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My name is Lisa Curtis. I am a senior research fellow at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

Pakistan and China have long-standing strategic ties, dating back five decades. Pakistani President Asif Ali Zardari wrote in a

recent op-ed that, "No relationship between two sovereign states is as unique and durable as that between Pakistan and China." China's partnership with Pakistan first emerged during the mid-1950s when Beijing reached out to several developing countries, and then deepened significantly during the period of Sino-Indian hostility from 1962 to the late 1980s.

Chinese policy toward Pakistan is driven primarily by its interest in countering Indian power in the region and diverting Indian military force and strategic attention away from China. South Asia expert Stephen Cohen describes China as pursuing a classic balance of power by supporting Pakistan in a relationship that mirrors the one between the U.S. and Israel. The China-Pakistan partnership serves both Chinese and Pakistani interests by presenting India with a potential two-front theater in the event of war with either country.

Chinese officials also view a certain degree of India-Pakistan tension as advancing their own strategic interests as such friction bogs India down in South Asia and interferes with New Delhi's ability to assert its global ambitions and compete with China at the international level. That said, Beijing has demonstrated in recent years that it favors bilateral Indo-Pakistani negotiations to resolve their differences and has played a helpful role in preventing the outbreak of full-scale war between the two countries, especially during the 1999 Indo-Pakistani border conflict in the heights of Kargil.

Chinese-Pakistan Defense Ties

China is Pakistan's largest defense supplier. China transferred equipment and technology and provided scientific expertise to Pakistan's nuclear weapons and ballistic missile programs throughout the 1980s and 1990s, enhancing Pakistan's strength in the South Asian strategic balance. The most significant development in China-Pakistan military cooperation occurred in 1992 when China supplied Pakistan with 34 short-range ballistic M-11 missiles. Recent sales of conventional weapons to Pakistan include JF-17 aircraft, JF-17 production facilities, F-22P frigates with helicopters, K-8 jet trainers, T-85 tanks, F-7 aircraft, small arms, and ammunition. Beijing also built a turnkey ballistic-missile manufacturing facility near the city of Rawalpindi and helped Pakistan develop the 750-km-range, solid-fueled Shaheen-1 ballistic missile. While the

U.S. has sanctioned Pakistan in the past--in 1965 and again in 1990--China has consistently supported Pakistan's military modernization effort.

China has helped Pakistan build two nuclear reactors at the Chasma site in the Punjab Province and continues to support Pakistan's nuclear program, although it has been sensitive to international condemnation of the A. Q. Khan affair and has calibrated its nuclear assistance to Pakistan accordingly. During Pakistani President Zardari's visit to Beijing in mid-October 2008, Beijing pledged to help Pakistan construct two new nuclear power plants at Chasma, but did not propose or agree to a major China-Pakistan nuclear deal akin to the U.S.-India civil nuclear agreement. U.S. congressional Members have expressed concern about China's failure to apply Nuclear Suppliers Group (NSG) "full-scope safeguards" to its nuclear projects in Pakistan.

China also is helping Pakistan develop a deep-sea port at the naval base at Gwadar in Pakistan's province of Baluchistan on the Arabian Sea. The port would allow China to secure oil and gas supplies from the Persian Gulf and project power in the Indian Ocean. China financed 80 percent of the \$250 million for completion of the first phase of the project and reportedly is funding most of the second phase of the project as well. The complex will provide a port, warehouses, and industrial facilities for more than 20 countries and will eventually have the capability to receive oil tankers with a capacity of 200,000 tons. There is concern that China may turn its investment in Gwadar Port into access for its warships.

The India Factor

China has been able to successfully pursue closer relations with India, especially on the economic front (bilateral trade rose from \$5 billion to \$40 billion in the course of five years), while continuing to pursue strong military and strategic ties to Pakistan.

China's interest in improving ties to India over the last decade has spurred Beijing to develop a more neutral position on the Kashmir issue, rather than reflexively taking Pakistan's side, which has traditionally meant supporting United Nations resolutions calling for a plebiscite or backing Pakistan's attempts to wrest the region by force, as with Pakistan's 1965 Operation Gibraltar. A turning point in China's position on Kashmir came during the 1999 Kargil crisis when Beijing helped convince Pakistan to withdraw forces from the Indian side of the Line of Control following its incursion into the Kargil region of Jammu and Kashmir. Beijing made clear its position that the two sides should resolve the Kashmir conflict through bilateral negotiations, not military force. India was pleased with China's stance on the Kargil crisis, which allowed Beijing and New Delhi to overcome tensions in their relations that had developed over India's 1998 nuclear tests.

Despite the evolution in the Chinese position on Kashmir, China continues to maintain a robust defense relationship with Pakistan, and to view a strong partnership with Pakistan as a useful way to contain Indian power. China's attempt to scuttle the U.S.-India civil nuclear agreement at the September 2008 Nuclear Suppliers Group (NSG) meeting was evidence for many Indians that China does not willingly accept India's rise on the world stage. The Chinese--buoyed by the unexpected opposition from NSG nations like New Zealand, Austria, and Ireland--threatened the agreement with delaying tactics and last-minute concerns signaled through an article in the Chinese Communist Party's English-language paper, *The People's Daily*. The public rebuke of

the deal followed several earlier assurances from Chinese leaders that Beijing would not block consensus at the NSG.

Indian observers claim the Chinese tried to walk out of the NSG meetings in order to prevent a consensus, but that last-minute interventions from senior U.S. and Indian officials convinced them that the price of scuttling the deal would be too high, forcing them to return to the meeting. Indian strategic affairs analyst Uday Bhaskar attributed the Chinese maneuvering to longstanding competition between the two Asian rivals. "Clearly, until now China has been the major power in Asia," said Bhaskar. "With India entering the NSG, a new strategic equation has been introduced into Asia and this clearly has caused disquiet to China." Indian official Palaniappan Chidambaram (now Home Minister), citing China's position within the NSG, said that, "From time to time, China takes unpredictable positions that raise a number of questions about its attitude toward the rise of India."

