

ISSN 0971-9318

HIMALAYAN AND CENTRAL ASIAN STUDIES

(JOURNAL OF HIMALAYAN RESEARCH AND CULTURAL FOUNDATION)

NGO in Special Consultative Status with ECOSOC, United Nations

Vol. 17 No. 3-4

July-December 2013

POLITICAL CHANGE IN CHINA AND THE NEW
5TH GENERATION LEADERSHIP

Michael Dillon

FINANCIAL DIPLOMACY: THE INTERNATIONALIZATION
OF THE CHINESE YUAN

Ivanka Petkova

UNDERSTANDING CHINA'S POLICY AND INTENTIONS
TOWARDS THE SCO

Michael Fredholm

CYBER WARFARE: CHINA'S ROLE AND CHALLENGE
TO THE UNITED STATES

Arun Warikoo

INDIA AND CHINA: CONTEMPORARY ISSUES AND CHALLENGES

B.R. Deepak

THE DEPSANG STANDOFF AT THE INDIA-CHINA
BORDER ALONG THE LAC: VIEW FROM LADAKH

Deldan Kunzes Angmo Nyachu

CHINA- MYANMAR: NO MORE PAUK PHAWS?

Rahul Mishra

PAKISTAN-CHINA RELATIONS: A CASE STUDY OF
ALL-WEATHER FRIENDSHIP

Ashish Shukla

AFGHANISTAN-CHINA RELATIONS: 1955-2012

Mohammad Mansoor Ehsan

HIMALAYAN AND CENTRAL ASIAN STUDIES

Guest Editor : MONDIRA DUTTA

© Himalayan Research and Cultural Foundation, New Delhi.

- * All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted by any means, electrical, mechanical or otherwise without first seeking the written permission of the publisher or due acknowledgement.
- * The views expressed in this Journal are those of the authors and do not necessarily represent the opinions or policies of the Himalayan Research and Cultural Foundation.

SUBSCRIPTION			
IN INDIA			
Single Copy (Individual)	:	Rs.	500.00
Annual (Individual)	:	Rs.	1000.00
Institutions & Libraries (Annual)	:	Rs.	1400.00
OVERSEAS (AIRMAIL)			
Single Copy	:	US \$	30.00
		UK £	20.00
Annual (Individual)	:	US \$	60.00
		UK £	40.00
Institutions & Libraries (Annual)	:	US \$	100.00
		UK £	70.00

Himalayan and Central Asian Studies
is included within the *ProQuest* products

Himalayan and Central Asian Studies
is included and abstracted in *Worldwide Political Science*
Abstracts and *PAIS International*, CSA, USA

*Subscriptions should be sent by crossed cheque or bank draft in favour of **HIMALAYAN RESEARCH AND CULTURAL FOUNDATION**, B-6/86, Safdarjung Enclave, New Delhi - 110029 (India)*

Printed and published by Prof. K. Warikoo on behalf of the Himalayan Research and Cultural Foundation, B-6/86, Safdarjung Enclave, New Delhi-110029. Distributed by Anamika Publishers & Distributors (P) Ltd, 4697/3, 21-A, Ansari Road, Daryaganj, New Delhi-110002. Printed at Nagri Printers, Delhi-110032.

EDITORIAL ADVISORY BOARD

Lt. Gen. (Rtd.) Hridaya Kaul
New Delhi (India)

Prof. Harish Kapur
Professor Emeritus
Graduate Institute of
International Studies
Geneva (Switzerland)

Prof. Vitaly Naumkin
Director
Institute of Oriental Studies
Moscow (Russia)

Prof. Devendra Kaushik
Gurgaon, Haryana (India)

Dr. Lokesh Chandra
Director
International Academy of
Indian Culture
New Delhi (India)

Prof. Priyankar Upadhyaya
Director
Malaviya Centre for Peace
Research
Banaras Hindu University
Varanasi (India)

Prof. Kh. Umarov
Head, Institute of Economy
and Development
Tajik Academy of Sciences
Dushanbe, Tajikistan

Dr. Sanjyot Mehendale
Executive Director
Caucasus and Central Asia Program
University of California
Berkeley, USA

Prof. R. S. Yadav
Chairman
Department of Political Science
Kurukshetra University
Kurukshetra
Haryana (India)

Prof. T.S. Sarao
Head
Department of Buddhist Studies
University of Delhi
Delhi (India)

CONTRIBUTORS

Prof. Mondira Dutta is Chairperson, Centre for Inner Asian Studies, Jawaharlal Nehru University, Delhi.

