

CAUTION AT THE CROSSROADS: HOW CHINA POSITIONS ITSELF IN TALIBAN-RULED AFGHANISTAN WITHOUT GOING ALL IN

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This issue brief examines China's engagement with Taliban-ruled Afghanistan since August 2021 through four linked dimensions: connectivity and Belt and Road Initiative planning, diplomatic normalization, economic engagement in energy and minerals, and the security calculus linking Xinjiang, Pakistan, and Central Asia. It argues that Beijing's strategy is best understood as incremental positioning rather than rapid transformation—locking in option-value positions in resources and infrastructure while avoiding high sunk costs or formal recognition. Recent developments, including attacks on Chinese nationals in Kabul and worsening Pakistan-Afghanistan tensions, suggest China is entering a phase of long-term strategic caution: maintaining diplomatic engagement and border security infrastructure while limiting physical commercial exposure.

Introduction

The collapse of the United States-backed Islamic Republic and the Taliban's return to power in August 2021 reshaped the geopolitical landscape around Afghanistan. For China, the American withdrawal removed a longstanding strategic irritant on its western periphery but also produced a vacuum in which instability, jihadist networks, and economic collapse could spill into Xinjiang, Pakistan, and Central Asia. Beijing's core interests in Afghanistan are threefold: preventing

the country from becoming a haven for anti-Chinese militant groups linked to Uyghur causes; preserving Afghanistan's potential as a transit node within wider Belt and Road connectivity; and positioning Chinese firms for long-term opportunities in copper, iron ore, rare earths, and possible lithium development.¹

Yet China is acutely aware of Afghanistan's reputation as a graveyard for external powers

and of the difficulty both the Soviet Union and the United States faced in converting military and financial power into sustainable political influence. Its post-2021 engagement has therefore been pragmatic, selective, and heavily mediated through Pakistan rather than a sweeping attempt to replace the West. The most useful way to understand Beijing's approach is not as strategic conversion but as incremental positioning: preserving influence, access, and optionality while minimizing overexposure.

China's Eurasian Connectivity Vision and Afghanistan

Even before the Taliban's return, Chinese planners had begun to describe Afghanistan as a missing link in the overland map connecting Xinjiang to Central and South Asia. The China-Pakistan Economic Corridor (CPEC) provided the backbone, while the China-Afghanistan-Pakistan trilateral dialogue increasingly framed

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Afghanistan as a future regional connectivity hub. Joint statements called for extending CPEC into Afghan territory through roads, logistics, and related infrastructure, while Pakistan repeatedly assured Beijing that economic integration could help temper Afghan instability.²

At the same time, China experimented with lower-cost integration measures. It expanded imports of Afghan pine nuts, granted broad tariff concessions to Afghan goods, and publicized trade facilitation as evidence that, unlike Western powers, Beijing was prepared to treat Afghanistan as an economic partner as well as a security problem. These initiatives were modest in scale, but they kept alive a narrative in which Afghanistan was potentially connectable rather than permanently marginal.

The Taliban takeover did not alter this logic so much as intensify it. Kabul embraced Belt and Road rhetoric and called for CPEC's extension into Afghanistan, while Chinese and Pakistani officials echoed language about hard connectivity in infrastructure and soft connectivity in customs and standards.³

Yet geography and politics remain forbidding. Any overland route linking Xinjiang, Pakistan, and Afghanistan must pass through difficult terrain and politically contested spaces, including Pakistan-occupied Kashmir and insurgency-hit Balochistan. From India's perspective, Chinese-backed connectivity through these areas carries strategic and sovereignty costs, making much of the corridor rhetoric appear more aspirational than imminent.⁴

This restraint is deliberate and rooted in a wider reading of China's interests. Beijing judges that Afghanistan matters, but not enough to justify unlimited commitments, given that it is already managing slowing domestic growth, demographic pressures, fiscal strains, and a more contested international environment.

At the same time, it offers enough engagement to preserve diplomatic relevance, to test commercial openings, and to maintain a say in regional security discussions, but it leaves room to step back if costs spike or partners falter. In practice, this means that Beijing prefers modular, reversible commitments to sweeping, symbolic pledges that could harden into obligations. Small trade schemes, exploratory contracts, and carefully framed diplomatic initiatives can be expanded if conditions improve or quietly scaled down if they do not.

That approach also reflects a sober assessment of what China can plausibly achieve. Afghan politics remain fragmented, Taliban governance capacity is limited, and the surrounding region is marked by rivalry among Pakistan, India, Iran, Russia, and Western actors. No external power can simply engineer stability on demand. By avoiding grand promises, China hopes to avoid being cast as the next patron expected to solve Afghanistan's problems or bankroll its reconstruction.