Tensions over Separatists and Islamist Extremists

One source of tension between Beijing and Islamabad that has surfaced has been the issue of Chinese Uighur separatists receiving sanctuary and training on Pakistani territory. The Chinese province of Xinjiang is home to 8 million Muslim Uighurs, many of whom resent the growing presence and economic grip on the region of the Han Chinese. Some have agitated for an independent "East Turkestan." To mollify China's concerns, Pakistan in recent years has begun to clamp down on Uighur settlements and on religious schools used as training grounds for militants. Media reports indicate that Pakistan may have extradited as many as nine Uighurs to China in April after accusing them of involvement in terrorist activities.

Tension has also surfaced over Islamist extremism in Pakistan. It came to a head in the summer of 2007 when vigilantes kidnapped several Chinese citizens whom they accused of running a brothel in Islamabad. China was incensed by this incident, and its complaints to Pakistani authorities likely contributed to Pakistan's decision to finally launch a military operation at the Red Mosque in Islamabad, where the militants had been holed up since January 2007. Around the same timeframe as the Red Mosque episode, three Chinese officials were killed in Peshawar in July 2007. Several days later, a suicide bomber attacked a group of Chinese engineers in Baluchistan. Last August, Islamist extremists abducted Chinese engineer, Long Ziaowei, in Pakistan's Swat Valley. The Chinese protested vehemently to the Pakistani government and Ziaowei was released unharmed in February.

Security concerns about Pakistan could move the Chinese in the direction of working more closely with the international community to help stabilize the country. During President Zardari's visit to Beijing in October 2008, Beijing resisted providing Pakistan a large-scale bailout from its economic crisis, thus forcing Islamabad to accept an International Monetary Fund program with stringent conditions for economic reform. Beijing did come through with a soft loan of about \$500 million, though. China is part of the 11-member "Friends of Democratic Pakistan" grouping that was formed last September and met in April in Tokyo. The grouping has pledged to lend collective support to Pakistan in consolidating its democratic institutions, the rule of law, good governance, socio-economic advancement, economic reform, and progress in meeting the challenge of terrorism.

In another sign that China feels increasingly compelled to pressure Pakistan to adopt more responsible counterterrorism policies, Beijing dropped its resistance to banning the Jamaat-ud-Dawa (JuD--a front organization for the Pakistan-based Lashkar-e-Tayyiba, responsible for the November terrorist attacks in Mumbai) in the United Nations Security Council (UNSC) last December. China had previously vetoed UNSC resolutions seeking to ban the JuD over the last several years.

Recommendations for U.S. Policy

Given that China, Pakistan, and India are nuclear-armed states and that border disputes continue to bedevil both India-Pakistan and India-China relations, the U.S. must pay close attention to the security dynamics of the region and seek opportunities to reduce military tensions and discourage further nuclear proliferation.

China's apparent growing concern over Islamist extremism in Pakistan may provide opportunities for Washington to work more closely with Beijing in encouraging more effective Pakistani counterterrorism policies. Pakistan's reliance on both the U.S. and China for aid and diplomatic support means that coordinated approaches from Washington and Beijing provide the best chance for impacting Pakistani policies in a way that encourages regional stability. Conversely, the more Pakistan believes it can play the U.S. and China off one another, the less likely it will be to take necessary economic and political reforms and to rein in extremists. China's involvement in the "Friends of Democratic Pakistan" grouping is a positive sign that it may be willing to contribute to a multilateral effort aimed at stabilizing the situation in Pakistan.

The U.S. should also seek to convince China to play a responsible role with regard to its nuclear cooperation with Pakistan, emphasizing the need to discourage nuclear-weapons stockpiling in a country facing the specter of further instability. China and the U.S. share the goal of preventing Pakistan's nuclear weapons from falling into the wrong hands--China perhaps even more so, given its geographic proximity to Pakistan. Recent encroachments by the Taliban into parts of northwest Pakistan have added a more dangerous dimension to nuclear proliferation in Pakistan and require new thinking among stakeholders in the region for avoiding a nightmare scenario in which al-Qaeda gains access to Pakistan's nuclear weapons. There is little reason to panic about the safety and security of Pakistan's nuclear weapons at the moment since the Pakistan military is a professional and unified force that has adopted security procedures to avoid such a worst-case scenario. Even so, recent developments in the country should add new impetus to regional efforts to control nuclear proliferation.

The U.S. should involve China in efforts to encourage greater South Asia regional economic integration and cooperation. Chinese financial aid to Pakistan has been valuable in maintaining economic stability there both before and during the global financial crisis. Chinese direct investment, such as China Mobile's acquisition of Paktel, and assisting Afghan and Pakistani companies to tap the potentially huge Chinese market would be helpful in the creation of a more prosperous region. Trade flows are relatively undeveloped and would be particularly promising if transport links can be improved. Washington should encourage the Chinese to take part in economic and trade ventures that involve bringing Afghanistan and Pakistan together for mutual economic benefit. This would fit with China's interest in accessing Middle East markets through

Afghanistan and Pakistan and help provide each country with a vested interest in promoting regional stability.

Conclusion

To date China's pursuit of relations with Pakistan has been aimed primarily at containing Indian power in the region. With rising instability in nuclear-armed Pakistan and the threat of Taliban forces gaining influence there, both China and the U.S. must take responsibility for encouraging greater stability and coherence among Pakistan's leadership. China's handling of the current crisis in Pakistan is a true test of its credentials as a responsible global player.

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