Dr. Michael Dillon was founding Director, Centre for Contemporary Chinese Studies, University of Durham, UK. Currently he is Consultant, Europe China Research and Advice Network (ECRAN), based at the Royal Institute of International Affairs, London.

Late Dr. Ivanka D. Petkova was Deputy Dean, Technical University, Sofia, Bulgaria.

Dr. Michael Fredholm who is associated with the Stockholm International Program for Central Asian Studies (SIPCAS), is an historian and defence analyst who has written extensively on the history, defence strategies, security policies, and energy sector developments of Eurasia. His recent books include *The Shanghai Cooperation Organization and Eurasian Geopolitics* (Copenhagen: NIAS Press, 2013).

Arun Warikoo is a cyber security specialist based in the United States. His areas of research include cyber security and security metrics.

Manuel Rocha-Pino is associated with Autonomous University of Barcelona, Spain.

Dr. K. Warikoo is Professor of Central Asian Studies, School of International Studies, Jawaharlal Nehru University, New Delhi.

Dr. B.R. Deepak is Professor of Chinese and China Studies and Chairperson, Centre of Chinese and Southeast Asian Studies, Jawaharlal Nehru University. He has been Asia and Nehru Fellow, Chinese Academy of Social Sciences, China.

Dr. Baatr U. Kitinov is Associate Professor, Peoples' Friendship University of Russia, Moscow, Russia.

Dr. Amit Ranjan is Research Fellow, Indian Council of World Affairs, New Delhi.

Deldan Kunzes Angmo Nyachu born in Leh, Ladakh is a doctoral research scholar in the School of International Studies, Jawaharlal Nehru University, New Delhi.

Dr Rahul Mishra is a Research Fellow, Indian Council of World Affairs, New Delhi. Earlier he was associated with Institute for Defence Studies & Analyses, New Delhi for four years. In 2012-13, Dr Mishra was a Visiting Fellow at S. Rajaratnam School of International Studies, Nanyang Technological University (Singapore). In 2011, Dr Mishra was affiliated with National University of Singapore (Singapore) as a Visiting Fellow.

Ashish Shukla is an ICSSR Doctoral Fellow at the Centre for South Asian Studies, Jawaharlal Nehru University, New Delhi. He is the author of *Deadly Connection: The Cost of Becoming a Frontline State* (Delhi, Vijaya Books, 2013).

Mohammad Mansoor Ehsan of Afghanistan is a doctoral research scholar in the School of International Studies, Jawaharlal Nehru University, New Delhi.

Said Reza 'Huseini' is a research scholar at Department of History, Jawaharlal Nehru University, New Delhi.

HIMALAYAN AND CENTRAL ASIAN STUDIES

Vol. 17 No. 3-4

July-December 2013

CONTENTS

Editor's Page		1-4
Political change in China and the new 5 th Generation Leadership	<i>Michael Dillon</i>	5-22
Financial Diplomacy: The Internationalization of the Chinese Yuan	<i>Ivanka Petkova</i>	23-37
Understanding China's Policy and Intentions towards the SCO	<i>Michael Fredholm</i>	38-60
Cyber Warfare: China's Role and Challenge to the United States	<i>Arun Warikoo</i>	61-71
The China-European Union Strategic Partnership and the Shanghai Cooperation Organization	<i>Manuel Rocha-Pino</i>	72-94
Central Asia - China Cooperation: Lessons for India	<i>K. Warikoo</i>	95-109
India and China: Contemporary Issues and Challenges	<i>B.R. Deepak</i>	110-132
India, China and Russia: Civilizational Links over Political Processes	<i>Baatr U. Kitinov</i>	133-149
India-China Strategic Rivalry: Has the Dragon Replaced the Elephant in South Asia?	<i>Amit Ranjan</i>	150-170
The Depsang Standoff at the India-China Border along the LAC: View from Ladakh	<i>Deldan Kunzes</i> <i>Angmo Nyachu</i>	171-182
China- Myanmar: No More Pauk Phaws?	<i>Rahul Mishra</i>	184-205
Pakistan-China Relations: A Case Study of All-Weather Friendship	<i>Ashish Shukla</i>	206-229
Afghanistan-China Relations: 1955-2012	<i>Mohammad</i> <i>Mansoor Ehsan</i>	230-250
Medieval Tibet in Perso-Islamic Sources	<i>Said Reza 'Huseini'</i>	251-283

