

South Asia and Chinese Foreign Policy

Muhammad Faisal

Introduction

The dynamics of international power and political systems are changing. Various regions are therefore making structural readjustments to remain relevant in the changing world. Chinese growth in military and economic power is the best illustration of this transformation. Configuration of power structures and the parameters of interactions that characterized relations among nations, in Asia in particular, during the last half century are being fundamentally affected by China's growing military prowess, rising political clout, distinguished diplomatic voice and increasing weight in regional and multilateral institutions. China has pursued expansion of its relations with South Asia through a multi-pronged strategy that encompasses advancements in military, diplomatic, economic, political and cultural interactions.¹

China is enhancing its economic cooperation with India and volume of their mutual trade has crossed the \$70 billion mark.² At the same time, cordial relations with Pakistan continue to flourish with focus on nuclear and missile co-operation alongside increasing cooperation in other sectors of conventional defense capabilities. Recent successful visit to China by Prime Minister Nawaz Sharif will open new avenues for cooperation in the fields of economy and energy between the two friendly countries.

Ongoing Chinese advances in South Asia are looked at by India, the other regional heavy weight with suspicion. India has considered the South Asian region as its natural sphere of influence. Consequently, potential for conflict, not necessarily military, between the two rival powers is high, mostly due to the mistrust and misunderstanding of each other's intentions and objectives. It may also have implications for other states in the region, particularly Pakistan.

The question that needs to be pondered over is whether China is really interested in creating a balance of power in the region, as has been presumed or is it advancing its own national interests, while following a two-track policy? What is the Chinese perspective on South Asian rivalry in the context of its own domestic security problems? Last, but not the least, while securing its own interests, how far China will go to stabilize the region, as many observers believe that China has vital interests here.

Competing Sino-Indian interests in the region

Strategic competition between India and China is multidimensional which includes territorial disputes, naval rivalry in Indian Ocean, nuclear contest and arms race in outer-space

The territorial disputes are along two borders between the two countries. First, disputed border is in the western most region of Ladakh. This region, in Ladakh is administered as part of the Chinese province of Xinjiang. India also claims sovereignty over this 38000 km² territory. Second, dispute is along the border in Tibet. This stretch of land separates Tibet, now under Chinese control and Indian state of Arunachal Pradesh. Presently, India administers control over an area of 90,000 km², while China disputes Indian rights over this area. In 1962, Chinese military crossed the disputed border and captured a part of Arunachal Pradesh, but its forces then withdrew unilaterally after the ceasefire. In last few years China has been more vocal in its claims over Arunachal Pradesh. From April 2013, Chinese army has reportedly carried out number of deep incursions into the Indian side thus heightening the tensions between the two countries. Since 2003 both countries have held 16 rounds of talks to resolve border disputes, but so far no progress has been made.

Moreover, both India and China are in the process of developing blue water navies. They aim to gain strategic space in the Indian Ocean region. China is perceived to be establishing naval bases on the commercial ports of small nations bordering Indian Ocean. India is improving bilateral naval ties with countries of its interests and is participating in multilateral naval exercises in Indian Ocean.

Meanwhile, in the nuclear arena, India considers Chinese nuclear power to be directed against it. China is modernizing its nuclear forces by adding more survivable delivery systems. India is also perfecting on development of nuclear-capable ballistic missiles called Agni-V with a 5000 kilometer range, which will be able to target Chinese cities of Beijing and Shanghai.

Both nations are also projecting military assets in the outer-space. India has launched military centric satellite in recent past, while China has tested its Anti-Satellite capabilities. Both countries have launched expeditions and satellites into space recently, thus triggering an arms race in outer-space.

Overview of China's foreign policy vis-à-vis South Asia

China is the immediate neighbor of South Asia and it shares common borders with five South Asian states, namely Afghanistan, Pakistan, Bhutan, India and Nepal— out of eight that are members of the South Asian Association for Regional Cooperation (SAARC). Historical legacy, geographical proximity, huge land mass, large population and current international attention puts South Asia in a special position. It cannot be ignored by framers of Chinese foreign policy.

