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# Pakistan's Relations with the United States and China in the Post-9/11 Era

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#### **ABSTRACT**

This paper intends to explore the key elements that contribute to reshaping Pakistan's relations with the United States (US) and China in the post-9/11 era. In addition, the reasons contributing to how the US and China are perceived in Pakistan have been examined. The US and China both use different approaches in their relations with Pakistan. The US makes unilateral decisions, poses economic and security threats to Pakistan in pursuing its objectives, while China makes bilateral decisions and asserts itself as a soft power in its relations with Pakistan. The Pew Research Center's public opinion poll data shows that the US has become increasingly unpopular in Pakistan even after its substantial economic and military aid to Pakistan. China, on the other hand, has been able to win the hearts and minds of Pakistanis even though its economic and military aid to Pakistan in comparison to the US aid package is not nearly as significant. The study also reveals that Pakistan has grave concerns about future developments in the region after the US withdraws its forces from Afghanistan.

**Keywords:** Pak-China, Pakistan-China relations, Sino-Pak, Pak-US relations, US-Pakistan relations, Pakistan's foreign policy

## Introduction

The US's "war against terrorism" following 9/11<sup>2</sup> has had a large impact on Pakistan's economy, its internal security, defence, and its relations in particular with two super powers: the US and China. The US and China are perceived in different ways in Pakistan: the US is perceived as an opportunistic friend (Ali, 2012) among most Pakistanis, while China is viewed more positively as a real friend and a partner in Pakistan (Kohut, 2012).

Since the birth of Pakistan in 1947, Pakistan and the US have had several spans of good and bad diplomatic relations (Hussain, 2010). For instance, during and after the cold war and during the post-9/11era when the US needed help from Pakistan in pursuing its national interests it used the 'carrot and stick' approach. In other words, the US would try to gain Pakistan's help either by providing economic, military aid or by posing economic and security threats to Pakistan. Soon after its goals were achieved, the US would detach itself from Pakistan and terminate all or most of its economic and military aid to Pakistan. The first phase of detachment occurred in the 1970s when the US kept Pakistan away from the Soviet-Communist bloc, and the second, during and after the Afghanistan war from 1979 to 1989, followed by the collapse of the Soviet Union. The third phase occurred

 $^{1}$  After the 9/11 terrorists' attacks, U.S. declared this act of terrorism as "an act of war" and announced the "war against terrorism."

<sup>&</sup>lt;sup>2</sup> The September 11, 2001, terrorist attacks in the United States.

after9/11 when the US attacked Afghanistan in 2001. The US's plan to withdraw its forces from Afghanistan has created an ambiguity and uncertainty about the future of the war against terrorism among Pakistanis who were already unable to win this fight inside Pakistan. As the US was already seen as an opportunistic friend (Ali, 2012) among Pakistanis, most Pakistan is suspected that following the US's withdrawal from Afghanistan the US would stop economic and military aid to Pakistan, and would abandon Pakistan to face the consequences of the war against terrorism all alone (Markey, 2013).

Pakistan was the first Islamic country that recognized the People's Republic of China in 1950 and established diplomatic ties with them in 1951 (Rahman, 2007). Since then, China and Pakistan have maintained a close and friendly relationship that has grown smoothly over time due to shared regional and national strategic interests (Barnds, 1975; Rahman, 2007). For the past 65 years, China and Pakistan have shared similar views on key regional and international issues (Bukhari & Rehman, 2011; Rahman, 2007). Both countries want peace and stability in South Asia by countering terrorism and by promoting trade in South Asia. Both countries want to maintain the balance of power by countering the Indian and US military influence in the region. Both advocate regional peace and stability and uphold the peaceful settlement of disputes through negotiations, and the harmonious coexistence of different civilizations and nations. During the 1970s, Pakistan played a vital role in the resumption of China's legal seat in the U.N. Pakistan also aided in opening the channel of communication between China and the US at that time, beginning a new chapter in Sino-US relations (Rahman, 2007). Lately, Pakistan has played a pivotal role in the campaign against international terrorism and has paid a huge price in terms of human and financial loss in this fight. China has appreciated Pakistan's anti-terrorism efforts and its support for Chinese territorial issues in Taiwan, Tibet, and its border issues with other countries (Haider, 2005; Rahman, 2007).

In the first section of this article, Pakistan's economic and military relations with the US, the US's economic and military aid to Pakistan, and the perception of the US in Pakistan will be discussed. In the second part, Pakistan's economic relations, diplomatic relations, defence cooperation with China, and the perception of China in Pakistan will be examined.

## Pakistan-US relations in post-9/11 era

Pakistan has a long history of bilateral trade relations, defence cooperation, direct economic and military aid, and political ties at regional and international levels with the US (Hussain, 2010; Markey, 2013). It has proven difficult for Pakistan to maintain good relations with a superpower, however, while benefiting both economically and militarily. After 9/11, on the one hand, the was involved in the war against terrorism in Afghanistan with the help of Pakistan, while, on the other, it made a military alliance with Pakistan's rival country, India, to contain the Chinese influence in South Asia (Riedel & Singh, 2010).