Editor's Page

While China is rising as a major international power eager to assume and assert a bigger role in world affairs, Chinese leadership is attaching equal rather even more importance to address domestic concerns simultaneously with the expansion and consolidation of its infrastructure, industry, economy, science, technology, education and health sectors. Social cohesion, national unity, political stability, sustainable development, energy security, financial stability, containing price rise, employment, better education and health services and ecological protection are on the constant agenda of the Chinese leadership. New approach is to turn Chinese economic growth from quantity based to quality oriented development by promoting indigenous scientific and technological innovations. While retaining its basic structure, functions and doctrines the Chinese Communist Party is adapting to the new social, economic and political realities to meet the challenges of modernization and globalization. The Chinese are acutely conscious of their history and importance as a major power and they never let their country's interests down, with Han nationalism binding the nation together.

China has efficient, organized, disciplined, committed, innovative, enterprising and educated work force, ever eager to remain ahead of time. China overtook Japan to become the world's second largest economy having recorded a GDP of 5,365 billion US dollars in the year 2010 (Japan recorded GDP of 5,273 billion US dollars), though its per capita income of about 3,800 US dollars is still way behind Japan and USA. China emerged as world's top exporter of manufactured goods and by organizing Shanghai World Expo-2010, China showcased its economic prowess to the outside world. China has become 3rd country after USA and Russia to have developed *Beidou*-independent satellite navigation system, which will be China's eye from the space over the globe. This satellite covers Asia and Pacific and seeks to cover the entire world by 2020. China is investing 700 billion yuan for building 13, 000 kms high speed rail network from north to south and east to west China, so that it would take only five hours to travel from Beijing to Shanghai or Beijing to Guangzhou.

Notwithstanding all round and fast development of infrastructure-

highways, railways, airports, buildings, industries etc there are some issues which are cause of concern to the Chinese government.

Continued inter-ethnic conflict in Xinjiang and Tibet and the questioning of Chinese sovereignty by ethnic-religious minorities in these regions is seen as a major challenge to the nation-building process in China. Chinese scholars now advocate reconsideration of Chinese nationalities policy, which they believe is based on the Soviet (Marxist-Leninist) theory of nationalities and which proved a failure with the disintegration of the former USSR. They argue that the Chinese Communist Party (CCP) adopted the Soviet nationalities policy, recognizing various ethnic groups of China as nationalities. Following the erstwhile Soviet Union, which was established as a multi-national federation of various nationalities controlled by Moscow, "China launched a campaign in the 1950s that recognized 56 nationalities having common territory, language, economic mode and culture," and established various autonomous regions. However, the China model does not offer the formal right of political secession to its nationalities, as was provided in theory by the Soviet model. Chinese scholars believe that the special policies and concessions in terms of family planning programmes, university admissions, administrative positions in autonomous areas and dual school system for local minorities favouring ethnic minorities in China, are the roots of ethnic conflicts today as these have only "strengthened and politicized minority group identity"

Increasing gap between rich and the poor has even led to criminal attacks by some persons, in some areas. Prices of houses/apartments have soared, making them unaffordable for the common man. And every Chinese craves to have his/her own house to live. Now the government has introduced several steps including levying high tax on the buyer of a second house, regulating real estate market/agents, etc. to bring property prices under control.

Stress level among the young educated class is increasing to high level due to unemployment, high competition due to leaser opportunities for large number of candidates, overwork in companies, low wages, hire and fire policies in companies and private sector, job insecurity etc. There is high level of pollution due to excessive industrialization and large number of automobiles. The government has taken measures to close few hundred old industries having outdated technology, which cause pollution, and introducing electric/battery run cars. Whereas there

is drought situation in Yunnan, there have been excessive rains in southern China. At the same time, desertification of cultivable lands is taking place.