China's foreign policy is, in general, based on Five Principles of Peaceful Coexistence, articulated by its leadership in 1954. Briefly these five principles are mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence.³

The key goal of China's Asia policy has been to prevent the rise of an Asian rival that has the potential to challenge the China's stature as the sole "Middle Kingdom" of Asia-Pacific. Beijing has always feared that India alone has the potential to match it, if it is able to get its economic and strategic acts together. Hence for its part, China has justified military relations with South Asian states as legitimate and regular state-to-state activity, within the framework of the Five Principles of Peace Coexistence, also known as "Panch Shila".^{4*}

Secondly, territorial disputes have also impacted Sino-South Asian relations. China has settled its contested borders issues with Nepal and Pakistan, whereas boundary disputes with India and Bhutan are yet to be resolved.⁵ South Asian states are ethnically, religiously and culturally heterogeneous societies, and all of them, except Afghanistan, share frontiers with India, which complicates the resolution of land disputes. Beijing contends that issues and disputes should be resolved strictly according to the Five Principles of Peaceful Coexistence without resorting to force or other coercive means.⁶

Thirdly, of all Sino-South Asian relations, those with Pakistan significantly outweigh any other bilateral relationship. No other Asian country has provided consistent military support in terms of military hardware, to another country, as China has provided to Pakistan over the last six decades. This "special relationship" is a critical part of China's grand strategy that frames the security structure of South Asia.⁷ Fourthly, China provides significant economic aid to Bangladesh, Nepal, Pakistan and Sri Lanka. These economic ties complement and strengthen military security objectives and goals.

Fifthly, as the menace of extremism and terrorism has spread across Afghanistan and Pakistan and with the ongoing US led war against terrorism, Chinese South Asian policy has included containing the threat to its vulnerable Xinjiang region from Pakistan based militants. China has engaged Pakistan to address its concerns as the separatist movement has the potential to affect the internal security of China.⁸

China's relationship with India and Pakistan

Being the immediate neighbor of arch rivals India and Pakistan, China is also part of the long standing security dilemma at the heart of South Asian security environment. As stated earlier, Beijing's South Asia policy is primarily driven by security considerations. The study of Sino-Indian ties and Sino-Pakistan relationships are all the more necessary to understand the dynamics of power structure in the region.

Indo-China: The rollercoaster ride

To date India remains the most crucial factor in determining China's policy initiatives and objectives concerning South Asia. Since 1950s relations between two Asian giants—India and China— have been dominated by conflict, distrust, containment, rivalry and mutual suspicion. Though the beginning was very cordial during the 1950s, but soon relations sunk to all time low following the border war of 1962. Relations remained poor till late 80s, when steady rapprochement began and lately relationship has been strengthened by expanding economic cooperation.⁹ With the growing economic needs, both the countries realized that the best way forward was to co-operate. Beijing increased its trade with India manifold, and during the last visit of Chinese Prime Minister Wen Jiabao to New Delhi, the two nations agreed to expand their bilateral trade to US\$100 billion by the end of 2015.¹⁰

The expanding economic co-operation between India and China is the by-product of changed international political environment and also reflective of economic cooperation as a factor in Chinese foreign and trade policy.¹¹ Despite enhanced economic ties, the relations between the two countries have limitations. This stems from strategic competition, not cooperation and friendship. The Sino-Indian rapprochement has been limited by three factors; fundamental instability due to territorial conflict, deeply divergent views about the nature of China's relations with rest of South Asian states, and the competition to secure energy sources.¹²

China continues to press India for resolving territorial disputes according to Panch-Shila, and hasn't moved away from its traditional stance on its strategic underbelly i.e. Tibet. The prospects for a settlement through negotiations, however, remain bleak.

Several rounds of talks between the two sides over the last 20 years have failed and resolution of these disputes is not in sight in the near future.¹³ Secondly, China has also moved to broaden the scope of its bilateral relations with India's neighbors, particularly Pakistan, which irks India. India harbors deep suspicions about the nature of "strategic partnership" between China and Pakistan, as Indian military chief, described Pakistan and China as the "two irritants" and biggest threats to India's national security.¹⁴

Sino-Pakistan, "All-weather friendship"

China and Pakistan enjoy multifaceted relations underscored by mutual trust and confidence. For Islamabad, relations with Beijing are the top priority as China provides extensive economic, military and technical assistance to Pakistan. The foundations of the relationship were laid in 1950s, and since then it has steadily grown and has been transformed into a "strategic partnership" now. This close partnership with Pakistan has been vital for Beijing too. It is a long standing relationship as leaders of both states say, "tested by adversity" in its various forms.¹⁵ Over the years, China's bilateral cooperation with Pakistan has extended to many areas including defense related and economic cooperation.

