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**CHINA'S PEACEFUL RISE AND
SOUTH ASIA**

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PREFACE

The rise of China, termed by Professor Joseph Nye as “one of the transformative changes of this century” has attracted the attention of many experts. With the dawn of the 21st century, the world has witnessed a burgeon growth of China watchers. The country’s phenomenal economic progress coupled with military modernisation and diplomatic manouvering has ushered in a new era in the international politics. The land known in history as “the middle kingdom” is once again on the center stage of international affairs; with a capacity to transform the character of regional and international order to a great extent.

In this paper, Dr Maqbool A Bhatti, a former Pakistani ambassador to China sets out to highlight China’s modernisation drive and its accompanying economic reforms under the dynamic leadership of Deng Xiaoping. Since then, it has made remarkable progress in its economy and predictably, in the coming years, it will be most likely rival to the US. The hallmark of China’s peaceful policy is that it eschews any ambition for hegemony and it is perhaps the only major power in history to have risen to power and prosperity through peaceful means. It emphatically presses for an effective UN role to solve the world’s political and economic problems. Hopefully, China will resist US hegemonic moves by invoking the need for concentrating on the real problems of the bulk of mankind. Currently, China’s economic strategy counts on foreign technology and investment that would promote higher productivity in a huge labour force that is shifting from agriculture to industry. These are valuable lessons to be learnt from the Chinese experience, notably by the developing countries.

Dilating on China’s foreign policy, Dr Bhatti maintains that the hallmark of China’s foreign policy is its fundamental goal of “building Socialism with Chinese characteristics”. However, it does not pursue the goal of exporting it and does not bestow any special favour on other countries that follow the socialist path. China’s policy places a high priority on building a stable and peaceful order, both at home and abroad. China’s adoption of the path of peace and equality, as expressed in terms of “harmonious diplomacy,” is winning increasing support.

With regard to Sino-US relations, in all likelihood, China’s weight and influence will continue to grow with its “peaceful rise” and

the US will remain engaged in China's economic growth and welcome its participation in global management of the problems that our planet so direly faces today.

Dr Bhatti convincingly brings out that President George W. Bush has pursued a policy of developing strategic partnership with India and assisting it to become a great power. US' prime aim is to build India into a counterweight to China that is rising rapidly in economic and military terms. China prides itself on having risen peacefully. In fact, China's own policy and interests are based on promoting peace, stability and cooperation in the region, and India is fully benefiting from this policy of good will.

In terms of Pak-China relations, the study highlights that this friendship has become the cornerstone of Pakistan's foreign policy. It has been called an "all weather friendship", a "comprehensive friendship", and an "indispensable partnership". Hopefully, the future of Sino-Pakistan friendship and cooperation will be bright and it would aim at ensuring peace, stability and a multi-polar world. Given the US proclivity to resort to the use of excessive force, China and its partners in Central Asia and Moscow would oppose war and promote the role of the UN for global security and progress. These are all hopeful signs for maintaining peace.

To reiterate: Dr Bhatti has dealt with China's peaceful rise, in which the world has witnessed the economic transformation of the world's most populous country, which is also the country with the longest recorded history in the world. As regards its relations with Pakistan, the "all-weather friendship" and "indispensable partnership" will stand the test of time.

Dr Bhatti deserves our thanks for offering this profound study to be published by IPRI. Hopefully, our learned readers will enthusiastically receive this well-researched work.

1 August 2008

Dr Pervaiz Iqbal Cheema

CONTENTS

Preface

1. Introduction	1
2. Geography and History	4
3. China under Chairman Mao — 1949-1976	9
4. 1978-to date — Era of Dengist Reforms and Changing Leadership	17
5. China's Peaceful Rise — 1978-2006	26
6. Chinese Foreign Policy Driven by Development Goals	35
7. Sino-US Relations	44
8. Chinese Perceptions of South Asia	51
9. Pakistan's Relations with China	57
10. Outlook for Sino-Indian Relations	64
11. Prospects for Sino-Pakistan Relations	73
12. Conclusion	79

INTRODUCTION

The modernisation drive and the accompanying economic Reforms, launched by the People's Republic of China in 1978, under the leadership of Deng Xiaoping, have resulted in the highest annual rate of growth, averaging about 9 per cent, since then. The world's most populous country has made such remarkable progress in its economy that it is seen as the most likely rival to the US, which has been the sole super power since the end of the Cold War in 1989.

China has been stressing that it is a developing country that will need half a century of peaceful growth to achieve the per capita income of medium level developed countries. Following a somewhat troubled period in the first twenty-five years after the Revolution, when Mao Zedong was the supreme leader, China has followed a foreign policy based on peace and seeking friendly relations with all countries. The priority national objective is to raise the living standards of its huge population to those prevalent in the developed countries. By adhering to the Five Principles of Peaceful Co-existence enunciated in 1954, and eschewing any ambition for hegemony, China is perhaps the only major power to rise to power and prosperity through peaceful means.

China has been a powerful force for international peace and stability, as well as for promoting mutually beneficial cooperation in its region and the world.

With the start of the 21st century, the US, under President George W. Bush, has aggressively pursued hegemonic goals, and used the 9/11 terrorist attacks on its mainland to justify its policy of pre-emption in countries close to China. Beijing, which has joined the war against terror, favours a multi-lateral approach to address the roots of terror. The fact that US reliance on military force has produced national resistance in Iraq and Afghanistan, has led China to press for an effective UN role to solve the world's political and economic problems.

The focus of US strategic and economic goals having shifted to Asia, there is obviously a potential for future friction and rivalry between the US and China. US diplomacy in the post Cold War period has been shaped by its resolve to retain global hegemony, and the concept of the 21st century becoming the "New American Century", inspires its policy-makers. Washington has therefore developed a

strategic partnership with India, whom it would support in acquiring a great power status in South Asia and the adjoining regions of West and Central Asia.

Though Pakistan has also become an important ally of the US, its role is largely limited to the US counter-terrorist goals, since it is after all an Islamic country. Therefore, India is assuming a long-term importance in the US goals of containing Islamic extremism on the one hand and of containing China's rise to a world power that could challenge US hegemony.

China's peaceful rise has had important repercussions for South Asian security and other interests in the context of US goals. Pakistan and India became significant players during the Cold War, on opposing sides. Since the 9/11 events, the US led West links the terrorist threat with the Islamic world. Pakistan, as a major Islamic country, and the only one with nuclear capability, remains a focus of suspicion on the part of the West, and this makes its time tested relationship with China a crucial factor for its security. China, on its part, has sought to normalise its relations with India, to discourage it from supporting US containment goals. Other contemporary factors, like the emerging crises over energy and water supply, also involve China directly.

It is proposed, in this study, to make a careful analysis of the impact of a fast developing China on its relations with India and Pakistan, in what has been seen as a triangular relationship. With the sole super power, animated by its twin goals of countering the threat from Islamic extremism, and of containing the perceived threat from a rising China, the role of the US and of the Islamic world will have to figure in this analytical study. The most important challenges for India, Pakistan and other countries of South Asia, relate to poverty and backwardness. China's peaceful rise provides lessons in economic and social development that will also have to be taken into consideration.

Among foreign observers of China, the Japanese have a special place as close neighbour whose culture is essentially of Chinese origin. They concentrated their colonialist ventures on China, setting up the puppet kingdom of Manchuko in Manchuria in 1922, and launching full-scale aggression in 1937. They have followed China's evolution since the Revolution of 1949 with close attention because they are somewhat fearful in case China's policy takes an expansionist turn. A Japanese scholar, Ishi Akura, identified the major challenges pre-

occupying the leadership of the People's Republic in a recent study, as follows:¹

- i) Preserve memory of freedom struggle that confers lasting legitimacy on the Communist Party.
- ii) Advance the agenda of comprehensive reforms on the basis of "opening to the outside world".
- iii) Completing unification of the Mainland for which inclusion of Taiwan is vital.
- iv) Protecting world peace and promoting a just economic order.■

¹ Ishi Akura "China's Four Challenges" *Gaiko Forum*, (Fall 2004).

GEOGRAPHY AND HISTORY

Geography and history have combined to confer upon China the attributes of a great power. Their role may be briefly examined.

Geographical Features

China is the third largest country in the world in terms of area, after Russia and Canada. However it is the most populous country on earth, with 1.3 billion people. Despite its enormous size, the population is remarkably homogeneous, 94 per cent being of Han stock, while the remaining 6 per cent consist of 55 other nationalities that include Uighurs and the Hui, who are Muslims, while Tibetans are another large group, inhabiting the Tibetan Autonomous Region. As census figures are based on nationalities, it is not easy to know the exact number of followers of different religions. However, Muslims are estimated to be about 20 million, with the largest number concentrated in the Xinjiang Autonomous Region that borders Pakistan.

China has land borders with 14 countries that include North Korea, Russia, Mongolia, Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, Pakistan, India, Nepal, Bhutan, Myanmar, Laos and Vietnam. China has settled its boundaries with all countries through friendly negotiations, except India with which differences persist. China also claims certain islands in the China Sea that are also claimed by other countries, such as Japan, Vietnam, the Philippines and Malaysia. China is committed to resolving all its territorial disputes peacefully through negotiations.

China's geographical location leads to interaction not only with major regions of Asia, but also with the Americas that lie across the Pacific. It is an authentic Asia Pacific power, and since the US has two states lying closer to China, namely Hawaii and Alaska, it is a strategic neighbour of the sole super-power. China is also the only great power, having borders with several countries of South Asia, namely Pakistan, India, Nepal and Bhutan.

Certain geographical features of China deserve notice. Nearly 93% of its territory consists of mountains and deserts. It shares the world's highest mountain ranges — the Himalayas and Karakoram — with South Asia while other major ranges like Tien Shan and Kunlun lie

entirely within it, separated by huge deserts. Only 7 per cent of its area is suitable for cultivation. It is drained by several major rivers, originating from within its territory, notably the Huang He and Yangtze. The country is beginning to experience a water shortage owing to rapid industrialisation. It has built thousands of small dams, but also some large ones, of which the Three Gorges Dam on the Yangtze is the largest in the world. Its arid areas in the west are facing the threat of desertification.

China has rich natural resources, especially large deposits of coal and iron, but its oil and gas reserves cannot meet the growing demand, so China has to compete for access to oil and gas in the Middle East, Central Asia and other parts of the world. Its environment is becoming polluted due to rapid industrialisation.

China's resource position and geographical location, have led it to enter into regional and multilateral arrangements and it supports a major role for the UN and its agencies to manage issues of growth and environment.

Historical Perspective

China has a rich and turbulent history, with written record going back 5,000 years. The Chinese have traditionally regarded themselves as the most favoured and advanced of all people, calling their country "The Middle Kingdom" and describing foreigners as "barbarians".

It is customary to relate this venerable past to the rule of various dynasties, which rose and fell, depending upon the role and prowess of prominent feudal and ethnic groups. Due to the country's predominantly mountainous terrain, communications were difficult, and there was a tendency for regional warlords to exercise local power, unless a strong ruler was able to impose his will. Indeed, China remained divided into several warring kingdoms until united in the 3rd Century BC by Emperor Chin Shi of the Yuan Dynasty. Despite the enormous geographical size and diversity of the country, it is remarkable that a predominant ethnic group, the Hans, emerged over the centuries, with a shared language, and cultural ethic based on the teachings of philosophers, such as Lao Tze and Confucius.

Until the early 19th century, the Chinese tended to be self-centred; nonetheless with passage of time, contacts with the rest of the world did develop. Powerful Chinese emperors established their suzerainty over neighbouring lands, and Chinese language, culture and

beliefs influenced other countries, notably Korea and Japan. Buddhism came to China from South Asia, while Islam also spread to many parts of China, via land and sea, with the oldest mosques dating back more than a thousand years. The most celebrated trading highways over the ages, commonly known as the “Silk Route”, linked China to Europe, the Middle East and South Asia.

The first recorded contacts with South Asia began after unification. Emperors of the Han Dynasty were able to initiate trade links with South Asia beginning in the 2nd Century BC and established contact with Jibin (Kashmir), which took place through Central Asia.

An active tempo of exchanges developed on the basis of Buddhist links that began soon thereafter. As Buddhism spread to China, Chinese monks travelled to South Asia to collect sacred religious texts.

Fa-Hien, a famous Chinese monk, visited the Subcontinent during the Gupta period, from 399 to 414 AD.² The first Buddhist pilgrim from China was, however, Tao Nan who came to India in 316 AD. The first Indian monk to go to China was Buddhahadra, also in this period, who stayed in China for 30 years, translating many Buddhist texts into Chinese. This process of translation of Buddhist texts had the effect of Indian languages, influencing the Chinese language to a considerable extent.

The most celebrated Chinese pilgrim to visit the Subcontinent was Hiuen Tsang (Yuan Chuang) who stayed between 630 and 645 AD and was also received by Emperor Harsha. Harsha also sent an embassy to China in 641 AD.³ The accounts of their travels by these Chinese pilgrims constitute the main historical record of South Asia in that period, as they meticulously recorded their impressions and observations.

The Arab conquest of Persia, Afghanistan and Central Asia starting in the 7th century AD, and the conversion of their peoples to Islam, permanently cut off the Chinese Buddhists from their Indian places of pilgrimage, and after the Tang Dynasty (618-906 AD) India became inaccessible from China by land. Trade and contacts by sea, however, continued. During the Ming Dynasty (1317-1433 AD)

² Vincent A. Smith, *The Oxford History of India*, (Karachi: Oxford University Press, 1992), p. 169.

³ D. S. Adel, *China and Her Neighbours*, (New Delhi: Deep & Deep Publications, 1984), p. 15.

Admiral Cheng Ho made seven voyages by ship to Southeast Asia and India.⁴ After 1500 AD, as the Western powers penetrated the sea lanes of the East, China's maritime contacts with South Asia were affected, and ceased altogether after Britain established its rule over the region. Instead, commerce, in particular the export of opium, grown in the region, now flourished under the British control.

Towards the end of the 19th century, Britain pressed China to open Tibet to trade with India. China became the victim of domination and exploitation by nearly all the Western powers, as well as Russia and Japan, as the last decades of the Ching Dynasty saw the once fabled empire weaken, unable to keep pace with the industrial age. As the younger generation in China became exposed to foreign idea, with many young people travelling to Europe in the early part of the 20th century, among them the future leaders of the Communist Revolution, they also developed awareness of the subjugation of most of Asia and Africa, including the Indian peninsula, to Western imperialism. The Kuomintang Movement led by Sun Yat-Sen, overthrew the Chinese monarchy in 1911, but it was only in the late 1920s that Marshal Chiang Kai-shek established his authority. By that time, corruption and inefficiency of the Kuomintang had led to the emergence of the Communist Movement. Though Japan invaded Manchuria, northeast China in 1931, Marshal Chiang concentrated his attention on fighting the Communist challenge, rather than the Japanese aggressors. This had the effect of the Communists under Mao Zedong winning greater popularity for their patriotic stand against the foreign invaders.

During the Second World War, when China became a member of the Atlantic Alliance, and Marshal Chiang Kai-shek, participated in high-level meetings with Western leaders, units of the British Indian army patrolled the Burma Road to Kunming, in Yunnan province, which became a major supply route to China when the Chinese government shifted its capital to Chungking, deep in the interior.

The conclusion of the Second World War was followed by a period of intense political activity, and of great turmoil, particularly in China, where the Communists overthrew the Kuomintang regime of Chiang Kai-shek. Chairman Mao Zedong, proclaimed the People's Republic of China at the Tienanmen Square in Beijing on October 1,

⁴ Hugh B. O'Neill, *Companion to Chinese History*, (New York: Facts on File Publications, 1987), p. 129.

1949. India and Pakistan were among the earliest countries to extend recognition to it. Diplomatic relations between China and Pakistan were established on May 21, 1951. ■

CHINA UNDER CHAIRMAN MAO — 1949-1976

China's peaceful rise, that began following the reforms introduced by Deng Xiaoping in 1978, could not have been possible without the positive achievements of the Mao era, even though there is a tendency to take a negative view of the founder of People's China.

During the first quarter century following the Revolution, the major powers tended to adopt a hostile attitude towards China, principally because China took a principled stand against claims of hegemony, whether global or regional. China was forced into active resistance against actions arising from such hegemonic ambitions. China sent its forces into Korea in 1950, to frustrate the designs of General Douglas Mac Arthur. It had to face nearly 40 per cent of the total armed might of the Soviet Union that was concentrated against its borders, with serious clashes along the Ussuri River in 1969. It fought against India's incursions into its territory in 1962, and had to confront a hostile Vietnam, where it felt obliged to send in its forces, even after Deng's reforms in 1979.

Threatened with nuclear attacks by both US and the Soviet Union, the Mao era saw underground shelters built in all major cities, virtual cities under cities that now provide storage and shopping facilities.

Mao's 30th death anniversary was marked in September 2006, with the media and leaders paying tributes to his role. His is the only portrait that hangs in the Tienanmen Square, and thousands visit his mausoleum located at the opposite end of the square. "Socialism with Chinese characteristics" is still the ideology that is a unifying force in People's China, and warrants changes in its development agenda to reduce the growing disparities owing to unequal growth.

One could start an evaluation of the Mao era by recalling its end. It was the time, when in 1976 the three founding fathers of Revolutionary China passed away. Premier Zhou Enlai died in January, Marshal Chu De in July and Chairman Mao Zedong in September.

Western scholars and analysts regarded this as a crucial juncture and there was a widespread expectation that a popular reaction would set in after the Cultural Revolution, which the Chairman Mao had launched in 1966. The upheavals during its decade long disturbances

had witnessed widespread sufferings and economic setbacks, and millions of people had been affected, notably the intellectuals and leaders, whom Mao had pushed to the countryside to learn from the toiling masses.