Large number of China's youth aspire to go abroad to USA/Western countries for study and jobs. Thus a sizeable proportion of China's youth is getting exposed to Western system of liberal democracy, human rights standards and education. In the year 2010, number of Chinese appearing for common national entrance test for college, dropped by 20%, which number is believed to be seeking admissions in foreign countries. It will be interesting to see, how these young Chinese adjust to the Chinese style of government, after they return to their homeland.

Both India and China are major developing powers in the region. However, PLA's doctrine of "Forward Defence" backed by its modernized armed forces, border infrastructure and clear headed political direction by the Chinese leadership calls for a well defined and calibrated Indian response to Chinese activism both at the political, diplomatic and economic levels.

Whereas the new practice of separate stapled issuing Chinese visa to Indian nationals from the Indian states of Jammu & Kashmir and Arunachal Pradesh by the Chinese Embassy in Delhi remains an unnecessary irritant in bilateral relations, recent incidents of Chinese incursions in Ladakh and provocations across the Line of Actual Control (LAC) call for review of Indian strategies in the Himalayan frontiers. Synergy of strong Indian political will, diplomatic prowess, technological advancements and military capabilities is necessary to meet the challenge from China. The basic principle of not disturbing the settled populations in the border areas, which was laid down by the India-China joint working group to resolve the border dispute and was agreed to by Chinese Prime Minister Wen Jibao and Indian Prime Minister Man Mohan Singh, provides a reasonable framework for the resolution of long standing border dispute. Similarly the issue of huge trade imbalance of over 20 billion US dollars in favour of China out of about 60 billion dollars trade turnover in the year 2012 needs to be sorted out to put the India-China economic relations on a sound and sustainable footing.

There is need to strengthen cultural linkages between India and China, encouraging Chinese youth to study in India by offering fellowships etc., exchange of academics, cultural personalities, artists etc. on a reciprocal basis, in order to promote mutual understanding at the grass roots.

At the same time, India needs to take concerted steps to develop border road infrastructure in Ladakh. This becomes necessary for taking the next step of asking China to open Ladakh-Demchok route for border trade with China in the same manner as was done at Nathu La in Sikkim some time back. Opening of Indian route to Xinjiang via Ladakh will not only be a big CBM, but will also provide India overland access to Central Asia through Xinjiang.

POLITICAL CHANGE IN CHINA AND THE NEW 5TH GENERATION LEADERSHIP

MICHAEL DILLON

INTRODUCTION

The formal inauguration of a new 'fifth generation' leadership in Beijing between November 2012 and March 2013 has predictably excited speculation about the possibility of reforming China's political system.¹ Radical or fundamental political change in China in the near future is by no means inevitable but it is unlikely that the Chinese Communist Party's 62 year-old monopoly of government can remain unchanged indefinitely in the wake of the extraordinary pace of the country's economic development. New social forces are arising and they have new attitudes, needs and demands which are not being adequately met by the existing institutions. Neither can their demands be channelled through independent organisations as the CCP is not willing to permit the establishment of pressure groups that it does not control.

The current leadership of the Chinese Communist Party (CCP) is determined that any future political change will be under its control as it has been almost entirely since 1949. Central control by the party collapsed briefly in the early stages of the Cultural Revolution (1966-8) but this was rapidly remedied by military intervention and the reconstruction of the CCP in 1969. Since the death of Mao Zedong in 1976, and especially since the formal retirement of Deng Xiaoping in 1992, changes in the leadership have become increasingly institutionalised and the risks and conflict associated with the uncertainty of succession appears to be a thing of the past.² The process of selecting the new top leadership, which under the current procedures takes place

once every decade, is still opaque and restricted to the inner circle of the CCP's Politburo and Organisation Department. However, the results of these arcane deliberations are now publicised well in advance – 5 years in the normal course of events. The names of those chosen for the combined Presidency and Party General Secretary (Xi Jinping) and the Premiership (Li Keqiang) have been a matter of public record for some time. Xi and Li, like previous successful candidates, are usually relatively unknown outside of China but as they are drawn from the pool of provincial governors and party secretaries they are known both within the CCP and also to the wider public. One key factor in this selection process is a determination to avoid appointing one dominant individual (another Mao or even another Deng). As a result the leadership may appear to be weak and lacklustre.