The US occasionally uses a "talking tough to Pakistan" (Krasner, 2011) strategy while at the same time offering economic assistance to show generosity in its bilateral relations with Pakistan. After 9/11, a considerable change was observed in the US's direct economic and military aid to Pakistan, but no significant difference was seen in bilateral trade relations between the two countries. Out of a total of

\$30 billion US current dollars in economic and military aid provided by the US to Pakistan since 1948, more than two-thirds were given after 9/11. Both China and the US are forming new alliances in the South Asian region to support their interests in South Asia. The US has given preference to India over Pakistan regarding defence cooperation by signing a civil-nuclear agreement<sup>3</sup> with India, a country that has not yet signed the NPT<sup>4</sup>. The US also wants to help India play a bigger role in Afghanistan by giving it a contract for the military training of the Afghanistan army and infrastructure building contracts in Afghanistan. In order to offset the growing influence of the US and India in South Asia, China is Pakistan's best option as a strategic partner (Naseer & Amin, 2011; Tellis, 2010). Pakistan has shown its deep concerns about the future of South Asian security after the withdrawal of US forces from Afghanistan in future.

After the invasion of Afghanistan in 1979, the US created a jihad<sup>5</sup> movement with the help of Pakistan to remove the Soviet Union's army from Afghanistan. With the US's economic and military aid, Pakistan provided military training to the students of Madrassas<sup>6</sup> and in the name of jihad sent them to Afghanistan to fight with the Soviet army. The Soviets were defeated in the end and pulled their forces from Afghanistan, in 1989. After the war in Afghanistan, Pakistan was faced with the growth in jihad culture in the country (Stern, 2000) when it was already struggling to move away from religious extremism. The defeat of the Soviet army in Afghanistan was not only the end of the cold war but also the end of the US strategic interest in South Asia. Therefore, after winning the war in Afghanistan, in 1990, the US discontinued most of its economic and military aid to Pakistan. The US instead imposed nuclear sanctions on Pakistan under the Pressler Amendment and stopped the supply of F-16 jet fighters and other military hardware to Pakistan, for which the US had received \$658 million US dollars in advance (Khan, 2010). Suspension of foreign economic and military aid to Pakistan resulted not only in a distrust of the US but also contributed to the spread of religious extremism in the country, as well as in the region. With its economy and military powers weakened, Pakistan was not able to combat the religious extremism in the country. The next ten years, from 1990 to 2000, was the most difficult phase for Pakistan in terms of the economy and national security of the country. During this time span, Pakistan faced a political crisis, as no democratic government could sustain or complete its tenure due to military interventions (martial laws) and due to the economic crisis.

After 9/11, Pakistan once again became a necessary tool for the US in the war on Afghanistan. In order to launch an attack on Afghanistan, the US once again needed Pakistan's help because of Pakistan's military and its intelligence in the region, as well as its ability to provide logistic facilities to the US forces (Khan, 2010). As a result, the US once again opened its arms to Pakistan by lifting all sanctions imposed on it since 1990, as well as by sending a handsome package of economic and military aid. The US also threatened that Pakistan was either 'with

<sup>&</sup>lt;sup>3</sup> The U.S. signed a civil-nuclear agreement with India in 2008.

<sup>&</sup>lt;sup>4</sup> Nuclear non-Proliferation Treaty

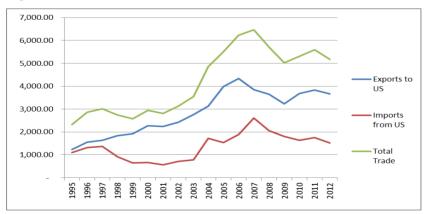
<sup>&</sup>lt;sup>5</sup> Jihad is a religious term in Islam, used for fighting with the enemy to protect life, money, land and honour

<sup>&</sup>lt;sup>6</sup> Madrassas are the religious schools providing religious Islamic education in Pakistan.

them or against them' (Musharraf, 2006). Pakistan did not have any choice but to support the US in launching its military attack on Afghanistan in 2001. This war was not restricted to Afghanistan; however, it spread into the Pakistani border areas adjacent to Afghanistan. Terrorists constructed their hideouts in the border areas of Pakistan where they had training camps that they used as a base from which to carry out terrorist and suicide attacks in Pakistan and Afghanistan.

## Pakistan's economic relations with the US

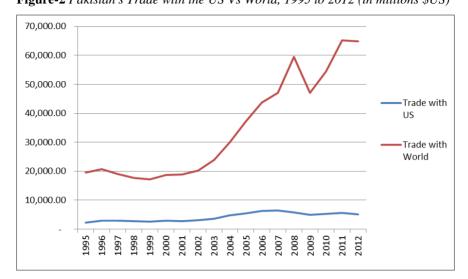
The US was among Pakistan's top ten trading partners between 1995 and 2010. During these fifteen years, their bilateral trade accounted for between 10% and 16% of Pakistan's total trade with the world, as shown in figure-1 and figure-2. Pakistan's total exports to the world in 1995 were \$8.356 billion US dollars, of which \$1.230 billion US dollars, or 14.73 % went to the US. In 2001, Pakistan's exports to the US grew by 2.239 billion, representing 24.53 % of Pakistan's total exports to the world. This figure declined in 2010 when Pakistan's exports to the US were recorded at 17.12 % of its total exports to the world, and further decreased to 14.86 % in 2012. Regarding imports, in 1995, Pakistan's total imports from the world were \$11.247 billion US dollars, of which 9.72 % came from the US Pakistan's imports decreased in 2001 by \$568.55 million US dollars, or 5.84 % of Pakistan's total imports from the world. This import figure was further reduced in 2010 when Pakistan's total imports from the world decreased by 4.95 % and then in 2012 another by 3.76 %. The total trade between Pakistan and US in 1995 was \$2.323 billion US dollars, which was 11.85 % of Pakistan's total trade with the world. Their bilateral trade increased by 14.88 % in 2001 and further increased until it peaked in 2004 at 16.16 % of Pakistan's total trade with the world. After 2005, trade between the countries slowly declined, dropping to 14.81 % of Pakistan's total trade with the world in 2005, then 9.75 % in 2010 and 7.98 % in 2012. Another factor that affected the trade and foreign investments in Pakistan was the international financial crisis or 'recession' that started in 2008, which had slowly been recovering since 2011.