Mao's decision to launch the Cultural Revolution in 1966 was motivated by two factors:

- i). He was alarmed by the emergence of a defeatist trend among the top leaders of China, in the face of the combined hostility of the two super powers, and of India. By 1966, the notion of “three reconciliations and one reduction,” namely, reconciliation with imperialism (the US), revisionism (the USSR) and reactionaries (India), and reduction of aid to foreign revolutionaries and Asian countries was winning acceptance.⁵ He launched the Cultural Revolution to mobilise the country against possible aggression by these powers.
- ii). China regarded itself as the “Bastion of Socialism” and Mao believed it was necessary to counter growing pragmatism which he ascribed to accumulation of material possessions by the elite as the country made economic progress. Mao, therefore, felt it timely to launch a movement to renew “revolutionary fervour”, and to discredit those who were becoming soft, and getting ready to compromise with the enemies of socialism.

However the actual steps taken during the Cultural Revolution went far beyond what he may have planned owing to the influence of the “Gang of Four”, led by his wife, Jiang Jing.

Mao had also launched an earlier experiment that turned into an economic and social disaster: the “Great Leap Forward” of 1958. The ambition to achieve a Leap in industrial development by opening up thousands of industries in rural areas paralysed the existing economy, without yielding any positive results. As China experienced major natural disasters in 1959 and 1960, like drought, followed by floods, millions of Chinese perished, due to resulting food shortages.

⁵ Michael B. Yahuda, *China's Role in World Affairs*, (London: Croom Helm, 1978). p. 172.

Despite these two disastrous mistakes Mao's positive contribution to the revolutionary struggle and the overall results of the period have resulted in a national consensus, that he was a great leader without whom the revolution would not have been successful. As the leader of the succeeding era of reform, Deng Xiaoping declared on the occasion of the 90th anniversary of his birth in 1984, his merits and contributions greatly outweigh his mistakes.

The aim of Chinese foreign policy under Mao was to safeguard national security, to guarantee China's hard-won state sovereignty and territorial integrity and to enhance China's international status. In this sense, the foreign policy objectives under Mao were basically survival and security oriented. During this period Chinese policies shifted between the Soviet Union and the US: "the leaning to one side strategy" in the 1950s, "the Double Anti" in the 1960s and after that "the one united front strategy". As explained in the following paragraphs, China first tilted towards the Soviet Union in 1950s; then went against both the US and the Soviet Union in 1960s; and then in view of the deteriorating Sino-Soviet relations, especially after the armed conflicts along the Sino-Soviet border in 1969, the Chinese leadership realised that their biggest threat came from the north and China's very survival was at stake. Therefore, it had to change "the Double Anti" strategy to escape from its strategically disadvantageous position. Consequently, China adopted a one united front strategy, under which it normalised its relations with the US and went against the Soviet Union.

The US government's hostile policy toward China in the 1950s and its huge ideological difference with China played an important role in allying China with the USSR with whom it shared a common ideology. In the beginning, Mao Zedong wished to establish a good relationship with the US, but was declined by the Truman Administration.

The strategy of leaning to one side was practiced for about ten years. During this period, China accomplished three goals: First, it completely ended Nationalist rule on the mainland and drove out the foreign forces that had been entrenched in China over one-hundred years; China's Communist Party got full control over mainland China and the Nationalist Kuomintang Party retreated to Taiwan and established its government there. Second, it resisted the US aggression in the Korean War of 1950-53 by aiding Korea, frustrating the threat posed by the US to Korea, Taiwan, and Indochina during the early

1950s. Third, it launched a smooth recovery of the domestic economy, which had been destroyed by years of war and established the base for China's industrialisation with 156 construction projects from the Soviet Union. The annual volume of trade between China and USSR rose from US\$ 1.4 billion in 1950 to US\$ 5.4 billion in 1957, which then accounted for more than 50 per cent of China's total foreign trade volume.⁶ Achievements like these depended mainly on being self-reliant, but without aid from the USSR and other friendly countries it would have been more difficult to achieve them. In spirit, allying itself with the USSR allowed China to realise its national sovereignty in the face of US policy of isolation and threats. Over a period of time 'leaning to one side' strengthened the new regime, secured the nation's interests, and enhanced China's world position.

Between the late 1950s and the end of the 1960s, important changes took place in China's domestic politics and also in international diplomacy. During the Cultural Revolution, Mao felt that he could no longer depend on the formal party organisation, since he was convinced that it had been permeated with the "capitalist" and bourgeois obstructionists. He turned to Lin Biao, Minister of Defence and Commander of the People's Liberation Army (PLA) to counteract the influence of those who were allegedly "left" in form but "right" in essence. Chairman Mao believed that people in his party were anti-socialist and had liking for capitalism. So Mao wanted PLA to reinitiate the fervour of communism in the masses as the PLA was widely extolled as a "great school" for the training of a new generation of revolutionary fighters and leaders. Maoists also turned to middle-school students for political demonstrations on their behalf. These students, joined by some university students, came to be known as the "Red Guards". Red Guards' activities were promoted as a reflection of Mao's policy of rekindling revolutionary enthusiasm and destroying "outdated", "counter-revolutionary" symbols and values. The party organisation was shattered from top to bottom. Mao was busy in extending his powers inside China and crushing his opposition, and he succeeded in his efforts. So, during this period scant emphasis was given to foreign policy due to internal instability, and political problems.⁷

⁶ Han Nianlong, et al., *Diplomacy of Contemporary China*, (Hong Kong: New Horizon Press, 1990), p. 38.

⁷ Humayoun Khan, "A Historical View of China's Foreign Policy Towards Big Powers," *Strategic Studies*, vol. XXVI, no.2, (Summer 2006), p. 81.

The biggest event at the international front was the Sino-Soviet split. This occurred because China could not tolerate the Soviet Union's prejudice, which attempted to bring China under its control as part of its global strategy. The Soviets reneged on their earlier commitment to help China develop nuclear weapons. They also refused to support the PRC in its border dispute with India, a country friendly to the Soviet Union. The Soviets openly supported India in its war with China in 1962. These events greatly offended Mao and the other Chinese leaders. During this period, the US continued to pursue a hostile policy towards China. Thus, China found itself caught in a two-way squeeze from the USSR and the US.

During 1968, the Soviets increased their troop deployments along the Chinese border, particularly the border with Xinjiang where a Turkic separatist movement was going on and had the potential of destabilising the region. Tensions along the border escalated until March 1969, when armed clashes broke out along the Ussuri River, followed by more clashes in August. Double Anti led to the development and strengthening of relations between China and the countries of Asia, Africa, and Latin America. It also led to the development of relations between China and Japan, and China and the West European countries because China could not live in isolation and fight with two big powers.

By 1970, Mao had realised that he could not simultaneously confront both, the Soviet Union and the US, and also suppress internal disorder. During that decade, despite the fact that the Vietnam War was at its height and China's anti-American rhetoric was at its peak, Mao decided that since the Soviet Union was a greater threat because of its geographical proximity to China, he should seek an accommodation with the US to confront the USSR.

The movement toward reconciliation, which signalled the end of the US containment policy toward China, provided momentum for China's admission to the UN. In 1971, Beijing finally gained China's seat at the UN. In February 1972, during the visit of US President Nixon to China, the US and China issued the "Joint Communiqué" between the People's Republic of China and the US, better known as the "Shanghai Communiqué". The Communiqué noted that "there are essential differences between China and the US in their social systems and foreign policies", but that both were prepared for their mutual relations to be guided by the principles of "respect for sovereignty and territorial integrity of all states, non-aggression against other states, non-

interference in the internal affairs of other states, equality and mutual benefit, and peaceful coexistence”.

In assessing the Mao era that provided the foundation for the three decades of development thereafter, one has to recall the accomplishments during this stormy period. China was fortunate to have in Premier Zhou Enlai, a gifted leader who kept the ship of the state afloat, and had a moderating influence on Mao's unorthodox ideas. If the Chinese people hold Mao in awe as a towering personality, who had provided the ideological leadership, they look upon Premier Zhou Enlai, as a combination of affection and admiration. Such was his personal equation with Mao that throughout the excesses and upheavals of the Cultural Revolution, he was able to achieve great successes, both the foreign policy and national security.

Chairman Mao was a leader having strong bonds with the people whose life he wanted to improve. At the same time he was an ardent nationalist. These qualities won him the loyalty of the great mass of the Chinese people, living in the countryside. During the Civil War before the Revolution, the Nationalist Party leader, Chiang Kaishek, who had the support of the West, represented the interests of the landlords and the affluent aristocracy. As the Communist Movement, founded in 1921, gathered strength, Chiang Kaishek used his armed forces to crush it. The Communist forces had to carry out the famous Long March from October 1934-October 1936, in which they had to cross the mountains of Central China, to reach sanctuary in Yan'an. Only 50,000 survived out of nearly 150,000 at the start. This achievement alone gives Mao a place of honour among the founders of modern China.

When the Japanese launched aggression against China in 1937, Chiang Kaishek remained preoccupied with the war against the Communists, whereas the Communists organised the most effective opposition to the invaders. This earned the Communists much greater acceptance among the Chinese masses, which reinforced the popularity of Mao and his colleagues. Contrary to Marxist theory, the Communist Revolution in China found its support among the rural peasants rather than urban industrial workers whose number was relatively insignificant.

After the successful conclusion of the Revolution Mao honoured his commitments to improve the life of the people. Landlordism was abolished and millions of peasants gained proprietary rights on their farms. Mao used the senior military officers, who had

played an important part in defeating the Nationalist forces, for major nation building responsibilities, Marshal Chen Yi, who captured Shanghai, was put in charge of the literacy campaign in 1950 and achieved over 90 per cent literacy during the next decade. He was then appointed Vice-Premier and Foreign Minister.

The health programme was pursued vigorously, and to overcome the shortage of qualified doctors, institutions were established to give brief medical training to tens of thousands of school graduates, who were then sent as “barefoot doctors” into the rural areas, to provide basic health care within the first ten years after the Revolution. Thus, the basic requirements of the world's largest population in terms of food, education and health-care were met.

China also started a programme of agricultural and industrial development in 1949, partly to carry out reconstruction after half a century of internal instability and conflict, and partly to build up the infrastructure for sustained development. In the first decade till 1959 an ambitious programme was carried out largely with Soviet assistance and a large number of Soviet experts came to China.

After Mao refused to acknowledge the hegemony of the Soviet Communist party following the accession of new leadership in Moscow, all these specialists were suddenly withdrawn, leaving hundreds of projects incomplete. China had to carry out further development on the basis of self-reliance as the western world, led by the US was not willing to help, as they considered China an unfriendly country.

Mao's major contribution in the field of external relations was to lay the foundations of an independent foreign policy. He announced China's resolve to defend its territorial integrity and independence. On October 1, 1949, while celebrating the emergence of the People's Republic, he said that “China had stood up”, after a long period of humiliation and exploitation, and stressed, its determination to maintain its sovereignty and protect its national interest and security. Mao showed courage and boldness in dealing with major powers. As already mentioned, Chinese troops were sent to Korea after General MacArthur announced his intention to cross the Yalu River, thus threatening Chinese independence. The Chinese forces however, turned the course of the war, driving US forces back to the 38th Parallel.

China also stood up to the Soviet desire for ideological hegemony in 1959, and inflicted a crushing military defeat on India, after its forces crossed into Chinese territory in 1962. However, China

had already demonstrated its commitment to a principled foreign policy by signing an agreement on “Five Principles of Peaceful Co-existence”, with India and Burma in 1954.

In a world dominated by the two superpowers, China sought to promote a third force by backing Asian-African solidarity. Premier Zhou Enlai emerged as a leader of world class at the Bandung Conference in 1955, where close cooperation developed between China and Pakistan to resist India’s bid to dominate the Afro-Asian group.

Mao remained a legendary figure, though he became increasingly frail after the 1960s. China became a nuclear power in 1964, and its rights in the UN were restored in 1971 with diplomatic support from Pakistan. It became a force for peace and stability after assuming its role as a permanent member of the Security Council.

As President Nixon looked for an opening to China to take advantage of its rivalry with the Soviet Union, it fell to Pakistan to play the role of an intermediary in Sino-US rapprochement. Mao was a keen advocate of Pakistan-China friendship, though he left active diplomacy to Premier Zhou Enlai and Vice-Premier Chen Yi. Among the Pakistani leaders who met Mao were President Ayub Khan and Zulfikar Ali Bhutto, whom he received in 1965 and 1972 respectively.

The ground work for China’s role as a great power was laid during the years of Mao’s leadership, while the active diplomacy was conducted by Premier Zhou Enlai, Mao’s place as the founder of People’s China is assured in contemporary history. Only his portrait hangs on the Tiananmen Gate to the former Imperial Palace, while his mausoleum at the opposite end of the Tiananmen Square remains a place of pilgrimage for the people of the country who queue up every day to pay homage to his embalmed body displayed in to the interior. ■

1978-TO DATE — ERA OF DENGIST REFORMS AND CHANGING LEADERSHIP

The overall impression of the Mao era, that lasted for 27 years is that of its last decade, when an aging leader, after nearly forty years of leadership during trying times, was still holding supreme power. He drove the country to political mayhem and economic regression by launching the Cultural Revolution that began in 1966, and ended with his demise in 1976.

Following the transitional phase, after the death of the founders of the Revolution in 1976 during which Hua Guofeng led the country Deng Xiaoping emerged to supreme power. He provided a vital link to the generation that launched the Revolution, having held the post of Party General Secretary during the 1950s. While this gave him stature and credibility, he had the acumen and vision to reshape the policies and direction of China, in a manner that has resulted in its remarkable and peaceful rise. He set a pattern of reform, aimed at the modernisation and development of China, making these goals China's top priority. Interestingly, Deng never assumed the formal leadership of the country, but was recognised as the fountainhead of policy till his demise. He provided active leadership till 1992, when the reins of authority were turned over to the Third Generation of leadership, headed by Jiang Zemin, a considerably younger man. By the time he reached the seventies, the practice of inducting younger leaders every ten years was continued, with the current leadership, headed by President Hu Jintao, taking over in 2003, thus becoming the Fourth Generation of leaders.

This change, introduced by Deng Xiaoping himself, reflects recognition that the resort to lifetime primacy, found especially in Communist countries, is not only undemocratic but also stifles innovation and progress. Indeed this change reflects a lesson, learnt from the Mao era, since it was after Mao reached the age of senility that he launched the Cultural Revolution, which the "Gang of Four", had manipulated for its own ends.

Deng initiated China's first major diplomatic transformation by launching the "reform and opening" movement in the late 1970s. Prior to Deng, Mao had rejected the rules of the international system,

pursuing change through revolution instead. Mao's foreign policy was noted for its aggressive language, strong opposition to the both superpowers, close association with developing countries, relative isolation from international organisations, and economic autarky. Deng took China in the opposite direction. To facilitate economic modernisation at home, he promoted engagement with the international community. China expanded its international profile by significantly increasing its participation in inter-governmental and non-governmental organisations, especially financial ones, and gradually began to emerge from its Mao-era isolation. In the opening address at the "Twelfth National Congress of the Communist Party of China" in 1982, Deng Xiaoping put forward the idea of building socialism with Chinese characteristics. The intent was, "to unite the people of all ethnic groups in working hard and self-reliantly to achieve, step by step, the modernisation of industry, agriculture, national defense and science and technology and to make China a culturally and ideologically advanced and highly democratic socialist country. To strive for China's unification and particularly for the return of Taiwan to the motherland and to oppose hegemonism and work to safeguard world peace – these are the major tasks of our people in the 1980s. Economic construction is at the core of these tasks; it is the basis for the solution of our external and internal problems".⁸

Though economic prosperity was the core of Deng's reforms, yet he approached the opening up or the economy capitalist agenda, gradually. In the diplomatic field, Deng resolved issues related to basic diplomatic strategy, such as normalising relations with the Soviet Union, a massive troop reduction (1 million soldiers) based on the judgment that a world war was not imminent in the near future, and acceptance of the Hong Kong model of "one state, two systems". Deng energetically negotiated with Margaret Thatcher over a solution to the Hong Kong problem, as well as with Mikhail Gorbachev on normalising Sino-Soviet relations. Deng invited Gorbachev to China on October 9, 1985 through Romanian leader Ceausescu, and Gorbachev paid an official visit to China from May 15-18, 1989, during which both leaders discussed putting an end to the past and open new prospects for the future. They particularly focused on settlement of historical accounts

⁸ The Twelfth National Congress, Beijing, September 1-11, 1982, <http://www.china.org.cn/english/features45411.htm>.

and focus their energies for the future. Unlike the relations of confrontation and stalemate in the 1960s and 1970s, Sino-Soviet ties after the visit evolved into a relationship of good neighbourliness, friendship, mutual benefit and cooperation.

After becoming a member of the UN, China also joined most of the UN affiliated agencies by the 1980s, including the World Bank and the International Monetary Fund. China's willingness, under Deng's policy of opening up to the outside world, to receive economic and technical assistance from agencies such as the UNDP, was a significant departure from its previous stress on self-reliance. In 1986, China renewed its application to regain its seat as one of the founding members of the General Agreement on Tariffs and Trade (GATT).

In Deng's era, there were many dramatic changes in the foreign-policy decision-making. For example, unlike Mao's dependence on an autocratic system that ignored support organisations, Deng enlarged meetings of the Politburo in order to decide policies. As a result, even though Deng's opinions continued to have a major influence, policy was not valid unless approved by the Politburo. Under Deng's guidance, "Politburo's Foreign Affairs Guidance Group" was established, and as a result, the opinions of the State Council's executive members were emphasised increasingly in foreign policy decisions. The role of research institutes in providing foreign policy inputs was also improved a great deal.

Chinese Communism

It is customary, especially in the West to describe a Communist state as dictatorial, oppressive intolerant of dissent and indifferent to human rights. The history of the Soviet Union, with its record of forcible compliance with state ideology, secret police, purges, indifference to suffering and a suffocating environment has left a dreadful image of life under the system, of which North Korea continues to be a contemporary model. The Mao era, and specially the two episodes of "The Great Leap Forward" of 1958-60, and the Cultural Revolution of 1966-76 have also left memories of repression, of suffering and of use of terror by the state accompanied by economic mismanagement that has created the impression of a veritable prison.

