

# China and Pakistan: Emerging Strains in the *Entente Cordiale*

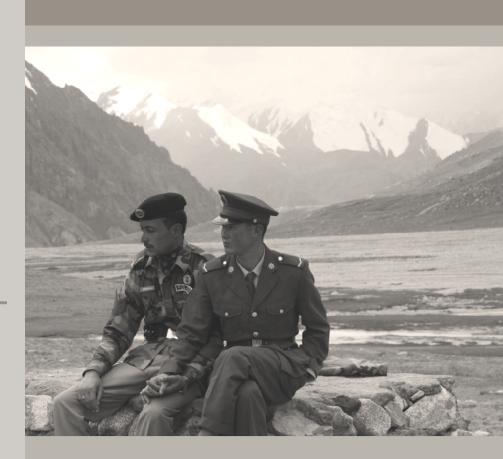
Isaac B. Kardon



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China and Pakistan: Emerging Strains in the Entente Cordiale

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Cover image: a sign declaring Sino-Pakistani friendship. Source: www.technologybook.eu

Image above- right: a Chinese soldier sits with a Pakistani soldier along the border. Source: Pakistan Cyber Force blog.

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The views expressed are his own and do not reflect the official policy or position of the National Defense University, the Department of Defense, or the U.S. government.

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## **Overview**

Recent reports alleging Chinese military activity in Pakistani-controlled areas of Kashmir call renewed attention to the extraordinary relationship between the People's Republic of China (PRC) and the Islamic Republic of Pakistan. Such activities fuel concerns – especially in Washington and New Delhi - that China enjoys unique privileges and exercises inordinate influence in Pakistan. Despite this perception, however, instances of direct Chinese involvement in Pakistani political and security affairs are rare. Even as Chinese economic interests in Pakistan multiply, Beijing has shown little inclination to actively involve itself in shaping Pakistani behavior, taking cautious and minimal steps to protect its narrowly defined interests and repeatedly snubbing the democratically-elected civilian regime of Asif Ali Zardari. This hands-off approach thus also supports a different conclusion, namely that China's privileged relationship with Pakistan may be "more apparent than real," 2 better characterized as periodic episodes of converging interests than a consistent pattern of real cooperation. Pakistan's serial provocations of India, hot-and-cold relationship with the United States and seeming inability to "keep the Korans out of Xinjiang" - that is, to prevent Islamist militants and madrassas from supporting Muslim separatists in China's troubled western region - are all headline indications that Pakistani behavior does not always conform to Chinese preferences.



China and Pakistan, spanning across the Asian continent.

Pakistan's pivotal role in U.S. strategy in South Asia calls for a more precise judgment about how China can and will behave vis-à-vis Pakistan. What is the present nature and scope of that Sino-Pakistani relationship? How did it arise? Is it likely to endure in this form? Unpacking the diverse components of this "all-weather partnership" will offer insight into its present utility for Beijing. This paper aims to synthesize some existing judgments of the situation, while focusing on three actual and potential sources of change in Chinese policy towards Pakistan: 1) a dramatically altered geopolitical context for the post-cold war Sino-Pakistani entente, 2) evolving priorities in Beijing over the past decade, and 3) Pakistan's unreliability as a partner. This inquiry reveals that while certain long-standing interests binding the two together remain robust, changing circumstances will complicate — and sometimes undermine — the entente. Although shared animosity towards India provides the foundation for the special Sino-Pakistani relationship, it alone is not sufficient to sustain the relationship in the face of mounting adversity and wider Chinese ambitions. China's calculus on Pakistan is informed by the new opportunity costs entailed in sustaining the partnership, a fuller understanding of which will help explain Beijing's willingness to recalibrate its ties to Islamabad in pursuing more advantageous alternative goals and partnerships.



## **Context for Assessing Sino-Pakistani Ties**

The Sino-Pakistani "entente cordiale" has endured for nearly half a century as a geopolitical partnership rooted in a shared antagonism towards India. Continuing into the post-Cold War era, China has nourished Sino-Pakistani strategic ties with a steady diet of arms transfers, technological and military assistance (notably nuclear and missile capabilities), and intelligence cooperation. Complemented by Beijing's diplomatic and political support, these interactions are thought to constitute an implicit security guarantee. Yet despite the habit of pronouncing the "friendship higher than the Himalayas, deeper than the Indian Ocean, and sweeter than honey" (in the words of Chinese President Hu Jintao), the actual relationship is considerably more fraught. Pakistan presents a mounting array of political and security liabilities for China that have already made it difficult for the high-flying rhetoric to match the sobering reality.

Unconditional tolerance for the Islamic Republic's chronic political dysfunction and corruption, roiling domestic insurgency, occasional nuclear brinkmanship, and perpetual insolvency is not fundamental to Chinese foreign policy. In the context of a changing regional security environment, the imperative to constrain and counter India may still apply, but it is diluted by other pressing needs. Beijing seeks a stable regional security environment that does not present serious external risks (e.g., interstate conflicts or nuclear proliferation) or generate internal strife (e.g., terrorism, separatism or human and narcotics trafficking); it hopes to foster friendly, profitable economic and political relations with all nations in South and Central Asia; and it requires strategic stability with the United States. Under these evolving circumstances, the long-standing geopolitical logic of the Sino-Pakistani entente may no longer obtain.

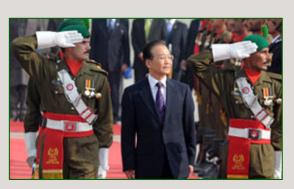
### Prospects for Sino-U.S. Cooperation in Pakistan

The present character and future evolution of Sino-Pakistani bilateral ties also have significant bearing on U.S. interests. American policymakers have shown increasing eagerness to leverage Chinese influence in Pakistan in service of U.S. objectives in Afghanistan and in the South Asian theater more broadly. Efforts are underway to coax complementary Chinese policies (and possibly some degree of policy coordination) out of what the U.S. government perceives to be a "basic framework of largely coincident objectives...and shared interests." Those interests are defined in a November 2009 U.S.-China joint statement as the mutual desire for "peace, stability and development in South Asia."

These vague objectives reflect a common Sino-U.S. practice of couching bilateral statements in deliberately ambiguous terms that finesse often starkly different assessments of the issues and threats at hand, the appropriate means to manage them, and the range of desirable outcomes. "Stability" may be the nominally shared goal, but it is a loose term that differs in both form and function for Washington and Beijing. Acceptable outcomes for China may comprise configurations of power and influence in the region that are not congenial to American interests, and vice-versa. For example, China would not necessarily object to a military dictatorship in Pakistan enjoying a working relationship with a Taliban-dominated Afghanistan; America, meanwhile, is likely to



prefer a democratically-elected Afghan government that is not unduly influenced by the Pakistani military or undermined by the network of militant groups thought to be nurtured by Pakistan's intelligence service, the Inter-Services Intelligence agency (ISI). U.S. policymakers would also be happy to see a more prominent role for India, an outcome that neither Pakistan nor China desires. These are not visions for future order that are easily reconciled.



Chinese Premier Wen Jiabao on a visit to Pakistan in 2010. Source: CNN.

Various modalities in the political and security alignments within the region thus imply very different things for American and Chinese interests. Numerous Western analysts have offered prescriptions about how these differences might be overcome. Two approaches predominate: the first urges China to participate in multilateral efforts to stabilize the region (or at least to correlate its individual efforts with those broader objectives); the second promotes consultation and, if possible, active cooperation with America toward similar ends. More hopeful prescriptions have called for persuading China to help mediate Indo-Pakistani border negotiations to the Afghan front. Afghan front.

