



The Diplomacy of a Rising China in South Asia

by John W. Garver

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***Abstract:** The author argues that U.S. interest in Asia traditionally has been maintaining the balance of power to prevent the rise of any regional hegemony. Yet against this anti-hegemony objective is balanced an attempt to accommodate China. If China keeps this commitment, the United States will welcome the emergence of a China that is peaceful and prosperous and that cooperates with America to address common challenges and mutual interests.*



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A Chinese fable tells of how a frog in a pot of lukewarm water feels quite comfortable and safe. He does not notice as the water temperature slowly rises until, at last, the frog dies and is thoroughly cooked. This homily, *wen shui zhu qingwa* in Chinese, describes fairly well, China's strategy for growing its influence in South Asia in the face of a deeply suspicious India: move forward slowly and carefully, rouse minimal suspicion and don't cause an attempt at escape by the intended victim.

Beijing's long-term objective vis-à-vis India is to persuade it to acclimate to a South Asia-Indian Ocean Region (SA-IOR) in which China has robust, multi-dimensional, expanding, and essentially unlimited relations with all of India's neighbors. India would not, in this condition, seek to block China's ties to India's neighbors or counter China's advances by entering into what Beijing deems as "anti-China" cooperation with the United States. Even better, India would take a positive view of China's growing presence, and enter into cooperative security relations with it. India would itself become China's partner in maintaining peace and stability in the SA-IOR. Prospects for achieving such an outcome are not great at present, but, in the Chinese view (or, in this author's estimate of China's view), either India will gradually learn that China intends it no harm as long as India is respectful of China's sovereign rights, or India will accommodate itself, grudgingly perhaps, to the fact that China is the major security partner of countries all around India and the predominant military power in the SA-IOR.

Stated formally, China's objective in the SA-IOR is to grow friendly, cooperative relations across many dimensions with *all* the countries of that region on the basis of mutual benefit, understanding and trust. In the Chinese formulation, this dictum is called the Five Principles of Peaceful Coexistence. This is a standard opening phrase of the annual diplomatic almanac outlining China's relations with SA-IOR countries.¹ As President Hu Jintao told Pakistan President Pervez Musharraf during the latter's February 2006 visit to Beijing: "China wants to develop friendly and cooperative relations with *all* South Asian countries on the basis of equality and reciprocity."² [Emphasis added.]

Operationally, this means that China seeks to avoid being forced to choose between ties with India and its SA-IOR neighbors—and wants India to feel comfortable with an open-ended growth of Chinese influence across the South Asia-Indian Ocean region. The key problem that China faces in this effort is that India has deep apprehensions about China and its rapidly growing power. Many Indians are very suspicious of the steady expansion of Chinese presence and influence in the SA-IOR, viewing it as a kind of "creeping encirclement"—whether intended or unintended—by Beijing. The problem for China is that India could, if

¹ *Zhongguo waijiao*, (China's diplomacy), issued annually (Beijing: Shijie zhishi chubanshe).

² "More on Hu Jintao, Musharraf Beijing Talks on Sino-Pakistan Ties, Cooperation," *Xinhua Domestic Service*, Feb. 20, 2006, World News Connection (hereafter WNC), <http://wnc.dialog.com>. This is the commercially available translation service supported by the National Technical Information Service of the U.S. government.

roused to mobilize and use its very considerable capabilities, create serious obstacles and/or costs for China's expansion of sensitive ties in South Asia. Beijing, therefore, tries to persuade New Delhi that China's expanding ties with SA-IOR countries in no way presents a threat to India, and that India need not, therefore, seek to limit, block or counter China's expanding influence in the region.

China's Attempts to Manage Indian Apprehensions

A key strategic problem confronting China's effort to grow its influence/cooperation in South Asia is to avoid provoking Indian moves to counter that growth. India is a state of substantial capabilities and enjoys distinct geographic advantages over China in the SA-IOR because of the rugged terrain separating the Chinese heartland from that theater. India's traditional view of the SA-IOR was that that region was an area of Indian special interest from which "extra-regional" powers should exit and stay out.³ Most Indian leaders have abandoned that view, understanding that it is simply impossible in an era of globalized economics. Yet there remains deep concern about China's "creeping encirclement."

Beijing employs several key tactics to minimize adverse Indian reaction to its advances in the SA-IOR. These include:

- moving incrementally, avoiding high profile moves, and using third parties—such as the Asian Development Bank or U.N. agencies—to dilute or camouflage China's presence
- engineering authoritative and repeated statements of amity and cooperation with India, explicitly denying that any Chinese moves threaten India and interpreting questioning of China's expressions of benign intentions as manifestations of "anti-China" attitudes.
- insisting on bilateralism and the corollary principle of non-linkage of Sino-Indian relations and China's relations with other SA-IOR countries
- using the U.S. presence as an umbrella for the growth of Chinese influence in SA-IOR
- maintaining a balance of power vis-à-vis India which fixes in Indian minds the possible high costs of Indian anti-China actions

³ In the 1950s and 1960s that meant primarily Great Britain and the United States. China was added in the 1960s. Exceptions were made for the Soviet Union in the early 1970s when Moscow briefly challenged U.S. naval preeminence in the Indian Ocean, but the Soviet invasion of Afghanistan in 1979 raised new doubts in New Delhi regarding Soviet intrusions into India's sphere of special interest

While the last point seems to contradict the first four, logical consistency does not govern China's policy. An important but typically unspoken foundation of China's quest for "friendship and cooperation" with India, is a balance of power indicating to leaders in New Delhi that resort to "anti-China" policies too unacceptable to Beijing would be punished severely. China's quest for partnership with India rests, in part, on the ancient Roman maxim: "si vis pacem, para bellum," (he who desires peace, prepares for war). Viewed this way, the greater China's role and presence in SA-IOR, the stronger the forces for peace, the less likely India will adopt policies that would compel China to "teach India a lesson."

The Principles of Non-Linkage, Bilateralism, and Non-Threat

A typical Chinese diplomatic *modus operandi* is to present general and high-sounding moral principles, persuade other parties to agree to those principles, and then insist on the other's sincere compliance with them. Non-compliance is deemed an indication of insincerity which may further suggest hostility to China.⁴ Beijing enunciates several principles that it insists regulate China's ties with SA-IOR countries.