Instead, it presents itself as one important partner among several, focused on specific projects and narrow security concerns. Critics argue that this limits Beijing's ability to shape outcomes, but the Chinese calculation is that influence gained through restraint may prove more durable than influence bought at great cost. If other actors remain unwilling or unable to offer Afghanistan a comprehensive economic vision, even a cautious China will still loom large.

Conversely, if conditions deteriorate, a light but carefully structured footprint makes it easier for Beijing to protect its own citizens and assets, recalibrate its ambitions, and redirect resources to priorities closer to home.

In this sense, Afghanistan functions as a reminder that for China, as for other powers, strategy is as much about what not to do as about what to pursue. This restraint is deliberate and rooted

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Diplomatic and Political Engagement with the Taliban

In the immediate aftermath of August 2021, China adopted a wait-and-see posture. Its embassy in Kabul remained open, but diplomacy was initially conducted through a chargé d'affaires, and Beijing publicly tied recognition of the new regime to the Taliban's performance in counter-terrorism and governance. From 2023 onward, however, China moved toward normalization without paying the full political costs of formal

recognition. In September 2023, it appointed a new ambassador to Kabul, becoming the first country to do so after the Taliban takeover. In December, it accepted the credentials of a Taliban-appointed ambassador in Beijing.⁵

Chinese officials described these as normal diplomatic arrangements, but together they amounted to de facto recognition. For the Taliban, the ambassadorial exchange provided a powerful symbol of international acceptance. For Beijing, it created a stable, high-level channel for managing security concerns, regional diplomacy, and commercial interests, while retaining formal ambiguity over recognition.⁶

China also moved to include the Taliban in selected regional and multilateral forums on its own terms. Taliban representatives attended meetings of Afghanistan's neighbors and the third Belt and Road Forum in Beijing in October 2023. This calibrated inclusion allowed China to present itself as a pragmatic problem-solver

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willing to engage where Western actors hesitated, while reinforcing the narrative that Afghanistan should be integrated into regional diplomacy rather than isolated from it.⁷

Economic Engagement: Energy, Minerals, and Trade

China's most visible post-2021 commercial move in Afghanistan was the January 2023 contract with Xinjiang Central Asia Petroleum and Gas Co. to develop the Amu Darya oil basin in northern Afghanistan.⁸ The 25-year agreement envisaged substantial investment and supporting infrastructure.⁹ For Beijing, the contract mattered as much for signaling as for supply: it demonstrated that Chinese firms were willing to operate under Taliban rule even as most foreign investors remained hesitant. For the Taliban, it suggested that Afghanistan could still attract serious outside capital despite sanctions and diplomatic isolation.¹⁰

Progress, however, has been slow. Security risks, weak regulation, unresolved profit-sharing questions, and Afghanistan's institutional fragility constrain implementation. These obstacles also shape China's broader approach to Afghanistan's mineral sector. Outside analysts have noted the appeal of Afghan copper, rare earths, and lithium to China's long-term resource security strategy, but they have also stressed that investment remains a long shot under current conditions.¹¹

Beyond extractives, Beijing has extended trade concessions intended to provide Afghanistan with at least limited access to the Chinese market. Imports such as pine nuts have been heavily publicized as small win-win stories for Afghan producers and Chinese consumers. Politically, these flows allow China to sustain the claim that Afghanistan's path to stability runs through integration into Chinese-led trade and infrastructure networks, even while flagship projects remain tentative and reversible.

Security Calculus: Xinjiang, Khunjerab, and Perimeter Defense

China's engagement with the Taliban is driven as much by security fears as by economic opportunity. Beijing has consistently insisted that Afghan territory must not be used by groups targeting China, especially Uyghur militants operating under labels such as ETIM or TIP. It has linked deeper cooperation and any future recognition to Taliban performance on counter-terrorism while watching closely whether Taliban promises translate into sustained constraints on cross-border militancy.¹²

At the same time, Beijing has concentrated its security posture on the edges of Afghanistan rather than deep inside the country. The Khunjerab Pass, linking Xinjiang with Pakistan's Karakoram Highway, has become a critical node where corridor infrastructure and surveillance intersect. New air links from Taxkorgan, upgraded transport facilities, and broader discussion of smart-border defenses all suggest that China's preferred model is perimeter defense: facilitating commerce while building early-warning and rapid-response capacity against spillover threats.¹³

This border-focused approach reflects a broader logic. China wants Taliban cooperation but does not want to bear the burden of stabilizing Afghanistan. The result is a strategy that prizes insulation over intervention and hardened corridors over expansive presence.