The relationship between China and Pakistan was heavily centered on cooperation in the defense industry and military to military contacts during the first three decades of bilateral relation and subsequently China emerged as Pakistan's largest defense supplier. China has heavily assisted in building the infrastructure of conventional defense production industry in Pakistan (Heavy Mechanical Complex, Taxila; Aeronautical Complex, Kamra; Karachi Shipyard are few notable examples).¹⁶ It has also transferred technology and provided scientific expertise to Pakistan's nuclear and missile program throughout the 1980s and 1990s, thus helping Pakistan achieve strategic parity *vis-à-vis* India.⁸ China has justified its strong military links (particularly missile and nuclear cooperation) with Pakistan as part of its bilateral commitments, hence notwithstanding Indian suspicions cooperation has continued unhindered.

China primarily forged partnership with Pakistan to off-set the threat from India. It has three particular interests in Pakistan: sustaining Pakistan as a feasible military competitor to India; using Pakistan as an overland trade and energy corridor via Karakoram Highway; and enlisting Pakistani cooperation for severing the links between Uighur separatists and Islamists in Pakistan.¹⁷

China has also supported Pakistan in its territorial disputes with India, and after nuclearization of subcontinent, it called for peaceful resolution of disputes.¹⁸ Despite growing ties with India, China's cooperation with Pakistan has not slowed down because the wide-ranging strategic and political advantages China receives from this relationship. Through Pakistan it has been able to connect with other Islamic countries which outweigh the advantages China receives from a growing trade relationship with India.¹⁹

During last few years, relationship between China and Pakistan has shown some signs of strain, with Chinese policy makers pressing Pakistan to stop militant attacks against Chinese interests. Over ten thousand Chinese workers are working in Pakistan on various projects. A few of these workers had suffered at the hands of terrorists. Graveness of the situation forced Chinese government to officially take up the issue of protection of its citizens and interests in Pakistan.²⁰ Additionally China believes that the militants active in Xinjiang province have links with the Pakistan based militants. After the terrorist attacks in 2011, Chinese officials publically stated that perpetrators of attacks had received training in Pakistan.²¹ Pakistan also took immediate step to address Chinese concerns. Former Chinese Premier Wen Jibao, during his visit to Pakistan last year appreciated Pakistani efforts and lauded Pakistan's commitment and support for curbing terror in Xinjiang.²²

Pakistan has granted a Chinese company operational control of Pakistani Gwadar Port situated on the Arabian sea bordering Strait of Hormuz and Persian Gulf. Gwadar deep-sea port is crucial to Chinese strategic interests because of its proximity to the Straits of Hormoz and closeness with regional powers of South Asia.²³ Gwadar port provides China with a secure alternate route to transit Middle Eastern oil supplies to western China through trans- Himalayan pipeline.

In early July 2013, newly elected Pakistani Prime Minister Nawaz Sharif decided to visit China as the destination of his first foreign visit. During this visit, PM Nawaz held wide ranging talks on issues ranging from strategic cooperation to economic integration and infrastructure development. Both states reaffirmed their pledge to promote regional peace and stability. Leaders of both nations signed numerous MoUs and agreements, including one on Pakistan-China Economic Corridor Accord. Pakistan has invited Chinese companies to invest in country's ailing energy sector. China also extended full support for financing and constructing development and infrastructure projects aimed at economic rehabilitation of Pakistan.²⁴

Relations between China and rest of South Asian states

China has had both strained and warm relations with other South Asian states. China has moved to improve its relations with other these states in recent years. It has also been steadily deepening its relations with island nations of Sri Lanka, and Maldives. These small islands are situated on strategically critical points on the Arabian Sea and Indian Ocean, thus making them vital for China in its larger geo-political framework.

China and Bangladesh

Relations between China and Bangladesh developed under the shadow of Chinese strategic relations with united Pakistan. Politically, China took positions that supported actions of its ally Pakistan in regard to independence movement of Bangladesh. China refused to recognize and support independence movement aimed at creation of a separate state. It put its weight behind Pakistan's central government in its efforts to re-establish writ of the state. Even when Bangladesh emerged as an independent state, Beijing refused recognition and didn't establish diplomatic ties with it for first few years. It also vetoed attempts by Bangladesh to join United Nations. It was after Pakistan had recognized Bangladesh that China finally established diplomatic relations with the newly independent state.

