

TO STUDY THE EFFECT OF TALIBAN ON INDIA'S TRADE RELATIONS WITH AFGHANISTAN

Shallu Devi

Research Scholar

Email : shalludevishallu7@gmail.com

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Abstract

India's relationship with Afghanistan varies in various fields ranging from Afghan students studying in India to India providing medical services, infrastructure-based services, and mainly trade services which is crucial to both the countries for which India has been working for decades to establish a route for enhanced connection of trade, energy, and transit from Central Asian region to South Asian region countries. But the invasion of the Taliban into Afghanistan has led to a situation of uncertainties regarding the relations of both the concerned countries, thus heavily impacting the trade, plans, investments, exports, and imports via Afghanistan. Although the Taliban has publicized their plans for the continuation of the earlier set plan, the changes in foreign policy, past relationships, and the current fragile state will affect the plan, and in order to set up Indian companies in the country, India has to set clear views on the same.

Keywords: *India, Afghanistan, trade, Taliban, relationship, policy, export, import, investments, plans*



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Introduction

Before direct investment in trade between India and Afghanistan, it was necessary to build relations between both the countries and eliminate any hurdles for the same and for this, the foundation was laid in 1979, wherein India backed Soviet-backed Afghanistan and later provided all types of aid to the country while it was transitioning out of Soviet rule, but it hit a roadblock in 1996 when Taliban captured Afghanistan, and so India refused to recognize the rule of Taliban. But, after the US overthrew the Taliban rule, relations between Afghanistan and India exponentially improved with an increasing supply of medical aids, services, facilities, and paramilitary forces because of which bilateral trade between the two countries also doubled in the last 2 decades (Kaura, 2017). But, with the US pulling its troops

back and Pakistan trying to block the Indian goods from passing, India's role in providing services and trade has become a bit difficult to play. Before full capture by the Taliban, Indian foreign policymakers have tried to contact Taliban Nationalists to not further deteriorate the situation (Paliwal, 2017). But after the Taliban again overthrew the current government in a war-ravaged country, India, despite strong relations with the same and the Taliban announcing the continuity of trade and diplomatic ties, felt reluctant to continue the trade as Indian companies felt endangered because of the change of atmosphere and because of the unknowing response they would receive caused due to new foreign policy, which eventually will give a big blow to traders and small businessmen in India who have been trading with people of Afghanistan (Chawla, 2021).

Methods

The method used to study the research is mainly based on secondary research methodology wherein the data is selected from various sources for a deeper understanding, leading to an unbiased result. The data was accumulated from various legitimate sources such as Newspapers, Articles, Journals, Books, and other research-based on a similar topic. Also, for this particular research, additional published, non-published and electronic referred sources were also considered for this particular research. One of the benefits of this type of research is that already the groundwork related to the study is covered because of which a wide range of sub-topics can be analysed in-depth and since it is published so is highly reliable, which also leads the process to be time-efficient and cost-effective, thus giving us enough time to carry out further research on the topic from new angles (Goundar, 2012). Because of studying from a wide range of sources, the information received will be precise and accurate, enabling us to reach the correct information by covering any loopholes in any of the other studies. So, it is safe enough to say that conducting the research based on secondary methodology plays a crucial role in building a foundation of the research and the design in which a path is laid down for further findings and studies. Therefore, the study of how the Taliban has affected Indian trade with Afghanistan is based on secondary research methodology.

Results

Citation	Aim	Result
Raj Verma (2022)	The study has tried to assess the situation post-Taliban capture and how it will affect trade, terrorism, and human rights, among other things.	In order to tackle the problem, the study has tried to discuss the role of international and regional organizations and suggested some initiatives the country can take to provide solutions and mitigate the problem at hand.
Bhattacharya & Singh (2021)	The study compared the state of Afghanistan when previously it was captured by the Taliban vs now that it has been captured again so, how the state will be again and how the situation can be controlled.	Authors have tried to compare both the Taliban rule and how the leaders are different in both the era in terms of their mindset. Also, the authors have tried to implement the learning from the past to keep the relations and trade and commerce between the countries the same.
Chayanika Saxena (2021)	With the US leaving Afghanistan and the Taliban taking over, the paper aims to understand the mindset of India's foreign policy for a better projection of their future.	After studying the relation of both the countries under US supervision, the paper has tried to look upon possible relations based on policies announced between Taliban captured Afghanistan and India and whether it will be sufficient or not for trade to carry on. The author has also tried to present their own opinion.
Narendra Kumar Arya (2021)	The paper aims to examine the political scenario post US exit and its effect on the whole of the world, given that it is at a geo-strategically intersection location of South and Central Asia, the Islamic world, and the Middle East, thus also called the Crossroads of Asia.	With all that has been gained, Afghanistan is on the edge of reversal because of the entry of the Taliban because of which almost all countries are taking a step backward because of unknown consequences, and it will take a lot of time to come to a mutual consensus which then will lead to trade and commerce between countries.
Shalini Chawla (2021)	The author has tried to shed some light on the cultural, economic, and strategical relationship between the countries, how they can be affected by the entry of the Taliban, and how Pakistan can take advantage of the same.	Because of India's good ties with the Afghan government for the past 2 decades and the Taliban looking at the same, the relations may not be affected to past levels but surely will not be the same, but there is a ray of hope and India will try their best to keep the relationship as it benefits the country also.
Vivek Katju (2021)	The aim of the study is to understand Taliban and intra-Afghan policies and government for being able to conduct business with them in the future.	It was found that Earlier, Europe and India would carry out operations or necessary things when asked by Washington, and both the entities used to dislike the Taliban but Europe did the same, followed by India to avoid future arguments. Later on, Europe and India looked into the role of Pakistan in Afghanistan.
Omidi & Noolkar (2021)	The paper aims to analyze the importance of ports for all three countries in terms of trade and connectivity with other parts of the world and how they will be affected by the Taliban's capture of Afghanistan.	After study and research, it was concluded that the ongoing situation's effects and the solutions were thought upon to continue the work to resume the trade.