Beijing insists that its relations with India and India's SA-IOR neighbors are independent of one another. China's ties with each country are solely bilateral, based on decisions of the two sovereign governments regarding their own interests and entailing decisions about how best to advance those interests. For New Delhi to presume to regulate China's ties with the other SA-IOR countries is, Beijing believes, unacceptable "interference" in the sovereign affairs of China and its southern neighbors. Such "interference" reeks of arrogance and hegemonism, and is a violation of the Five Principles of Peaceful Coexistence. Since India was itself a co-creator of these Five Principles, and has repeatedly pledged to adhere to those Five Principles and use them to govern India-China relations, Indian objection to this or that aspect of cooperation between China and Pakistan, say, is a manifestation of Indian insincerity. The charge of "insincerity" places a burden on India to prove that it is not "anti-China" or "insincere."

A related rhetorical trope is China's insistence that its cooperation with one or another South Asian country does not constitute a threat to India. The text of a 2002 Sino-Bangladesh defense agreement, for example, thoughtfully stipulated that, "This defense umbrella agreement is not directed against any country and would not affect Bangladesh's relations with India."⁵ During 2010 China-Pakistan discussions of a railway paralleling the Karakorum Highway, a People's Republic of China's (PRC) foreign ministry spokesman replied to a journalist's queries about possible Indian apprehensions by saying, "China and Pakistan are strategic partners of

⁴Richard H. Solomon, *Chinese Negotiating Behavior, Pursuing Interests Through Old Friends*, (Washington, D.C.: United States Institute of Peace, 1999), pp. 71-75.

⁵Subhash Kapila, "Bangladesh-China Defense Co-operation Agreement's Strained Implications," South Asia Analysis Group, Paper #582, Jan. 14, 2003, <http://sang.org>

cooperation with profound traditional friendship as well as deepening pragmatic cooperation in various fields. Featuring mutual benefit and not targeting any third party, our cooperation is in the interest of the people of both countries and conducive to regional stability, common development, and prosperity.”⁶ Beijing insists, rhetorically, that these disclaimers be taken at face value. Questioning China’s disclaimers is taken as indication of a “China threat mentality.” Again this places a burden on China’s interlocutor to demonstrate that he/she is not hostile to China. Failing that, putting an “anti-China” or “China threat” hat on someone is sometimes an effective ad hominem argument.

Rhetoric goes only so far in camouflaging reality. The reality is that there is deep apprehension in India about the growth of China’s military and security links with Pakistan, and the steady growth of China’s presence near Indian borders. Several times when real Indian fears have torn through China’s favored rhetoric, Beijing has mounted coercive campaigns to warn Indian leaders of the costs of “anti-China moves,” forcing India to return to “friendship” rhetoric approved by Beijing. This has recently happened—once following New Delhi’s “anti-China” justification of its May 1998 nuclear tests, and again circa 2006 after the India-U.S. defense cooperation agreement.⁷

Reassurance of India

Another Chinese diplomatic tool has been to reassure India of China’s benign intentions. Repeated and authoritative statements associated with high-level visits between China and India during the 2000s are redolent with declarations of friendship and mutual non-threat. The “Declaration on Principles for Relations and Comprehensive Cooperation between the People’s Republic of China and the Republic of India” issued in June 2003 when Prime Minister Atal Bihari Vajpayee visited China, for example, said:

China and India are the two largest developing countries [...] with centuries-old civilization, unique history and similar objectives [they] have a mutual desire for good neighborly relations and broad common interests. [...] Both sides are committed to developing their long-term constructive and cooperative partnership on the basis of the Five Principles of Peaceful Coexistence, mutual respect and sensitivity for each other’s concerns and equality. [...] The common interests of the two sides outweigh their differences. The two countries are not a

⁶ Regular press conference, July 8, 2010, <http://www.fmprc.gov.cn>.

⁷ Regarding China’s 1998 campaign see, John Garver, “The Restoration of Sino-Indian comity following India’s Nuclear Tests,” *China Quarterly*, Dec. 2001, pp. 865-889. Regarding China’s late 2000s campaign see, John W. Garver and Hei-Ling Wang, “China’s Anti-encirclement Struggle,” *Asian Security*, vol 6, Issue 3 (2010), pp. 238-261.

threat to each other. Neither side shall use or threaten to use force against the other.⁸

A “Joint Statement” issued two years later in April 2005 when Premier Wen Jiabao visited India declared “a global and strategic” and “long-term constructive and cooperative partnership” between the two countries. This partnership was based on “Sensitivity for each other’s concerns and aspirations, and equality [...] mutual and equal security and [...] reflects the readiness of the two sides to resolve outstanding differences in a proactive matter.” As “two large developing countries” they were “aware of each other’s important role” in establishing “new international political and economic order” that is “fair, rational, equal and mutually beneficial.” The Chinese side “reiterated that India is an important developing country” and “understands and supports India’s aspirations to play an active role in the UN and international affairs. The two sides reaffirmed their readiness to conduct close consultations and cooperation in the process of UN reforms.”⁹

Another “Joint Declaration” was issued 18 months later, in November 2006, when Hu Jintao made a state visit to India. In that Declaration, both sides “agree that the relationship ... is of global and strategic significance.” It continued:

Each side welcomes and takes a positive view of the development of the other, and considers the development of the other side as a positive contribution to peace, stability and prosperity of Asia and the world. Both sides hold the view that there exist bright prospects for their common development, that they are not rivals or competitors but are partners for mutually beneficial cooperation. They agree that there is enough space for them to row together ... and play their respective roles in the region and beyond, while remaining sensitive to each other’s concerns and aspirations... The Sino-Indian partnership is vital for international efforts to deal with global challenges and threats. As two major countries in the emerging multi-polar global order, the simultaneous development of India and China will have a positive influence on the future international system.¹⁰

When Prime Minister Manmohan Singh visited Beijing 14 months later in January 2008 a “Shared Vision for the 21st Century” was issued. It declared that:

The two sides are convinced that it is time to look to the future in building a relationship of friendship and trust, based on equality, in which each side is sensitive to the concerns and aspirations of the other. The two sides reiterate that India-China friendship and common development will have a positive

⁸ Issued June 25, 2003. *Ministry of External Affairs*, India.

⁹ “Xinhua: ‘Full Text’ of Joint Statement of China, India,” Apr. 12, 2005. WNC.

¹⁰ “Joint Declaration by the Republic of India and the People’s Republic of China,” Nov. 21, 2006, <http://meaindia.nic.in>.

influence on the future of the international system. India-China relations are not targeted at any country, nor will it affect their friendship with other countries.¹¹

These statements are, of course, sincere and serious expressions of desire by leaders in both capitals to transform the conflicted relationship between China and India. But they also paper over deep and continuing geopolitical conflicts arising from China's growing ties with India's neighbors such as Nepal, Pakistan, and Bangladesh.