As noted, China does share some American equities in Pakistan, so these expectations are not altogether unwarranted. They are, however, overambitious given China's closely guarded relationship with Pakistan and mutual mistrust with India. China, not unlike the U.S., will never be perceived as an honest broker in the region. But unlike the U.S., China has shown little ambition or willingness to play such a role. Given China's high stakes and not entirely compatible interests, greater awareness of the actual extent of Sino-Pakistani comity and the factors that will condition its future course should be of great interest to American strategists.

## **Shifting Regional Power Architecture**

The dynamics of the Sino-Pakistani relationship today are perhaps best understood in the context of a quadrilateral arrangement that includes the United States and India. The shifting alignments among these four actors are still marked by the vestiges of Cold War geopolitical competition, but now exhibit new dynamics due to the changed character of the major actors and their interests in the region: a rising China with ambitions for global influence; an increasingly volatile, nuclear-armed Pakistan; a growing, regionally influential India; and an America pursuing major, long-term strategic objectives in the region. As it has for sixty years, Beijing aims to sustain a strong and solvent Pakistan as a viable counterweight to Indian political and strategic ambitions in South Asia, but the urgency of that aim and the resources made available for achieving it are less obvious in the present environment. In fact, such calculations have always been subject to periodic revision by Beijing, suggesting a relationship that is determined by evolving Chinese priorities, more contingent on impermanent geopolitical circumstance than commonly thought. Throughout their sixty year



relationship, Sino-Pakistani interactions have been marked by relative consistency in rhetoric paired with a highly transactional, situation-specific approach to what Beijing is willing and able to do for its volatile partner.

### Marriage of Convenience

This unevenness in Sino-Pakistani relations is in large part a function of the correspondingly uneven history of America's "three marriages and two divorces" to Pakistan. That pattern of American behavior towards Pakistan, in turn, arose from geopolitical calculations rooted in cold war competition. Recognizing American distraction, PRC leaders have been swift to seize opportunities to consolidate ties with Pakistan, repeatedly capitalizing on American cooperation with India and neglect of Pakistan to bolster Chinese influence with its western neighbor. This pattern is borne out by the following brief analysis of shifting great power relations with Pakistan during the Cold War.

Following the partition of the Indian subcontinent in 1947, Pakistan was recruited into the American orbit as a check on Soviet ambitions in the region. Pakistan swiftly became one of America's key Cold War clients in the region, signing a Mutual Defense Assistance Agreement in 1954, then joining South East Asian Treaty Organization (SEATO) and the Baghdad Pact in 1955 (also known as CENTO). For its part, the U.S. supported the Pakistani desire for a UN plebiscite to determine the status of the disputed territories of Jammu and Kashmir.

Beyond these nominal gestures, Pakistan cooperated extensively in functional ways. Peshawar became an important U.S. intelligence hub (its airfield was the origin of the U-2 spy-plane shot down over the USSR in 1960),<sup>14</sup> and the United States Agency for International Development's (USAID) presence in Karachi "resembled a parallel government" throughout the 1950s.<sup>15</sup> American aid, arms and assistance flowed liberally, predicated on Pakistan's staunch support of Washington's anti-communist agenda. Pakistan's President Ayub Khan went so far as to pronounce Pakistan America's "most allied ally in Asia" in a *Foreign Affairs* article he penned in 1964.<sup>16</sup> But by then, Pakistan was already on its way to a de facto alliance with Beijing, whose border war with India in 1962 had catalyzed major geopolitical shifts in the region.

Though a distracted Kennedy administration did not take any significant actions during the Sino-Indian War in 1962,<sup>17</sup> Kennedy later made it clear that American sympathies lay squarely with India – even to the extent that America might intervene on her behalf in the event of future Chinese aggression.<sup>18</sup> Though Pakistan had voted against the PRC's admission to the United Nations through 1960, its sympathies now shifted to the Chinese side by default. Pakistani leadership was alarmed by the pro-Indian sentiments expressed in Washington, where hopes of securing Indian cooperation against the Soviets superseded American commitment to Pakistan. The Kennedy administration redoubled its military and economic support for India after the Sino-Indian war of 1962, judging it an opportune moment to "induce New Delhi to abandon its nonaligned foreign policy for formal or informal alignment with the West." To Pakistan, this was "a grievous betrayal," evidence of a need to extricate itself from "dangerous dependence on an unreliable superpower" that was now reconsidering Pakistan's strategic value in its anti-communist bloc.<sup>20</sup>



This geopolitical fissure led to the first firm expression of Sino-Pakistani comity, in the form of a border agreement in 1963 in which the two parties effectively swapped territory claimed by India. India, of course, vehemently rejected this agreement, which served not only to reinforce rival claims to disputed territory, but also gave China a material stake (and considerable negotiating leverage in the form of territory) in India's conflict with Pakistan.

That realignment was fully realized as a result of the 1965 war between India and Pakistan, a conflict in which Pakistan felt betrayed by Washington and heralded Beijing as its savior. The Americans did not support Pakistani aggression and cut off arms sales to the two warring nations; the Chinese, meanwhile, offered staunch political support to Islamabad, issued an ultimatum to India, and mobilized troops to present India with a two-front threat. Most accounts give the Soviets and Americans credit for brokering the cease-fire, but the Sino-Pakistani mythology holds that "it was the specter of direct Chinese intervention that got things moving," according to a post-mortem published in the Pakistani *Nation* newspaper.<sup>21</sup> China successfully construed U.S. and Soviet Union involvement as collusion against Pakistan – and indeed, both were intent on drawing India in their respective orbits – and meanwhile successfully portrayed itself as Pakistan's only friend.

The American decision to cut off arms sales to Pakistan was maintained after the ceasefire, and was accompanied by a temporary discontinuation of economic assistance. China capitalized on Pakistan's disillusionment with its former benefactor by establishing the groundwork for the strategic relationship, attempting to supplant America's critical contributions by providing arms, military assistance and modest economic aid. A bilateral trade agreement and the ground-breaking of the Karakorum Highway to convey that trade were speedily negotiated in 1966. These gestures were a concrete manifestation of a new friendship that came into being on account of American neglect and a powerful shared antagonism with India.

China consolidated relations with Pakistan throughout the Cold War era only in brief moments of geopolitical convenience, revealing a bilateral connection that is more instrumental than fundamental. The partnership again became expedient when China sought to check Indian ambitions in South Asia during the second Indo-Pakistan war in 1971 — though China's tepid support was insufficient to prevent Pakistan's dismemberment into two states. The Sino-Pakistani connection later proved advantageous as the mechanism of Chinese rapprochement with the United States throughout the 1970s, a use for the relationship that came about only because of hostility towards the Soviet Union. That anti-Soviet animus also made Pakistan an attractive partner for China during the Soviet occupation of Afghanistan, where it not only allowed China to frustrate Soviet ambitions but also helped nurture the nascent Sino-U.S entente.



Former Pakistani President Yahya Khan with Henry Kissinger in 1971. Source: Flickr.



#### Early Post-Cold War Geopolitical Strains

The geopolitical shifts of the last two decades, however, have not produced conditions that clearly favor a strong Sino-Pakistani entente. Whereas China's aim to counter India largely complemented its Cold War imperatives towards the U.S. and the Soviet Union, shifts in the post-Cold War era have made a looser valence more suitable for Chinese strategy in South Asia. Some signs of a drift were already evident as Cold War competition for clients in the region gave way to a more multipolar arrangement. Underwriting Pakistan's conflict with India became a less attractive proposition for Beijing under conditions of Sino-Indian rapprochement; arming and motivating Pakistani forces in Afghanistan was also no longer required as a check on Soviet encirclement of China.