Discussion

History affecting Present

The disagreements between the Taliban and India started back in 1996 when the first time the Taliban took the rule, and then it escalated when an Indian flight was hijacked and then was landed in Kandahar, Afghanistan, which was then under Taliban rule, though the problem was resolved later from that moment relations between both the parties got bitter (Fair, 2011).

Later, when the US overtook the power and removed the Taliban from the power, it was then that India put various efforts to improve the relationship in terms of culture, trade, facilities, and services. It was crucial for both the countries as it opened gates for India to the rest of the parts of Asia, the Middle East, and some parts of Europe for Afghanistan as their people were receiving aid and security, students from Afghanistan were getting a chance to study in India. The idea of the new Silk route was also thought of, and with activities like this, the bilateral trade between both countries exponentially increased in the past two decades (Bhat & Kaw. 2018).

But again, (Network & Adili, 2021) reported after the exit of the US and Taliban overtaking the Afghan government and coming into power has raised many questions among a lot of countries; some have planned to leave for Afghanistan, whereas some are in the process of leaving and then some are working on policies to continue the work going on. India, among all countries, has the most to lose as they invested \$3 billion into Afghan schools, roads, and various other infrastructure, facilities, and services but are still in a transition as they have to overcome their differences, work on new foreign policies and there on see the feasibility of it, only because this time Taliban government in Afghanistan has spoken that they will be more moderate as they were in the past, thus easing the stress and tension on topics like women rights, education rights for both boys and girls.

Taliban effect on India Trade

According to Soni (2021), the bilateral trade between the two countries crossed over \$1.5 billion in the financial year 2019-20, with exports being nearly \$1 billion and imports being approximately \$530 million. But the small traders and businessmen are going to face huge losses in both the countries who were dealing with each other. Financial express was told by local traders of Spices and fruits in Amritsar that there is no stopping of trade so far as 80% of the economy depends on dry fruits and spices which they export, out of which around 85% is exported to India itself and the export is even more than before Taliban rule, so they cannot

stop it. Also, the fear amongst the people is purely based on speculations. More importantly, there have been no notifications about the restrictions on trade, though, for a few initial days, the trade was stopped but was then resumed in the wake of already increasing price due to threat perception. But in contrast to the trader's opinion, the largest trade body of India, called CONFEDERATIONS OF ALL INDIAN TRADERS (CAIT), says that there is a financial crisis because of huge trade blockage because exporter's payment is stuck. So, there has been a request to the government to implement such policies wherein the financing can be eased, a new alternate source channel can be suggested to reduce the fear of loss of payment or delay of same. So, CAIT has asked the government to come up with a solution to tackle the problem and even guide the traders on how they can boost sourcing locally.

As per Ghosal (2021), FEDERATION INDIAN EXPORT ORGANISATION (FIEO) has asked exporters and importers to wait and watch how the situation unravels because of the geopolitical tensions in the country. Amid these tensions, the Businesses in Afghanistan it has been informed that the central bank has denied their request to provide enough dollars to the local bank because of which afghan businesses will face difficulty in paying the amount, and this is quite visible in the case where an apparel exporter reported that apparels worth 400 crores were stuck at Surat port which was supposed to be delivered to Afghanistan importers of Kaftan, dresses, and scarves.

Future Plans In Question

Besides the infrastructure plan, in order to reach Afghanistan and skip Pakistan to trade with Afghanistan and other parts of Central Asia, India helped organize trade routes by having sanctions waived from the US to build Chabahar port in Iran for around \$8 billion and was also part of the consortium who were planning to build a 4400-mile rail network linking Afghanistan to Europe (Amirthan, 2017). Apart from this, India also built schools for girls, which faced a lot of horrors as the Taliban captured the country's capital. Besides, the countries' relationship is not just government to government but is on multiple layers. And all the pre-organized relations, investments, and plans look at their uncertain future but with rays of hope (NPR.ORG, 2022).

Conclusion

Though having a stable relationship with Afghanistan, the entry of the Taliban into the picture has disturbed the equilibrium disrupting the market, which precisely has affected India the most as they planned for billions of investments in the future, and now they have to execute these plans with the Taliban government which will be difficult because of past encounters with the same. And with so much trade at stake and finances at a halt, with the help of implementing new foreign policies, irrespective of whether it is temporary or permanent will help in the long run to settle down the tensions. Also, as mentioned by (Price, G. 2013) Desire of India to overcome Pakistan's influence in the country for smooth transfer of goods will act as a motivating factor, and further, if Afghanistan becomes a key ally, the partnership will make it so easier for Indians to overcome and navigate the complex geopolitical issues resulting into improved and efficient trade and commerce with rest of Asia, middle east and parts of Europe.

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