From Beijing's perspective, friendship and cooperation between India and China is best achieved by India's accepting China's professions of non-threat and friendship. Rather than being fearful about China's growing presence in—or cooperation with—SA-IOR countries, India should view that presence positively. Specifically this presence could be seen as a check against an arrogant United States that threatens Indian interests, and as conducive to Indian prosperity and security. In sum, India itself could seek partnership and cooperation with China. In effect, Beijing is inviting India to acclimate to an Asia dominated by China. From Beijing's perspective, for India to sign on to professions of friendship and then to view as threatening China's friendly ties with countries like Nepal and Pakistan, is evidence of Indian "insincerity" and the influence of "anti-China" ideas on Indian leaders. These declarations help anathematize open, official expressions of Indian concern about China's advances in SA-IO.

China's Expanding Influence and Presence: The Case of Nepal

China's expanding ties with Bangladesh, Myanmar, and Sri Lanka could be explored to demonstrate how its advances unnerve Indians, but Nepal can serve as a representative case study. New Delhi long viewed limitation of China's influence in Nepal as vital to India's security. Keeping Nepal friendly to India and minimizing Chinese influence, especially in the security area, has been an important Indian objective. New Delhi laid the foundation for this policy via a 1950 treaty with Nepal that paired Indian special consideration for land-locked Nepal's needs with Nepali special consideration for India's security needs, viz China. As recently as 1989, New Delhi upheld this special relation with an economic embargo of Nepal when Kathmandu went too far and bought weapons from, and entered into a secret intelligence exchange agreement with, China.¹² Since the revolution in Nepal's political institutions that began in 2006, however, the substance of India's special relation with Nepal has greatly eroded and China's ties with Nepal have grown in ways heretofore unimaginable. Nepali Communists dedicated to "liberating" Nepal

¹¹ "A Shared Vision for the 21st Century of the Republic of India and the People's Republic of China," *Ministry of External Affairs*, India.

¹² This is discussed in John Garver, *Protracted Contest, Sino-Indian Rivalry in the Twentieth Century* (Seattle: University of Washington Press, 2001), pp. 155-166.

from Indian domination are now at the center of power in Nepal, and China is building its influence across Nepal's spectrum. The plurality of Nepal's political system, the potential for radical social change, and the new domination of Marxist-Leninist ideology, have all broadened the political avenues for Chinese influence in Nepal.

Nepal is one of the world's poorest countries, and in dire need of development and reform.¹³ A ten-year long armed insurrection launched by Nepal's Maoists ended in 2006 with a ceasefire and the subsequent inauguration of a "peace process." Nepal's monarchy was abolished and republican institutions inaugurated in 2008. The Maoists, embodied in the Unified Communist Party of Nepal-Maoist (UCPN-M) and led by a man popularly known as Pachanda, won a strong plurality in the new parliament. Pachanda became prime minister in August 2008 and undertook a sharp tilt toward China. Pachanda's first foreign trip as prime minister was to Beijing and came only six days after his inauguration; all earlier Nepali prime ministers had made their first trip abroad to New Delhi. In Beijing, Pachanda sought and was granted expanded Chinese assistance, economic and military. Pachanda was ousted as prime minister—in part by heavy Indian pressure—in May 2009 and was replaced by leaders from another Nepali communist party, the Communist Party of Nepal-Unified Marxist-Leninist (CPPN-UML). The pro-India Nepali Congress Party that had long dominated Nepal's electoral politics was, thus, pushed to the sidelines of Nepal's politics, and leaders ideologically committed to revolutionary social transformation came to dominate Nepal's politics.

The profound social and political upheaval underway in Nepal has given China considerable opportunity to grow its influence there. China's relations with the Nepali monarchy were always good, but strong ties between Nepal's military and the Indian military, and between the Nepali business, social, and political elite and India, created a firm basis for India's special relation with Nepal. The upheaval from below now underway in Nepal threatens to disempower those old "pro-India" elites, while popular nationalism may carry Nepal closer to China as part of a revolutionary effort to transform Nepali society.

Prior to 2006, Beijing scrupulously avoided contact (at least publicly) with Nepal's Maoist leaders. Beijing even condemned the Nepali communists use of Mao Zedong's revered name, did not condemn the Royal government's efforts to repress the Maoist insurgency, and even supplied small quantities of military equipment to the Royal government in 2005. When Nepal's "peace process" began in 2006, Beijing shifted gears, setting itself up as a friend of all political forces in the new Nepal. In March 2006, as Nepal was beginning the "peace process," PRC State Consulor and former foreign minister Tang Jiaxuan made a week-long visit to Nepal to meet with important personages from all sectors of Nepali society and, according to China's diplomatic almanac, exchange opinions deeply on regional and

¹³In terms of GDP per capita, the International Monetary Fund lists Nepal as 162 out of 183 countries.

international issues of common concern.¹⁴ Later the same year, a friendship delegation of the Chinese Communist Party (CCP) visited Nepal. The next year, in 2007, a delegation from the CCP International Liaison Department (ILP) visited Nepal. The deputy head of Nepal's planning commission and the chief justice of Nepal's supreme court separately visited China for discussions with Chinese officials.¹⁵ Beijing used its considerable influence with Nepal's Maoists to nudge them toward peaceful compromise, rather than a return to violence that might marginalize the Maoists. A different sort of Chinese leverage on Nepal's political evolution was reported in 2009, when a Chinese agent was reported to have proposed to a senior UCPN-M leader the use of \$6.75 million to bribe members of parliament to reelect Pachanda as prime minister.¹⁶

China has also been able to develop a military relation with the new Nepal. In 2005 China seized on the Royal Nepali government's urgent need for military supplies and India's embargo on Chinese arms sales to Nepal—the Chinese violation of which had triggered India's 1989 economic embargo in the first place. In 2005, China sold approximately \$1 million in military material, consisting of 18 truckloads of arms and ammunition and five armored personnel carriers to Nepal. China also offered to train Nepali military personnel.¹⁷ In effect Beijing began courting Nepal's military, long a key base of India's special relation with Nepal. Indian concern and diplomatic activity apparently led to shifts in Nepali policy, and no further reports of Chinese arms sales were forthcoming. After Nepal entered its republican period, however, China expanded its military-security relation with Nepal. In 2008, the year the Maoists assumed leadership of Nepal's government, Sino-Nepali military interactions reached an unprecedented intensity with Nepal's Chief of Staff visiting China in January, Nepal's Minister of Defense in September, and the PLA Vice Chief of Staff in December.¹⁸ China also began supplying Nepal with “non-lethal” military assistance in 2008.