As recalled earlier, the ideological excesses of Mao were redeemed to a substantial degree by Premier Zhou Enlai, who charted a course of foreign policy that increased China's global standing, despite

instability at home. Indeed the rapprochement with the US took place in 1971, when Pakistan was used, as an intermediary by both sides.

Mao was inclined to set great store by the fundamentals of Marxism-Leninism, as modified by himself to suit Chinese conditions. The pragmatism of Zhou Enlai, and Liu Shao-chi, found expression in the slogan “let a hundred flowers bloom and different schools of thought contend”. The extremists, who got the upper hand during the Cultural Revolution, called these moderates “capitalist roaders”, and Deng Xiaoping was personally disgraced for being a “capitalist roader”.

Once the era of reforms started, the role and public image of Communism underwent a significant change. To enable China to open to the outside world, and to make headway in achieving its goal of economic modernisation and development, a number of major decisions were taken:

- i) While retaining its Socialist system, China ceased to be a champion of the Communist system in the world. China gave practical expression to its belief that the internal political system of other states was their own sovereign concern.
- ii) China implemented in letter and spirit, the Five Principles of Peaceful Co-existence, first proclaimed in 1954, and was especially mindful of the principle of non-interference into the internal affairs of other states.
- iii) While the state role of the Communist Party was maintained, including a monopoly of political power, economic reforms were pursued in a manner that virtually led to the adoption of a market economy system. However, the privileged status of Communist party leaders led to a degree of nepotism and corruption that eventually led to dissatisfaction and protests, especially by workers and students in major cities.

The programme of Four Modernisations, namely Agriculture, Industry, Science and Technology, and Defence, was executed in that very order. The modernisation of agriculture was taken up in the first five years, and the condition of nearly two-third of the Chinese people, who live in the countryside, was transformed. The main reform consisted of division of collectivised farms (communes) into individual

holdings, thus elements of personal responsibility, as well as benefits were introduced. This gave full play to the profit motive, and overall yields went up dramatically as peasants and their families worked extra hard. Substantial credits were made available to enable the peasants to improve their houses, and roads were built to connect rural communities to market towns. Where possible, new technology was introduced such as use of animal-waste to produce biogas and establishment of marketing and training enterprises to encourage production of handicrafts by rural families.

The quantum increase in the production of the agriculture sector provided an expanded domestic market for industries, and the second modernisation, that of industry, began in earnest in the 1980s. This phase is continuing, as it has merged with the third modernisation, that of science and technology. In all these, as well as the last modernisation, that of defence, China has benefited from foreign investment, usually accompanied by transfer of technology. Nearly 75% of the foreign investment has come from Chinese communities settled abroad, mostly in South-East Asia, who control a substantial percentage of industry and trade in the ASEAN region.

The Tiananmen Episode of 1989

As the leading Communist power, the Soviet Union, conceded defeat in the Cold War in 1989, following its withdrawal from Afghanistan, there was a “democracy movement”, mainly in the former Soviet satellites in Easter Europe. The Berlin Wall was demolished, and Germany reunited.

The summer of 1989 also witnessed scattered protests by students and workers, over alleged misuse of authority by Communist Party officials. Signs of division appeared in the Communist Party leadership, with Party leader and former Premier Zhao Ziyang, advocating a policy of conciliation and reform in response to the agitation that began in the Tiananmen Square in late May. The government showed patience, and while maintaining a state of military readiness, did not resort to force. However, a group of students set armoured vehicle on fire, killing several soldiers. Deng Xiaoping approved the adoption of strong measures, and the Chinese People's Liberation Army broke up the demonstration by force, with a relatively low casualty figure of a few hundred.

The Western leaders called this a “massacre” and many of them imposed sanctions on investment and trade. However, peace and stability were restored rapidly, and the pace of economic growth maintained. The Chinese government call this a conspiracy by foreign agents to stage a counter-revolution. The years since that event show that the mass of the Chinese people are satisfied with their government and its policies as there has been no repetition of anti-state agitation, except for elements seeking greater autonomy in outlying regions.

China’s Economic Strategy

The quarter century of economic reforms and expansion has not been without some distortions and inequalities. The most outstanding successes in economic development have been achieved along the coast, where foreign investment and technological transfers have had the greatest impact. The annual per capita income in Shanghai and Shenzhen, has crossed US\$ 5000, whereas it is below US\$ 500 in much of rural China, and even below US\$ 300 in the most remote parts of Western China. More seriously, the modernisation of industry has been held back on account of the need to sustain the large public sector that still employs hundreds of millions of Chinese workers. To maintain the tempo of growth, inefficient industries must be allowed to collapse and the manpower released absorbed in modern enterprises and public works projects.

The continued involvement of the state in the gigantic public and private sectors of the economy has produced a whole range of anomalies and risks. The fiscal deficit has grown, as the state invests heavily not only in expanding sectors of the economy, but also to absorb the losses of the state owned enterprises. The total debt of the state has grown to US\$ 1.6 trillion. The banks are swollen with deposits on account of the Chinese proclivity to save, but a high percentage of the loans are non-performing. The amount of recoverable debt had reached US\$ 500 billion in 2003, and economists are worried about the risk of failure of many state owned banks. Yet, it is imperative that the high rate of investment is maintained and massive unemployment is avoided, failing which the standing of the ruling party will be undermined. Some analysts in the West, including expatriate Chinese economists, have even started to write about the imminent collapse of China. These prophets of doom perhaps indulge in wishful thinking

when they speculate that this collapse may coincide with the ongoing transfer of leadership to the fourth generation.

More recent surveys show that China has successfully adopted strategies that would not only maintain the tempo of growth, but also provide employment to the bulk of its population, despite the inevitable decline of the inefficient state sector. Chinese policymakers have utilised the lessons from other countries that had to stimulate the economy and to create employment opportunities. Just as President Franklin D. Roosevelt had to launch a massive programme of public works under the New Deal, the Chinese leadership has launched a series of big projects that serve to provide the infrastructure for future development, and keep the economy growing.

Another factor that has shaped the Chinese economic strategy is that many of the leaders are engineers and scientists who are ready to invest in large projects, with long gestation periods. Many of the huge projects were undertaken to make sure that China did not suffer from the slow-down that affected East Asia in 1997-98. That was the year when, instead of cutting down, China chose to monopolise the country's vast private savings for a building boom, which in the words of the *New York Times* of January 14, 2003, "dwarfs the New Deal and the Marshall Plan". America's premier newspaper, which was sceptical about China's ability to correct internal distortions, and to manage the financial challenges involved in achieving ambitious targets, has been impressed by the manner in which China has gone for growth and stability. The government, state banks and foreign and domestic companies spent US\$ 200 billion in the first eleven months of 2002 on basic infrastructure projects, which represent 15 per cent of China's gross domestic product.

The Three Gorges Dam, on the Yangtze River, was considered to be the world's most ambitious and expensive water and power project, with an estimated cost of US\$ 30 billion. It will be dwarfed by the latest engineering colossus that will divert 48 billion cubic meters of water annually from the Yangtze River to the Yellow River in the north, to alleviate desertification and drought, at a cost of US\$ 60 billion.

China has more than its share of difficult terrain, with 90% of its territory covered by mountains and deserts. However, the disparities emerging between the developed east and the backward west must be overcome, in order to avoid the threat of spreading discontent, and to eliminate the poverty that affects scattered communities all over China.

No barriers are too formidable for China's planners, engineers and workers. An 1142 kilometres railroad has been built between Qinghai and Tibet, with workers carrying oxygen kits to build it at altitudes up to 16,000 feet above the sea level.

Chongqing, the largest metropolitan area in the Chinese heartland in Western China with 30 million inhabitants, is being transformed through the construction of 1000 kilometres of superhighways, four new railway lines, an urban light rail system and a new airport, that will cost \$200 billion over the first decade of the 21st century. This is more than what the US spent on the American interstate highway system in the 1950s. Chongqing is situated in a difficult location in the Zhongliang Mountains pierced by flood-prone rivers, but is planned to become the hub of the vast underdeveloped region in the West.

The Great Western Development Plan adopted by the Chinese government at the close of the 20th century envisages a crash programme that will not only narrow the economic disparity between the East and the West, but also provide links with remote countries in Central Asia, as well as Afghanistan and Pakistan. An amount of \$90 billion was earmarked for this region in the initial phase. The close Chinese cooperation being extended for developing ports in Myanmar and Pakistan will eventually provide shorter outlets to the Indian Ocean to assist development in Southern and Western China.

The developed regions and the major cities in particular, are not standing still. Shanghai's spectacular development has become the model and pacesetter for modernisation and development all over the country. Leaders who guided and planned its growth, such as President Jiang Zemin rose to the top, and even now, the executive Vice Mayor of Chongqing, Huang Qifan, was a former top official in Shanghai. He conceded that the investment plans for the city sounded over-ambitious, but stated that when the plans have been implemented, they will make sense through the results achieved.

For a leadership committed to developing socialism with Chinese characteristics, the current economic strategy counts on foreign technology and investment that would promote higher productivity in a huge labour force that is shifting from agriculture to industry. This also requires an environment of peace and stability in the world. Given the desired political and economic indicators, China is expected to have the largest single economy in the world before long. There are valuable

lessons to be learnt from the Chinese experience, notably by the developing countries.■

CHINA'S PEACEFUL RISE — 1978-2006

The review of the historical evolution of China since the Revolution in the previous two chapters, has traced the process launched in 1978 under Deng Xiaoping. This has provided a solid foundation for its emergence as a world power of the future.

China, which was definitely a part of the developing world, faced challenges that had confronted most of the backward countries, that had gained political independence, in the post World War II period. It experienced upheavals and setbacks, and fought a war with the US (in Korea), and border conflicts with the Soviet Union and India, largely in self-defence. But since 1978, it has risen at a fast pace through economic reform, and has scrupulously observed the Five Principles of Peaceful Co-existence. Its foreign policy has been inspired by a resolve to create an environment conducive to peaceful development. Despite being a recognised great power, by reason of its being one of the five permanent members of the UN Security Council, it has no hegemonic ambitions but seeks to be a factor for peace, progress and stability in the world.

Unlike most major powers of the past, which achieved great power status through military conquests and territorial expansion, China has risen through peaceful reforms and development. Its only territorial demand relate to Taiwan, which separated in 1949 following a Civil War, but is regarded by all Chinese as an integral part of China. There are also some islands in the China Sea that are currently under the occupation of different powers, but had been a part China in earlier periods and are therefore claimed by China. However, China is committed to resolving the disputes over such islands through peaceful means.

The Sino-African Summit, organised in Beijing from November 4-5, 2006, is an impressive manifestation of the impact China can have on an entire continent that has been exploited and impoverished by the former colonial powers, now seeking to ensure their hegemony in the current century. China's interaction with the top leaders of 50 African countries is likely to have major economic and political consequences. With its growing energy needs and appetite for other raw materials, China will become a major market for oil and other primary products.

Much more important for the African countries will be the terms on which China will provide its industrial goods, and investment needed to develop the African countries. President Hu Jintao under took to double aid over the next three years, and to provide \$ 5 billion for investment on very soft terms. 200,000 Africans will receive technical training in China. Some 2000 deals were made that will help the African countries to develop their infrastructure and to fight poverty and disease. A large special fund would be created to finance construction of hospitals and schools all over the continent.

This significant initiative is likely to highlight the sympathetic attitude of China in contrast to the pusillanimous attitude of the affluent countries, which preach democracy and human rights but have refused practical help by rejecting the demand of developing countries that high subsidies to agriculture that undermine their economies be terminated.

At this point, it would be appropriate to sum up both the speed and the content of China's peaceful rise that has provided it with the industrial and financial means to bring about a change for the better in the global economic order.

China's sustained economic growth since 1978 has been an unprecedented phenomenon. Other Asian economies, like those of Japan and South Korea went through periods of rapid growth in the second half of the 20th century, but the process faded after a while, and they came nowhere near offering a challenge to the US.

Western, as well as Asian economists and analysts agree that China "will be a much bigger force", as it "does not face some of the inherent limitations that stymied Japan. With its giant population, China is creating a large and diverse economy, creating an almost Darwinian competition for a domestic market that has extremely low-cost companies ready to export inexpensive goods around the globe."⁹

Ingredients in the Peaceful Rise

The factors of geography and history, as well as of natural resources on the one hand, and ideological adaptability on the other, have already been taken up. During its 59-year history, the process of "learning the truth from the facts," to quote a famous expression used by Deng Xiaoping, has continued. The ideological base lies in the evolving

⁹ Keith Bradsher, "China Economy Rising at Pace to Rival U.S." *New York Times*, June 28, 2005.

concept of socialism contained in Marxism-Leninism by combining it with Chinese characteristics contained in Mao Zedong's thought and what is now called "Deng Xiaoping theory".¹⁰

The Chinese have had their ups and downs, and experienced colonial rule and exploitation as well as ideological convulsions. Pragmatism is the order of the day, the objective being to improve the life of the people.

A brief summing of the growth achieved since 1978 presents results of breath taking quality. The annual growth rate of 9.4 per cent has led to a manifold increase in per capita income as well as in trade. China has become the world's biggest producer of coal, steel and cement and the second largest consumer of energy. China's exports to the US grew by 1600 per cent over the past 15 years and US exports to China by 415%. It has become "true workshop of the world", an expression once used for Britain after the Industrial Revolution, and produces two third of the world's copiers, microwave ovens, DVD players and shoes.¹¹ By the start of 2008, China's Foreign Exchange Reserves have exceeded US\$ 1.5 trillion, the highest in the world.

On the foreign trade front, "in 2004, total value of imports and exports reached 1154.8 billion dollars, up 35.7 per cent over the previous year. Of this total, the value of exports was 593.4 billion dollars, up 35.4 per cent, and that of imports was 561.4 billion, up 36 per cent. China has a trade surplus of 32 billion dollars, an increase of 6.5 billion dollars as compared to that in the previous year."(See table below)

Table
Growth Rate of China's Foreign Trade (per cent average)

	2000-04	June-Aug 2005
Overall Rate	26.7	23.5
With EU	25.2	23.7
With the US	22.9	24.9
With ASEAN Countries	32.1	25.5
With South Korea	20.1	25.7
With Japan	20.8	10.5

¹⁰ Decisions of sixth plenum of 16th session of Central Committee of the Communist Party of China, Beijing, October 8-11, 2006.

¹¹ Jamshed Ayaz Khan, "The Emergence of China", *The News* (Islamabad) May 28, 2005.

Currently, China is regarded as the world's fourth largest economy after the USA, Japan and Germany. "China's gross domestic product (GDP) reached US\$2 trillion in 2004 following an average economic growth rate of meteoric 9.4 per cent rise over the past 29 years, since 1978." The Chinese government hopes to double that figure to US\$4 trillion and raise its per-capita GDP to at least US\$3,000, by 2020. China's consistent growth has "generated more than 500% increase in its GDP, and it has extricated 400 million people out of poverty. At the same time, it has attracted some 500 billion dollars in foreign direct investment, most of it since 1990, and much of it, fuelling its vibrant export market and some of it going into inefficient fixed asset investment." Given the slowdown in the economies which are ahead of China in GDP terms, and given the fact of Chinese economy's consistent high growth rate coupled with the speculation that it will keep the current momentum for the foreseeable future, one can reasonably say that China will get ahead of them in the coming decades.

As will be discussed in greater detail in the following chapter, China's foreign policy is based on the fundamental goal of "building Socialism with Chinese characteristics". However, it no longer pursues the goal of exporting its ideology and does not bestow any special favours on other countries that claim to follow the socialist path. Where its example and experience may influence the large group of the poor and developing nations is that places a high priority on building a stable and peaceful order, both at home and abroad. Its continuing success in maintaining a high rate of growth and in raising the living standards of its vast population is bound to provide a model to the backward nations. In this respect, China's adoption of the path of peace and equality, expressed in the term "harmonious diplomacy", may win increasing support.

Components of Peaceful Rise

The celebration of China's rise in a peaceful manner has started with the 21st century, which many have started calling the "Asian Century". Pakistan organised an International Conference in September 2005, which spent two days discussing various aspects of the role China was playing in ushering in the Asian Century. It would be appropriate to recall the conclusions reached in it by assessing the role of China's peaceful rise, as an economic phenomenon; shaping its political

evolution, and ensuring peace and security not only in Asia but within a global context.

Economic Dimension

China formally joined WTO as its 143rd member on December 11, 2001, after fifteen years of negotiations. China was obliged to take concrete steps to remove trade barriers and open its markets to foreign exporters. This involved major changes in its laws, as well as assumption of obligations of all existing WTO multilateral agreements. There were significant reductions in tariffs for both imports and exports. China had been expanding its production and exports for well over a decade and therefore its accession has been not only painless but has also strengthened the role of the WTO. China's own role has expanded in the international economic system, not only as a large growing economy but also as a leader of the Group of 77 (the Developing countries).¹² China's huge foreign exchange reserves give it the ability to influence global economic stability and also to provide funds for investment in all parts of the world.

China's Political Role

The spectacular economic growth of China translates into political weight that is exercised in favour of a balanced and principled foreign policy. This is taking place during a period when the sole super power is throwing its weight aggressively and virtually encourages like-minded regional players, i.e., Israel and India, to do the same. The presidency of George W. Bush that began on a unilateralist note in January 2001, utilised the terrorist attacks of 9/11 to come up with the Doctrine of Pre-emption in September 2002, that was invoked to attack Iraq in March 2003. Tens of thousands of casualties later, and after spending hundreds of billions of dollars, the US is awakening to the need for diplomatic solutions, and China is the power that is exercising a restraining influence, and pressing for priority attention to the challenges confronting mankind.