A more subtle and complex set of considerations vis-à-vis India began with Indian Prime Minister Rajiv Gandhi's trip to Beijing in December 1988. In conjunction with the disintegration of the Soviet Union, India's primary security partner, this development called for a more balanced set of Chinese policies in the region that could help minimize the risks of Sino-Indian conflict. A re-escalation of Indo-Pakistani tensions over Kashmir in 1990 marked a watershed in Chinese calculus, as Beijing revised its pro-Pakistani posture by significantly weakening the rhetoric of its supposed "deterrent support" and subsequently withdrawing its support for the UN plebiscite on Kashmir. This latter move amounted to an implicit endorsement of the Indian position on Kashmir – that it should be resolved bilaterally. In withdrawing one of the few costly political goods that it had supplied for Pakistan's benefit, China's diplomacy reflected the fact that conflict in Kashmir was no longer a useful proxy for its competition with the Soviets, nor was it an effective mechanism for managing a warming relationship with New Delhi. Moreover, China was wary of further international isolation after the 1989 Tiananmen incident, and sought to limit the formation of an India-America entente opposing it.

In 1998, those same shifting geopolitical plates led China to take a comparatively even-handed stance in discouraging Pakistan's nuclear tests (however responsible they were for the existence of that capability). Though China had previously encouraged tit-for-tat escalation between the South Asian nations as a way to keep India fettered by regional shackles, the Indian rationale for its Pokhran-II tests illuminated the new geopolitical logic behind China's diplomatic response. The PRC, rather than Pakistan, was cited as the primary strategic threat justifying India's now-declared nuclear weapons capability. Notwithstanding whether India's capabilities and nuclear force posture were actually tailored to counter China, this bold stroke forced China to extricate itself from Indo-Pakistani squabbles (rather than actively foment them, as it had seen fit to do in the past). China's instead sought to repackage the Kashmir conflict as a vestige of imperialism and hegemonism.<sup>24</sup> India had explicitly appealed to America for support against a Chinese menace, raising the ominous specter of their alignment against a China threat.

This new iteration of the longstanding South Asian dispute further compounded the geopolitical risks of supporting a conflict-prone Pakistan, which was now involved in a nuclear stand-off with India. China thus moved to align itself with the U.S. in opposition to nuclear proliferation in South



Asia, jockeying for position as a great power capable of influencing the sub-continental conflict from a superior vantage.<sup>25</sup> As a condition for coordinating with the U.S., this move necessarily entailed curtailing its lingering support for Pakistani and nuclear programs (which the U.S. had been pressing Beijing to discontinue since the early 1990s, and which China had long publically disavowed), making clear that in this evolving geopolitical arena, China could pursue its basic agenda against India without the need to arm – or even defend – its Pakistani client. Later, Beijing showed a distinct lack of support for Pakistan's adventurism in the 1999 Kargil episode, both urging Pakistani "self control" and making overtures to India.<sup>26</sup> This posture underscored China's growing wariness of Pakistan's capacity to make strategic decisions that adversely affect Beijing's interests, showing a clear preference for playing great power balancer aloof from petty squabbling.

This marked willingness to adopt positions directly opposed to Pakistan – or at least to decide from the position of a concerned extra-regional actor rather than a partisan supporter – reflects the changed character of today's South Asia. Continuing categorical support for Pakistan would have the effect of throwing China's lot in with a state very much on the periphery of the international community – and meanwhile encouraging India and the U.S to move into a countervailing coalition. More broadly, the existence of a consistent Sino-Pakistani entente tends to encourage the formation of major power groupings on issues like arms control and sea-lane protection that include India and the United States, but exclude China. The prospect of catalyzing its own containment is a trend that Beijing will scrupulously seek to avoid.

### Conditions Favoring Sustained Sino-Pakistani Partnership

The geopolitical conditions that occasioned this series of Chinese defections from Pakistan in the realm of high politics have not, however, fully undermined the relationship, which certainly continues to exhibit many of the same opportunistic cases of close collaboration that characterized the Cold War period. The military-strategic relationship, in particular, has become even more central and representative of the overall relationship. Chinese arms transfers to Pakistan continued through the 1990s (marked by an expansion in licensing and end-user agreements on favorable terms), facilitated, once again, by America's capricious attitude toward Pakistan. Following the Soviet withdrawal, American strategic attentions shifted elsewhere. The Pressler Amendment was invoked in 1990, imposing economic and military sanctions on Pakistan – and freezing most arms sales - due to concerns about Pakistan's nuclear weapons program. Whatever the justice of this American decision, it once again thrust Pakistan into China's embrace by default.



Pakistan's Chashma nuclear reactors. Source: allpakistaninews.



Furthermore, the U.S.-India nuclear deal completed in 2008 produced a similar outcome. In this case, the U.S. orchestrated a waiver for India in Nuclear Suppliers Group, allowing it to legally import civilian nuclear technology. Pakistan predictably resented this arrangement, perceiving the deal to be a windfall for the Indian nuclear weapons program. Pakistan also took it as an opening to press Beijing to expand its investments in Pakistan's Chashma reactors. China initially balked<sup>27</sup> – evidence of the growing costs implied by close cooperation with Pakistan – but eventually pressed forward with the project.

### A Contingent and Unlikely Partnership

With certainty, the India factor is the necessary condition for the relationship. However, sufficient conditions for close government cooperation – on arms, trade, and diplomacy alike – have generally been created only by shifts in geopolitical tides. American actions precipitated this closeness, deliberately in some instances, as in the case of utilizing the Pakistanis to forge rapprochement with China in the early 1970s or by funding, mobilizing, and arming Pakistani militants to subvert the Soviet campaign in Afghanistan during the 1980s. But more often, it was the unintended secondary consequence of American miscalculations of – or simple disregard for – Pakistani strategic interests.

The evolving geopolitical reality of the region has introduced new variables, many of which are not conducive to continuing a close Sino-Pakistani relationship. The available historical evidence suggests that China has calibrated its ties with Pakistan to suit its geopolitical calculations, engaging them in limited arenas when circumstances allow. The post-Cold War period has produced circumstances which tend to favor a looser Sino-Pakistani connection. The following analysis sets out some of the changing imperatives in Chinese foreign policy towards Pakistan over the past decade.

# **Demands of Chinese Development**

The PRC's feverish growth over the last decade has ushered it into a new role as a great power, a distinction that has proved inseparable from deepening Chinese engagement in regional and global affairs. This broad engagement includes some necessary baggage of increasingly substantial international equities, many of which are inconsistent with unduly close ties to Pakistan. Beijing's evolving imperatives now include an abiding concern for stability on its borders to both facilitate domestic economic development and isolate groups labeled as domestic separatists; a critical dependence on overseas markets, technology, and natural resources (made more acute by skyrocketing energy demand and an export-heavy economic mix); and a need to cultivate a benign image that reassures its neighbors and persuades the international community to embrace – or at least refrain from counteracting – its continued rise. Pursuing these diverse ends has required a more nuanced Chinese foreign policy, one that leverages its existing ties to Pakistan, but is also more aware of the opportunity costs of sustaining that relationship at the expense of other objectives. China's willingness and ability to influence Pakistan is thus an interesting measure of



Beijing's intentions as a global actor, forcing it to weigh that traditional friendship against a multiplying array of new options, responsibilities, and risks.