Economic assistance was another element of China's courtship of new Nepal. As a neighbor of China, Nepal has long been a favored recipient of Chinese economic assistance. Since Nepal's upheaval, however, China has increased its aid. When Pachanda made his historic visit to Beijing in August 2008, his agenda reportedly included securing from China a \$1 billion soft loan for infrastructure projects including roads to remote districts (which had been major supporters of the Maoist insurgency), extension of the Lhasa railway to Nepal's northern borders, duty free entry into China of 497 categories of Nepali products, establishment of a

¹⁴*Zhongguo waijiao*, 2007, p. 181.

¹⁵*Ibid.*, 2008.

¹⁶“Rivals on the roof of the world,” *The Economist*, Sept. 18, 2010, p. 57.

¹⁷“Indian minister concerned by China, Pakistan military links to Nepal,” *Nepalnews*, Dec. 20, 2005, WNC. Regarding the APC sale, see Arms Transfer Database, Transfer of Major Conventional Weapons Sorted by Supplier, <http://www.sipri.org>.

¹⁸*Zhongguo waijiao*, 2009.

Special Economic Zone (of which there are only seven in China) and a dry port on the Sino-Nepal border.¹⁹

Then when Pachanda was forced out as prime minister and replaced by the CPN-UML government in May 2009, the head of that new government called for China to continue the generous terms it had offered the previous government. Beijing complied and *increased* annual assistance from about \$20 million to \$30 million per year.²⁰ Indian aid by comparison totaled \$33.5 million in 2009-2010.²¹ As of 2009, 2,622 Nepali students were engaged in long-term study in China—about the same number as from Malaysia or the Philippines.²² India, in contrast, offered “over 1,500” scholarships annually for Nepali youth to study in India and Nepal.²³

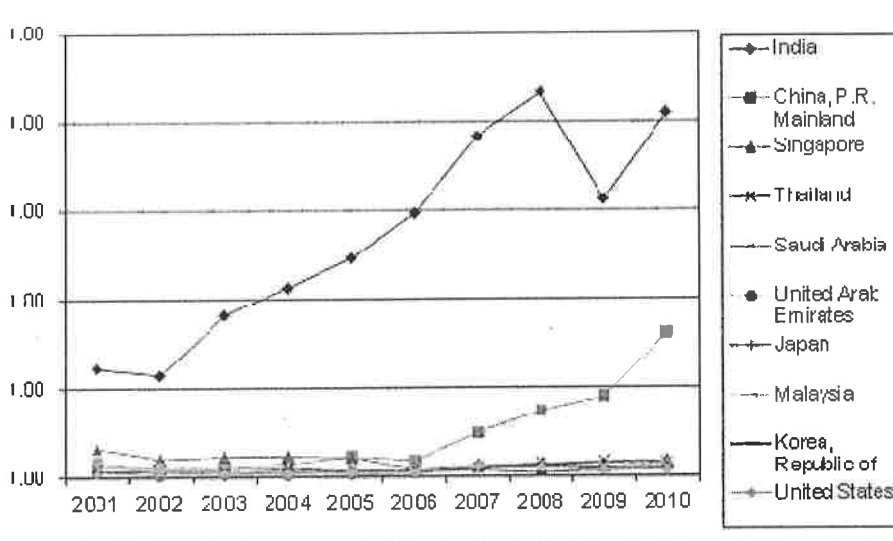


Figure 1: Nepal's Top Ten Goods Suppliers
Source: International Monetary Fund, *Direction of Trade Statistics*.

Trade is another dimension of China's increasing influence with Nepal. As shown in Figure 1 above, China's role in Nepal's foreign trade began increasing rapidly in 2006, the year the Lhasa railway was opened. Although Indian sales of

¹⁹“Nepal PM's postponed China visit reset,” *eKantipur.com*, Dec. 1, 2009, WNC.
²⁰“Envoys says China to increase grant aid to Nepal 50 per cent,” *Newsnepal*, Oct. 28, 2009, WNC.
²¹“India-Nepal Relations,” *Embassy of India, Kathmandu*, July 31, 2011. The figure in the Indian Embassy report is “161 crores.” I add 7 zeros to translate this into 1,610,000,000 and convert it to dollars at Rs 48 = US\$ 1 to yield US\$ 33.5 million.
²² *Zhongguo wajijiao*, 2009, pp. 456-7.
²³“India-Nepal Relations,” *Embassy of India, Kathmandu*, July 31, 2011.

goods to Nepal are still twice the level of China's, Chinese exports to Nepal are rapidly closing in. In terms of consuming Nepali exports, India remains by far Nepal's most important customer. As an *importer* of Nepali goods, China ranks eighth, after India, the United States, Bangladesh, Germany, the UK, France, and Canada. Yet, the spike in Chinese exports to Nepal since 2006 indicates that China's role in Nepal's trade is growing rapidly, perhaps even beginning to close on India. During the first decade of the twenty-first century, China became the largest trading partner of most of its neighbors. Incredibly enough given India's huge geographic advantages over China vis-à-vis Nepal, Nepal too is being pulled into China's economic orbit. That trend may accelerate as new rail lines and roads between Tibet and Nepal are built.

Infrastructure supporting Sino-Nepal trade is rapidly being improved. In 2008, Beijing and Kathmandu announced an agreement on construction of a 770 kilometer long rail line linking Lhasa and Khasa on the Tibet-Nepal border. The line was to be completed by 2013. Extending the line to Kathmandu will follow. Beijing was also exploring construction of six new highways linking Nepal and Tibet as well as the feasibility of an energy pipeline to Kathmandu.²⁴ Shortage of gasoline was a key manifestation of India's 1989 embargo of Nepal. Railways and pipelines linking China and Nepal will greatly diminish India's leverage over Nepal. The development of robust, modern infrastructure linking Nepal and China diminishes the geographic advantages India has traditionally enjoyed in its rivalry with China over Nepal.