¹² Farzana Noshab, "China and WTO", in *China and the Emerging Asian Century*, proceedings of International Conference held on September 1, 2005, (Islamabad: Institute of Strategic Studies, 2005).

Arms Control, Disarmament and Non-proliferation

An economically vibrant China is bringing to bear its principled policy on these issues and promoting mutual trust, mutual benefit, equality and coordination to create a favourable security environment that safeguards world peace.¹³ China has been particularly concerned over initiatives pertaining to Missile Defence that could weaponise Outer Space and is a strong advocate of nuclear disarmament. It firmly supports the Comprehensive Test Ban Treaty, and is also committed to Disarmament as well as International Non-proliferation.

Multilateralism, International Institutions and Global Agendas

The soft approach to projecting its growing power finds expression in the emphasis China places on multilateralism and the UN. China is cautious in its approach to international interventions because of its support to the sovereign right of states to deal with their own internal issues. China finds an active multilateral role helpful in balancing the bilateral security relationships the US builds up in various regions. There is an interesting contrast between the approaches of India and China to multilateral organisations. After initially using multilateralism to compensate for its lack of power, India is opting for an increasingly discriminatory approach in its international relations, after becoming a nuclear power and acquiring military and economic strength. On the other hand, as China becomes richer and more powerful, it is moving towards multilateralism and consensus building. At a time, when the US is undermining these trends, China's support to a multilateral approach to global agendas is going to be critical to the future direction of the international system.¹⁴

Sino-Pakistan Economic Relations

As a neighbour with a shared border, Pakistan has experienced economic interaction with China since its independence, and it has been a model and peaceful relationship. It has come to be stated over the six decades of bilateral relations that the relationship has been “exemplary and cooperative” in the “political, defence and diplomatic” spheres but that their economic relations have not kept pace with other aspects.

¹³ Idou Hongyn “China and Arms Control, Disarmament & Non Proliferation” in *China and the Emerging Asian Century*, op. cit., p. 200.

¹⁴ Shireen M. Mazari, *China and the Emerging Asian Century*, op. cit. p. 217.

This evaluation is used to encourage the two sides to do more to build economic relations in different fields, such as trade, investment and joint ventures. Indeed, since both are developing countries, a majority of whose population enjoys a modest standard of living, and suffers from discrimination and exploitation at the hands of the developed world, the purpose of this approach is to promote bilateral cooperation between them, as well as partnership in the struggle for a more just economic order by the developing countries.

The foundation of a cordial political and strategic relationship was laid in the first twenty years of bilateral relations, notably after the Boundary Agreement of 1963 eliminated the only potential cause of differences or conflict. However, it was only towards the end of the 20th century that the need for special efforts to promote close economic relations was realised. The two countries, already enjoying an “all-weather friendship” launched an organised and comprehensive effort for close economic relations only in 2001, which marked the fiftieth anniversary of diplomatic relations between the two countries.

Significantly, it was Premier Zhu Rongji who took cognisance, in 1999 of the growing disparity between the coastal regions of China, where the GDP had reached US\$ 5000 per capita, while in the countryside the average was hardly US\$ 1000. The most striking disparity was between Western China, whose 13 provinces covered over 42% of the country’s area but enjoyed a per capita GDP of US\$ 600, with the most backward and remote areas mired in poverty, with per capita GDP of around US\$ 300. The National People’s Congress took note of the serious implications of this unbalanced state of development that could even undermine the unity of the country. Premier Zhu Rongji announced a special project to overcome this disparity by vastly increased investment, through the provision of US\$ 90 billion for the very first year, in 1999.

There was a change of regime in Pakistan also in 1999, and in President Musharraf’s first visit to China in January 2000, special emphasis was placed on building economic relations. Premier Zhu Rongji visited Pakistan in May 2001 to mark 50 years of diplomatic relations and urged the two sides to “boost cooperation in agriculture, infrastructure, information technology and other fields under the principle of reciprocity and mutual benefit, for achieving common

prosperity".¹⁵ These views were endorsed by President Musharraf, and during the visit six agreements and one MoU were signed, covering economic and technical cooperation, tourism, lease of Saindak Copper-Gold Project, supply of locomotives and passenger coaches to Pakistan Railways. The MoU was signed between China's ZTE and PTCL on communications. Premier Zhu Rongji also announced support for Gwadar Seaport, whose construction started in 2002.

High-level visits in the succeeding years have added new areas and dimensions for economic cooperation. President Musharraf's visit in November 2003 resulted in a "Joint Declaration on Direction of Bilateral Relations that also laid greater emphasis on expanding economic cooperation. The visit of Prime Minister Shaukat Aziz in December 2004 marked the signing of seven agreements that envisaged increase in bilateral trade, setting up joint agro-based industries, and increase in Chinese investment in Pakistan. China provided a preferential credit of US\$ 500 million out of which US\$ 150 million was for phase-II of the Chashma Nuclear Power Plant. The Prime Minister laid emphasis on import of capital from China and since then Chinese investment has risen to over US\$ 4 billion that is financing 114 projects. A new Pakistani consulate was also opened at Shanghai.

From the Chinese side, the visit of Premier Wen Jiabao in April 2005 became a landmark in all round cooperation through the signing of 21 agreements and MoUs. Initial steps were taken towards establishing a free trade area between the two countries, by bringing to zero all tariffs on 767 items. Trade has expanded rapidly from US\$ 1.4 billion in 2001 to \$ 5 billion in 2006.

As Pakistan provides the shortest possible route from Gwadar through Karakoram Highway to the western region of China, as well as to adjoining Central Asian countries of Tajikistan, Kyrgyzstan and Kazakhstan, this is being developed as "trade and energy corridor" which has many advantages over the sea route via the straits of Malacca. This alternative is being developed since the visit of Premier Wen Jiabao to South Asia in 2005, by holding Annual Trade and Development Fairs at Kashgar in southern Xinjiang, which is the terminus for the Karakoram Highway in China, while the terminus in Pakistan is Abbottabad that has become a sister city of Kashgar. China

¹⁵ Fazal-ur-Rahman, "Pakistan-China Relations in a Changing Geo-Strategic Environment" *Strategic Studies*, vol. XXII, no. 2, (Summer 2002).

is committed to upgrading the Karakoram Highway to a double-track, year round highway and there are also plans to link the Chinese railway system to that of Pakistan, by building a track from Kashgar to Abbottabad. When the short railway link is built to connect Zahidan to Kerman in Iran, western China and Central Asia will also be connected by railway to an Asia-Europe network via Iran and Turkey. The major part of the funds for the Karakoram Highway-Gwadar link is being provided by China as a part of its vision for greater economic integration of western China with south and west Asia.

Pakistan will thus be a major beneficiary of China's peaceful development. The development of Western China in particular will provide ready markets for Pakistani goods and the scope for expanding exports of fruit and fish is already being explored. The appetite in Pakistan for Chinese consumer and industrial goods is truly enormous, but for achieving balance, China has to invest heavily in industries in Pakistan as well as provide guaranteed markets in China. The annual Kashgar Fairs are engaged in achieving this. ■

CHINESE FOREIGN POLICY DRIVEN BY DEVELOPMENT GOALS

China's foreign policy has evolved on the basis of its historical legacy, its experience of foreign domination during the period of Western colonialism, and its national goals of modernisation and development. These factors may be spelt out in greater detail:¹⁶

- i) The historical legacy, including China's rich contribution to mankind, notably in the fields of culture and science, gives to the Chinese people both confidence and faith that they are destined to play a significant role in the future evolution of the global order. The awareness of the size of China in area and population, and of its past greatness colour the outlook of its people, even as they open their doors to foreign technology and investment.
- ii) The experience of foreign interference and aggression during the period of China's weakness and decay has registered itself on the consciousness of the political as well as the intellectual elite. The Chinese revolution resulted not only in a resolve to oppose hegemonic impulses, whether regional or global, but also in China identifying itself with the developing countries, which also suffered humiliation and exploitation. China shares their goal of more just political economic order in the world.
- iii) The most urgent task confronting an independent and forward-looking China is to overcome the poverty and backwardness of its enormous population. While holding fast to its socialist moorings derived from the revolution, China introduced economic reforms that involve virtual adoption of the market economy system by opening itself to western investment and technology. The ideological activism of the early years to promote socialist values has been abandoned in favour of a pragmatic approach tailored to the

¹⁶ M. A. Bhatti, *China's Emerging Role in the World*, (Islamabad: Institute of Strategic Studies, 1999), pp. 8-10.

goals of modernisation and development. The priority accorded to economic reforms and growth has influenced Chinese foreign policy in significant ways.

Fundamental Principles of China's Foreign Policy

From its inception, the People's Republic of China adopted certain principles, which have been retained as the foundation of its foreign policy, despite changes of leadership and pragmatic adjustments to the evolving global scene:

- i) China seeks to pursue an independent foreign policy, based on the principles enshrined in the Charter of the UN, and lays special stress on the five principles of peaceful coexistence.
- ii) China is opposed to hegemonic tendencies, whether they are global (as in the case of the US) or regional (i.e. India). This is because those aspiring to playing a hegemonic role do so mainly through the use or threat of force, which exacerbate tensions. It also does not accept efforts of influence (such as by India in South Asia), which it considers to be inconsistent with its principled approach.
- iii) China favours the settlement of international problems through peaceful negotiations, and opposes resort to use or threat of force.
- iv) In its quest for economic and technical progress, China seeks to develop mutually advantageous cooperation with all countries, regardless of their social systems.
- v) China is committed to the rectification of historical wrongs it suffered (of which most important concern its territorial integrity) and in the reassertion of its sovereignty over Taiwan, Hong Kong, Macao and several islands off its coast. However, it seeks to resolve these problems through peaceful means.
- vi) China supports the political and economic goals of third world countries, among which it counts itself. Thus it backs liberation movements in former colonies and the quest for a new international economic order.

- vii) China favours regional cooperation (SAARC, ASEAN, APEC) as well as such global initiatives as strengthen International peace and security.
- viii) China supports disarmament goals, which should include the complete banning and total destruction of all nuclear weapons. It is the only nuclear power to declare that it will never be the first to use nuclear weapons in any future conflict.

Evolution of Chinese Foreign Policy

Though the period of nearly half a century since the Revolution of 1949 has seen many changes in China's domestic and foreign policies, certain strands identified in the early years have become established and provide continuity in China's outlook. The changes have depended upon the external environment with the outlook of domestic leadership playing a role. The following three phases can be recognised in the historical evolution of China's foreign policy:

The first decade after the Revolution saw China depend largely on Soviet political and economic support. The West, led by the US, saw China in an adversarial light as an ally of Moscow in the Cold War. A great deal of internal reconstruction and rehabilitation after decades of domestic turmoil and foreign intervention was carried out with Soviet assistance, and the Soviet economic and political model was adopted.

The Chinese perception of the newly independent countries of Asia was that of a force which could stand up to imperialism and hence reinforce the array of forces that would deter aggression by the imperialist camp. While still relying on its alliance with the Soviet Union for security, China began to develop ties with the governments of newly independent Afro-Asian countries. In this context, an agreement concluded on April 29, 1954, with India on trade and intercourse between the Tibet region of China and India assumed special significance, as the two countries reached an understanding on what came to be known as the Five Principles of Peaceful Coexistence or "Panchsheel". These were:

- a) Mutual respect for each other's territorial integrity and Sovereignty.
- b) Mutual non-aggression.

- c) Mutual non-interference in each other's internal affairs.
- d) Equality and mutual benefit, and
- e) Peaceful coexistence.¹⁷

These principles have become the foundation of China's foreign policy and are frequently invoked by Chinese leaders during their foreign visits, especially to developing countries.

The decade of 1949-59 was mainly characterised by close cooperation with the Soviet Union, which led the West to view it as a member of the Soviet bloc in the Cold War. However China eschewed the approach of the other members of the bloc in extending unswerving support to Moscow, and viewed its role as that of a world power. In an editorial on China's role in the 1954 Geneva Conference on Korea and Indo-China, the *People's Daily* claimed: "The international status of the People's Republic of China as one of the big world powers has gained universal recognition. Its international prestige has been greatly enhanced."¹⁸

China developed an identity of interest with the former colonised countries of Asia and Africa and this dimension of Chinese foreign policy became fully developed by 1955 when it played an active and leading role in the Afro-Asian Conference of 29 countries at Bandung, Indonesia. As the Sino-Soviet rift developed in the late 1950s, China began to attach greater importance to Afro-Asia as the primary centre of anti-imperialist struggle with which China identified itself the most.¹⁹

The second phase in the evolution of China's foreign policy began around 1960, when the Sino-Soviet rift of 1959 was followed by the adoption of a more aggressive policy by India, and China faced virtual isolation, specially after the plans for a Second Afro-Asian Conference in Algiers in 1965, for which China had worked so hard, were torpedoed by the West. This period that lasted till the demise of the founders of the 1949 Revolution, Mao Zedong and Zhou Enlai in 1976, saw the country go through many a crisis but this was the period

¹⁷ R. K. Jain, *China, South Asian Relations – 1947-80*, (New Delhi: 1981), vol. 1, p. 61.

¹⁸ *People's Daily*, Beijing, July 22, 1954.

¹⁹ M. A. Bhatti, *Great Powers and South Asia*, (Islamabad: Institute of Regional Studies, 1996), p. 149.

during which the friendship with Pakistan developed and assumed great importance for both. Though China inflicted a humiliating defeat on India in 1962, in response to the latter's aggressive policy along the disputed border, it was facing the hostility of both the super powers as well as serious economic difficulties following the failure of Great Leap Forward policies launched in 1958.

For China, this proved to be the most dangerous phase of its foreign policy, as it did not acquire even a rudimentary nuclear capability till 1964. China sought to develop countervailing relationships, focusing particularly on Asian, African and Latin American countries. However, with most neighbouring powers either hostile or close to inimical powers, the relationship with Pakistan, which despite its alliance with the West also needed Chinese support against an aggressive India, became crucial. The years 1964 and 1965, witnessed critical gains for both from their friendship. The major airlines that were controlled by the two Super Powers or their allies, virtually denied China access to the outside world till Pakistan extended the service of its national airline the PIA, to China in April 1964.²⁰

The two countries exchanged several high level visits over the period, with President Ayub receiving the "most moving" welcome ever extended to an Asian head of state in March 1965. President Ayub also criticised Britain and America at the Commonwealth Prime Ministers Conference in 1964 for their double standard in wooing Soviet Union and trying to isolate China.²¹ Chairman Mao Zedong personally expressed appreciation for his stand.

Indo-Pakistan conflict of 1965 saw China extending crucial support to Pakistan in various ways. With the US involved militarily in Vietnam, Chinese military assistance to the latter made Washington D. C. aware of the need to reach an understanding with China, whose relations with the Soviet Union worsened, as Moscow concentrated nearly 40 per cent of its forces on the long border with China with clashes taking place on the Ussuri River in 1969. Chairman Mao had launched the Cultural Revolution in 1966, basically to prepare to face a possible nuclear aggression by either super power. Major rifts appeared

²⁰ The author personally heard Vice Premier Chen Yi defiantly proclaim the satisfaction of the China Government over the failure of its enemies to isolate it from the world, at the banquet he hosted in honour of the official delegation from Pakistan that travelled by the inaugural flight.

²¹ M. A. Bhatti, *Great Powers and South Asia*, op. cit., p. 165.

in the Chinese leadership but despite some hiccups, China withstood the crisis and was restored to its place in the UN in 1971. Nixon following his election in 1969 saw the diplomatic advantages of exploiting the Sino-Soviet rift. Pakistan played a key role in 1971 in facilitating rapprochement between the US and China, which was followed by President Nixon's visit to China in early 1972.

While China achieved the status of a Great Power despite the Cultural Revolution, there is little doubt that China's economic and social progress was delayed by the internal tensions in the final years of Mao. It took his demise in 1976 to enable the more pragmatic approach of Deng Xiaoping that finally launched China on the path of modernisation and development, starting in 1978.

The third and the ongoing phase of Chinese foreign policy, has accorded the highest priority to economic development with "modernisation" — the key object. The fact that the two phases covering the Mao era, were dominated by ideological and security issues during a turbulent period, does not mean that China did not make economic progress or concentrate on improving the life of its vast population. The very essence of Socialism is a more equitable sharing of national resources and adoption of measures to eliminate hunger, disease, illiteracy and other signs of backwardness. The pace of recovery and reconstruction was quite remarkable, and the People's Liberation Army was used extensively with landlordism abolished and collective farms that took the form of communes introduced. Despite the failure of Great Leap Forward between 1958 and 1961, whose effects were compounded by such natural disasters as floods and droughts that caused the loss of several millions of lives, China's economy progressed in the 1960s and China's trade links expanded. It was Premier Zhou Enlai, who first announced the concept of modernisation to be carried out in agriculture, industry, science and technology, and defence. However, the Cultural Revolution launched by Chairman Mao Zedong in 1966, though animated primarily by the desire to protect China from external threats also reflected a desire to safeguard what Mao regarded as the austere ideological moorings of the revolution. Thus, Mao mobilised the Red Guards to oppose acquisition of wealth by Party leaders that would introduce bourgeois elements into Communist ideals.

Deng Xiaoping, who was close associate of Mao and served as Party Secretary General in the 1950s, saw the negative effects resulting from the Cultural Revolution and urged a more pragmatic approach that

would enable China to keep pace with the rest of the world and to improve the life of the Chinese people. He was purged as a “capitalist roader” and publicly disgraced. Though he was partially reinstated, his influence grew in the upper echelons of the Party and following Mao’s demise, he rapidly won support so that by 1978, the great majority of Party cadres and economic managers saw the inevitability of a radical change of direction, whose validity and relevance was universally acknowledged.

The basic ingredients of this phase in which China, while retaining the basic principles of its foreign policy has made far reaching and sophisticated changes that have proved durable and of lasting relevance may now be identified.