### Sustaining Peaceful Development and Stable South Asia

China's approach to "peaceful development" and stability has taken on significant new dimensions over the past decade. Success in this endeavor requires a more nuanced set of foreign policy behaviors that keep the competitive dynamics between China, India and the U.S. from upsetting Chinese economic and political ambitions in South Asia. In a region transformed by major American military campaign in Afghanistan and a rising economic juggernaut on the Indian subcontinent, these objectives do not appear well-served by an exclusive partnership with Pakistan.

America's prosecution of the war in Afghanistan over the last decade is one development that generates considerable ambivalence in Beijing. On the one hand, there is the disconcerting effect of a massive American military presence on China's western flank, coupled with increasingly close U.S.-India security cooperation that drives Chinese fears of containment; the participation of NATO and Japan in this enterprise is also unwelcome. Likewise, American basing and logistics arrangements in Central Asia are worrisome for China, whose fledgling security organization in the region, the Shanghai Cooperation Organization (SCO), has seen its relevance erode as a result. The conflict has also had the unwelcome effect, from China's perspective, of inadvertently radicalizing ever greater numbers of Muslims in lawless regions bordering China's already troublesome northwest. Security-minded Chinese leadership are concerned that these putative "separatists" pose growing risks to Chinese domestic stability as well as Chinese regional commercial and trade interests.<sup>29</sup>

Within Pakistan, the existence of a second powerful patron willing and able to provide important security goods supplants China's indispensability as an external balancer and complicates China's primary task of keeping India pinned down. America's aim to reorient Pakistan's security focus toward insurgent networks on the Pakistan-Afghanistan border is, in most respects, directly contrary to China's aim to keep Pakistani attention focused on its southern neighbor. Meanwhile, U.S. arms transfers to Pakistan actually exceeded those from China in the 2005-2008 period<sup>30</sup> and dramatically increased in fiscal year 2010.<sup>31</sup> These transfers have provided the 'carrot' that has allowed America to extract cooperation from Pakistan in some limited but key areas, including logistics and supply lines for the war in Afghanistan, intelligence support against some militant groups and moderately permissive attitude towards U.S. drone strikes on Pakistani territory. The conditionality attached to most American support further dilutes Chinese influence by creating strong incentives for Pakistani leadership to conform to the American approach to governance.

On the other hand, America has shouldered the burden of maintaining some tenuous regional security and stability, allowing China to concentrate on its own development. This U.S. presence also promotes Chinese inroads into South and Central Asian markets that were once inaccessible, in several instances providing the security for Chinese facilities and infrastructure in dangerous areas (as in the Aynak copper mine in Afghanistan). In doing so, America has also incurred



substantial costs – in blood, treasure, and prestige – that seem to accrue to China's benefit, if only by the zero-sum logic of some Chinese strategists. Perhaps most relevant to the Sino-Pakistani relationship, renewed American involvement in Pakistan relieves China of some of its perceived responsibilities to ensure that the state remains viable and capable of deterring Indian aggression. American largess towards Pakistan – epitomized by the 5-year, \$7.5 billion Kerry-Lugar-Berman bill that tripled U.S. non-military aid to Pakistan in September 2009 – meanwhile affords considerable leeway to China in its dealings with Pakistan and slights India in the process. All told since 2001, the United States has provided more than \$11 billion to Pakistan—primarily in the form of Coalition Support Funds to the Pakistani military.



Pakistani Prime Minister Syed Yusuf Raza Gilani at the JF-17 roll-out ceremony. Source: Associated Press Pakistan.

Rather than propping up an insolvent and potentially failed state with unrecoverable donations of aid and political capital, China has maintained a low profile and instead focused on turning its state-owned enterprises loose on potentially lucrative investments (like China Mobile's acquisition of Paktel, or China Metallurgical Construction Corporation's leasing the Saindak gold and copper mine) and strategically significant ventures (like construction of the Chashma III and IV nuclear reactors, or joint Sino-Pakistani defense production of the JF-17 multi-role fighter). These developments predict China's continuing engagement with Pakistan, but also hint at larger political and economic ambitions as an exporter of nuclear technology and advanced weaponry. Consistent with its growing concern for remaining within the bounds of acceptable international behavior, China has also taken advantage of

foreign attentiveness to Pakistani defense needs by curtailing its supply of missile technology and other activities deemed to violate proliferation norms.<sup>35</sup>

Chinese actions are also conditioned by their judgment of the likelihood of long-term American success in Afghanistan. In light of this uncertain outcome, Beijing's desire to avoid being painted as an obstruction to international efforts in the region has produced a more hedged strategy with respect to Pakistan, which entails maintaining the nominal "all-weather partnership" without taking on any political or security risks beyond those required to protect its investments. This posture reflects Beijing's ambition to transcend its role as a merely regional actor involved in the petty squabbles of other states, and instead take on the mantle – if not the responsibilities – of a great power.

#### Economic Ambitions in Asia

Given the high risks and uncertain rewards of taking on a large security role, Chinese attentions have been focused on the economic arena. As a result, its partnership with Pakistan is no longer a pure play against India, with whom China seeks to cultivate a robust economic relationship. This aim, shared by India, has led to mutual efforts to reduce the negative fallout from their endemic



political and security frictions. India is an emerging engine of regional growth and a major Chinese trading partner, while Pakistan remains a backwater. While China's growing trade and investment profile in Pakistan is evident, the total volume of Sino-Pakistani economic interaction pales in comparison to surging Sino-Indian ties. China's bilateral trade with India grew from \$2.9 billion in 2000 to \$61 billion in 2010,<sup>36</sup> compared to \$1.16 billion to \$7 billion over the same period with Pakistan. Seventy percent of China's imports from India are raw materials,<sup>37</sup> which serves China's interest in bolstering its employment-intensive manufacturing sector and also reinforces China's competitive advantages by making it profitable for India to remain lower down on the food-chain in Asia's production networks. China's ability to invest in and construct Indian infrastructure has proven valuable to both nations, as has India's comparative advantage in services and information technology. While India resents having to "bottom-feed" off of the lower value-added end of the regional economic food-chain, it is nonetheless unwilling to jeopardize China's considerable input into its own impressive growth.

Overall, the economic relationship between China and India has been immensely complementary over the last decade. These ties have flourished in spite of the latent security competition between the two Asian giants, who are now engaged in military diplomacy, border negotiations (however inconclusive), <sup>38</sup> and a host of people-to-people contacts designed to keep the relationship on a steady keel. Even the periodic upset associated with troop activities along the disputed borders has not generated unmanageable frictions, <sup>39</sup> nor has the deep mistrust and resentment emanating from nationalistic media outlets in both countries prevented cooler heads from prevailing thus far. China and India furthermore see mostly eye to eye on the desirability of a multi-polar world, and have found several natural areas of consonance in their interests – most notably, in international negotiations over climate change and global trade. While the relationship is far from congenial, its evolution has diluted the potential for Indo-Pakistani tension to distract from the broader incentives to cooperate that both powers plainly comprehend.

The Sino-Pakistani relationship, by comparison, has not matured significantly in this period. On trade, in particular, ties have been far less dynamic than those China has developed in India and throughout the developing world. The target trade volume of \$15 billion (set when the two parties signed a free-trade agreement in 2006)<sup>40</sup> has been quietly pushed back from 2011 to 2015.<sup>41</sup> This underwhelming trade profile, however, does not fully capture Pakistan's economic utility to China. The role Beijing envisions for Pakistan consists primarily of its capacity to serve as a transshipment hub, knitting together the underdeveloped but resource-rich South and Central Asian regions and allowing them to participate more fully in a China-centric regional economy. Pakistan's access to the Indian Ocean and proximity to markets in western China make it a particularly attractive candidate for Chinese investment.