The India-Nepal treaty of 1950 which forms the legal basis for the special relation between the two countries is under attack in new, republican Nepal. Abrogation of the 1950 treaty is a central demand of communist organized demonstrations, with copies of the treaty being burned. During the 2008 campaign for the constituent assembly, the Maoists called for the abrogation of the 1950 treaty, attacking it as the basis for India's domination and Nepal's poverty and underdevelopment.²⁵ Once the CPN-UML government replaced the Maoists in May 2009, New Delhi agreed to "discuss and revise" the 1950 treaty "with a view to strengthening the bilateral relationship."²⁶ A July 2011 statement by the Indian embassy in Kathmandu said:

Over time, many regimes in Nepal have raised the issue of revision of the treaty. India has maintained that it is willing to examine all bilateral arrangements with a

²⁴ Vijay Sakhuja, "China's Strategic Advantage in Nepal," *China Brief*, June 17, 2011, <http://www.jamestown.org>.

²⁵ "Maoists to scrap 1950 India-Nepal peace treaty," *Express India*, Apr. 24, 2008, <http://www.expressindia.com>.

²⁶ "India, Nepal agree to review 1950 Friendship Treaty," *Zee news*, Aug. 22, 2009 (<http://zee news.india.com>).

view to further strengthening our relations. Specific suggestions from the Nepalese side have not been forthcoming.²⁷

The Indian embassy statement also hinted at what might befall Nepal if “examination” of the treaty did not result in “further strengthening” of ties. Nepal might lose Indian cooperation which “enabled Nepal to overcome the disadvantages of being a land-locked country,” and its citizens might no longer enjoy “opportunities in India on a par with Indian citizens.” The 1950 treaty was “the bedrock of the special relation between India and Nepal,” the statement said. Implicit was the point that Nepal could not continue to enjoy such Indian friendship unless it continued to be solicitous of Indian security concerns. Of course, India’s ability to impose its will on Nepal via embargo as in 1989 would today be significantly reduced by the more robust infrastructure connecting Nepal and China’s Tibet.

China’s courtship of Nepal needs to be seen in the context of the debate underway in Nepal about the related issues of its internal socio-economic structure and international alignment. Many Nepali communists advocate thorough-going social revolution: land reform toppling the upper-caste elite that has long dominated the country from Kathmandu, plus vigorous efforts at economic development to lift Nepalis out of poverty. They believe that the China model is the best way to do this. Conversely, they tend to see India as the power that long supported Nepal’s old social-economic elites, and dominated Nepal economically and politically. Liberating Nepal economically and socially will require overthrowing Indian domination of Nepal, Nepali communists tend to believe, and Chinese assistance is a welcome assistance in achieving this. Such views have long been those of a marginal fringe in Nepal. Now they are advocated by the largest party and help inspire strikes and mass demonstrations. India may well find itself confronted with the world’s last communist revolution. The economic costs of pulling Nepal out of India’s economic orbit would be huge, but radical leaders of other countries—Cuba for example—have opted to bear these costs as the price for what they deem national liberation.

China has staked out the high moral ground in its push for expanded cooperation with Nepal. According to Beijing, China does not “interfere” in Nepali internal politics, but seeks friendship and cooperation with whatever government rules Nepal. This is in apparent distinction from India who continues to “interfere” by supporting and encouraging Nepal’s anti-Communists, in politics and in the military. By offering the dual olive branches of “non-interference” and generous assistance, China is now courting friends from across Nepal’s political spectrum.

²⁷ “India-Nepal relations” *Embassy of India, Kathmandu*, July 31, 2011, <http://www.cma.gov.in>.

Keeping China's Light under a Basket: The 'All Weather' Partnership with Pakistan

The crux of China's strategy toward the Pakistan-India diad is to forge expanded friendship and cooperation with India while simultaneously maintaining a *de facto* strategic partnership with Pakistan. Yet Pakistan is China's most important (and perhaps its only genuine) strategic partner. The basis of that partnership is confronting India with a two-front threat. Beijing believes that a position of strength based on a solid Sino-Pakistan military cooperation is an essential basis for Sino-Indian friendship. The two-front threat presented India by the Sino-Pakistan entente is, in Beijing's view, essential for preventing Indian adventures that could wreck Sino-Indian friendship.

China's close military-security partnership with Pakistan is well known. Beijing helped Pakistan build nuclear weapons and rebuild its shattered conventional forces after Pakistan's devastating defeat at the hand of India in 1971.²⁸ In 1997, China rejected U.S. demands to suspend nuclear cooperation with Pakistan even while accepting similar U.S. demands regarding Iran. China further expanded nuclear cooperation with Pakistan after the United States and India began nuclear cooperation in 2005. Over many years, China assisted Pakistan's efforts to develop ballistic missiles capable of delivering nuclear or conventional warheads, and has supplied Pakistan with a wide array of advanced radar systems, anti-air, anti-ship, and anti-tank missiles along with warships and airplanes to deliver those missiles. China has long been Pakistan's major arms supplier, providing nearly double the quantity of weapons supplied by the United States (Pakistan's other strategic partner) between 1992 and 2010.²⁹

But while strengthening Pakistan, Beijing disavows any geostrategic agenda. Chinese cooperation with Pakistan is, Beijing insists, purely commercial, based on normal friendship, and does not constitute an attempt to balance India. Beijing operationalizes this approach by rejecting schemes that give too high a profile to the Sino-Pakistan partnership. In none of the three cases of China's low-profile approach discussed below was minimizing Indian discomfort Beijing's only objective; perhaps it was not even the most important objective. But keeping a relatively low-profile in order to minimize Indian concerns was *one* Chinese objective. The Chinese maxim of "hide your capabilities and await an opportunity to gain something" (*tao guang yang hui*) was included in a highly authoritative 1990 directive on foreign policy by Deng Xiaoping.

²⁸Evidence of China's support of Pakistan's nuclear weapons effort during the Mao Zedong period is reviewed in Garver, *Protracted Contest*, pp.324-331. New and authoritative evidence regarding decisions by Deng Xiaoping in 1982 continuing Mao's policy is, Jeffrey Smith, "A nuclear power's act of proliferation," *The Washington Post*, Nov. 13, 2009.

²⁹SIPRI Arms Transfer Database, <http://www.sipri.org>.