**Figure-1** *Trade between Pakistan and the US, 1995 to 2012 (in millions \$US)* 

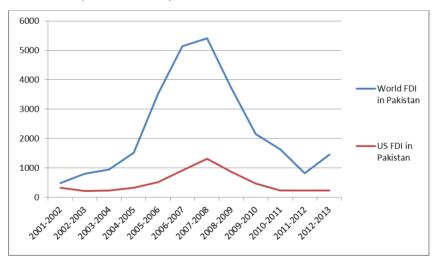
**Source:** Data is compiled from Exports and imports of goods and services UNCTAD, UNCTAD stat.

Pakistan's Relations with the United States and China in the Post-9/11 Era **Figure-2** *Pakistan's Trade with the US Vs World, 1995 to 2012 (in millions \$US)* 



**Source:** Data is compiled from Exports and imports of goods and services UNCTAD, UNCTAD stat.

**Figure-3:** Foreign Direct Investment (FDI) inflow to Pakistan, 2001 to 2012 the US Vs World (in millions \$US)



**Source:** State Bank of Pakistan. (Pakistan's fiscal year runs from 1st July to 30th June).

## US economic and military aid to Pakistan

In 1990, after the end of the cold war<sup>7</sup>, the US suspended its direct economic and military aid to Pakistan (see Figure-4). This suspension was done for two main

<sup>&</sup>lt;sup>7</sup> Cold war dated 1947 to 1991, was a political and military rivalry between the Western block headed by the U.S. and the Easter block headed by the Soviet Union. Cold war ended with the collapse of Soviet Union in 1991.

reasons: firstly, the US needed to secure its domestic budget by reducing foreign aid; secondly, the US did not need any more help from Pakistan after the defeat of the Soviet Union.

After 9/11, the US once again sought Pakistan's help in engaging Afghanistan in a war. Before launching an attack on Afghanistan, the US administration asked Pakistan to provide logistic support to the US military, or else to be prepared to face the wrath of the US (Musharraf, 2006). After getting Musharraf's agreement to provide full support to the US military, the US lifted all the sanctions that had been imposed on Pakistan. In addition, the US offered a generous economic assistance package for Pakistan. However, this financial aid did not eradicate Pakistan's negative perception of the US due to its previous experience with the country. In fact, many in Pakistan believe that it was not Pakistan's war, but the US's war against terrorism, in which Pakistan was forced to fight.

Despite the fact that the US's financial assistance to Pakistan dramatically increased post-9/11, diplomatic relations between the two countries have remained unstable. After 9/11, several incidents occurred which increased tension and mistrust between the US and Pakistan. For example, the Raymond Davis incident<sup>8</sup> in 2010,the Salala check post attack incident<sup>9</sup> in 2011, the NATO supply disconnection for seven months in 2011,and the Osama Bin Laden incident<sup>10</sup> in 2011. Several drone strikes (Zenko, 2013) inside Pakistani territory, which killed thousands of innocent citizens as well as terrorists, and the drone attack on TTP<sup>11</sup> head Hakim Ullah Mehsud<sup>12</sup> in 2013 also disrupted talks between the Pakistani government and the TTP. The US, on one hand, negotiated with Afghanistan based Talibans to achieve its strategic reconfiguration after leaving Afghanistan in future, but on the other hand, opposes the Pakistani government's peace talks with Pakistan-based Talibans.

<sup>&</sup>lt;sup>8</sup> Raymond Davis was a CIA agent who killed 2 men in Lahore claiming that they were armed and could harm him.

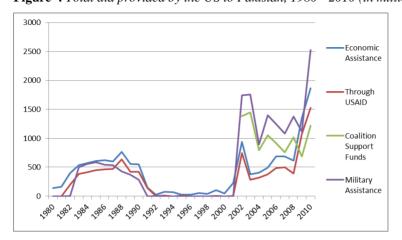
<sup>&</sup>lt;sup>9</sup> On November 26, 2011, U.S.-led NATO forces launched an air attack on Afghanistan-Pakistan border check posts called 'Salala check posts' and killed 24 Pakistani soldiers and wounded 13 others during the attack.

<sup>&</sup>lt;sup>10</sup> On May 2, 2011, U.S. forces launched an operation inside Pakistan and killed Osama Bin Laden, the head of Al-Qaeda. The U.S. government did not share information about this operation with the government of Pakistan.

<sup>&</sup>lt;sup>11</sup> Tehreek-e-Taliban Pakistan: A terrorist organization which is carrying out terrorists attacks in Pakistan.

<sup>&</sup>lt;sup>12</sup> Hakeem UllahMehsud was killed by a U.S. drone attack on 1st Nov. 2013, and as a result the peace talks between TTP and government of Pakistan discontinued.

