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From its backing of North Korea's malevolent ruler and the newly-installed military junta in Myanmar, to its unconcealed contempt for democratic freedoms in Taiwan and Hong Kong, China has long made it clear that it greatly prefers authoritarian regimes to democratic ones. Russia's record of interfering with democratization in Ukraine, Georgia, and elsewhere, and its staunch support for embattled dictators in Syria and Venezuela are evidence of its own support for autocracies.

China and Russia's embrace of the world's most corrupt, vicious and repressive regimes in pursuit of their own narrow economic, political and strategic interests has become a fixture on the geopolitical landscape. Accordingly, their eager overtures to the Taliban, just weeks after their brutal seizure of power in Afghanistan, is not surprising. The prospect of an empowered Taliban propped up by foreign financing would represent a desirable outcome for Beijing and Moscow, despite the threat to human rights and Western security interests it would pose.

The Chinese government has called on other G20 nations to lift sanctions on the Taliban, expressing optimism about the regime establishing a "broad and inclusive political structure, which respects the basic rights of minority groups, women and children".<sup>1</sup> The Taliban, for their part, have given every indication that such an outcome is out of the question. That said, it provides a rhetorical framework for future business activity.

Of particular interest to China is Afghanistan's bounty of over \$1 trillion in rare earth minerals, critical inputs for China's vast electronics industry, and a resource category in which China already holds a near-monopoly position globally. For their part, the Russian ambassador to Afghanistan has also expressed an interest in working with the Taliban to develop mineral deposit exploitation.

A rush by Chinese state-controlled companies to develop these rare earths and Afghanistan's impressive lithium deposits would likely have major geopolitical implications that the West cannot afford to ignore. Moreover, the Wakhan Corridor links Afghanistan's Badakhshan Province with Xinjiang in China, home to most of the country's Uyghur population. Uyghur slave labor has been widely used in Xinjiang's rare earths industry, and could well be similarly exploited in Afghanistan.

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1 <https://www.voanews.com/a/china-urges-g20-to-end-unilateral-sanctions-on-taliban-ruled-afghanistan-/6242655.html>

Russian investment may find its way into Afghanistan not only directly from the Kremlin, but through Uzbek and Tajik companies, dependent post-Soviet states which are significant trading partners of Afghanistan. In addition, development of China-Afghanistan links through the Belt and Road initiative or other infrastructural projects would clear a path for a direct overland link between Iran and China.

To deter Beijing and Moscow from seizing regional influence and financially consolidating the Taliban's hold on power is to clearly communicate to these capitals the costs of engaging with this terrorist regime in the economic and financial domain.

The U.S., EU, UK and their allies should not only maintain their own existing sanctions against the Taliban, but should publicly declare that any publicly traded Chinese or Russian company that signs contracts, or other business arrangements, with the Taliban in these strategic resource sectors will be subject to capital markets sanctions and be banned from accessing Western investor funding worldwide (or at least the United States) within six months' time. The threat of being expelled from global capital markets (particularly those in the U.S., housing some two-thirds of the world's investible capital) could serve as an effective deterrent for those companies seeking to conclude such deals ahead.

This issue of large-scale natural resource exploitation by authoritarian allies of a terrorist regime is a glaring threat to any hope of improved conditions in Afghanistan and to international security, and one that Western democracies cannot abide. A well-funded Taliban will not bring prosperity to the country, but only enable them to project their security threat abroad. In the post-war era, the West must retain a resolute and unambiguous stance toward those attempting to do such business with the Taliban. Specifically, capital markets sanctions must await any publicly traded Chinese and Russian companies seeking to benefit from the Taliban's illegitimate seizure of power and materially underwriting them.