Pakistan's geography is also envisioned as a way to circumvent the "Malacca Dilemma" – namely, the need for Chinese oil to transit the Malacca Straits where it may be interdicted by piracy or held hostage in the event of a conflict with the U.S. Pakistan is also geographically positioned to function as a conduit to China's underdeveloped western provinces, where economic imbalances are thought to fuel separatist movements. Chinese efforts to take advantage of this potentially major strategic utility are widely recognized. This recognition, however, often takes the form of



hand-wringing about China's supposed *fait accompli* in developing the Gwadar port and the road, rail, and pipeline infrastructure necessary to make it useful. That conclusion should be tempered by a closer examination of the functionality – or lack thereof – of this project, as well as a host of other frequently publicized but chronically delayed Chinese investments in Pakistan. Although Pakistani and Chinese leaders make frequent public announcements about the depth and breadth of their economic interaction, Pakistan's inhospitable commercial and security climate has led to risk-averse Chinese behavior that does not match the frothy rhetoric.

By way of broader context, we should note that China's greater capacity for capital formation and improved sophistication in the execution of long-term economic projects are not only on display in Pakistan, where China is presumed to enjoy an inside track, but throughout the developing world. They serve Chinese commercial and strategic interests that appear superior to the less urgent prerogative to maintain a viable Pakistani state. In this context, China's obligation to serve as Pakistan's main patron is diminished, while its opportunity to free-ride on the American commitment to provide security and solvency to Pakistan affords Beijing greater flexibility in the nature and scope of its economic engagement.

# **Uncertainty in Pakistan**

This potentially important new role for Pakistan in China's regional strategy cannot be realized without substantial improvements to Pakistan's security and domestic political stability. The apparent metastasis of fundamentalist Islamist insurgency and terrorism throughout Pakistan's tribal belt and into its urban centers has jeopardized the state's capacity to ensure the safety of Chinese citizens and the viability of Chinese commercial projects. In the past, China's preference for an independent, strong, and stable Pakistan capable of keeping India preoccupied was served quite effectively by close military ties and major transfers of arms and technology. Yet more recently, China has been compelled to make pointed requests of Pakistani security and intelligence to protect Chinese workers, investments and assets in Pakistan, and to make good on their tacit promise to limit the influence of Pakistan-based Islamists on Chinese separatist groups in Xinjiang.

The fragile state of the Zardari regime and China's preference for predictable military leadership compounds this difficulty. It is no coincidence that Chinese displeasure has increased since the end of the military rule of General Pervez Musharraf. Further, Pakistan's former utility as a means for China to engage the Muslim world increasingly looks like the wrong kind of engagement. Perceptions of exploitative, neo-imperialist Chinese commercial activities and suppression of its own Muslim minorities expose Beijing to criticism from both Muslim states (like Turkey) and Islamist groups (like Lashkar-e-Taiba and al-Qaeda). Finally, Pakistan's proliferation of nuclear and missile technology of PRC origin has induced additional headaches for China, whose stake in the nonproliferation regime has dramatically risen over the past two decades.



#### The Terrorist Threat

Chinese perceptions of the threat from Pakistan-based terrorism have generally been far more muted than those held in Washington and New Delhi. <sup>42</sup> This relative calm, however, has given way in recent years to an increasingly acute sense of urgency about Pakistan's capacity to control those threats. This unwelcome development has forced Beijing to take a significantly more active posture in persuading and equipping Pakistani security forces to crack down on militants, both to prevent them from targeting Chinese citizens in Pakistan and to reduce their influence on China's restive Muslim population. China's uncharacteristic degree of public concern about the state of affairs in Pakistan suggests that its former equanimity about its interests remaining "a protected class" in Pakistan has vanished. China now seeks to actually effect changes in Pakistani behavior, laying bare some of the limits to Chinese influence and jeopardizing the Sino-Pakistani partnership.

This revised threat perception is a relatively new phenomenon. In the early months of the American campaign in Afghanistan in 2002, Pakistani forces captured 22 Uyghurs crossing the Pakistan-Afghanistan border who were presumed to be training for terrorist operations against China; the following year, Pakistan was credited with assassinating Hasan Mahsum, head of the Turkestan Islamic Party (TIP), 44 a group identified by China as the principal anti-China terrorist organization in Xinjiang. After the first significant terrorist attacks on Chinese citizens in Pakistan in May 2004, when three engineers from the state-owned China Harbor Engineering Company were killed in a car bomb attack at Gwadar, Pakistan's President Pervez Musharraf deployed the Pakistani Frontier Corps, provided additional security detail for Chinese workers in the insurgencyracked province of Balochistan, and arrested 18 people in connection with the attack. 45 Joint Sino-Pakistani counterterrorism drills, dubbed Friendship-2004, were conducted that same year in Xinjiang's Taxkorgan Tajik Autonomous County, which borders both Afghanistan and Pakistan.<sup>46</sup> China and Pakistan also signed an anti-terror cooperation agreement in April 2005. 47 At this early stage, Pakistan seemed willing and able to address whatever limited exposure China felt to Pakistan-based terror, and meanwhile provide a public platform for China to display its antiterrorist bona fides to the international community.

Beginning in the summer of 2007, however, Pakistan's domestic security situation eroded precipitously – as did its capacity to protect Chinese interests. The Lal Masjid ("Red Mosque") siege in 2007 is often cited as an instance of Beijing actually exercising its influence by demanding a substantial change in Pakistani behavior. Pakistan did, in fact, abandon negotiations and deploy Army special forces to clear out the Islamist radicals, and that action was indeed correlated to Chinese displeasure with the kidnapping of several PRC citizens accused of prostitution. However, the decision was precipitated by a protracted and severe deterioration of relations between the Pakistani military and the pro-Taliban radical group based in Lal Masjid. Serial provocations – including an attack on a local Army Ranger station, a rash of kidnappings (not limited to Chinese nationals), and an attack on the Ministry of Environment offices – had eroded both the government and the military's patience and compelled them to finally act. This was a tormented decision that upset the fragile balance between the legitimate armed forces of Pakistan and the various militant networks operating with greater or lesser degrees of impunity throughout the country. It was a



calculated move to check a deteriorating security trend, too significant and long-term to be fully explained by a Chinese complaint, however forcefully rendered.<sup>51</sup>

The Mumbai terrorist attacks of November 2008 are a still greater emblem of the liabilities that Pakistani instability now poses for China and the limits of China's capacity to contain them. China joined India in condemning the attacks (which were attributed to groups linked to Pakistani intelligence) and withdrew its pro-Pakistani objection to listing Lashkar-e-Taiba and Jamaat ud-Dawa as a terrorist groups in the UN Security Council's 1267 committee. Beijing went so far as to hold joint counter-terrorism drills with India in December of that year, pointedly distancing itself from a Pakistani tactic (i.e. Inter-Services Intelligence support for anti-Indian terrorist groups) that had once enjoyed tacit Chinese support. This was the second such counter-terrorism exercise in as many years, illustrating the growing sincerity of China's commitment to maintaining a working relationship with India despite its implications for the health of the Sino-Pakistani entente.