- i) The most significant change is to reform the economy along capitalist lines, while retaining the political control of the Communist Party. This ensures that the reins of political power remain concentrated, thus ensuring continuity and control of the state apparatus that is in keeping with Chinese national tradition. Combining economic and political reforms (Perestroika and Glasnost) had proved disastrous in the Soviet Union.
- ii) China has abandoned the goal of preaching the Communist doctrine or of seeking a leadership role in the world Communist movement. It abides strictly by the principle of non-interference in the internal affairs of states.
- iii) While abjuring the role of exporting revolution, China had decided to open itself to the outside world, primarily to encourage foreign capital as well as technology that are critical to its economic goals.
- iv) The top priority in its national policies, both domestic and foreign is given to economic development and modernisation. In the four modernisations, the order of priority has been clearly defined starting with agriculture that would benefit the peasants who constituted nearly 80 per cent of the population, with industry next followed by science and technology with national defence coming last.

- v) China also committed itself to increasing its role in the multi-lateral sphere, stressing regional cooperation and making the UN system a more effective instrument of peace and development.
- vi) Lastly, China supports the war on terror, especially after the 9/11 events, but lays stress on dealing with the root causes and identifies itself with the developing countries in seeking a peaceful and just world order.

Outlook for Foreign Policy

Signs of a new polarization in the world have appeared with the US, backed by major EU powers and Japan, promoting a new global coalition that includes Australia, India and Israel for ensuring US hegemony and to contain China. China and Russia are working together to retain influence in Central Asia and to promote a multi-polar world order. This is already being viewed as potentially a new Cold War, in which the developing countries would be the arena for contest.

At the same time, the global agenda of collaboration to deal with problems confronting the planet as a whole, including climate change, management of resources for a growing population, and alleviation of poverty and its manifestations is attracting attention as well with the UN system as the main instrument. World economic trends suggest that China may face post-growth problems of the kind Japan experienced after three decades of economic boom. The very process of peaceful rise of China may be affected by its relations with the two major countries of South Asia with India a strategic ally of the US, while Pakistan is destined to relate its survival to its alliance with China.

As China's economy and military capability grow, its influence and power also expand as is evident from the weight attached to its opinion in the world on various issues. Beijing has favoured greater recourse to the UN and its attached organisations, which should promote peace and development. However, as the US has shown by its policies, it continues to be guided by considerations of coercion and power. When it comes to matters of substance affecting the distribution of wealth, and laying down a fair and equitable system for the whole of mankind, it is the nations that are both rich and powerful that rule the roost. The Group of Eight (G-8), consisting of the US, Canada, the UK,

France, Germany, Italy, Japan and Russia, sets the rules for trade, and for running the global economy. Their arena of operations includes the international financial organisations such as IMF, World Bank and WTO. The world's biggest privately owned corporations, including multinationals are also affected by the G-8.

Proposals are now being considered to include China as the 9th member of the Group. The size of its GDP and the pace of its growth seem to qualify China. But with its socialist outlook, and Confucian values, China may not want to compromise its independence, or break its links with the developing world. It is more likely that China, rather than compromise on its principle of opposing hegemony, will maintain its identification as a part of the developing world that would help remove some of the more objectionable features of the existing capitalist order through foreign policy initiatives and action through the UN. ■

SINO-US RELATIONS

The relationship of China with the US has been central to its concerns for the past century and more. Even during the early part of the 20th century, people of the US had a fascination with this ancient land, and over 100,000 Americans were running welfare institutions, hospitals and schools in the country. The US even took part in the western imperial exploitation of China that began in the 19th century.

The Second World War, in which the US got involved following the Japanese attack on Pearl Harbour, saw the US and China become allies, and when the Japanese aggression pushed the government of Chiang Kai-Shek to its war-time capital at Chongqing, the US provided military support via the Burma Road. As the KMT government appeared more concerned with its war with the Communists led by Mao Zedong, the US even supported efforts for developing cooperation between the Nationalists and the Communists. After the end of the Second World War, the US kept backing Chiang Kai-Shek and after the victory of the Communist Revolution in October 1949, did not recognise the People's Government. It did not formally extend recognition till January 1, 1979, though the process of rapprochement began under President Nixon seven years earlier, with Pakistan playing the role of intermediary.

During the first ten years of the People's Republic, there was greater hostility by the US towards China than towards its Cold War rival the Soviet Union. The US had intervened in the Korean War as Communist North Korea led by Kim Il Sung sought to reunify the divided peninsula under his leadership. The US forces, that were able to operate under UN auspices as the Soviet Union absented itself from a crucial meeting of the Security Council, pushed the North Korean forces back.

When General Douglas Mac Arthur, who commanded the US forces, made known his intention of crossing the Yalu River, China saw a security threat it could not ignore. It, therefore, intervened on the North Korean side, and pushed the US forces back to the 38th parallel which separated the two parts of Korea. The US forces suffered casualties while several hundred US soldiers were taken prisoner. China

was now seen as an enemy whose military action had led to the death and capture of thousands of US servicemen.

The US achieved a *modus vivendi* in 1959 with the Soviet Union following the summit between President Eisenhower and Nikita Khrushchev. The latter was so keen to placate the US that he conveyed a request to the Chinese leadership, headed by Chairman Mao Zedong, to release the US prisoners of war captured by them. As the US prisoners detained by China had been convicted of crimes, China did not oblige and this became a factor in the worsening of Sino-Soviet ties. Moscow suddenly withdrew its experts and economic aid personnel from China in the later part of 1959. Since the West, under US leadership, had also banned sale of sophisticated technology to China, the latter was compelled to develop self-reliance.

The US also rushed military supplies to India in 1962 when New Delhi provoked a border conflict with China. During the 1960s, as the US got involved in Vietnam, China was among the Communist powers that extended military assistance to Vietnam.

The rift between China and the Soviet Union over the latter's claim of hegemony over the Communist bloc continued to widen. Moscow concentrated nearly 40 per cent of its forces along the border with China, and a serious military clash occurred between them in 1969 along the Ussuri River.

President Nixon, who had succeeded Johnson, realised the benefits that would accrue to Washington if the US were to exploit the Sino-Soviet rift. It took till mid-1971 for a high US envoy, Henry Kissinger, to travel to Beijing via Pakistan, which acted as an intermediary. The following year, President Nixon visited China and de-facto recognition followed with George H. W. Bush, serving as the first US envoy to Beijing.

This was a transitional stage, during which a significant normalisation of relations took place, notably in their strategic cooperation against the Soviet Union, which had launched a militant phase in foreign policy. The Watergate Scandal that forced Nixon's resignation in 1974, and the US defeat in Vietnam put a limit on US activism, notably under President Jimmy Carter, who succeeded Nixon's replacement, President Ford, in 1977. A Democrat with a liberal outlook, President Jimmy Carter recognised China in 1979, and both economic and political relations flourished.

With the death of Mao Zedong, China underwent a transformation of its outlook and goals, shifting its focus to economic modernisation, adopting reforms under the leadership of Deng Xiaoping in 1978 that virtually introduced the market economy system, opening the country to foreign investment and technology. The US and Japan took the lead in investment and joint ventures, so that the country got launched on a phase of impressive growth and modernisation. The two countries cooperated against Soviet militancy in Cambodia and Afghanistan, with Pakistan playing the role of a frontline state during the decade-long Soviet occupation of Afghanistan.

The Cold War ended soon after the Soviet Union withdrew from Afghanistan in 1989. Communist regimes in Eastern Europe collapsed, and communism as an ideology was repudiated in the Soviet Union, which disintegrated in December 1991.

After becoming the sole super power, US policy goals and diplomacy underwent a change, to achieve the aim of long-term global hegemony. Though China had participated fully in the war to defeat Soviet militancy under Brezhnev, the disappearance of a Communist Soviet Union became a set back, as China became virtually isolated as a major Communist power.

When a pro-democracy movement in 1989 brought down authoritarian regimes not only in Eastern Europe but also in many other parts of the world, the US and other anti-Communist forces tried to take advantage in China as well. In May 1989, agitation was launched by groups of workers and students in some cities, notably Beijing, where they occupied the Tiananmen Square in the city centre. The Chinese government showed patience, engaging the agitators in dialogue.

However, when a section of agitators attacked an army armoured vehicle killing some soldiers, Deng Xiaoping, the Supreme Leader, authorised the use of force to suppress the agitation, following a tussle between doves and hawks in the Party leadership.

The US and other Western countries called this event the “Tiananmen Massacre”, involving high casualties but the Chinese government stated that a much smaller number (a few hundred) died. The Chinese leadership ascribed the incident to foreign agents. The US and its allies imposed sanctions against China, but the situation was quickly brought under control, and the policy of opening to the outside world was continued. There was hardly any effect on the rate of growth. The western sanctions were quickly withdrawn.

This incident served to highlight two aspects of US policy towards China, where the political power continues to remain with the Communist Party, though the economy has been reformed virtually along capitalist lines. The US follows a policy of engagement to encourage economic reforms and technological progress. However, it continues to follow the policy of containment to prevent China from being a rival for world hegemony.

The Post Cold War Era

China showed courage, as well as realism in dealing with the period following the end of the Cold War. The US proceeded to take advantage of its position as the unique super power, but the elder Bush demonstrated concern for building its paramount status in the world order in which the UN had a role to play. After Iraq, under Saddam Hussain, occupied Kuwait in August 1990, he moved through the UN, calling on him to withdraw, and when he did not oblige, he mobilised a global coalition to attack his forces, using mainly air and sea power, while the invasion by land inflicted a humiliating defeat on Saddam's armies in just four days. Bush halted the advance towards Baghdad by taking a calculated decision to let Saddam Hussain survive, after Iraqi dissidents and Shias in particular, rose up in revolt. He was allowed to retain power and suppress these revolts that would have benefited the Islamic regime in Iran.

China adopted a low-key approach during the Gulf War of 1991, and made appropriate statements urging a return to peace after Kuwait had been liberated. Indeed, China played a positive role in various moves made in the 1990s to resolve the Palestine issue.

The post Cold War period witnessed a steady adaptation by China to the rapidly evolving international scenario. At the 12th National Congress of the Communist Party in 1982, Deng Xiaoping had identified "economic construction" as being at the core of the domestic goals of modernisation and the international tasks of reunification with Taiwan, opposing hegemonism and safeguarding world peace.²²

Capitalist style reforms were introduced first in select coastal zones, where incentives were offered for foreign investment, and these zones were gradually expanded so that by 1992, the Chinese economy began to make rapid progress.

²² Address at opening of 12th Party Congress, September 1-11, 1982, Beijing.

The 1990s saw economic relations as the focus of this bilateral relationship. Trade between the two countries grew at an impressive rate during the decade. The commercial relationship became so large that it began to create problems as well as began to assert an importance that approached increasing parity with the geo-strategic aspect of the relationship. China was more successful at economic modernisation than almost any outsiders predicted in the 1970s and 1980s.

The 1990s was a decisive decade for China in the international perspective. It began to reflect self-confidence in keeping with its new economic prosperity and its relative size in world affairs. As its per capita income grew at an enormous pace and it achieved economic prosperity, it became able to purchase military security through more advanced weapon systems, better-equipped and supported forces, and a more modern approach to warfare.

In the diplomatic field, relations were normalised with the then Soviet Union, a process that began with a visit by Gorbachev in 1985, who visited again in 1989. However, with the vacuum created in Central Asia, following the break-up of the Soviet Union in 1991, China took the initiative in promoting cooperation, with Russian backing, first by creating the Shanghai Five in 1996 (China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan), and following up by establishing the Shanghai Cooperation Organisation in 2001, with the addition of a sixth member, Uzbekistan. In 2004 Mongolia was admitted as Observer, while the next year India, Iran and Pakistan were also included as Observers. China also developed links with the ASEAN countries, many of which had large Chinese overseas communities.

These moves, as well as heightened activity in the UN and other multilateral organisations, were designed to end the relative isolation of the Mao era, and to help promote a multilateral world order.

Sino-US Relations in the Post 9/11 World

The 9/11 terrorist attacks on the US had a favourable effect on China's relations with the US, after Beijing condemned those attacks and joined in the war against terrorism. The stance adopted by China in proposing six-power talks (US, Russia, China, Japan and North and South Korea) to promote a nuclear-free regime in the Korean peninsula, and the use of its influence in Pyongyang were welcomed by the US, and served to improve Sino-US relations, though China had not supported the US war

against Iraq launched in 2003, by invoking the Bush doctrine of pre-emption adopted in September 2002.

While supportive of UN-backed strategy in Afghanistan, China has undoubtedly concluded that US resort to war in Iraq was not justified as the threat of Weapons of Mass Destruction had not been proven, and indeed the terrorist threat that did not exist in Iraq before 2003 had actually increased. China continues to advocate a greater role for the UN and the regional countries in the Middle East, as well as more serious efforts to resolve the Palestine issue in which US backing of Israel and opposition to nationalists in Syria and Iran had added to the tensions.

US hegemonic goals and ambitions to control the energy resources of West and Central Asia are opposed by China as well as Russia, both of which are working together, especially in SCO, to oppose obvious moves for encirclement. The expansion of NATO, and added importance being attached to Ballistic Missile Defence (BMD) by the US, are being resisted, with a key role by China.

The outlook for Sino-US relations will depend on a number of factors. China's weight and influence will continue to grow with its "peaceful rise", and there is every indication that the US will remain engaged in China's economic growth and welcome its participation in global management of the problem our planet faces. However, the manner of US participation in the political and strategic management will impose strains, since the US appears determined to retain its military and technological superiority, as evident from its policies of BMD, and of controlling the world's strategic resources. China will resist US hegemonic moves by invoking the need for concentrating on the real problems of the bulk of mankind, as is evident from its economic and social policies in Africa and Latin America.

Much will depend upon how the US extricates itself from Iraq, and handles the challenge from terrorism and nationalism in Afghanistan. The Bush period is drawing to a close and sentiment is growing in favour of addressing the real causes of terrorism and poverty through the traditional, multilateral institutions. This approach is likely to find support in South Asia and coincides with the Chinese outlook as reflected in its peaceful growth.

The Outlook for Sino-US Relations

The loss of Republican control of the US Congress in the mid-term elections of 2006 was due mainly to growing dissatisfaction among the American voters over the course of the war in Iraq. Not only had the justification for the attack on Iraq in March 2003 been concocted but the conduct of the war, and of the occupation itself had damaged US prestige, as well as the image of other members of the “coalition of the willing” that had joined the US, including Britain. The diversion of US forces as well as resources from Afghanistan, compounded the US discomfiture, as anti-West resistance and activity not only increased in Afghanistan but also spread to Pakistan, notably to areas close to the Afghan border.

Even Chinese engineers and experts were targeted in some of these attacks in Balochistan and NWFP, which caused some concern. The war against terror continues to provide a factor of commonality to the US and China, but the effort by President Bush in his final year to stem China’s growing world role has exacerbated their ideological differences. The US considers itself justified in maintaining military and technological superiority, to ensure that democracy and the free market economy system prevail. However it keeps a close watch on China’s defence expenditure and technological modernisation as a potential threat and is inclined to invoke comparisons of the Cold War period. China is increasingly seen as an anti status quo force, whose ideological roots are in socialism, and in principles of the UN charter.

It will be worth watching how the post-Bush leadership in the US interacts with China after 2008. China has suffered more in the context of new global trends of climatic changes and scarcity of resources. It will probably cultivate the developing world, and assume the role of their spokesman. But the developing countries are unlikely to develop the kind of unity that will make their role more effective. However, china’s examples of peaceful development and institutional reforms will become examples to follow, and it may use its growing investment resources to acquire a large zone of influence. Some sort of a clash with the capitalist West cannot be ruled out in the long run. ■

CHINESE PERCEPTIONS OF SOUTH ASIA

As the only great power bordering South Asia, China should have had as much interest in the fabled sub-continent as the numerous other regions that touch its frontiers. However, two factors limited the cultural and economic interaction that is normal between neighbours. One was the belief among the Chinese people that they were the superior and central power in the world that was self-sufficient, and had nothing to gain or learn from contacts with outsiders, who were called barbarians. The second factor was geographical: the highest mountains in the world separate China and South Asia.

Even so, Buddhism reached China from the region now in Pakistan, where the Gandhara civilisation flourished with its seat at Taxila. Certain land routes also developed that went west-wards, and came to be called collectively as the 'Silk Route', since Chinese silk was the main commodity figuring in the commerce between China and other lands, stretching through South and Central Asia to Europe.

A brief historical survey has been provided of the role of geography and history in Chinese external relationships. In tracing the evolution of the interaction between South Asia and China, we have to go to the role of various imperial powers, notably the British, who colonised the South Asian sub-continent during the 19th and 20th centuries, and were also in the lead among imperial powers that were competing for the commerce and riches of the Chinese empire that was in decline.

The British grew opium in the South Asian sub-continent, which was exported to the huge market in China. As more and more Chinese became addicted, some of the wiser heads in the Chinese administration sought to discourage this commodity but the British took action taken as *casus belli*, and two Opium Wars were fought with China, resulting in the handing over of Hong Kong to Britain, and other humiliating concessions.

In the period of Chinese weakness that really ended only in 1949, Britain, which built up the largest empire in the world over which the sun never set, had the maximum impact on China, and its base was the "Jewel in the Crown", the British Indian Empire. Though Russia both before and after its Revolution of 1917, had the most frequent

dealings and made substantial acquisitions of territory at China's expense, British influence, largely based on the Indian Empire, impacted China in a number of ways:

- i) Britain utilised soldiers largely recruited in South Asia in its military operations in China, and in the administration of Hong Kong.
- ii) Britain extended its influence in Chinese territories bordering South Asia, notably Tibet and Xinjiang, and even occupied some areas that were historically a part of China notably in the North East of the sub-continent, formerly NEFA, now Arunachal Pradesh.
- iii) In demarcating the border of the Indian Empire with China, Britain committed "cartographic aggression", by extending the area under its control by drawing the boundary on maps without Chinese consent.