Pakistan's Relations with the United States and China in the Post-9/11 Era **Figure-4** *Total aid provided by the US to Pakistan, 1980 - 2010 (in millions \$US)* 



*Source*: Center for Global Development. (All figures are adjusted for inflation and presented in 2009 constant dollars)

## Pakistan's economic cost of the war against terrorism

The Economic Survey of Pakistan (2010) estimates that from 2001 to 2010, the direct and indirect economic cost of the war on terrorism for Pakistan amounted to \$67.93 billion (current dollars). An estimated human loss of over 35000 civilian and military lives was recorded during the same period. The Nawaz Sharif's government that came to power in May 2013declared that due to infrastructure destruction, exchange rate depreciation, the mass internal displacement of people, energy crisis, and growing terrorists' attacks, the loss amounts to more than \$100 billion US current dollars in the post-9/11 period. They also declare that the US's economic aid is not sufficient to compensate for the price Pakistan has already paid for being a frontline state in the war against terrorism (see Figure-5). Post-9/11, the war against terrorism has made Pakistan an unsafe place; its current internal security situation is worse than the pre-9/11 era. The war against terrorism has had an adverse impact on Pakistan's internal security as well as on the region's peace and stability.

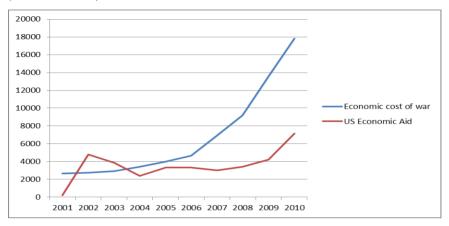
Before 9/11, Pakistan did not have a history of suicide attacks, there was no violation of sovereignty, and there was no threat to its western border with Afghanistan. Now, the Afghan government perceives Pakistan as an enemy and, due to the Afghan president's good relations with the Indian government, India has a significant presence in Afghanistan, which has made Pakistan's western borders unsafe. Considerable unrest has also occurred in Pakistan's south-western province, Balochistan<sup>13</sup>, due to terrorist activities by different groups of insurgents, after 9/11. In short, post-9/11 Pakistan has become more unstable and insecure for its citizens and for neighbouring countries as well. History repeats itself as the US prepares to withdraw its forces from Afghanistan in near future. This time,

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<sup>&</sup>lt;sup>13</sup> Balochistan is Pakistan's largest province in terms of land. It shares borders with Afghanistan and Iran.

Pakistan is more cautious, as it is aware that the US may abandon Pakistan, similar to its actions 1989, after taking an exit from Afghanistan.

**Figure-5** *Pakistan's economic cost of the war against terrorism from 2001 to 2010 (in millions \$US)* 



**Source:** Ministry of Finance, M/o Foreign Affairs Joint Ministerial Group Govt. of Pakistan, and Center for Global Development. (All figures are adjusted for inflation and presented in 2009 constant dollars)

## The anti-American sentiment in Pakistan

According to the Pew Research Center (Kohut, 2012), roughly 64% Pakistanis considered the US an enemy in 2009. That figure increased to 69% in 2011 and further rose to 74% in 2012. Furthermore, 68% of people of Pakistan perceived the US unfavourably in 2009, 73% in 2011 and 80% in 2012.Regarding Pakistan-US relations, in 2009, 43% Pakistanis thought the relations were not improved. This figure increased to 44% in 2011 and 58% in 2012.

**Table 1**Public Perception of the US in Pakistan

	2009	2011	2012	11-12 Change	
	%	%	%		
IS THE US MORE OF A					
Partner	9	6	8	+2	
Enemy	64	69	74	+5	
Neither	12	9	10	+1	
Don't know	15	16	8	-8	
US FAVOURABILITY					
Favourable	16	12	12	0	
Unfavourable	68	73	80	+7	
Don't know	16	16	9	-7	
PAKISTAN-US RELATIONS					
Improved	27	29	13	-16	
Not improved	43	44	58	+14	
Don't know	30	26	29	+3	

*Source*: The information in this table is compiled from the Pew Research Center's public opinion poll released June 13, 2012.

The anti-American sentiment in Pakistan can be divided into three categories: political, military, and public. The US has always supported military dictatorships in Pakistan to fulfill its agenda (Riedel & Singh, 2010). These military regimes have lasted, in total, for approximately half of the time that Pakistan has been independent. First, the US supported General Ayub Khan's military regime from 1958 to 1969tokeep Pakistan in its block against communists. Second, the US supported General Zia-ul-Haq's martial law from 1977 to 1988 to defeat the Soviet Union in Afghanistan. Third, and finally, the US supported General Pervez Musharraf's military government from 1999 to 2008 to fight the war against terrorism in Afghanistan. Despite the US's worldwide support for democracy, the US supported military dictatorships in Pakistan because these dictators allowed the US to pursue its goals in the region. The US also did not help Pakistan in the UN with regards to Kashmir<sup>14</sup>, a territory for which Pakistan fought two big wars (the 1965 and 1971 wars) with its neighbour India. Instead, the US ceased its military aid to Pakistan during the war.

In 1974, India tested its nuclear arsenal, which posed a high security threat to Pakistan. Pakistan also started a nuclear program in response to Indian nuclear tests to balance the Indian power in the region. As a result, the US imposed nuclear sanctions on Pakistan in 1976 under Symington andin 1977 under the Glen Amendments (Khan, 2010). These sanctions were fully exercised until 1979 when the Soviet Union attacked Afghanistan and the US needed Pakistan to help in its proxy war against the Soviets in Afghanistan. At this point, the US resumed its economic and military aid to Pakistan and lifted all of its nuclear sanctions. Pakistan played a vital role as 'frontline state' during the Afghanistan war from 1979 to 1989 and provided its intelligence, manpower and logistic support to the US in its fight against the Soviet Union. After defeating the Soviets in Afghanistan in 1989, the US suddenly stopped economic and military aid to Pakistan as it no longer need Pakistan's help in the region.