The comparative intensity of Chinese efforts to prop up Pakistan's counterterror capabilities from 2008 onwards underscores both Beijing's mounting threat perceptions as well as its rather narrow conception of how to manage the risk of terrorism. Contributions to Pakistani police in Islamabad and in the volatile frontier regions included \$290 million for "security gadgets" in late 2008. 52 These were complemented by the establishment of a National Crises Management Cell director general, with representation from the Chinese embassy, tasked with providing a dedicated security detail for Chinese nationals working in Pakistan. 53 A Pakistani newspaper asserted in May 2009 that these demands for protection, delivered by the Chinese ambassador to Pakistan Luo Zhaohui, were "the first time in the history of Pakistan and China that the Chinese Government has so



Chinese and Pakistani forces conducting joint training. Source: CRIonline.

openly taken up the issue with the government here at the highest echelon."54

The chart below demonstrates the pattern of attacks on Chinese citizens in Pakistan over the past seven years, and calls attention to the discreet but significant changes to Beijing's responses. Unprecedented high-level requests from Beijing for special protection for Chinese citizens and assets indicate a changing perception of the threats posed by Pakistani instability and the capacity of its security apparatus to guarantee even limited Chinese interests:

Date	Circumstance & response
May 2004:	Three Chinese engineers killed, twelve injured by car-bomb in Gwadar; suspects from
	Baloch Liberation Army, a domestic separatist group. 55
	Pakistani President Pervez Musharraf directly contacted by PRC AMB Zhang
	Chunxiang, mounts immediate response with arrests of 18 suspects, special medical
	aid for victims, and provision of security detail/armed escorts for Chinese workers. 56



	Chinese and Pakistani officials use new "Emergency Mechanism System," anti-terror
	consultative mechanism, and hotline to coordinate joint working group response. 57
Oct. 2004:	Kidnapping of two Chinese hydroelectric engineers at Gomal Zam by Abdullah
Oct. 2004.	Mehsud. <sup>58</sup>
	PRC President Hu Jintao directly urged Islamabad to rescue the engineers and step
	up security for other Chinese citizens working in Pakistan; <sup>59</sup> only one of the
	· · · · · · · · · · · · · · · · · · ·
	engineers was rescued.
	Chinese contractors ultimately terminate the project (which stopped after the
- 1 - 222	abduction), demanding more security and renegotiated prices and conditions. <sup>60</sup>
Feb. 2006:	Drive-by shooting of three Chinese engineers in Hub, Baluchistan; Baluchistan
	Liberation Army claimed responsibility for the attack. <sup>61</sup>
	PRC MFA and the MOFCOM send task forces to handle the aftermath of the killings. <sup>62</sup>
	-
	PRC embassy official said Chinese workers were being asked to decide whether to
	stay there or go home – most left, others evacuated to consulate in Karachi.
	The attack immediately preceded a Musharraf state visit to China.
Jun. 2007:	Seven Chinese workers kidnapped by radicals affiliated with Lal Masjid (Red Mosque).
	Though Chinese pressure widely attributed for Pakistani Army crackdown,
	kidnappings came in midst of serial provocations by Red Mosque clerics that
	included attacks on an Army Ranger station, a rash of other kidnappings, and an
	attack on the Ministry of Environment offices. <sup>63</sup>
	After release of Chinese citizens, PRC Minister of Public Security Zhou Yongkang
	meets with Pakistani Interior Minister Aftab Khan Sherpao, promises Chinese cash
	and assistance for policing and police equipment as well as a police officer exchange
	program. <sup>64</sup>
Jul. 2007:	Three Chinese businessmen killed, one wounded in attack near motorcycle factory in
	near Peshawar.
	AMB Luo Zhaohui condemned attack, charges Islamabad to "investigate the incident,
	arrest the culprits, handle the follow-up issues properly and take effective measures
	to protect all Chinese in Pakistan"; deputy ambassador Mao Siwei sent directly to
	Peshawar to "deal with the issue." <sup>65</sup>
	CMC Vice-Chairman, State Councilor and Defense Minister Cao Gangchuan met
	Pakistani SECDEF Kamran Rasool, they expressed "hope [that] the government of
	Pakistan will take measures to further ensure safety of Chinese people in Pakistan." <sup>66</sup>
Jul. 2007:	Remote-controlled bomb attack on convoy in Hub, Baluchistan targets Chinese
	vehicles and engineers; they are unharmed, but thirty are killed from their escort of
	Pakistani Frontier Corps and police. <sup>67</sup>
	A Joint Task Force composed of Pakistani security agencies, Foreign and Internal
	Ministries and the Chinese Embassy set up to co-ordinate further, robust security
	measures. <sup>68</sup>
Aug. 2008:	Two Chinese telecom engineers kidnapped by Tehrik-i-Taliban Pakistan (TTP) in Dir



	District, NWFP.
	China demanded Zardari negotiate their release, threatened to withdraw Chinese
	workers and investment, <sup>69</sup> courted opposition parties, <sup>70</sup> and advised Chinese
	engineers in region to evacuate.
	TTP leader Muslim Khan says kidnappings are intended to exploit Pakistani-China
	ties. <sup>71</sup>
Aug.	Sixteen PRC border police killed in Xinjiang; China blames ETIM-linked Pakistani
2008:*	militants. <sup>72</sup>
Dec. 2008:	Chinese hydroelectric engineer attacked and wounded by gunman in Malakand, NWFP. <sup>73</sup>
	AMB Luo Zhaohui's demands "the first time that the Chinese Government has so
	openly taken up the issue with the government here at the highest echelon." <sup>74</sup>
	\$280 million of police scanning equipment; \$10m immediate grant for Islamabad police force.
	The following year's unrest in Xinjiang led China to close its borders, warn of further attacks coinciding with PRC 60 <sup>th</sup> anniversary.
	Pakistan honors requests, assigning 9,000 police, FC, Rangers and Army to Chinese commercial projects, <sup>75</sup> coordinated by a new National Crisis Management Cell Director-General. <sup>76</sup>
Jul. 2009:*	Pakistani radical influence also criticized for July 2009 rioting and ethnic violence in
	Xinjiang.
Jul. 2010:	Rockets fired at a hotel with Chinese engineers building an oil refinery at Gwadar, but
	no Chinese casualties; Baloch Liberation Front claimed responsibility for the attack.
	Inspector General (IG) of Police Punjab Tariq Saleem Doger requests details of
	Chinese living in their respective regions to provide them with added police
	security. <sup>77</sup>

<sup>\*</sup> Relevant events within PRC.

This new impetus to take an active role in Pakistani security affairs, however, remains limited to a narrow set of specifically Chinese interests – primarily the protection of commercial investments. It is also a relatively muted response in comparison to the volume and urgency of Pakistani requests for more substantial support for security forces. According to one analyst, Pakistani entreaties to China for counterterror assistance are new, once directed only towards Washington. They now betray greater need for assistance and corresponding frustration with China's relatively meager response.

## A Risky Investment

Recent accounts from Chinese and Pakistani sources estimate some 13,000 Chinese workers in Pakistan at present, working for no less than 60 different Chinese companies engaged in over 120 economic projects, primarily in heavy engineering, power generation, mining, and telecommunications sectors. <sup>80</sup> Chinese investment in these projects is currently pegged at



approximately \$15 billion, and may be as high as \$20 billion. 81 Despite this impressive outlay and the supposed advantages conferred by a free-trade agreement and general preferential treatment afforded by virtue of the special relationship, the Chinese have not been immune to the high costs of Pakistan's hostile economic environment.

The Chinese ambassador to Pakistan has repeatedly affirmed the resilience of Chinese firms, announcing that "we [the Chinese government] have not issued a travel advisory about Pakistan...despite our serious concern about their security." Pakistani journalists have also congratulated Chinese firms for refusing to "join the exodus of foreigners who are quitting the strife-torn country because of security concerns, the dismal state of the economy or both." Independent support for these assertions, however, is virtually nonexistent. Anecdotally at least, it appears that China's economic activity in Pakistan has been hindered substantially by terrorism, corruption, and mismanagement as well as the high risk premiums those shortcomings entail.