When post-Revolutionary China emerged on October 1, 1949, it inherited these legacies of British imperial rule, which had to be settled with the successor states that had emerged after the British left in 1947, mainly India and Pakistan, though relations with Nepal, Bhutan and Burma were also involved.

In assessing Chinese perceptions of South Asia, the legacy of history and notably of the British colonial rule, have to be kept in view. This is all the more relevant as India, now emerging, visualises itself as the successor to the British Raj. The statements of some of its outspoken leaders leave little doubt that India aspires to be eventually ruling over the entire sub-continent.

Pakistan, the weaker of the two leading states that arose after the end of British colonial role, has had to contend with this Indian imperial concept that has been reflected in India's attitude and actions since independence. As China is a neighbour of both these states and their enmity has had direct consequences for China, the relationship of China with them has assumed a triangular character.

Incidentally, this is not the only triangle in which China has been involved as an emerging Great Power. During its rise to great power status, many of China's relationships assumed a triangular character. Following the start of the Cold War, there was the US-USSR-China triangle. A US-China-Japan triangle has existed ever since Japan

became an appendage of the US, following its defeat in the Second World War. In the South Asian context, China's relationship with India and Pakistan, the two main rivals in the region, has also assumed the character of a triangle.

If one looks at any of these triangles in an historical context, there have been variations on account of the impact of major leaders or events. China was a close ally of Moscow till 1959, when Chairman Mao, rejected Moscow's claim of hegemony in the Communist bloc. Faced with the pressures from the Soviet Union, China opted for a strategic partnership with the US as Moscow tried to intimidate it by military interventions in Indo-China and Afghanistan, and by concentrating 40 per cent of its forces on China's borders. However, the defeat in Afghanistan and the break-up of the Soviet Union in 1991, became a source of weakness, and after 1991, the two former Communist giants came together to resist Western pressure.

The China-India-Pakistan triangle is rooted in the hostility, between Pakistan and India that arises from India's non-acceptance of the very division of the sub-continent in 1947, which has been reflected in a series of hostile acts. These started with denial of funds to run the state machinery, unjust division of military equipment of the British Indian army but the most serious Indian hostile act was the occupation of the bulk of the Muslim majority state of Jammu and Kashmir. China started off by having cordial relations with India, but when the latter precipitated a conflict in 1962 over its border dispute with China, their relations became hostile. It followed naturally that as both China and Pakistan faced Indian hostility, they should become friends.

The Pakistan-China friendship did not, however, develop on the basis of expediency. Much before 1962, China had shown interest in developing normal good-neighbourly relations with Pakistan. When for reasons of national security, in the face of India's hostility, Pakistan joined SEATO in 1954, which the US had planned to contain Communism, China did protest to Pakistan (as did the Soviet Union). When Pakistan stated in its reply that it had joined the Alliance, purely for self-defence, and had no intent of joining or participating in any aggression against China or the Soviet Union, China had accepted the explanation, whereas the Soviet Union had rejected it. Moscow had proceeded to respond by adopting policies hostile to Pakistan, by supporting India over Kashmir, and Afghanistan over the Pakhtunistan issue. During visits to these countries by top Soviet leaders, Nikolai

Alexandrovich Bulganin and Khrushchev in 1955. By contrast, China cooperated closely with Pakistan at the Afro-Asian Conference at Bandung, held in the same year.

A certain rivalry for a leadership role in the Afro-Asian countries was noticeable at Bandung between China and India, though the relationship remained cordial. Differences materialised as the working boundary came up for discussion, as a part of China's efforts to re-negotiate its borders with its neighbours. China claimed the 90,000 sq km NEFA (North East Frontier Agency) area, and was in occupation of the Aksai Chin area, adjoining North-East Kashmir, which India claimed to be a part of the disputed state of Jammu and Kashmir, with a total area of 38000 sq km. However, though China built a highway from Tibet to Xinjiang in 1955, it was not until 1957 that India came to know about it, clearly reflecting the fact that the area was under Chinese control and India had no presence there.

India's outlook over the initial years of independence was on not to ally itself with either of two blocs that emerged as a result of the Cold War. Due to two centuries of British and Western colonialism, India's institutional links were with the West, though Pandit Nehru showed a preference for the socialist order. However, he refused to join either side and promoted a non-aligned approach, together with prominent leaders of Indonesia, Sri Lanka, Egypt, Ghana and Yugoslavia. They formally established the Non aligned Movement in 1961.

Starting in 1959, tension had started building along the Sino-Indian border as India adopted what came to be called "Forward Policy", consisting of Indian military formations creeping forward in the mountainous terrain, occupying more and more territory. Matters reached a point where China hit back in 1962, responding to growing aggression, and then withdrew even returning captured Indian weapons after repairing and polishing them. Though the US and the UK rushed arms aid to India, without consulting their ally Pakistan, these weapons were not needed.

The overall Indian behaviour after a decade of friendly and good-neighbourly relations, left a lasting impression about the over-clever and opportunistic character of Indian diplomacy, that also became evident from India's Tibet policy, notably the sanctuary granted to the Dalai Lama and his followers after China asserted its control in 1959.

As India began a military build up after the 1962 defeat at China's hands, it came to rely increasingly on the Soviet Union, which became the main source of arms and diplomatic support from 1964 onwards, a period during which the Sino-Soviet rift widened. "India's need for Soviet political and military support, especially in times of crises is balanced by the Soviet need for friendly ties with an important country on the Indian Ocean littoral."²³ Thus, India did not criticise the Soviet invasion of Afghanistan in December 1979, which was condemned by the bulk of the international community, notably China that saw it as a part of Moscow's policy of surrounding its territory.

The Soviet withdrawal from Afghanistan in 1989, the year that marked the end of the Cold War, as well as the defeat of the Communist bloc that Moscow headed, saw India adopt a pro-US policy, whereas Washington's ambitions rose for a dominant world role. Even though India made some efforts to improve its ties with China, as reflected in the visit of Prime Minister Rajiv Gandhi to the country in 1988, after a bilateral dialogue had been initiated in 1982, the Chinese relationship with Pakistan remained much closer, having been reinforced by their close collaboration in supporting the Afghan struggle against Soviet occupation.

The goodwill built with China through normalisation measures was lost when, following its nuclear tests on May 11 and 13, 1998, the BJP Prime Minister, Atal Bihari Vajpayee, sought to justify them on the basis of the perceived threat from China.

The start of the Bush presidency in 2001 was marked by developments that brought the US and India close to each other, though the trend had manifested itself during the Clinton presidency, notably during his visit to South Asia in 2000, when he spent five days in India, as against five hours in Pakistan. China's perceptions, since the start of its economic reforms in 1978, have been dominated by its economic agenda, so that political differences and disagreements have been played down and emphasis shifted to economic and cultural cooperation. However, while committed to a peaceful settlement of disputes, China stands by its basic interests, especially issues of sovereignty and territorial integrity.

²³ P. R. Chari "Indo-Soviet Military Cooperation: A Review," *Asian Survey* (March 1979), vol. XIX, no. 3, p. 244.

As President George W. Bush has pursued a policy of developing a strategic partnership with India and assisting it to become a great power, one major US aim is to build India as a counter-weight to China that is rising rapidly in economic and military power. China prides itself on having risen peacefully, without threatening or exploiting any power. However, while dedicated to helping create an international order, based on the Five Principles of Peaceful Coexistence, China believes in having the capability to defend its sovereignty and legitimate interests.

Chinese perceptions of South Asia take into account the existing and likely trends in its constituent countries, notably India and Pakistan. Its own policy and interests are based on promoting peace, stability and cooperation in the region. The detailed analysis of its bilateral relations with these major countries and its overall regional approach will show that they are in conformity with its concepts and goals that have been studied earlier. ■

PAKISTAN'S RELATIONS WITH CHINA

Friendship with China has become the corner stone of Pakistan's foreign policy and enjoys universal support in the country. It has been called "all-weather friendship", "comprehensive friendship" and recently, "an indispensable partnership".²⁴ It has also been described as "a model of friendship between countries with different social systems".

As already pointed out, both countries are heirs to ancient civilisations going back thousands of years. An enduring cultural link was provided by the spread of Buddhism to China, of which a major Centre existed near Islamabad at Taxila, which was the seat of the Gandhara culture. Chinese monks, of whom Fa Hian and Tsieven Tsang are best known, visited sub-continent in 6th and 8th centuries and left valuable records.

Though Muslim expansion to West and Central Asia cut-off the Silk Route, Islam spread to China as well and the estimated number of Muslims (counted on ethnic basis) is over 20 million, mostly in West China. The actual number may be much higher since on the basis of a census in the 1940, the number of Muslims was estimated to be 50 million in a total population of 500 million.

Three revolutions transformed China in the 20th Century, the first one in 1910 ending the monarchy, the 1949 one giving birth to the People's Republic and an economic revolution launched by Deng Xiaoping in 1978, that is still in progress.

Pakistan that had won independence in 1947 was among first countries to recognise PRC and diplomatic relations were established in May 1951.

Evolution of Friendship

The evolution of friendly relations can be divided into 4 phases.

Evolution of Friendship 1947 to 1962

As Pakistan was preoccupied by internal challenges in first few years (Kashmir conflict and settlement of refugees), interaction was limited.

²⁴ Speech by President Hu Jintao at Economic Forum in Islamabad, November 24, 2006.

Owing to the threat from India, which had not really accepted partition, Pakistan was obliged to join Western Pacts in 1954 with SEATO ostensibly directed against China. However, China accepted Pakistan's response that this was purely for national security. The similarity of their worldview, was established when the two cooperated at the Bandung Conference in 1955, where they resisted Nehru's efforts to dominate. It was followed by exchange of visits between Prime Ministers, Zhou Enlai and Suhrawardy in 1956.

Through this was the period of Sino-Indian cordiality as marked by slogan "Hindi-Chini bhai bhai" (Indians and Chinese are brothers to each other), differences over the boundary reared their head, with India basing its claims on the so-called Mac Mahon Line that had been drawn during the British period without the participation of the Chinese government. Major differences concerned 90,000 sq km of territory, under Indian occupation in the eastern sector (then called NEFA, now re-named Arunachal Pradesh) and 38000 sq km in the western sector, adjoining Kashmir, in Aksai Chin, that was under Chinese control. As China became isolated internationally, with both Super Powers opposed to it after the Sino-Soviet rift of 1959, India felt encouraged to take advantage and adopted a Forward Policy that led to a border conflict in late 1962. The US and UK rushed military aid to China without consulting their ally Pakistan, which now realised the need to improve relations with China. Negotiations were started to settle their border and an Agreement was signed in 1963.

Evolution of Friendship and Cooperation 1963-88

Pakistan-China friendship got off to a very good start as China conceded an area of over 750 sq miles on its side of the Karakoram watershed, which was used seasonally by pastoral nomads in the Hunza area.²⁵ This fact contradicts Indian allegations that Pakistan conceded a large area to the Chinese. China's virtual isolation imposed by global airlines ended when an air services agreement was signed in 1963 and the airport at Shanghai was completed in a few months to enable the Pakistan International Airline to start the service in April 1964, so that

²⁵ This concession was highlighted in the press in 1963, when Indian official statements and reports had alleged that Pakistan-China Boundary Agreement signed in March 1963 had involved surrender of some areas south of the Mac Mohan Line to China. The British drew the Mac Mohan Line in 1914, without any representation of China in the talks.

Chinese leaders began flying to Europe and Africa via Karachi. Pakistan was also able to transfer Western technology to China for defensive purposes.

Pakistan received important benefits from this relationship, notably military supplies during the 1965 conflict with India, when China also put political pressure on India. But for this support, Pakistan would have been in a much weaker position at the post-war Peace Conference at Tashkent. Indeed, the US took a highly critical view of Pakistan's developing relations with China and following the initiation of the air link, cancelled aid earmarked for improving the Dhaka Airport.

After the election of Nixon to White House in 1969, he reviewed the US policy towards China. As the principal military threat came from the Soviet Union, the US could take advantage of Sino-Soviet differences and Pakistan became the intermediary to facilitate this rapprochement. US National Security Adviser, Henry Kissinger travelled to Beijing secretly via Islamabad in July 1971, at a time when President General Yahya Khan was dealing with an Indian prompted insurgency in East Pakistan, following a crackdown in March. Indian forces began intervening and Pakistan declared war in the West also. The isolated Pakistan forces in East Pakistan, surrendered on December 16, and consequently, the Republic of Bangladesh was proclaimed. Prime Minister Indira Gandhi was preparing to launch an all-out assault on West Pakistan when the US intervened through Moscow and a cease-fire followed.

China had advised Pakistan to resolve the crisis in East Pakistan politically, rather than through military means, when Zulfikar Ali Bhutto was sent to China in November 1971. After he assumed power on December 20, 1971, the first country, he visited officially was China in January 1972.²⁶ It is worth mentioning that China played a special role in securing the release of 90,000 Pakistani POWs that were in Indian custody by threatening to veto the entry of Bangladesh into the UN, unless they were released.

The Sino-US strategic convergence in opposing Soviet militancy following the US defeat in Vietnam in 1975 also became a factor, notably after the Soviet Union occupied Afghanistan in 1979. Pakistan

²⁶ The author of this paper accompanied Bhutto on both these visits, as well as on his tours to mobilise international opinion against India's involvement in the dismemberment of Pakistan.

played the role of a frontline state over the decade of 1979-89 and there were frequent consultations between the two countries. In addition, the range of cooperation between the two countries expanded constantly, with a Treaty for cooperation in Peaceful uses of Nuclear Technology signed in 1986.²⁷

Post Cold War Phase 1989-2001

The defeat of the Soviet Union was followed by the collapse of Communism in Eastern Europe, and the global democratic wave of 1989 was also felt in China, where agitation started among workers and students in Beijing in the spring of that year. The Chinese government allowed these protests to proceed for several weeks, but it appears that some foreign agitators penetrated the movement that then turned violent, killing several soldiers. The government finally acted, putting down the agitation by force, after obtaining the approval of supreme leader, Deng Xiaoping. Party leader Zhao Ziyang was removed for lack of firmness and stricter discipline enforced by Premier Li Peng. Many Western, the US and Australia imposed sanctions on China for using force to put down the agitation. However, China's policy of opening to the outside world was continued and the pace of development and modernisation maintained.

Pakistan's relations with China increased in importance over this period, as the US and the West had imposed sanctions on economic assistance and transfer of technology. President Jiang Zemin, visited both India and Pakistan in 1994 and called for a dialogue between them to resolve their differences peacefully. He also agreed to provide an additional nuclear power station to Pakistan. A third nuclear power reactor, named Chashma-III is under installation at present.

Sino-Pakistan relations were reinforced by increased cooperation in the areas of defence production and space technology and China remained a reliable source of defence equipment, during a period its technical collaboration was growing with Russia and even Israel. The area of trade and economic cooperation lagged behind owing to heavy dependence by Pakistan on its traditional partners, such as US, Europe and Japan.

²⁷ The author of this paper was Ambassador of Pakistan when this Treaty was signed. Any installations set up under this Treaty would be subject to IAEA safeguards.

Post 9/11 Phase

The global outlook and political direction were transformed at the turn of the century. Firstly, President George W. Bush adopted a unilateralist approach, seeking world hegemony on the basis of US military and technological superiority. The terrorist attacks on the US on September 11, 2001, led the US to declare war on terror and to adopt a policy based on use of pre-emption against any possible threat. Though the threat from terrorism is real, its long-term solution lies in addressing its causes, which are rooted in political and economic injustice.

Both Pakistan and China have become allies of the US in the war against terror and this has transformed their relations with the US. It has also had a serious impact on their bilateral relations as both have realised the importance of fighting poverty and backwardness that contribute to insecurity and terrorism. The post 9/11 phase has seen the emphasis in bilateral relations shift to increasing economic and trade relations. In 2001, the year marking 50 years of diplomatic relations, Premier Zhu Rongji announced several mega projects including the Gwadar Port, Lakhra Coal and others, during his visit to Pakistan in May that year.

Pakistan-China relationship has gained more importance as the US has developed a strategic partnership with India. The agreement to transfer peaceful nuclear technology to India, a country that is not a signatory to NPT and has gone overtly nuclear as well, and the limitless sale of sophisticated arms to New Delhi are clearly a part of the plan to build India into a great power. The ultimate goal of this policy is the containment of China, which is being perceived as a rival, with the size and ability to challenge US global hegemony.

A significant element in US global strategy under Bush has been the policy of developing "Ballistic Missile Defence" (BMD), announced on May 1, 2001, and the first country to welcome it within four days, was India, then under BJP rule. The aim of BMD is to acquire an anti-ballistic missile capability that would enable signatories to virtually neutralise the nuclear capability of hostile states. Though the US proposal was justified on the basis of the threat from "rogue states", such as Iraq, Iran and North Korea, most US experts privately observed that the real target was China. The alacrity shown by India in joining BMD relates to its ambition to neutralise Pakistan's nuclear deterrence. Therefore, both Pakistan and China have voiced opposition to the concept of BMD, and their strategic alliance has been reinforced.

The latest developments in this regard need to be followed carefully. President Bush welcomed two European states, namely Poland and Czech Republic that were in the Soviet camp during the Cold War, as members of BMD in July 2007. This drew strong criticism from President Putin of Russia who expressed the view that the real target was Russia and not Iran, which had not even acquired nuclear capability. China, which is surrounded by partners of BMD, such as South Korea, Japan, Taiwan and now India, also feels threatened.

This has resulted in the latest summit of Shanghai Cooperation Organisation (SCO) held on August 16, 2007 at Bishkek, capital of Kyrgyzstan, turning its attention to the threat from BMD, by holding six-nation military exercises in the Urals, with main components from China and Russia.

