such stability comes in Afghanistan, which I hope it will, investors from China and under the umbrella BRI can help in establishing special economic zones like the ones they have established in Pakistan and other countries. The capacity of the Chinese can help build capacity of Afghani enterprises in building partnerships and necessary regulations to accrue desired results and jointly working on attracting foreign direct investment.

I work in a province which is a neighboring province of Afghanistan, and I see a lot of investors looking at opportunities of coming and investing in Pakistan as a stepping stone for exporting their goods to Afghanistan. Likewise, I think if investors can come into Afghanistan, they can export to Pakistan, which is a large consumer market.

This would also happen to foster people-to-people contacts, which are strong pillars of the BRI and also CPEC. Similarly, Afghanistan in the next stage can also work on developing linkages in academia, R&D, agriculture, and other areas, helping in economic reconstruction, and creating opportunities for our hard-working Afghan friends.

I have the privilege of teaching some Afghani students where I teach in one of the Pakistani universities, and I find them extremely pragmatic and industrious in their approach and ready to rebuild their country and

embark on the journey to peace and stability.

So, therefore, along with CPEC, we may leverage the Karak initiative for an inclusive approach to regional cooperation. In the earlier session [of today's conference], there was a discussion on railway connectivity, connecting Zahedan, connecting to Torkham and all the way to the northern areas of Afghanistan, and then to Central Asia, so I will not talk too much about it. But I would like to highlight how, through these initiatives and projects, Pakistan is leveraging its natural endowment, and if these are extended to Afghanistan, I think Afghanistan, very easily and in a very short time, can [similarly] leverage [its endowments], through an integrated and peaceful approach.

Like, for instance, in Pakistan today, 22 projects worth US\$28 billion are underway, transforming the future of Pakistan, especially Balochistan. Similarly, a prosperous social-economic developed agriculture will develop, and with road and rail connectivity, Afghanistan, through the BRI, will make the region stronger and its people wealthier.

However, all this needs a joint effort to convert the possibility of a *security spill-over*, which we all fear—and I saw a lot of discussion on that earlier, and perhaps also later on—we can convert this into an *economic spillover*, which can be advantageous for almost all of us in developing a model of collaboration, partnership, connectivity, and *shared* prosperity, and enter a new and distinct phase along the path of economic growth through industrial and agricultural cooperation, entering the period of maturity, which is so important: an indigenous mechanism for sustainable economic growth being put in place in an attempt to forge a commitment to end the nightmare and the suffering of the people of Afghanistan.

For several years, many countries have maintained an aggressive military posture in Afghanistan. Through joint effort, we can give dividends of peace, stability, and development a chance.

I would recommend that we mobilize all our resources for regional connectivity, through an *aggressive* strategy and a serious commitment to address the concerns. We may continue to use technology to showcase our strengths, and I believe that we must involve scholars, civil societies, chambers of commerce, by engaging business leaders from all regional countries in policy dialogue, and have similar seminars, both at home and abroad, in Afghanistan, and of course Pakistan, with a clear plan of action to thwart any threat to the initiative, to peace.

I believe these initiatives have the potential to transform the region and revive the spirit of the ancient Silk Road, in which Afghanistan and Pakistan were a confluence of trade and logistics.

I believe that we share a lot of culture and regional and religious integration, and I hope and believe,

from what I've seen, in regional stability and peace; and through an integrated approach, we can really give peace the kind of chance that it needs, and make this region stable, and the world a better place to live.

Thank you very much.

Hussein Askary

Put Afghanistan on the Belt and Road to Peace

Hussein Askary is Southwest Asia coordinator for the Schiller Institute. This is an edited transcript of his presentation to the July 31, 2021 Schiller Institute conference, "Afghanistan: A Turning Point in History After the Failed Regime-Change Era." Subheads have been added.

My presentation is titled, "Put Afghanistan on the Belt and Road to Peace," because I believe that the quickest way to start the reconstruction of Afghanistan, and to achieve peace and stability in and around the country, is through economic development. This can be reached through integration with the already available Belt and Road Initiative (BRI).

The government of Afghanistan, even while under U.S. and NATO influence, formally joined the BRI in 2016, signing a Memorandum of Understanding with the Chinese Foreign Ministry. In 2017 Afghanistan joined the Asian Infrastructure Investment Bank (AIIB), which is an offshoot of the Belt and Road Initiative. While the Taliban were not part of this process, in the meeting of their representative with the Chinese Foreign Minister Wang Yi in Tianjin this week, he called on the Chinese side to contribute to the reconstruction of the Afghan economy. So, there is a consensus among the rival forces in Afghanistan, at least on this point. But, this is a very, very important point.

China, which is the world's largest in-



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frastructure builder and financier, has shown a clear willingness to do that in both statements and actions in discussions with the Afghanistan representatives and their neighbors. There are clear mechanisms that are already in place all around Afghanistan, but never affected that country, due to the failed policy of the war on terrorism, but that failed policy can now be replaced with a new one, as Helga Zepp-LaRouche said in her keynote [presentation](#) to this conference.

Interestingly, the BRI was included in the United Nations mission to Afghanistan after 2001, and in Article 34 of the 2017 United Nations Security Council Resolution #2344.

FIGURE 1
Topographical Map of Afghanistan