In 2005, the US signed a nuclear deal with India as part of, what they called, a civil nuclear cooperation, even though India is not a signatory of NPT (Bukhari & Rehman, 2011). This deal created a lot of concern for Pakistan as it tipped the balance of power in favour of India in the South Asian region (Bukhari & Rehman, 2011; Tellis, 2010). The US was not willing to offer the same civil-nuclear cooperation with Pakistan, its key ally in fighting the war against terrorism, which demonstrates the US's double standard policies in the region (Bukhari & Rehman, 2011; Naseer & Amin, 2011).

Another factor contributing to anti-American sentiment in Pakistan was the CIA-led drone attacks in the tribal areas of Pakistan. According to US officials, drone strikes were effective in killing and disrupting al-Qaeda leadership in Pakistan, Yemen, and Somalia. These drone attacks are highly unpopular in Pakistan, as the drones have, on a few occasions, knowingly killed innocent civilians along with

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<sup>&</sup>lt;sup>14</sup> Pakistan and India dispute the Kashmir territory, half of which is under Pakistan's control and half of which is under Indian occupation. Pakistan took this issue to the UN in 1948 claiming Kashmir as part of Pakistani territory, The UN passed a resolution according to which India had to give the right of vote to Kashmiri people to decide whether they wanted to go with Pakistan or India. India, however, never gave this right to the people of Kashmir living under Indian-occupied Kashmir territory.

terrorists (Zenko, 2013). Although these drone strikes are carried out with the help of Pakistani intelligence agencies, the Pakistani public still believes that these drone strikes are against the sovereignty of Pakistan and that the US should stop the attacks. An Amnesty International report published in 2013 stated that the US government should be accountable for the drone attacks in Pakistan and should release the actual number of deaths and casualties that have resulted from drone strikes. The report also claims that the sources used to identify targets for these drone strikes were "much less discriminating," which resulted in hundreds of civilian deaths as well as terrorists (Amnesty, 2013). Keeping in mind the key issues noted above, the US has not been able to do much to eradicate its negative perception among the majority of Pakistanis.

## Pakistan-China relations in post-9/11 era

Pakistan and China are linked by a natural border that includes some of the world's tallest and most beautiful mountain ranges. Pakistan has always remained active in maintaining good relations with China in all the key areas, such as: trade, defence, humanitarian aid, and diplomacy in all circumstances for more than six decades (Barnds, 1975; Naseer & Amin, 2011). Pakistan recognized China's communist government on January 4, 1950, and was the first one to support China's right to a seat in the United Nations, in the 1960s. Pakistan also helped China to establish political and economic relations with the Muslim world, especially in the Middle East region (Bukhari & Rehman, 2011; Naseer & Amin, 2011). Fani (2009) notes that Pakistan was the only foreign country, participated in China's golden jubilee (50<sup>th</sup> anniversary of communist rule) celebrations on October 1, 1999. Pakistan's participation in the event represents the close relations that the two countries had developed over half a century.

In the early years of Pakistan-China relations, in the 1960s and 1970s, Pakistan was perhaps China's sole political connection to the outside world, with PIA being the only non-communist airline able to fly into China. China acknowledged the role Pakistan played in the 1970swhen Pakistan made the US Secretary of State, Henry Kissinger's, visit to China possible via Pakistan (Racine, 2001). Pakistan has also supported China on all its key issues, such as recognizing a Chinese sovereignty that includes Hong Kong, Taiwan, Tibet, and Himachal Pradesh, at both a regional and international level (Barnds, 1975). Similarly, China has supported Pakistan on several important issues, such as: defence cooperation; signing the FTA; helping Pakistan join regional alliances like SCO, and providing diplomatic backing in its conflicts with India.

Barnds (1975) believes that, as China and Pakistan are such different societies, their cooperation can hardly be based on an ideological or cultural affinity. Naseer and Amin (2011) conclude that it was geographical considerations and security issues that compelled the two countries to recognize each other in the first place. China's recognition partially satisfied Pakistan's security concerns, especially from the Indian side. The US's concern in 2004 over Pakistan's nuclear proliferation, led by Dr. Abdul Qadeer Khan (nuclear scientist), put Pakistan on the spot. China also came under international scrutiny, as it had contributed to Pakistan's nuclear programme. Despite the high economic cost and China's advice to the contrary, Pakistan's foreign and defence policies remained geared towards countering India (Tellis, 2010). Despite the growing economic ties between China

and India, China continued to maintain a strategic defence relationship with Pakistan and viewed a strong partnership with Pakistan as a useful way to contain the Indian defence power in the region. This concern further grew after 9/11 by the re-appearance of the US in the region and its nuclear deal, space technology and F-16 technology transfer agreements with India. The Oxford Analytica Daily Brief on June 17, 2011, notes that statements made in China in favour of Pakistan are primarily rhetorical because they too are concerned about their borders and the US encroachment in the region.

In the early 1990s, China was concerned that Uighur separatists in the Chinese province of Xinjiang, which is home to eight million Muslim Uighurs, were receiving financial support, shelter and training from terrorists based in Pakistan's Federally Administered Tribal Areas (FATA) (Curtis, 2009; Haider, 2005). The concern about Uighur separatists seemed to have dissipated by the mid-1990s but returned in full force after 9/11 (Tkacik, 2011). Tkacik (2011) notes that in the days following the 9/11 terrorist attacks, China appeared somewhat disappointed that Pakistan gave in to US demands to cooperate with their plans to destroy the Taliban<sup>15</sup> government in Afghanistan. China was afraid that if its most important ally in the region could be so easily pressured by the US, then China's newly built leadership role in Central Asia could be undermined. A few days after the 9/11, Chinese President Jiang Zemin issued a media statement ("Chinese President Jiang Zemin's media statement," 2001) stressing that regardless of what Pakistan chose to do; friendship between the two countries had stood the test of time, and no matter what happened, the Pakistan-China relationship would not be affected.