It may be added that Pakistan was admitted into SCO as Observer in 2005, and President Musharraf attended the summit in Shanghai in 2006. Sino-Pakistan defence and military cooperation is growing.²⁸ Under the Treaty of Peace, Friendship and Mutual Assistance, signed during the visit of Premier Wen Jiabao in April 2005, the two countries agreed that they would not allow their territory to be used for aggression against the other.

The high level visits since 2001, led to other major decisions designed to promote trade by the land-route and develop the infrastructure in all areas. The two countries have signed a Free Trade Agreement and agreed to increase bilateral trade five times, during the visit of President Hu Jintao in 2006. They are poised to launch a new era of joint development and progress. The future of Sino-Pakistan friendship and cooperation is assured and would be aimed at ensuring peace, stability and a multi-polar world order. Given US proclivity to resort to the use of excessive force, China and its partners in Central Asia, and Moscow would oppose war and promote the role of the UN for global security and progress.

Pakistan faces a challenge in maintaining its alliance with the US against terror but also safeguarding its vital links with China, which is the main target of US global strategy. China's continued adherence to its policy of peaceful progress and of resolving contentious issues through negotiations on the basis of principles is seen positively the world over,

²⁸ As has been announced, some important components of self-reliance strategy are being developed in cooperation with China, including JF-Thunder jet fighter and Al-Khalid battle tank.

whereas such an aggressive approach, based on superior power and military threats is being rejected even by a majority of the US people. China's policy of peace and of fostering a just political and economic order in the world, coincides with the principles and purposes of the UN Charter.■

OUTLOOK FOR SINO-INDIAN RELATIONS

The major test of China's peaceful rise is likely to come from the evolution of its relations with India, the other Asian giant with over a billion people that is maintaining a growth rate of over 9 per cent per annum, and is being groomed as a partner and super power by the United States.

As pointed out earlier, the period of British colonial role, prior to independence in 1947, has left behind a legacy that cannot but influence current and future Sino-Indian relations. China's own recent history starting with the Revolution pledges the country to follow a course where it will defend its legitimate interests, but will neither seek hegemony nor accept the hegemony of others. This approach, that constitutes the foundation of the UN Charter, is perhaps best embodied in the "Five Principles of Peaceful Coexistence" that China and India worked out in 1954 at a meeting of Prime Ministers Zhou Enlai and Jawaharlal Nehru on Indian soil. These principles have been identified and their significance highlighted in chapter dealing with China's Foreign Policy.

The top leaders of India's freedom movement and the Nehru family in particular, could not avoid the hopes and aspirations for a glorious future after independence, with Bharat Varsha (the land of India) emerging as one of the leading powers of the world. Such a concept intrinsically involves the country in becoming so powerful and rich that smaller and weaker nations accept its pre-eminence and surrender their claims to sovereign equality to its might, even subordinating their interests to its dictates.

Though historically, the Chinese were also convinced of the superiority of their culture and civilisation, two centuries of humiliation and exploitation changed their outlook, so that the post-revolutionary China stood for equality, and did not seek hegemony. The post World War II environment, into which it emerged, saw colonialism end and subject people attained political independence. However, the market economy system that emerged supreme after the contest between Communism and Capitalism that was reflected in the Cold War, created greater inequalities and left the former colonies worse off.

China's peaceful rise since 1978 has produced a new phenomenon, since the new China stands for principles, not privilege.

India, with its deeply ingrained caste system, virtually institutionalises privilege on the basis of birth, and social inequality has persisted, with half the population condemned to poverty and exploitation. China on the other hand, is seeking to spread the benefits of development and technology rewarding hard work and aptitude.

The study of the future of the contest for influence and power between India and China would have to include other factors that are undoubtedly relevant. India has a democratic political system, and if this system keeps working, some of the historical legacies, such as those of caste and religion, might become less potent as literacy spreads. China is still run by the Communist Party, with governance based on the “dictatorship of the proletariat”. Will the system become more democratic as development spreads and creates a demand for multi-party democracy?

A brief summary of the evolution of Sino-Indian relations since 1949 would be a useful introduction to the current and prospective relations. Pandit Nehru, India's first Prime Minister had a fascination for socialism and hailed the emergence of the People's Republic in China as an historic development that would bring about a significant change in the world order and transform the outlook for Sino-Indian relations. He foresaw China and India as partners in the struggle for a more equitable economic order, based on socialism, which he saw in a different sense than communism. He stated in 1950:

If India and China can develop mutual friendship and cooperation, it will strengthen peace in Asia. The future of peace in Asia, indeed of the world will depend to a large extent on the kind of relations that develop between India and China.²⁹

The Indian government proceeded to acknowledge China's rights in Tibet and the agreement in April 1954, on trade and intercourse between the Tibet region of China and India assumed special significance as the two countries reached an agreement on the Five Principles of Peaceful Co-existence or Panchsheel. India gave up all its special rights in Tibet. Premier Zhou Enlai, visited India in June 1954 when warm speeches were exchanged concerning the good-neighbourly relations between the two countries, particularly over the

²⁹ Quoted by T. N. Kaul, *India, China and Indo-China*, (New Delhi: Lancer Press, 1987), p. 2.

recently concluded agreement that also gave expression to agreed principles for relations between them. The Chinese premier's speech at the official banquet in his honour on June 26, contained a hope that "China and India will cooperate even more closely for the noble aim of safeguarding peace in Asia". The slogan, "Hindi-Chini Bhai Bhai" was widely heard. China appreciated India's stand in favour of China taking its rightful place in the UN, and the role India played at the 1954 Geneva Conference on Indo-China, as well as in the International Commission set up by that Conference. India, on its part, felt closer to China at that time than to Russia.³⁰

We need only to recall the historical perspective in chapter "China's Foreign Policy" and "Chinese Perceptions on South Asia," to set the stage for an assessment of the future evolution of relations between the world's two most populous countries, both of which are undergoing rapid development. Both claim to be secular in their outlook and believe in democratic values. However, Hindu cultural values are dominant in India, raising doubts about its secularism, while the persistence of Communist rule naturally renders Chinese claims to democratic governance open to question.

The following elements in the policies and aspirations of the two raise legitimate doubts whether the relations between them will be free from tensions and rivalry:

- i) India believes it is destined to be a great power. Pandit Nehru, the first Prime Minister, had forecast before independence that India would emerge eventually as one of the four leading world powers,³¹ namely US, Russia, China and India. Its leaders also believe that it has a great power role in its region. After dismembering Pakistan in 1971, Prime Minister Indira Gandhi, the daughter of Pandit Nehru, proclaimed the Indira Doctrine, under which she claimed that no outside power should interfere in South Asia without obtaining India's concurrence. China rejects the concept of hegemony and lays stress on the Five Principles of Peaceful Co-existence that include principles of sovereign equality of states and of non-interference into the

³⁰ Ibid., p. 5.

³¹ Michael Brecher, *Nehru - A Political Biography*, (London: Oxford University Press 1959).

internal affairs of other states. The behaviour of the two states vis-à-vis other states in Asia already reflects this contrast in many ways.

- ii) India's stand on disputed issues, notably that over the border, has not changed, but it is taking advantage of China's current policy of putting political disputes on the back-burner, and to concentrate on its modernisation to develop mutually beneficial cooperation in the economic and technical fields. India is unlikely to forget its 1962 defeat and will concentrate on its military build up that has been China-specific.
- iii) Some contentious issues have gained in intensity such as India's continuing sanctuary to the Dalai Lama who maintains his rebellious attitude against Chinese control of Tibet. Western media highlight China's "oppression" of ethnic and "religious" minorities, despite special attention given to economic development of disadvantaged communities.
- iv) The contrasting attitude of China and India to the Bush initiative in May 2001 for "Ballistic Missile Defence" (BMD) constitutes a major new difference. It may be recalled that President Bush's proposal was immediately backed by India's BJP Government, while China condemned it; even the US analysts considered it to be aimed at giving a decisive military edge to the US over China.³² The BMD initiative also reinforces US capability to prevent reunification of Taiwan with China.

Contrast between India's Principles and Practice

In the foreseeable future, it will suit both India and China to maintain normal trade and cultural relations and to act on the assumption that neither views the other as a threat to its security, as their top leaders have stated publicly. However, China's basic approach is to reassure its smaller neighbours, whereas India is inclined to overawe them.

³² M. A. Bhatti, *Ballistic Missile Defence, China and South Asia*, (Islamabad: Islamabad Policy Research Institute, 2003), IPRI Paper no. 6, pp. 15-19.

Professing high principles, only to violate them comes naturally to the land of Chanakya.

The Directive Principles of India's Constitution contain the following provision on foreign policy in Article 51:

“The State shall endeavour to:

- (a) Promote international peace and security;
- (b) Maintain just and honourable relations between nations;
- (c) Foster respect for international law and treaty obligations in the dealings of organized people with one another; and
- (d) Encourage settlement of international disputes by arbitration.”

India has found it expedient to violate sub-paras (c) and (d) on many occasions. Though it had adopted a non-aligned foreign policy avoiding being formally linked with either side in the Cold War, its approach was pragmatic based on real politic, and tailored to benefiting from both sides. After the Sino-Indian border conflict in 1962, it received military equipment from the US and the UK. However, they were not ready to meet Indian requirements of advanced weapon systems and the Soviet Union stepped in becoming India's leading supplier of military equipment and a core relationship developed that continued virtually till the end of the Cold War. As Indian analyst P. R. Chari put it at the close of the 1970s. “India's need for Soviet political and military support, especially in times of crisis, is balanced by the Soviet need for friendly ties with an important country on the Indian Ocean littoral.”³³ India took a pro-Soviet stance when the Soviet Union invaded Afghanistan in December 1979.

There was total contrast in the attitudes of China and India towards the direct Soviet military intervention in Afghanistan. China viewed it as a major move in the Soviet policy of surrounding and pressurising it, because after the rift that developed between them in 1959, Moscow appeared to give a higher priority to overcoming Chinese obduracy than to its rivalry with the West. Soviet militancy at the global level had increased following the US defeat in Vietnam. Since China and the US achieved a strategic convergence in 1972, with Pakistan playing the role of an intermediary, the War in Afghanistan became the last

³³ P. R. Chari, *op. cit.*

proxy conflict of the Cold War. After Indira Gandhi was re-elected as Prime Minister of India in early 1980, she extended open support to the Soviet invasion and showed readiness to put pressure on Pakistan, which was coordinating military and political support to the Afghan freedom fighters.

Indira Gandhi stepped up India's military build-up with Soviet help and stepped up repression in Kashmir, occupying a part of the Siachin Glacier in 1984, in violation of the Simla Agreement. In 1984, she started a military build-up along Pakistan's border and an attack on Pakistan in late 1984 appeared imminent. A high-powered military delegation from Pakistan visited China in September 1984 to ascertain what military and strategic support China could extend in case the threat materialised. Indira Gandhi had also been following a tough policy towards Sikh agitation for autonomy, attacking Sikh militants gathered at the Golden Temple at Amritsar, with heavy loss of life. One of her Sikh bodyguards assassinated her in October 1984, therefore the invasion did not materialise. However, the Indo-Soviet entente continued and it was only in 1988 that Rajiv Gandhi, who had succeeded his mother as Prime Minister, visited both China and Pakistan to signify a desire for better relations.

The end of the Cold War, in 1989 that was followed by the disintegration of the Soviet Union in 1991, saw India recognised by the West as a natural ally in an age when Islamic fundamentalism was seen as the potent threat to replace Communism. After having mobilised and exploited the "jihadist" sentiment in Afghanistan, which also made some initial headway in the newly liberated republics of Central Asia, the western political leaders and intellectuals now showed a resolve to contain it. India, where Hindu extremism made rapid gains following the outbreak of a liberation movement in Kashmir, soon won recognition as a potential ally as it had an outlook similar to that of Israel.

The process of the integration of India into the Western camp started in the 1990s and its potential as a strategic partner was recognised by President Clinton during his visit to South Asia in 2000. However, it is under George W. Bush that the alliance has matured, with the President making special provision to transfer nuclear technology to a non-NPT member. The primary US motivation in cultivating India is the containment of China, though it also provides

support in countering Islamic radicalism and plays a role in the war on terrorism.

The view that India and China may ultimately be rivals as Asian and world powers is reinforced both by their existing position, especially in relation to US strategic goals and plans, and by considerations of history. Even the assessment of the outcome of his visit to China in mid-January 2008 by Prime Minister Manmohan Singh sounds a note of disappointment that the Chinese side made no concession to India in the discussion of the border dispute.

It is necessary to make a fine distinction between the positive view taken of the visit by both countries and the reality on ground. After the decade of “Hindi-Chini bhai bhai” (1949-59), the boundary dispute was exacerbated by India’s desire to take advantage of China’s relative isolation and especially its bad relations with both the US and the USSR. India adopted the Forward Policy from 1959 to 1961, making deep inroads into the line of actual control that virtually compelled China to administer a military rebuff to India in October-November 1962. This affected Sino-Indian relations adversely and it took thirteen years for their ambassadors to return to their posts. However, by 1988, Indian Prime Minister Rajiv Gandhi took the initiative to visit China to normalise relations, and further high-level visits followed in the 1990s. When India cited the Chinese threat to justify its nuclear tests in May 1998, there was a setback but the positive trend was resumed soon thereafter.

Since the start of the Bush era, which is preoccupied with the long-term threat from China, Hindu extremists have increased their influence and the then BJP government supported the US BMD initiative. China’s diplomatic strategy has been to conciliate India so that it does not become an ally of the US in the policy of containing China.

This is the main reason for numerous initiatives and statements by China’s leaders. However, the Chinese stance on practical issues, such as the boundary problem, has become stiffer and even during the visit of President Hu Jintao to India in 2006, the Chinese embassy in New Delhi issued a statement that Arunachal Pradesh was a disputed territory. At the same time, the Chinese government finds it expedient to stress that Sino-Indian relations have been normalised. Neither considers the other to be a threat, and both often make strong

statements about a “shared vision for the 21st century”.³⁴ The year 2006 was designated as the year of Sino-Indian friendship. Bilateral trade has increased and may rise from current level of US\$ 34 billion to US\$ 60 billion in five years. Cultural exchanges have also grown, while joint military exercises are held against the terrorist threat.

Shaky Foundations of Détente

Barely a few weeks after Prime Minister Manmohan Singh's January 2008 visit to China, a number of developments have taken place that highlight the lack of trust between the two Asian giants. Even before that visit India did join a naval exercise in late 2007 involving South Korea, Australia, the US and Singapore that was clearly directed against China, and was described by western analysts as a part of grand US strategy of encircling China.

The major event in mid-March 2008 was the celebration in Dharamsala of 49th anniversary of the uprising in Tibet led by Dalai Lama. In Dharamsala he along with his supporters enjoys sanctuary since 1959, when he left Tibet following assertion of authority by the Chinese government. This was followed by an outbreak of violent demonstrations by Tibetans in Lhasa, the capital of Tibet that resulted in 13 deaths, including some Chinese security personnel. There were demonstrations by Tibetans and their local supporters in many cities in India. The Chinese Prime Minister Wen Jiabao told the National People's Congress that this appeared to be a part of an international conspiracy to undermine the Olympic Games that China will be hosting in August 2008. The Dalai Lama was critical of the violent turn the demonstrations had taken and even threatened to resign from his position as Dalai Lama.

Though India has used its security forces to quell the unrest, anti-Chinese feelings have been expressed in media reports and comments. With the US urging India to finalise the nuclear deal during the remaining months of the Bush administration, a certain resistance has grown in New Delhi, but seeds of suspicion about China's long term goals are there and many senior army officials point out that India needs to safeguard its interests. Lt. General (R) Harwant Singh drew attention to China's potential to damage vital Indian interests including diversion of water of major Indian rivers that originate in the Tibetan

³⁴ Xinhua News Agency, January 15, 2008.

plateau.³⁵ He also underlined the usefulness of mountainous Tibet for China's ballistic missiles that could reach all parts of India, its alliance relationship with Pakistan, whose port — Gwadar — it was developing together with ports in other countries like Myanmar.

In the long run, India will seek its own independent role in the world, instead of becoming a camp follower of the US. They may share policies in containing Islamic radicalism, though Hindu extremism in India may pose a threat of its own by pursuing Hindutva. For China the real concerns vis-à-vis India could be three fold: competition for markets, energy and considerations of security.

Apart from serving US interests in containing China, India is also likely to seek supremacy in Asia. Hindu scholars and researchers have been looking for relics of Indian culture and of places of worship all over Asia to justify ventures to build on these links. India achieved some penetration — cultural and commercial — in Central Asian republics during the Cold War years. China is now engaged in developing closer relations with the same republics, especially through SCO. Therefore the long-term Sino-Indian relationship is bound to be competitive and no amount of soft diplomatic exchanges should deflect us from a realistic appraisal of the situation in our region. ■

³⁵ Kuldip Nayar “Dealing with China”, *The Tribune* (Chandigarh) February 18, 2007.

PROSPECTS FOR SINO-PAKISTAN RELATIONS

The process of China's peaceful rise has been moving forward for three decades and is expected to continue, with analysts forecasting that by 2050, China will not only have the largest economy in the world but will also achieve a per capita income comparable to that of medium-level developed countries. It is expected to reach the milestone of being the largest global economy 20 years earlier, i.e., by 2030, unless it encounters structural and management issues of the kind experienced by Japan after 1980, following three decades of rapid growth. With a much larger population and resource base, backed by a super power role globally, China may improvise policies and devices that may avoid that kind of experience.

Pakistan is also at a stage where the growing political and strategic challenges need to be managed in a way that the vital tasks of economic modernisation and poverty alleviation can be addressed. The regional and global environment is favourable, though some scientists predict Asia may be the worst sufferer from climatic change. Pakistan also has primary concerns of security, both internal and external. So has China, whom the United States is in the process of surrounding, in a manner reminiscent of the Soviet Union in the course of the Brezhnev militancy.