The first example of Beijing's low profile approach to its ties with Pakistan was Beijing's failure to pick up a 2006 Pakistani push for that country to serve as China's "trade and energy corridor." During his January visit to Beijing, Pakistani President Pervez Musharraf unveiled the concept of Pakistan serving as a "trade and energy corridor" between western China and the Arabian Sea. He and other Pakistani representatives urged this "corridor" formulation many times over the next year. Speaking to a meeting of senior executives from the All China Federation of Industry and Commerce (ACFIC) in June 2006, for example, Musharraf said his government was working to establish Pakistan as an energy corridor via rail lines, pipelines, and roads linking Gwadar and Kashgar, China. These projects would, Musharraf said, "serve as [the] ninth and tenth wonders of the world. The Karakoum Highway, known as [the] eighth wonder of the world, is also going to be improved to [realize] Pakistan's keen desire to serve as an energy corridor for China."³⁰ At one high-level Pakistan-China forum, one member of the Chinese delegation raised "concerns" about the idea of an "energy corridor." Musharraf responded by calling on China to show some spine:

China is a major power...Where does the pressure of other major powers come from? I do not care about pressure from major powers. I do not care about it. I do not care a damn about it. If Pakistan suffers pressure from certain major powers, I believe China will come forward to help us apply pressure on the other side.³¹

The Indian journalist reporting on the All-China Federation Of Industry & Commerce (ACFIC) forum noted that "Musharraf showed no hesitation in making the above remarks. His answers [...] won applause from the delegations [...] five times." But while a Chinese and Pakistani audience might vent their resentment against India and/or the United States, Chinese decision makers, deliberating in a dispassionate atmosphere, decided it was best to eschew hyperbolic packaging of Sino-Pakistani cooperation. Chinese officials did not endorse or use the concept of a "trade and energy corridor." The Indian journal *Frontline* noted that China was "noticeably quiet" on this Islamabad's "corridor" formulation.³²

But while declining to endorse Musharraf's grand-sounding "energy corridor" concept, Beijing moved quietly forward with the substantive components of that concept. During Hu Jintao's November 2006 visit to Islamabad, the two

³⁰"Musharraf Promises Chinese businessmen to Make Pakistan China's Energy Corridor," *the News (Islamabad)*, June 15, 2006. See also Musharraf's comments to Hu Jintao in Beijing in Feb. 2006, "More on Hu Jintao, Musharraf Beijing Talks on Sino-Pakistan ties, Cooperation," *Xinhua*, Feb. 20, 2006, WNC.

³¹"TKP: Musharraf Vows to Continue Energy Cooperation with PRC," *Ta Kung Pao*, May 5, 2006, WNC.

³²Nirupama Subramanian, "All Weather Friends," *Frontline*, Dec. 8, 2006, <http://www.hinduonnet.com>.

sides signed an agreement for the repair and widening of the Karakoram highway.³³ The two sides also moved forward with planning for a rail line along the same general alignment. China also agreed to set up near Gwadar an oil refinery with annual capacity of 10 million tons.³⁴ China and Pakistan were also able to secure Asian Development Bank (ADB) and World Bank support for improvement of Gwadar-Kashgar links. The same year, the ADB allocated \$1 billion for construction of a “National Trade Corridor” linking Gwadar to the Khunjerab Pass on the Sino-Pakistan border. Mention of a “corridor” by the ADB and World Bank—if not by China—was apparently acceptable. The World Bank allocated \$1.8 billion for the same project. The complete project was to include ports, communications and aviation, and was projected to cost \$6 billion.³⁵

In 2010, Beijing designated Kashgar as China’s sixth Special Economic Zone, confirming on it financial and administrative autonomy such as used by several of China’s east coast cities to fuel extremely rapid economic growth. Beijing’s hope was that Kashgar would become a commercial emporium supplying Chinese goods to Central and Southwest Asia. Deliberate and systematic movement toward robust infrastructure links between China and Pakistan was not a problem for Beijing. Casting those links in a high-profile way was.

The second example of China’s determination to keep a low profile in Sino-Pakistan relations came in April 2011 (several weeks prior to the U.S. raid at Abbottabad that killed Osama bin Laden) when China disassociated itself from a Pakistani scheme that raised the specter of a post-U.S. China-centric security order in South Asia in response to mounting U.S. pressure over Pakistan’s Afghan policy. A very high level Pakistani delegation to Afghanistan in April included the Prime Minister, Army Chief of Staff, head of the Inter-Service Intelligence (ISI), and ministers of interior, finance, and foreign affairs. Against this august background, in a meeting with Afghan President Hamid Karzai, Prime Minister Yosuf Gilani urged that the United States had failed both Afghanistan and Pakistan, and that Afghanistan should forget about permitting a long-term U.S. military presence in Afghanistan. Instead, Afghanistan should work with Pakistan and China to achieve peace in Afghanistan and rebuild that country.³⁶ Xinhua’s coverage of the Pakistani delegations activities made no mention of such a drastic proposal. Xinhua’s coverage questioned specific U.S. policies, including “why Washington is looking for permanent bases [in Afghanistan] if President Obama has announced a phased withdrawal.” Xinhua also quoted Pakistani officials to the effect that both Pakistan and Afghanistan “have deep concerns over a suspected alliance between the United

³³Nirupama Subramanian, “All Weather Friends,” *Ibid.*

³⁴“Musharraf Promises Chinese Businessmen to Make Pakistan China’s Energy Corridor,” *the News (Islamabad)*, June 15, 2006.

³⁵“Pakistan Biweekly Economic Roundup,” Sept. 6, 2006, WNC.

³⁶“Pakistan Urges Afghan Leader to Dump the U.S.,” *Wall Street Journal*, Apr. 27, 2011.

States and India in Afghanistan.”³⁷ But Xinhua said nothing about possible construction of a China-centric, post-U.S. order in Asia. Beijing was quite prepared to air China’s objections to U.S. policy, but avoided framing those objections as part of an attempt to replace the United States in the region.

The third example of Beijing’s low profile approach to Sino-Pakistan cooperation was Beijing’s *de facto* rejection of Islamabad’s threat to establish the People’s Liberation Army Navy (PLAN) at Gwadar. As U.S.-Pakistani relations soured after the Abbottabad raid, Islamabad responded by trying to play China against Washington. Prime Minister Gilani and Defense Minister Chaudhry Mukhtar arrived in Beijing in May about two weeks after the Abbottabad raid. They quickly made public a Pakistani proposal that China take over responsibility for operation of Gwadar port and establish a naval base there. When construction had been completed at Gwadar in 2007, the Singapore Port Authority (SPA) had signed a contract with Pakistan to operate Gwadar for 40 years. The SPA had not been vigorous enough in developing Gwadar, in the view of Gilani and Mukhtar. No new development efforts were undertaken by the SPA and no commercial vessels had called at Gwadar over the previous three years, Mukhtar later told the press.³⁸ “The Chinese government has acceded to Pakistan’s request to take over operation at Gwadar port as soon as the terms of agreement [with the SPA] expire,” Mukhtar said to the press after returning from Beijing. Pakistan suggested that the SPA might be asked to leave quite soon. In explaining the invitation to China, Mukhtar said that a government task force had recommended that the contract with the SPA be cancelled, with Pakistan paying a \$8 to \$10 million penalty for that move. Even more, Pakistan wanted China to “build a naval base for Pakistan” at Gwadar. Further hints of expanded Sino-Pakistan naval cooperation were requests made public during the Gilani-Mukhtar visit: China was asked to supply advanced frigates on a credit basis and to train Pakistani personal in submarine operations.