## Pakistan-China diplomatic relations

Naseer and Amin (2011) write that China has remained an 'all-weather' friend with every regime in Pakistan. The scope of mutual interest between Pakistan and China has been so wide spread that even leadership and regime changes in both countries have not affected their bond.

From a historical perspective, during the 1965 India-Pakistan war, China supported Pakistan diplomatically and politically by sending a note of condemnation to India claiming that India had breached peace along the China-Sikkim border (Naseer & Amin, 2011). The note also read that "the Chinese government must warn India that if it does not immediately stop such act of aggression and provocation, it must bear full responsibility for the consequences that may arise there from" (Naseer & Amin, 2011, p. 5). The Chinese Press also strongly condemned Indian war crimes against Pakistan. China dismissed India's claim that it was Pakistan that crossed the ceasefire line in Kashmir, launched a military operation and infiltrated Kashmir. China openly supported Pakistan in its claim that it was India who was the aggressor and Pakistan was the victim (Naseer & Amin, 2011).

Curtis (2009) writes that, over the last decade, China has developed more of a neutral position on Kashmir instead of backing Pakistan by supporting a United

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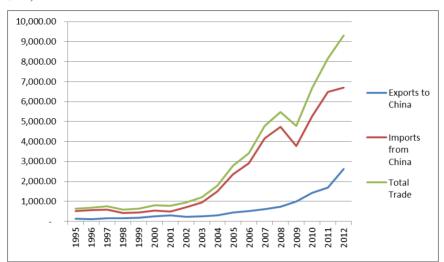
<sup>&</sup>lt;sup>15</sup> Taliban is a Pashto word that means 'student'. It is an Islamic fundamentalist political movement in Afghanistan and Pakistan.

Nations resolution which deemed Pakistan's attempts to obtain the region by force justifiable. The turning point in China's position on Kashmir came during the 1999 Kargil crisis when China helped convince Pakistan to pull Its troops out of the 'Line of Control' following its incursion into the Kargil region of Kashmir. Curtis (2009) notes that China played a vital role in the negotiation process between India and Pakistan in preventing the outbreak of a full-scale war between the two countries during the 1999 Indo-Pakistani conflict in Kargil. China made clear its position that India and Pakistan should resolve the Kashmir conflict through bilateral talks rather than military conflict. India was very pleased with China's stance on the Kargil conflict, relieving some of the tension between the countries that had developed over India's 1998 nuclear tests. However, despite the re-adjustment in the Chinese position on Kashmir, China continues to maintain a robust defence relationship and views a strong partnership with Pakistan as useful way to contain Indian power (Riedel & Singh, 2010). Historically speaking, Barnds (1975) claims that China did not demonstrate its support to Pakistan when Indian military forces divided Pakistan into east and west during the 1971 India-Pakistan conflict.

Pakistan also demonstrates positive diplomatic relations with China by supporting China in the international Islamic grouping known as the Organization of Islamic Conference. This support could help China gain a firm hold in the Islamic world as a credible ally (Naseer & Amin, 2011). Pakistan continues to serve as a balance of power against India whenever China deems it necessary to pressure India or to decrease its influence in the international market. China has several economic interests in Pakistan. Islamabad's willingness to provide preferential access to Chinese commercial enterprises and potential access routes to China for West Asian Crude Oil is one of these significant Chinese interests. Afghanistan's abundant mineral resources are also a significant attraction for Chinese companies intending to do business in Pakistan, and China will look for Pakistan's support in seizing these opportunities (Tellis, 2010).

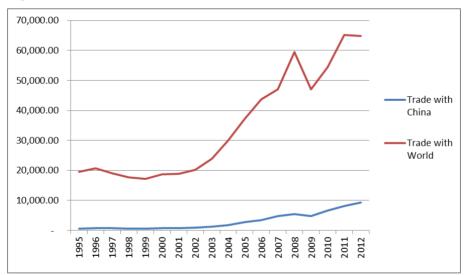
## Pakistan-China economic relations

Another strong bond between China and Pakistan is their growing economic cooperation, which commenced with their first bilateral trade agreement in 1953. Since that time, their bilateral trade has increased, crossing several milestones, including a Free Trade Agreement (FTA) signed in 2006. The bilateral trade between Pakistan and China reached over 9 billion US dollars in 2012. However, since the volume of exports from Pakistan to China is less than the volume of exports from China to Pakistan, the trade balance was in favour of China. Since 9/11, this trade has significantly increased from 776 million (US), or 5% of Pakistan's total world trade in 2001, to 9.31 billion (US), or 16.65% of the Pakistan's total world trade in 2012 (see figure 6 and figure 7). Chinese FDI also increased from 0.3 million (US) in 2001-2002 to116.5 million (US) in 2011-2012 (see figure8).



**Figure-6** Trade Between Pakistan and China between 1995 and 2012 (in millions \$US)

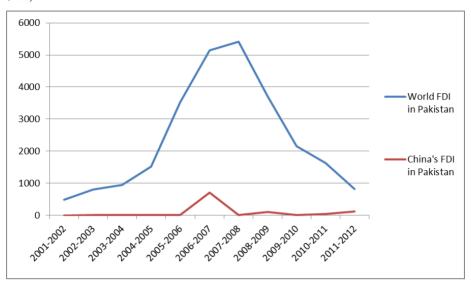
**Source:** Data is compiled from Exports and imports of goods and services UNCTAD, UNCTAD stat.