The ingredients are very much there for the all weather friendship to flourish, because the US has never been constant in its relationships and its current war on terrorism has assumed the character of an anti-Muslim crusade. Analysing its relationship with Israel that remains fearful of Pakistan's nuclear capability, and India, the neo-con concept of a US dominated 21st century would concentrate on three goals:

- i) Encouraging moderate Islam and targeting fundamentalist Islam and keeping the Muslim world weak and divided.
- ii) Maintaining control of economic resources of the region.
- iii) Surround and pressurise China to contain it.

Robert Jensen, Associate Professor at University of Texas, pointed out recently that the US empire was relying mainly on military

power. His view was that Muslims should not collaborate with the US. “Resistance is the only moral response to the empire and the resistance against US Empire will come mostly from within.”³⁶

India has already become more assertive in its relations with both Pakistan and China. The US is laying increasing stress on “Ballistic Missile Defence” that targets Russia and China. In South Asia, India is also busy developing its ABM capacity, in an effort to neutralise Pakistan’s nuclear deterrence.

Pakistan’s relationship with the US remains critically important and given the super power’s strategic, political and economic role, retaining friendly relations with Washington would be a major aim of the next government that is elected. Indeed, the impression has emerged of Washington playing a role in influencing the future orientation of the country, and in safeguarding its security. However, the current alliance pertains mainly to a single objective, namely Washington’s anti-terrorist agenda. By contrast, the long-term prospects for Sino-Pakistan relations remain bright, with Pakistan and China not committing themselves to support moves for regional or global hegemony and maintaining their “Comprehensive” friendship.

Negative Factors

Sino-Pakistan relations have been called a model of friendship between countries having different social systems. Pakistan is an Islamic republic that was founded to safeguard the interests and ideology of the Muslim population of the sub-continent. However, its founding fathers did not envisage it as a theocracy but as a democratic state, where the rights of all citizens, including religious minorities, would be guaranteed. In a famous speech, Quaid-e-Azam M. A. Jinnah visualised the citizens of the future as viewing themselves as Pakistanis, rather than as Muslims and Hindus.

It took external factors to ignite religious and sectarian passions in the country, notably in the 1970s and 1980s, when the Islamic revolution in Iran generated rivalry with Saudi Arabia, on backing Shias and Sunnis, while the Soviet occupation of Afghanistan, led the US to encourage Islamic jihadism to inflict the maximum damage on the Soviet forces. While the US lost interest after the Soviet defeat, Pakistan

³⁶ Seminar on “US-Muslim World Relations” organised by Institute of Policy Studies, Islamabad, on July 17, 2007, *IPS Quarterly News Letter*.

had lived with the consequences. Some of the local jihadists even went into Xinjiang to support Muslim Uighurs that led China to take note. Subsequently, all religious parties also recognised the value and importance of Pakistan's friendship with China, with many leaders even visiting China personally.

The war against terror following the 9/11 attacks on the US has exacerbated the religious divide and Pakistan and China have joined in this war. As the 9/11 attacks were traced to Al Qaeda, which was led by Saudi dissident Osama bin Laden, who remained in Taliban controlled Afghanistan, the US led war on terror targeted the Taliban regime, which was in control of 90 per cent of Afghan territory since 1996. Though Pakistan had recognised the Taliban regime, the decision to join the US led war meant a reversal of Pakistan's position, and had the effect of alienating the Pashtun population living along the border with Afghanistan. China had not recognised the Taliban who had given sanctuary to some Uighur dissidents from Xinjiang.

The movement of some Al Qaeda members to Pakistan, following US occupation of Afghanistan, led the Musharraf government to launch operations to capture the terrorists. Sino-Pakistan relations have flourished since President Musharraf assumed power, and as already mentioned, a large number of Chinese experts have come to Pakistan to work on mega-projects launched since 2001. As it happens, Musharraf's internal policies in tribal areas of Pakistan and in Balochistan have roused some local opposition, so that even Chinese engineers and experts have not been spared. Therefore, though the overwhelming majority of Pakistanis regard Chinese as reliable friends, a small number of Islamic extremists have created a problem of personal security for the thousands of Chinese nationals working on projects, especially in Pashtun areas.

The approach of general elections that will be held in early 2008 has increased tensions though the Chinese are generally liked and the main targets of hostility are the Americans. The Chinese do not interfere in the internal affairs of other countries.

However, in their domestic policies, they disapprove of religious extremism, terrorism and separatism, which are also banned under the charter of the Shanghai Cooperation Organisation. With the open intervention of the US into the affairs of sensitive countries, they are unlikely to approve of the extent to which Washington seeks to control

or guide our affairs. They seek to strengthen our hands and to maintain close relations evolved over half a century of friendship.

Other negative factors in Pakistan that delay or obstruct economic cooperation are corruption and lack of commitment while the political fragmentation and parochial rivalries also worry the Chinese. But they are capable of taking the long view and their proverbial patience and wisdom provide an assurance that our friendship and cooperation will endure.

Identity of Principles, Goals and Interests

The war on terrorism has been a negative factor over a brief period, and with significant changes expected in the management of the root causes, it is hoped that emphasis will shift to a peaceful and constructive approach to replace the aggressive policies of the Bush period. China remains focused on its economy. “Foreign policy is an after-thought; imperial ambitions, unthinkable”, as a US scholar currently resident in Shanghai observed recently.³⁷ The Princeton University professor noted that in the keynote speech at the 17th Congress of the Chinese Communist Party in mid-October, President Hu Jintao, who is also Secretary General of the Party, identified China’s current aspirations. These are centred on a four-fold increase in China’s per capita GDP over the next 12 years, to be achieved by “rebalancing” the economy away from exports towards general consumption. His most “passionate rhetoric” was reserved for a call to protect China’s environment, a task he termed vital “to the survival and development of the Chinese nation”. The only reference he made to foreign policy was to reunification of Taiwan with the motherland. He also announced a reduction of 200,000 in the Chinese armed forces.

As we assess the prospects for Sino-Pakistan relations, we have to look beyond the discord and agitation presently seen in Pakistan, when manifestations of religious extremism on the part of a miniscule minority are complicated by bids for provincial autonomy against a military dominated regime.

As the earlier comparison of similarities of interests and perceptions has shown, they overshadow the ideological differences. It may be appropriate to recapitulate the identity of principles, and long-

³⁷ Andrew Moravcsik, “The Self-Absorbed Dragon,” *Newsweek*, October 29, 2007.

term goals that confer certain permanence on what President Hu Jintao called an “indispensable partnership”.

- i) *Principles:* Both China and Pakistan base their foreign policies on the “Five Principles of Peaceful Co-existence” that lay special emphasis on the sovereign equality of states and non-interference in the internal affairs of other states. Neither of them seeks hegemony or accepts the hegemony of other states. They also believe in the peaceful settlement of international disputes, and in the principles and purposes of the UN Charter. They are both supportive of regional cooperation as well as of global collaboration to meet such challenges as climatic change, environmental issues, drugs, terrorism and management of scarce resources.
- ii) *Goals:* Their practical goals are in accordance with the principles outlined above. Thus they seek to safeguard peace and are opposed to use or threat of force. As developing countries, both give high priority to economic development and to alleviating poverty and backwardness. In this context, they seek changes in the global economic system to protect and promote the interests of developing countries, notably in trade and technology transfers. China has become a world leader by maintaining a high growth rate of 9-10 per cent per annum since 1978. Pakistan has also joined the rank of fast developing countries by maintaining a growth rate of about 7 per cent. The two have placed economic modernisation at the top of their national agendas, and recently agreed to increase their bilateral trade five times, over the next five years, to \$ 15 billion.
- iii) Their interests are also similar. While not seeking territorial acquisitions, they are both interested in correcting injustices. China seeks re-unification of Taiwan with the motherland and has historical claims on some groups of islands off its coast, which it would like to resolve through peaceful negotiations. Pakistan has a claim on the state of Jammu and Kashmir, which was occupied by India in October 1947. The UN Security

Council to which India referred the issue, adopted resolutions in 1948 and 1949, laying down that the will of the people of the state be ascertained through a plebiscite. Pakistan, having fought three wars with India, now seeks a negotiated settlement that is acceptable to the people of Jammu and Kashmir. China favours a peaceful and negotiated settlement of Kashmir while Pakistan supports China's stance on Taiwan. Apart from shared stance on territorial issues, China and Pakistan signed a Treaty of Peace and Friendship in 2005, under which it was agreed that neither would allow its territory to be used for attacks on the other. Neither country has a treaty like this with any other power. Both also share strategic perceptions and favour a multi-polar world order.

When these foundations of friendship are taken into account, together with the broad good-will between the peoples of the two countries for each other, the prospects for bilateral relations as well as for cooperation in the multilateral sphere look not only promising, but solid and durable. ■

CONCLUSION

One would be justified in describing the role of the US, the world's sole super power, and of China its most likely rival and successor in metaphorical terms as that of a cowboy, and a philosopher respectively. It is obviously incorrect to put them at the same level in military capability or reach, and China certainly shows no signs of becoming a challenger to the US. However, the role and influence of China has been rising even as the US persists in its hegemonic ambitions. Washington's dominant concern is with containing and eliminating terrorism, but its reliance on force has proved counter-productive.

The concluding chapter has to focus on the interplay of two global powers, the US and China and the main regional players, Pakistan and India.

The study has dealt with China's peaceful rise, in which the world has witnessed the economic transformation of the world's most populous country, which is also the country with the longest recorded history in the world. China's priorities remain unchanged, keeping in view the fact that despite the progress achieved, nearly half the population has just risen above the poverty level, and that prosperity of a standard comparable to the developed world is found only in pockets. The deliberations of the 17th Party Congress leave no doubt that other than safeguard its fundamental interests in the areas of foreign policy and defence, its focus continues to be on economic modernisation and growth and it takes new environmental challenges very seriously. It wants to continue the peaceful rise, and to exercise its growing regional and global influence to increase cooperation, notably among developing countries to foster growth and overcome poverty. China's approach of dealing with Africa and Latin America on the basis of continental groups has doubtlessly facilitated closer cooperation among the countries of these continents.

There is certainly an element of competition between the US and China in terms of their influence among the developing countries with which China identifies itself. However, China has attached due importance to its relations with the US — the world's richest and most powerful country. China's leaders and scholars continue to regard Pakistan's role in promoting their country's rapprochement with the US

as a significant contribution to China's interests. In terms of trade, investment and transfer of technology, the US policy of engagement, has been of tremendous value to China. However, the other side of US policy has been containment, in which US' support for Taiwan contravenes the "one China" policy that forms the foundation of establishing diplomatic relations with the People's Republic.

Sino-US relations have been analysed, and relations with each constitute a particularly sensitive aspect of the diplomacy of both Pakistan and India. Though Pakistan joined the US sponsored pacts, SEATO and CENTO in mid 1950s, while India adopted the non-aligned path, the Sino-Indian conflict that was precipitated by India's Forward Policy in 1962, led to a Sino-Pakistan entente that has been perhaps the leading factor in Pakistan's security. The US invoked its alliance only when it required its benefits, notably in the decade of Soviet occupation of Afghanistan.

In the post 9/11 world, that sees a changed order that may continue in the foreseeable future, elements of the post World War II order are still visible. China is still perceived by the US as a Communist power, whose "peaceful rise" may provide an alternative social model to the developing world. The US policy of engagement was linked to the adoption of the "market economy system" by China after 1978. The US and other pro-West powers had sought to fan popular opposition to the Communist order in 1989, but the mixed order (capitalist economy, authoritarian politics) prevailed and has adapted itself so well to Chinese conditions that no serious threat to it is being foreseen, even by the US, which is realising that the capitalist order has problems of its own and tends to accentuate the rich-poor divide.

The influence of historical factors also has to be catered for. As there are large Chinese overseas communities in South East Asia, who are economically dominant, China has been particularly careful to reassure the ASEAN countries, where it has successfully presented its growing economic role, not as a threat but as an opportunity. The US has maintained its political and military standing in this region. Though it follows China's programme of military modernisation closely and has taken note that its official defence budget "under-represents actual

military expenditures by a factor of two to three,³⁸ there is little concern it will pose a global military challenge.

Over the past year or so, notably after the Republicans lost the majority in the US Congress to opposition Democrats, President Bush has come under increasing criticism, especially for US-led intervention in Iraq in March 2003, which has not gone well for the Coalition. Whether US forces are reduced or even withdrawn (which is unlikely), the war against terrorism would continue. China, Pakistan and India are all allies of the US in this war, which is currently centred in Afghanistan and adjoining areas of Pakistan. As the US sees this as a war against Islamic extremism, it is attaching greater importance to India, whom it also envisages as an ally in its policy of containing China.

We could conclude this study by summing up the respective perceptions of the two major South Asian powers, India and Pakistan, in response to the policies of China.

India

India's relations with its northern neighbour across the Himalayas have been volatile and friction ridden, because of a stormy past, "war, territorial disputes, unparallel interests, conflicting worldviews and divergent geopolitical interests". Some points have been made on this relationship.

- Today, India and China are engaged in a competition for supremacy in overlapping areas of influence in Asia.
- The Indian government's current approach signals a shift from confrontation to cooperation. New Delhi prefers to steer a pragmatic course ("balanced engagement"), between the "concirclement" ("China as a threat") and the appeasement ("China as a benign power") schools of thought.
- Simultaneously, India's evolving Asia policy reflects a desire to build an arc of strategic partnerships with the United States and "China-wary" Asian countries, which would neutralise continuing Chinese military assistance and activity around India.

³⁸ R. A. Bitzinger, "Paper Tiger: No More?," Asia Pacific Centre for Security Studies, December 2003.

- India prefers a US led unipolar world to a China-dominated Asia-but ultimately seeks a multipolar world with itself as a constituent pole. New Delhi also has a degree of interest in US-China competition, because it makes India the object of courtship and wooing by both the United States and China.³⁹

Pakistan

Unlike India, which has great power ambitions and which may ultimately seek to rule over the entire sub-continent, Pakistan's interests are centred on self-preservation, possible solution of Kashmir and other disputes, and overcoming poverty. It has sought to develop cordial relations with both the US and China. Ideally, "Pakistan would like to have close and enduring relations with both China and the US. However, it has deep mistrust of US intentions in South Asia".⁴⁰ Certain views on the relations with China might be cited:

- A long-standing consensus persists among Pakistanis that the alliance with China is not only indispensable but also more than likely to endure. The consensus is driven by Pakistan's increasing dependence on China's massive and sustained military aid and by the Pakistani conviction that Pakistan and China share major strategic interests.
- The most important strategic interest, shared by China and Pakistan, is the containment of India.
- Pakistan's principle stakeholders in an enduring China connection are its armed forces and their civilian allies, both in the federal bureaucracy and in the country's sprawling defence community.⁴¹

If the direction, currently taken by US-India relations matures in the manner expected, that would reinforce the Pakistan-China connection. The detailed study of prospects for these relations suggests

³⁹ Mohan Malik "Eyeing the Dragon" Asian Pacific Centre for Security Studies, Honolulu, Hawaii, Special Assessment December 2003.

⁴⁰ Robert G. Wirsing, "The Enemy of my Enemy," Asia Pacific Centre for Security Studies", Honolulu, Hawaii, Special Assessment December 2003.

⁴¹ Ibid.

that this “all-weather friendship” and “indispensable partnership” will endure.

Looking to the Future

As China, India and several other Asian countries have achieved spectacular rates of growth in the starting years of the 21st century, it is becoming a common trend among many scholars to call it the Asian Century. No doubt, given the size of the continent and the fact that it includes nearly two-thirds of mankind, there can be little doubt that with such dynamic growth and expansion of its production as well as capabilities, events and trends in Asia will increasingly shape the destiny and well being of the humanity. However, objectivity and a sense of proportion demand that we analyse the potential of these countries in a global perspective.

Even if China achieves the goal of its peaceful rise, which is to have per capita income of a medium level developed country like Greece or Portugal, which translates into its having a total GDP nearly twice that of the US, it will not necessarily be the rival super power. Indications are that the world will remain unipolar for the next few decades, with the US as the sole super power, and with China, Japan, Russia, India, the European Union and perhaps some others as great powers, and some continental groups also playing a major role.

The past decade or two have also brought realisation of the vulnerabilities of our globe, through scarcities of vital resources such as energy and water, impact of climatic changes, and other environmental challenges.

Despite its dramatic and peaceful economic development, China faces major natural challenges. It has the highest rate of desertification in the world. Its water resources are unevenly distributed. The part to the north of Yangtze River has two thirds of the cultivated land but only one fifth of the country's water resources. To divert water from the South, that is largely located in Tibet in rivers flowing to South Asia, China will have to build enormous dams, the biggest on the Brahmaputra that is vital to India and Bangladesh.⁴²

The continuing economic well being of China will require collective management of vital resources, notably water.

⁴² Vinod Saighal, *Global Security Paradoxes 2000-2020*, (New Delhi: Manas Publishers, 2004), pp. 36-37.

The post 9/11 world faces the menace of terrorism, which requires not only security measures but attention also to economic and social problems. Here, Pakistan confronts challenges rooted in the conflicts in the Middle East and in its neighbourhood in Afghanistan. Here the legacy of history and of imperial designs is at play and issues of religious extremism arise. Economic progress and elimination of mass poverty demand reining in of religious passions together with prioritisation of democratic and participatory processes to ensure distributive justice for all.⁴³

The region's human and civilisational resources can be explored only after peace and reconciliation are established all over South Asia. China is itself not immune from social and economic discontents among ethnic and national groups in some regions, and is seeking to provide the answers through economic transformation.

The future demands cooperative and harmonious efforts by China, India, Pakistan and their immediate neighbours to work together, utilising the skills, the technologies and the resources available for the common welfare of 40 per cent of all mankind concentrated in this vast region. ■

⁴³ Iftikhar H. Malik, *Jihad Hindutva and the Taliban - South Asia at the Crossroads*, (Karachi: Oxford University Press, 2005), p. 277.