For Afghanistan, Chinese engagement offers modest lifelines in trade, selective investment, and diplomatic access, but it falls far short of a comprehensive reconstruction agenda. At the regional level, it adds another layer to an already complex strategic environment, shaped by Pakistan's fragility, India-China rivalry, Central Asian anxieties, and Western disengagement. Looking ahead, China's role will hinge on Taliban performance against militant threats, Pakistan's

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internal stability, and Beijing's own assessment of the returns to deeper involvement.

For Chinese planners, this emphasis on managing exposure at the frontier reflects broader debates about how far to stretch limited security resources along Belt and Road routes without creating new liabilities. Afghanistan thus joins a wider set of fragile environments where Beijing wants influence and access but remains wary.

Regional Responses and Strategic Implications

Pakistan remains central to China's Afghan strategy. Islamabad has long championed the idea of Afghanistan as an extension of CPEC and worked closely with Beijing to align diplomatic

messaging and security policy. Yet Pakistan's own fragility limits its reliability. Economic crisis, political turmoil, and rising TTP violence have made Pakistan less of a dependable broker than a potential liability. By 2025, analysts were already describing China as increasingly uneasy with the direction of Pakistan-Afghanistan tensions.¹⁴

The deterioration deepened after Pakistan's 2023 deportation campaign against undocumented Afghans. The expulsions triggered Taliban backlash and international criticism, while adding a humanitarian crisis to an already poisoned bilateral relationship. For Beijing, the episode revealed the limits of Pakistani leverage and underlined that any strategy built on a Pakistan-Afghanistan condominium underwritten by China rests on fragile foundations.¹⁵

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reluctant crisis manager. China hosted talks in Urumqi in late March and early April 2026 that focused on de-escalation, ceasefire efforts, and reopening the border. *Reuters* reported that Pakistan and Afghanistan agreed to avoid further escalation and to explore a comprehensive solution, even as China continued to publicly support deeper trilateral engagement and an eventual extension of CPEC into Afghanistan.¹⁶

Yet the limits of Chinese crisis diplomacy are as telling as its ambitions. Beijing is neither willing nor able to resolve the structural drivers of Pakistan-Afghanistan friction, including the contested border, the TTP sanctuary problem, and the mismatch between Pakistan's expectations and the Taliban's ideological affinities. Instead, China is trying to cap escalation, protect its workers and projects, and keep alive a regional connectivity vision that remains more fragile than official rhetoric implies.

India, meanwhile, has maintained a skeptical stance toward Chinese activism in Afghanistan. New Delhi opposes CPEC because it runs through Pakistan-occupied Kashmir and views deeper China-Taliban-Pakistan coordination as potentially reinforcing a hostile alignment across India's northern and western frontiers. Pakistan's parallel accusations that India backs militant networks operating through Afghanistan and Balochistan only deepen the insecurity surrounding Chinese projects and personnel.¹⁷

Western states have offered humanitarian aid and limited engagement on counter-terrorism and women's rights, but have not proposed any alternative integration vision that could rival Belt and Road rhetoric, even on paper. The result is a crowded but not yet fully competitive landscape in which China is the most assertive major power engaging the Taliban, yet still conspicuously hedged in practice.

Unless those variables shift dramatically,

Afghanistan is likely to remain, for China, less a central pillar of the Belt and Road than a testing ground for cautious engagement amid enduring uncertainty. For now, Beijing appears committed to strategic patience: locking in option-value positions in resources and connectivity, expanding its security footprint along vital corridors, and normalizing engagement with the Taliban while avoiding high sunk costs or formal recognition.

Conclusion: Incrementalism over Transformation

China's role in Taliban-ruled Afghanistan since 2021 is best understood as a project of incremental positioning rather than sweeping transformation. Beijing has gone further than most major powers in normalizing relations with the Taliban, securing headline-grabbing oil contracts, and keeping open the possibility of future mining and connectivity expansion. Yet implementation remains slow, conditional, and reversible. China is present, but carefully so.

At the same time, Beijing has invested heavily in securing the frontier spaces connecting Xinjiang, Pakistan, and Afghanistan through smart-border initiatives, new air links, and tighter coordination along critical corridors. These measures suggest that China's primary concern is to insulate itself from instability while preserving the option of deeper economic involvement if conditions improve.

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Endnotes

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