Pakistan's Gwadar Port. Source: gwadarcity.info.

Several major Chinese investments in Pakistan are often cited as proof of the robust and growing Chinese commitment to Pakistan. China's leading role in the finance and construction of the warm water port at Gwadar, for example, is considered its most strategic venture in Pakistan, yet since opening in 2008 it has not handled any commercial cargo, according to a report citing findings from a Pakistani Planning Commission.<sup>84</sup> The full sum of the projected total \$1.6 billion Chinese investment in Gwadar has yet to materialize, and progress has not been evident on the road, rail, and pipeline infrastructure envisioned to make the city a key export processing zone serving Chinese and foreign markets. Similarly, the petrochemical plants, oil, and gas refineries planned in the vicinity of the port as part of a grander scheme to create a tax-free industrial hub have also fallen behind schedule due to persistent security risks posed

by Balochi attacks on construction workers and sites. China has balked despite the inordinately high value Pakistani leadership has placed on this project – one that Pakistani Prime Minister Yousaf Raza Gilani has enshrined as "the number one priority of his government." However salient its potential strategic functions for Beijing, <sup>86</sup> the broader vision for Gwadar has not materialized due to Beijing's hesitance to press forward in an uncertain security and economic environment.

Further in this vein, the rumors of a Chinese-constructed naval and air-force base have more basis in Indian Sinophobia about a Chinese "string-of-pearls" strategy than they do in observable progress. The airfield was ultimately funded by the government of Oman and will not be operational until 2020 – and even then, only for commercial purposes; the seaport could theoretically be used by Chinese naval vessels, but there is a meaningful distinction between a friendly "place" willing to provide maintenance, resupply or logistical support to a Chinese ship and a military base capable of supporting combat operations. Without dwelling further on the myriad



obstacles facing the Gwadar project, it is evident that Chinese progress on this project is routinely overstated and remains well short of realizing its highly touted strategic implications.

#### An Undesirable Client

The existence of a democratically-elected civilian regime in Islamabad is also a source of tension in the Sino-Pakistani entente. China's preference for a military dictatorship arises both from its own illiberal form of government and from the essentially military function the Pakistani state is called on to perform vis-à-vis India. In the words of one Chinese analyst, Beijing is troubled by the fluctuation "from totalitarianism to power-sharing to totalitarianism again. Democracy always has a hard time reconciling multiple relationships. In the end, ironfisted rule is needed to resolve the issues." <sup>89</sup>

The present Zardari regime may enjoy constitutional authority over China's long-time clients within the Pakistani military apparatus, but in practice its political weakness renders that control only partial. This has produced numerous ill-effects in Chinese eyes, as factions from Pakistan's multiple power bases – mainly the military in Rawalpindi, the government in Islamabad, and the militarized proxies of the ISI dispersed throughout Pakistan's tribal belt – jockey for domestic primacy. The perception that Zardari's Pakistan Peoples Party government is overly beholden to America for its legitimacy is another source of political instability. America for its legitimacy is another source of political instability.

Concerns about this instability are most pointed within the nuclear realm, where China is dismayed by the prospect of inadequate Pakistani command and control of its nuclear arsenal. Former Chinese ambassador and "special envoy"92 to Pakistan, Zhou Gang, laid out the basis of this fear: "As long as there is no unrest in the army, nuclear security can be assured." 93 South Asia expert Shang Huipeng confirmed this dim prognosis, adding that "a nuclear risk does exist....If the situation in Pakistan gets out of control, all of South Asia may get out of control. Right now the situation in Pakistan is this: On the one hand, you have Al-Qa'ida and radical Islamic organizations. On the other hand, there is India, glaring like a tiger eyeing its prey. In addition, there is pressure from the US. Pakistan today is at the eye of the storm. If the Musharraf regime were to disappear, there may be big problem."94 Many of the conditions of this grim scenario are already in effect, so it comes as no surprise that Beijing has not placed a great deal of faith in the Zardari regime. Chinese confidence in the security of the Pakistani arsenal - and the stability of the region - is contingent on an institution plagued from within by unaccountable militant groups, struggles with civilian leadership, and budgetary challenges, and from without by a highly unstable regional security environment that includes its primary strategic rival. While China's actual assessment of this risk is unknown, one analyst reports that Beijing has at least entertained worst-case scenarios for keeping Pakistani nuclear weapons secure - and suggested that these contingencies would likely even involve international cooperation, primarily with America. 95

Beijing's hedging against the weakness of the Zardari regime has been manifested in other, more public arenas as well. Shortly after taking office in September 2008, Zardari petitioned Beijing for a sweetheart loan that would allow Pakistan to avoid defaulting on its current account payments.



Chinese officials declined, offering a nominal sum (\$500 million, considerably short of the \$3 billion Pakistan sought), and in the process humiliated the fragile new government, compelling it to take on an IMF loan with highly restrictive fiscal and monetary policy requirements. By way of public explanation for this slight, one Chinese diplomat was reported to have said, "We have done our due diligence, and it isn't happening." China had formerly preferred to limit foreign leverage over Pakistani policymaking by managing such crises bilaterally (as it had with a bailout to the State Bank of Pakistan in 1996), but in this instance it appears that China's political commitment to Pakistan no longer outweighed the economic costs.

Even Zardari's first official state trip as President, in October 2008, was not nearly as cordial as the state newspapers insisted. 98 That trip followed an alleged Pakistani militant attack that killed 16 Chinese border guards in the days immediately preceding the Olympics, and coincided with a hostage crisis involving two Chinese engineers kidnapped in Swat. Beijing signed the expected MOUs, but also reportedly threatened to withdraw all Chinese personnel from the country. 99 Zardari's perceived impotence led PRC leadership to court opposition Islamist parties in Pakistan, Muttahida Majlis-e-Amal and Jamaat-e-Islami. 100 The former was lobbied to validate a Sharia ruling that helped initiate the botched rescue attempt of the Chinese engineers; 101 the latter signed a formal agreement



Pakistani President Asif Ali Zardari meets with Guangdong officials in 2009. Source: China Economic Net.

with the Chinese Communist Party independent of official government protocol. <sup>102</sup> Zardari ultimately approved a rescue operation, which succeeded in freeing only one of the Chinese hostages. <sup>103</sup>

Evidence of Chinese distance from Zardari was on display when one of his most influential political rivals was feted by the Chinese Vice-President (and presumptive future President and General Secretary) Xi Jinping. The meeting between Xi and Nawaz Sharif cemented party-to-party relations between the CPC and the Pakistan Muslim League-Nawaz (PML-N). Intended to "inject energy" into the relationship and raise "pragmatic cooperation," there is little ambiguity in Beijing's message of displeasure with Zardari and willingness to publically court alternative power brokers. <sup>104</sup> Zardari has also in at least one instance failed to secure invitations to Beijing during state visits. PRC Foreign Minister Yang Jiechi was the highest-level official to entertain the Pakistani President on a visit to Guangdong and Zhejiang provinces in August 2009, explained away by Zardari's spokesman as "aggressive economic diplomacy." <sup>105</sup>

These unsubtle gestures reflect the growing Chinese sense that Pakistan, as currently constituted, cannot fulfill the minimum terms of their tacit bargain, one of which is shielding China from the ire of political Islam. The ethnic riots in Xinjiang in July 2009 reinforced this dire judgment. Chinese security experts cited the malign influence of Pakistani madrassas and Islamist groups in fomenting



the violence, <sup>106</sup> and lamented the considerable backlash that the events generated within the wider Muslim world. Tepid reaffirmations of Pakistani support did not insulate China from a wave of Muslim outrage against the injustices it is seen to perpetrate against its Uyghur minority, emanating from states and terrorist groups alike. Al-Qaeda in the Islamic Maghreb, Lashkar-e-Taiba and the Turkestan Independence Party each issued harsh statements condemning Chinese behavior, <sup>107</sup> while Turkey's President Tayyip Erdogan called "the incidents in China...tantamount to genocide."