**Figure: 7 -** Pakistan's Trade with China Vs World 1995 to 2012 (in millions \$US)

**Source:** Data is compiled from Exports and imports of goods and services UNCTAD, UNCTAD stat.

**Figure-8** FDI Flows in Pakistan from 2001 to 2012 China Vs World (in millions \$US)



**Source:** State Bank of Pakistan. (Pakistan's fiscal year runs from 1st July to 30th June)

## Pakistan-China defence cooperation

Tkacik (2011) states that Pakistan and China have had a long history of cooperating on military and security affairs since the Indo-Pakistan war in 1965. Tkacik (2011) writes that Pakistan is, by far, China's major strategic ally in military and naval systems, the naval base construction in Gwadar port is a shining example of that. China, for at least thirty years, has provided Pakistan with equipment, technical aid, designs, missile material and funds essential to the development of Pakistan's nuclear system. The two countries have been jointly manufacturing JF-17 fighter jets for at least a decade. China has also been considering selling Pakistan a newer more capable fighter jet, the J-10. Tkacik (2011) also asserts that the Pakistan Naval Ship, Aslat, the fourth jointly developed Pakistan-China F-22P Zulfiqar class frigate, was launched from its dry-dock in Karachi in May of 2011. China is reportedly (Tkacik, 2011) preparing for the sale of six advanced diesel-electric submarines with 'air independent propulsion' to Pakistan. These submarines are thought to contain some of the most advanced underwater propulsion systems in the world.

Bukhari and Rehman (2011) note that China also re-affirmed its cooperation with Pakistan by making an announcement in 2010 to build two more nuclear reactors: Chashma 3 and Chashma 4. The clause of this agreement between China and Pakistan clearly specifies that "China would construct four nuclear power plants in Pakistan; namely, Chashma 1, 2, 3, and 4 by 2011"(Bukhari & Rehman, 2011, p. 2). Pakistan started work on the country's largest nuclear power plant in November 2013 and announced that six similar projects were being developed. The Pakistani Prime Minister has praised China's leaders for their keen interest in providing technical and financial assistance to Pakistanby starting different

projects that will help Pakistan come out of its severe energy crisis (Mansoor, 2013). Tellis (2010) notes, however, that the international non-proliferation community is in an uproar regarding China's commitment to providing Pakistan with two nuclear reactors. Since the Pakistan-China nuclear agreement was meant to have been a secret deal, China refuses to share the details of the deal, which has furtherraised the concerns of the international non-proliferation community. China and Pakistan also conduct joint military drills that are aimed to provide a mutual exchange of experience and information through a broad training program. Pakistan also continues to provide opportunities for Chinese military equipment sales, further strengthening military-to-military relations between the two countries.

#### China's interests in Pakistan

China has several economic interests in Pakistan, including the direct investment in the telecom industry; infrastructure building; energy producing projects; the China Pakistan economic corridor (CPEC); and the construction of Gwadar port. China has financed 80% of the \$250 million US dollars required for the completion of the first phase of the Gwadar port construction project and is thought to have funded most of the second phase of the project as well. The port will allow China to secure oil and gas supplies from the Persian Gulf. This project will provide a port, warehouses, and industrial facilities for more than 20 countries and will eventually have the capability to receive oil tankers with a capacity of 200,000 tons (Curtis, 2009).

As far as Chinese domestic interest is concerned, China requested that Pakistan send its intelligence and police officials to assist with the 2008 Beijing Olympics. Since then, both countries have been cooperating on the intelligence front, especially in the Uighur area of China. After the recent flare-up from Xinjiang separatists following the disturbance in Mongolia, Chinese and Pakistani intelligence sharing has become ever more critical to Chinese interests (Tellis, 2010).

Blanchard, Cook, Dumbaugh, Epstein, and Lum (2010) perceive the Pakistan-China relationship to be a continuation of a long-standing association supported by mutual tensions and conflicts with India. This association remains even despite the ever-changing circumstances in both countries. Both governments view their relationship in a historical context and recognize how each has stood by the other under difficult conditions. Blanchard et al. (2010) write that Pakistan-China relations are among the 'least-researched' relationships and note that what little scholarship exists about this relationship is relatively new. Another point worth noting is that China rarely speaks about the nature of its relationship with Pakistan publically. Conversely, Pakistan is often seen boasting about its close ties with China.

Naseer and Amin (2011) elucidate the multiple reasons why an alliance with China is advantageous to Pakistan. First, it is much cheaper for a country to ally itself with a stronger state that already possesses a nuclear capability rather than to develop and maintain its own infrastructure, technological expertise, and weapons delivery programme. Secondly, alliances can provide increased economic benefits through trade, aid, and loans.

China stands to reap considerable future benefits from projects like the Gwadar deep sea port, Pakistan's mineral reserves in its Balochistan province, nuclear power plants, the Karakoram Highway and various other infrastructure projects in Pakistan. To date, however, Pakistan has been the primary beneficiary of this bilateral economic relationship. Blanchard et al. (2010) think that Pakistan-China bilateral economic ties have been uneven, as Pakistan's imports from China are bigger than its exports.

Tkacik (2011) asserts that China is central to Pakistan's perception of security and the balance of power in South Asia. According to him, themajority of Pakistanis believe that without its strong alliance with China, it would not exist as an autonomous state in the South Asian subcontinent. In reality, however, Pakistan is central to China's strategic position in South Asia. Without a militarily strong Pakistan, China could be vulnerable along its entire south-western border with India – not just in military terms, but also with regards tothe legitimacy of China's continued occupation of Tibet. This occupation runs from the tri-border junction with India and Burma in the east, along 5,600 km of border with India, Bhutan, and Nepal to Pakistan in the west.