Beijing quickly squelched the Pakistani proposal. Two days after the Pakistani and international press announced “China agrees to run Gwadar port,” a PRC foreign ministry spokesperson said, “As far as I know this subject was not brought up during the visit last week.”³⁹ The Joint Statement signed at the conclusion of the Gilani-Mukhtar visit made no mention of Gwadar or military cooperation, even though Pakistan had conveyed and China had apparently agreed to several elements of such cooperation during the recent visit.⁴⁰ The joint statement did, however, express the “Hope [that] the international community [i.e., the United States] will strengthen anti-terrorist cooperation with Pakistan and

³⁷“Xinhua analysis: Pakistan, Afghanistan Push for Reconciliation as Ties Warm Up,” Apr. 17, 2011, WNC. “Xinua Roundup: Pakistan, Afghanistan Agree to Improve Bilateral Relations,” Apr. 16, 2011, WNC.

³⁸“Taking Charge: China ready to operate Gwadar Port,” *Express Tribune, with the International Herald Tribune*, May 22, 2011, <http://tribune.com.pk>. “China agrees to run Gwadar port,” *Dawn*, May 22, 2011, <http://dawn.com>.

³⁹“AFP: China Say’s “Unaware” of Proposal,” May 24, 2011, WNC.

⁴⁰“Xinhua: commentary on Unbreakable all-weather China-Pakistan Friendship,” May 21, 2011, WNC.

earnestly respect Pakistan's independence, sovereignty, and territorial integrity." Gilani and Mukhtar had asked China to convey this request to Washington. In effect, Beijing replied to Islamabad's attempt to play the China card against Washington, by declining to be "played," and urging Washington and Islamabad to improve their ties.

The United States: A Benevolent Power Destined to Decline

Beijing's current diplomacy does not at present seek preeminence or hegemony in the SA-IOR. Beijing recognizes that geography means that India will play a greater role in SA-IOR, at least for several more decades. Beijing's current strategy is to gradually and incrementally grow China's influence wherever possible and where the cost is not too high, creating a position upon which later generations of Chinese leaders may build. In a parallel with Beijing's ambiguous attitude toward the Japan-U.S. alliance, Beijing seems to view U.S. preeminence in the SA-IOR as providing a relatively benign environment for the incremental growth of China's influence. Beijing seems to recognize that without the preeminent U.S. influence in SA-IOR, India's apprehension of China's growing position would be harsher, more "anti-China," and Pakistan would be weaker and more isolated. The question of if and when incremental growth under a relatively benign U.S. preeminence will transform into demands for a U.S. exit and Chinese supremacy, has almost certainly been left to later generations of Chinese leaders.

Beijing's sense that U.S. influence in SA-IOR provides a relatively benign environment for the growth of China's influence is seen most clearly in China's management of U.S.-Pakistan conflict. At several critical junctions, Beijing has consistently called for the United States to stay engaged with Pakistan. In 1999-2000 following Pakistan's triggering of the Kargil mini-war, and while President Clinton was planning his path-breaking visit to India in the aftermath of the extremely fruitful India-U.S. talks between Strobe Talbott and Jaswant Singh, Beijing lobbied Washington to keep a degree of "balance" in U.S. ties with India and Pakistan. Clinton should include at least a brief stopover in Pakistan, Beijing urged Washington. A year later when, in the aftermath of the 9/11 attacks, Pakistan was confronted with the stark choice of "with us or against us" imposed by President George W. Bush, Beijing urged Pakistan to cooperate with the United States.⁴¹ Beijing's dislike of such terrorist organizations as al Qaeda was certainly one reason for Beijing's post-9/11 advice to Islamabad. But considerations regarding the South Asian balance of power also weighed heavily in Beijing's calculations. Isolation of Pakistan, U.S. hostility to Pakistan, and perhaps a full-blown U.S.-India alliance, was not in China's interest. Instead, Beijing sought to use U.S. power to China's advantage—to keep Pakistan strong enough to continue to constrain India.

⁴¹Garver, "Restoration of Sino-Indian Comity."

The same pattern of using U.S. power to China's advantage occurred during the October 2001 U.S. invasion of Afghanistan to oust the Taliban regime. During the critical weeks between the 9/11 attacks and during the opening stages of the actual U.S. invasion of Afghanistan, Beijing registered a purely pro-forma objection to the U.S. move, but also recognized that U.S. actions dealt a blow to terrorist organizations that threatened China. Once the Taliban were ousted, Beijing cooperated with the United States and NATO to stabilize and reconstruct post-Taliban Afghanistan, a process led by the United States. By cooperating with the U.S.-led process of Afghan reconstruction, Beijing created a favorable climate for the expansion of Chinese influence—acquisition of the rich copper deposit at Annak southeast of Kabul, for example, or positioning China to build and use a trans-Afghan rail line perhaps linking up with the Iranian-financed line currently ending at Herat in Western Afghanistan.

Yet another example of U.S. influence in the SA-IOR region creating a benign atmosphere for the growth of China's influence is participation by the People's Liberation Army Navy (PLAN) in the multi-national anti-piracy efforts off Somalia in the Gulf of Aden. Two PLAN guided missile frigates joined those anti-piracy efforts in March 2007. This was the first time that PLAN forces deployed for sustained operations in the Indian Ocean and undertook sustained and complex operations in seas at great distance from China. It was the first time PLAN warships had travelled so far accompanied by a refueling tanker but, instead, stopped at ports en-route (in Indonesia and Sri Lanka) to refuel.⁴² These operations greatly increased PLAN understanding of the currents, tides, winds, along with the harbor facilities and administrative authorities around the littoral of the western Indian Ocean.