China is beginning to confront the reality that its interactions with Pakistan will not allow it to forge a separate peace with violent extremists. Their close ties inevitably serve not only as a means to engage the Muslim world, but also as a channel for Muslim rage. The Karakorum Highway between the two nations is an apt symbol of this duality, facilitating trade and friendly contact while simultaneously serving as a conduit for radical ideology and weapons that upset Pakistan's fragile domestic order. The Sino-Pakistani relationship itself creates political leverage for these militant groups, who have kidnapped Chinese citizens for the express purpose of extracting greater concessions from a Pakistani government that relies on Chinese good will for its solvency and security. This is a complex liability that even the assets of Pakistani geography and constant reaffirmations of friendship cannot always overcome.

## **Conclusions**

It is certain that the Sino-Pakistani relationship has been "tested by adversity," as their leaders often claim, but its long-term resiliency should be questioned. China's approach to Pakistan has been meaningfully altered by post-Cold War geopolitical shifts, deepening Chinese global engagement, and a deteriorating security environment in Pakistan. This tension should not be altogether surprising in light of the improbable contingencies that brought about the initial partnership. Indeed, in the early years of the Cold War, the Islamic state was reckoned to be wellinsulated against communist influence - and thus an unlikely ally for a highly ideological Chinese state. Pakistan's conservative, strong-man regime-type and its close affiliation with the American security apparatus also seemed prohibitive for a Chinese state thought to be revolutionary and profoundly anti-West. Yet, the U.S. misunderstood the sincerity of Pakistani anti-communism as it now does with Pakistani anti-terrorism, both of which are meaningful only to the extent that they overlap with Pakistan's anti-India agenda. These misplaced expectations were manifested most obviously in the 1962, 1965, and 1971 wars, after which Pakistan turned to China by default after losing its American external security guarantee and privileged access to military technology. A similar circumstance arose again after the Soviet withdrawal from Afghanistan, when the U.S. chastised Pakistan and sought to reconstitute relations with India in a post-Cold War environment. Finally, the present American anti-terrorist agenda in Pakistan and Afghanistan pushes Islamabad into Beijing's arms once again. Both continue to view India as a more compelling strategic threat than terrorism, and are unwilling to subvert that concern for the sake of what is essentially an American vision of order in South Asia.



That significant competitive dimension in Sino-Indian relations still forms the necessary basis for China's cultivation of Pakistan as a partner, but it is no longer sufficient to always override other priorities for Chinese foreign policy. Removed from the shadow of zero-sum Cold War calculations, India now exercises influence that is not always detrimental to Chinese economic and political ambitions. For all of their lingering mistrust, Beijing and New Delhi share substantial complementary interests that will continue to diminish the net value of the Sino-Pakistani entente. The existence of an "all-weather" Sino-Pakistani partnership — or even the perception that it exists — is not conducive to China's cultivation of valuable Sino-Indian ties, and China has taken steps to limit that liability. Beijing's movement in this direction is already palpable in areas like international trade, financial rules, and climate change as well as other areas where we should expect to see continuing cooperation in venues like the UN, the G20 and the BRIC.



Chinese Vice President Xi Jinping meets with Pakistani chairman of Joint Chiefs of Staff General Khalid Shameem Wynne in 2011. Source: People's Daily.

This confluence of Sino-Pakistani interests vis-à-vis India has not been sufficient to insulate the relationship from wider political and security risks. Some of these are a function of China's growing sense of its own international status and mounting great power ambitions. It is axiomatic that China will eventually assume greater responsibilities in the international system, so this evolving bilateral relationship may provide a subtle but meaningful indication of things to come in Chinese foreign affairs. Pakistan is a second-order foreign policy concern for China, paling in comparison to the clear imperatives to maintain domestic stability and some degree of cooperation with the United States and the international community.

The opportunity costs of sustaining the relationship have become even more severe, driving China to adopt new approaches to protect its interests in Pakistan while opting for a more muted brand diplomatic support for the flailing Zardari regime. Zardari has maintained that Pakistan can continue to be an asset for China, commenting that "it is our belief that Pakistan can act as a force multiplier for China and we will continue to work towards this end." With unstable "friends like these," however, China is likely to keep Pakistan at arm's length as it pursues a more hedged and complex strategy in South Asia.



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<sup>&</sup>lt;sup>8</sup> See, for example, Andrew Small, "China's Caution on Afghanistan-Pakistan," *The Washington Quarterly* (July 2010), p. 86-87.

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- <sup>27</sup> Mark Hibbs, "Pakistan Deal Signals China's Growing Nuclear Assertiveness," Carnegie Endowment *Nuclear Energy Brief* (April 27, 2010).
- <sup>28</sup> A strong argument might be made that state-owned enterprises with strong commercial interests in Pakistan have been sufficient to secure Chinese cooperation with Pakistan, but importantly, these economic relationships matured only under the conditions created by the geopolitical changes analyzed above.
- <sup>29</sup> Swaine (2010).
- <sup>30</sup> The U.S. provided \$887 in arms transfers in this period, compared to \$530 from China. Source: SIPRI Importer/Exporter TIV Tables, *Stockholm International Peace Research Institute*, http://armstrade.sipri.org/armstrade/page/values.php. N.B. The SIPRI figures may not adequately account for agreements between Pakistan and China for future delivery of systems like AWACs, J-10 fighter jets and P-22 frigates.
- <sup>31</sup> Nearly \$2 billion in military aid was dispensed in FY 2010. Kim Ghatas, "US to announce major military aid package for Pakistan," *BBC News* (October 21, 2010).
- <sup>32</sup> See Michael Swaine, "China and the "AfPak" Issue," *China Leadership Monitor*, no. 31 (Winter 2010).
- <sup>33</sup> Garver (2002), p. 41.
- <sup>34</sup> Lawrence J. Korb, "Reassessing Foreign Assistance to Pakistan," Center for American Progress (April 2, 2009). http://www.americanprogress.org/issues/2009/04/pakistan korb.html.
- <sup>35</sup> John Garver (2001).
- <sup>36</sup> "India, China did \$60-bn trade in 2010," *Hindustan Times*, January 27,2011, http://www.hindustantimes.com/India-China-did-60-bn-trade-in-2010/H1-Article1-655440.aspx.
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- <sup>38</sup> Both countries appointed special envoys for these negotiations in 2003, and they have since met 13 times. This led in 2005 to an agreed framework setting "guiding principles and political parameters" for a final settlement but subsequent progress has been elusive.
- <sup>39</sup> The latest strife over China denying a visa to an Indian Lieutenant (see Banyan, "Kashmir: the China Connection," *The Economist* (August 29, 2010)) is the source of some diplomatic fallout, but the fact that the border dispute is generally limited to modest frictions of this nature speaks to the overall stability of the bilateral relationship.
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- <sup>44</sup> Thought to be the successor to the East Turkestan Independence Movement (ETIM).
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