Chinese economic involvement in Pakistan is significant. Bilateral trade between China and Pakistan was expected to have grown to about \$15 billion (US) by 2015. China has always been reluctant and is projected to remain reluctant, however, in providing Pakistan with funding for aid. This is evident from Pakistani President Zardari's 2008 visit when China resisted giving Pakistan a large-scale bailout package to pull it out of its economic crisis. In return, this forced Pakistan to accept an IMF loan along with all its stringent conditions. Moreover, the economic aspect of the Pakistan-China relationship is interlinked with terrorism-related issues in Pakistan. If the Pakistani government does not address these matters in a timely fashion, and cross-border terrorist activity and safety of Chinese citizens in Pakistan is not assured, then China's economic interest in Pakistan could be affected as well. For instance, there is a rumour that due to security risks to Chinese citizens working in Pakistan, China halted the Gwadar port project in 2009 until the Pakistani government has fully removed the security threats.

## **Public Perception of China in Pakistan**

According to a public opinion poll in 2013 conducted by the Pew Research Center in Pakistan, approximately 82% of Pakistanis considered China a partner, 1% thought China was an enemy and 2% believed that China was neither (Kohut, 2012). Previous polls demonstrate how public opinion has changed over time. In 2008, roughly 78% of Pakistanis considered China a partner; in 2009, 80% considered China a partner; in 2010, it was 84%; in 2011, it further increased to 87%; then, in 2012, 90% of people thought that China was Pakistan's partner. Fewer than 3% of Pakistanis considered China an enemy from 2008 to 2013 (see Table-2).

Public Perception of China in Pakistan

	2008 %	2009 %	2010 %	2011 %	2012 %	2013 %
IS CHINA MORE (A Partner	<b>OF</b> 78	80	84	87	90	82
Enemy	3	2	2	1	2	1
Neither	5	5	4	1	2	2

*Source*: The information in this table is compiled from the Pew Research Center's public opinion poll, spring 2013

#### Conclusion

After 9/11, a significant change has been observed in relations between Pakistan and the US regarding economic and military aid from the US to Pakistan for countering terrorism in Pakistan. The nature of bilateral ties between Pakistan and the US are only temporary in nature. A growing concern among many Pakistanis is that the US plans to leave Afghanistan in the near future, and these relations will return to the way they were in the 1990s when the US abruptly terminated its economic and military aid after winning the Afghanistan war.

The relations between Pakistan and the US are riddled with distrust as they both have different strategic goals in the regional and international spheres. The US wants to create a government in Afghanistan in which it can serve and promote American interests in the region. Pakistanis have observed, however, that when the US achieves its desired strategic goals, it cuts off its economic and military aid to Pakistan. Pakistan perceives India as an enemy, while the US supports India and wants to give it a bigger role in South Asia by signing a civil-nuclear agreement, and delegating the responsibility of military training and infrastructure building in Afghanistan. The US also supports India in its efforts to seek a permanent seat in the United Nations. Pakistan opposes the potentially significant role of India in Afghanistan as it feels that India would restrain Pakistan by putting pressure on it from both eastern and western borders. Pakistan suspects that India is responsible for creating unrest in one of its larger provinces, Balochistan, by providing arms and financial aid to separatists of the Balauch Liberation Army (BLA). Pakistan wants to have a peaceful neighbour on its western border and hopes that Afghanistan will form a democratic and impartial government by giving equal stakes to all the groups in Afghanistan.

While there has been a significant change in relations between Pakistan and China, unlike the US's top-down approach in providing economic and military aid to Pakistan, China has privately invested in Pakistan's infrastructure, arts and cultural projects. The US poses an economic and security threat to Pakistan and has imposed its unilateral decisions on Pakistan forcefully. The US policies regarding Pakistan have hidden agendas: The US drone attacks in Pakistan are a prime example of US Armed Forces covert intelligence operations. Chinese policies regarding Pakistan, on the other hand, have contained no hidden agendas. China has never made any a unilateral decision with regards to Pakistan's interests and has never posed any economic or security threats to Pakistan.

The US cannot win the hearts of Pakistanis as they consider the US an opportunistic friend while China has earned trust through a stable and steady friendship with Pakistan. The US abandoned Pakistan after achieving its objectives, for example, after winning the war in Afghanistan in 1989. On the other hand, China never abandoned Pakistan at any point in time. The US is against Pakistan's nuclear program, but it has signed a civil nuclear agreement with India. China has always supported Pakistan's nuclear program and has started new nuclear projects in Pakistan in 2013. China is working on several joint military equipment productions with Pakistan for their domestic use as well as for commercial purposes, for selling to other countries; the JF-17 jet fighter is an example of their joint productions.

In the end, Pakistan and the US have different strategic interests in the South Asian region. The US will help Pakistan in its war against terrorism, but supports India to balance the growing Chinese influence in South Asia. On the other hand, Pakistan and China mostly have common goals in the region, as both countries want to counter terrorism, eliminate poverty, contribute to economic prosperity, and counter the US and Indian military influence in the region. In response to the question: "What is the future of South Asia after the withdrawal of the US forces from Afghanistan?", history indicates that the US may put economic and military sanctions on Pakistan after the pullout of its troops from Afghanistan, but it is a calculated guess, only the future can prove whether this is right or wrong.

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