China exercised great caution in initiating participation in the Gulf of Aden anti-piracy operations. Exploratory proposals in China's media in 2006 were followed by suggestions by Chinese diplomats at the United Nations. These preliminary test signals evoked positive signals from the United States. Beijing then announced its participation, followed by a vigorous media campaign to justify that participation in terms of U.N. Security Council resolutions, Chinese vessels as victims of Somali pirates, and China's commercial interests.⁴³ Despite Beijing's efforts to downplay the significance of China's on-going naval presence in the Western Indian Ocean, Indian Naval reconnaissance aircraft closely tracked, buzzed, and photographed the PLAN warships—although reports that Chinese warships forced an Indian submarine to the surface were apparently false.⁴⁴ The key point:

⁴²"China to Send Convoy Fleet to the Aden Gulf and Sea Off Somali Coast," MFA spokesman, Dec. 22, 2009 <http://www.fmprc.gov.cn>.

⁴³Mingjiang Ji, "China's Gulf of Aden Expedition and maritime Cooperation in East Asia," *China Brief, the Jamestown Foundation*, Jan. 12, 2009, <http://www.jamestown.org>.

⁴⁴Rajat Pandit, "India sub stalked China warships?" *Times of India*, Feb. 5, 2009, <http://article.timesofindia.indiatimes.com>.

the U.S. in effect served as gatekeeper for those operations, and once Washington agreed to PLAN participation, India was not well placed to veto it.

A similar U.S. gate-keeping role in Nepal, Afghanistan, Bangladesh and other SA-IOR countries mitigates Indian reaction to China's growing influence in those countries. U.S. ideas of openness and rejection of spheres of influence, plus equality of opportunity legitimize the growth of China's cooperation with those countries. India is deeply apprehensive about China's growing presence and influence in areas that India has traditionally viewed as its security zone. The substance of that old Indian security zone is being rapidly eroded by China's advances, but Beijing is able to point to norms upheld by the United States to demonstrate the unreasonableness of Indian charges of "creeping encirclement."

There seems to be a rough parallel between China's attitude toward U.S. preeminence in the Western Pacific and the Indian Ocean region. In the Western Pacific, China resents and occasionally condemns the U.S. military presence, but also recognizes that without that presence China could well confront a more militarily self-reliant, capable, and assertive Japan. The situation in the Indian Ocean is different, but in both areas it seems that Beijing has decided to grow its influence under the umbrella of a relatively benign U.S. preeminence. Of course, Beijing must work to ensure that Washington does not injure China's interests and remains open to the gradual, incremental expansion of Chinese influence in both regions.

China's effort to grow its influence under the relatively benign influence of U.S. preeminence fundamentally derives from a Chinese decision, made circa 1978 under Deng Xiaoping's tutelage, to avoid confrontation with the United States if at all possible, for the sake of creating a favorable macro-climate for China's multi-decade drive for economic development. That strategic decision precluded a drive to overturn U.S. preeminence in the Pacific or the Indian Ocean regions, but it also meant that China could expect a relatively benign U.S. attitude toward China's efforts to expand its interests under continuing U.S. preeminence. In a way, the current pattern of Sino-U.S. interaction over China's growing role in SA-IOR is an effort at mutual accommodation between a rising and an incumbent paramount power.

One assumption underpinning China's diplomacy is that the world is moving rapidly and inexorably toward a condition of multi-polarity in which the sway of the United States will be much reduced and the role of several other now-rising powers will be substantially enhanced. Chinese analysts have periodically debated just how soon the United States will decline, with the voice of caution urging that U.S. power may linger for some time yet. But the official position is that the United States will, sooner or later, decline.

It is interesting to speculate what SA-IOR might look like if and when the era of multi-polarity arrives and the United States withdraws from that region. If China's multi-dimensional, friendly cooperative ties with countries of that region have continued to expand over several decades prior to the U.S. withdrawal, China's

position could be quite strong. China could, in fact, be the key economic and security partner of many SA-IOR countries: Bangladesh, Sri Lanka, Myanmar, perhaps even Nepal, certainly Pakistan. The advantages of geographic centrality that India once enjoyed could be substantially diminished by modern transportation links between West and Southwest China and the SA-IOR, powerful PLAN naval and air forces were constantly patrolling the Indian Ocean, perhaps comprising the most potent naval force there. India would confront a dilemma. On the one hand, it could struggle to reverse China's dominant position in SA-IOR. But with the United States gone and India surrounded by pro-Chinese states, and with Chinese military forces more powerful than India's, the path of defying China might not be attractive. On the one hand, India could seek accommodation within a new Chinese order. In such a case, India would want China's cooperation in dealing with various security issues. Beijing's skillful diplomats would probably work out an honorable and face-saving position for India, as China's junior partner, in running a post-pax-Americana, pax-Sinica, Asia. India could be given face by proclaiming *Pancha Sheela*, (five principles for realizing the divinity in man) of which India proudly claims heritage, as a core spiritual component of pax-Sinica. Indians might find life comfortable living under China's protection.

What would all this mean for the United States? A solid and traditional statement of U.S. interest in Asia has been, in the words of a 1995 statement of U.S. East Asian security strategy, "prevention of the rise of any hegemonic power or coalition" or, in the words of a 1990 statement, "maintaining the balance of power to prevent the rise of any regional hegemony."⁴⁵ Yet against this anti-hegemony objective is balanced an attempt to accommodate China. As a 2006 U.S. strategy statement put it: "China's leaders proclaim that they have made a decision to walk the transformative path of peaceful development. If China keeps this commitment, the United States will welcome the emergence of a China that is peaceful and prosperous and that cooperates with us to address common challenges and mutual interests."⁴⁶ Put together these two equal a *de facto* bargain between Washington and Beijing: Beijing accepts continuing U.S. preeminence in the SA-IOR in exchange for U.S. acceptance of a gradual, incremental, and peaceful expansion of Chinese presence and influence in that region.

Does this *de facto* bargain undermine the fundamental geopolitical interest of the United States in preventing Chinese hegemony over SA-IOR? Perhaps. Yet it is difficult to see what policy might better serve the United States. Could the United States use its influence, possibly in concert with India, to prevent or undermine China's advances in the SA-IOR? Indian opinion, lulled perhaps by Beijing's

⁴⁵*United States Security Strategy for the East Asia-Pacific Region*, Feb. 1995, Department of Defense, Office of International Security Affairs. *A Strategic Framework for the Asian Pacific Rim; Report to Congress, Looking Toward the 21st Century*, Apr. 1990, The White House.

⁴⁶*The National Security Strategy of the United States of America*, Mar. 2006, Office of the President of the United States.

aspirational statements and declarations of amity, is not ready for such a partnership. Nor would the countries of SA-IOR welcome such an approach. Beijing could mobilize those countries against a U.S. effort to wage a “new cold war” in their region. And at the end of such a course could well be a struggle between China and the United States for world preeminence. Such a confrontation should certainly be avoided if at all possible.