Nonetheless, gradually both countries developed close ties and have expanded economic and defense cooperation. Today China is supplying naval ships, artillery, and fighter aircraft to Dhaka. It is also providing Bangladeshi military training opportunities at its military institutions. China is also assisting with construction and development of a strategic seaport in Chittagong. Both countries have planned to construct rail and road connectivity from Kunming in western Yunnan province, to Chittagong, thus providing China greater naval access and commercial opportunities in Bay of Bengal.²⁵

Economic and trade relations between both countries are expanding. Bangladesh is China's third largest trading partner in the region. Bilateral trade has crossed \$8 billion in 2012.²⁶ China has removed tariff barriers on significant number of commodity imports from Bangladesh. Recently it was reported that China is considering making preferential trade arrangements for exports from Bangladesh. Moreover, Beijing has shown enthusiasm to fund five development and infrastructure projects in telecommunications, infrastructure, energy and health sectors there.²⁷

China and Nepal

Historically, relations between China and Nepal date back to conflict over Tibet. Security imperative and strategic competition in the region marred development of friendly ties for a long time. Nepal has sought to balance the influence of both India and China, whereas, China has vowed to uphold its policy of non-interference and non-aggression, as well as its respect for Nepal's sovereignty and territorial integrity. China expects Nepal to reciprocate in similar terms and not allow its territory to be used against China.²⁸

In the last few decades Nepal has expanded military cooperation with China. It has relied on supply of Chinese arms to fight the Maoist insurgents in its efforts to restore internal peace.²⁹ Moreover, trade and economic ties have also grown in recent years. China has also pledged to provide technological assistance in development and infrastructure projects to Nepal. At present, China is facilitating construction of a border land port with rail and road links between its Xigaze province and Nepal that will enhance trade in the region.³⁰

Bhutan and China

Bhutan is the only country in South Asia, with which China doesn't have formal diplomatic ties. Relations between the two states have remained tense throughout their history because of contested border and territorial disputes. Bhutan has balanced against China by relying on India, thus complicating the security competition in the region. However, in 1998, both states signed a bilateral agreement for maintaining peace on their contested border. China pledged to respect sovereignty and territorial integrity of Bhutan and both sides vowed to build ties on the Five Principles of Peaceful Co-existence.³¹ Several rounds of negotiations to address unresolved issues have however, remained inconclusive so far.

China and Sri Lanka

China has gradually built cordial relations with Sri Lanka from 1950s. It has been a major source of arms and ammunitions for Colombo in its long fight against insurgency and terrorism. Sri Lanka has also come to rely on Beijing as a crucial counter-weight to its dominating Indian neighbor.

Bilateral trade between the two countries has been expanding and trade volume between them crossed \$3 billion in 2011.³² Moreover, Beijing is heavily investing in development and infrastructure projects in Sri Lanka. It is also involved in

reconstruction efforts after 25 years of civil war that had caused vast damage to the infrastructure. Chinese companies are investing in special economic zones designed to promote economic activity in Sri Lanka. China has funded and assisted in construction of a new port in strategically important city of Hambantota.³³ This port will open new avenues for increasing Chinese access to commercial oil lanes in the Indian Ocean.

China and Maldives

The diplomatic ties between China and Maldives have existed from 1970s, but both countries didn't expand the relations until recently. In 2001, both countries signed an agreement that allowed China to establish a naval base in Marao islands. The Chinese naval base will be a submarine base, and a surveillance post. China will thus be in a position to counter power projection of Indian navy in the Indian Ocean.³⁴ Moreover, from 2009, bilateral trade has gradually expanded as a preferential zero tariff agreement has facilitated traders.³⁵

Conclusion

The preceding analysis highlights that military security considerations and the nature of Sino-Indian and Indo-Pak ties significantly structure China's relations with South Asian nations. Owing to its location, size and political influence, China has continued to be a critical factor in defining the South Asian security environment. China's broad foreign policy objective is to expand multi-dimensional cooperative relations with all the countries of the region.

This analysis shows that China has an interest in maintaining strategic stability between India and Pakistan. The presence of a strong and robust Pakistan with the capability and will to compete with India offers significant gains for China. Politically, it cuts at roots of Indian efforts to be China's equal on the international stage. Militarily, it keeps India occupied to counter the threat of two-front war, hence forcing it to divide its military assets and forces. This line of reasoning, also suggests that, border dispute between China and India is not likely to be resolved in the near future.

Today China's *entente cordiale* with Pakistan continues to grow, underscored by increasing nuclear and missile co-operation. Chinese leaders frequently visit Nepal, Bangladesh and Sri Lanka to exhibit a permanent resolve to remain involved in South Asia. The objective of these visits is to reassure its friends in the region of Chinese support and that expansion in Sino-Indian relations would not be at their cost. While, economic co-operation with India is expanding, but differences between them remain on critical issues.

*Pancha-sila is a sanskrit word for “Five Principles of Peaceful Co-Existence.”

Endnotes

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