On the assumption that there must be some change in the political landscape, the key question for China's future is whether this change can be confined within the 80 million-strong party (with reserves of 75 million in the Communist Youth League) or whether non-party organisations will be permitted to play a more active role in openly determining state policies. In any case, whether or not independent organisations or individuals are allowed a role in politics, the CCP will play the leading role for the foreseeable future, barring unexpected and cataclysmic changes. As a body of 80 million members it is clearly not a monolith. Factional differences and conflicts between factions are key drivers in the development of policy, yet there is no open acknowledgement that these factions even exist. They are not, it should be stressed, factions in the sense of open groups that have distinctive political platforms and manifestos or that operate on the basis of loyalty to individuals as in either the Western or the Japanese models; it is more accurate to regard them as patronage groups based on regions or influential organisations such as the Communist Youth League.

By the mid-1960s, the conflict within the CCP - simplified in the official discourse as the 'struggle between the two lines' - appeared to have come to an end in the Cultural Revolution which marked the victory of Mao and his radical populist policies over the organisation-based policies of Liu Shaoqi and Deng Xiaoping. Liu and Deng continued to follow a strategy that was based, broadly speaking, on the Soviet model of party-government relations. These two camps were often characterised in the West as 'Maoist' and 'bureaucratic' or 'extremist' and 'moderate' but the divisions within the party were more complicated than that. Since

the death of Mao in 1976 and the move towards a more open economic system, discussions about the history of the party have also opened up; the role of reform-minded individuals, most of whom were defeated politically by Mao, is being re-examined. Zhou Enlai, whose position is always difficult to characterise, was the first significant individual in this category after the foundation of the People's Republic of China (PRC). Unlike many of the leadership who were regarded as open-minded if not liberal, he was not defeated by Mao and is often accused of excessive compromise.

After Zhou's death in January 1976 his heritage was continued, not by Deng Xiaoping who for all his enthusiasm for economic reform was a political conservative in terms of modernising the Communist Party, but by Hu Yaobang, Zhao Ziyang and Wen Jiabao. It would not be accurate to describe these people as 'liberal' or even 'pro-democracy' but they do personify a current within the CCP that has been willing to take seriously the need for some degree of political reform. This reformist current has been gaining ground slowly since the end of Cultural Revolution but after the forced retirement of Hu Yaobang in 1987 when he was accused of being too soft with student demonstrators against corruption, many senior political figures who are suspected of having a 'liberal' outlook have been reluctant to identify too closely or too publicly with this current.³

Access to the higher positions within the CCP and the government is achieved through a combination of bureaucratic progression and personal connections. The process is opaque but certain aspects can be determined with a degree of clarity. Appointments to leadership positions are made initially on the basis of an individual's place in the hierarchy of the *nomenklatura* [*zhiwu mingcheng biao*]. As this name suggests it is a system emulating the structure that existed in the Communist Party of the former Soviet Union and it is managed by the CCP's Organisation Department.⁴ Individuals rise in status and authority on the basis of their rank and by the availability of positions but their progress is modified by personal, historical or factional connections, and these can either increase or reduce chances of promotion. At the apex of the political structure the most successful political leaders will have ascended through an ascending spiral of successive rotations between central and provincial party and government appointments. This system has in general been effective in ensuring that promoted officials conform at least outwardly to the prevailing norms and values of the CCP.

18TH CCP CONGRESS AND POLITICAL REFORM IN CHINA

In spite of the conservative bias of the official selection procedures, political reform still remains an aspiration even among senior political figures. However much of the discourse on the possibility of reform, both within China and externally, is based on wishful thinking, the desirability or moral necessity of reform, or the inevitability of reform as a consequence of economic reform and attendant social change – particularly the emergence of a commercial middle class who, it is argued, are bound to demand more political influence. None of this has happened so far except that the interests of the wealthiest section of the business class have, to a limited extent, been incorporated within the CCP. A hard-headed and realistic approach that asks what is possible and likely in the present circumstances is essential. The timescale of possible political change is also problematic. Although it is unlikely that the structure of the political system will remain precisely as it is at present, change is unlikely to happen swiftly and is not easily predictable. There are powerful forces, both within the Chinese Communist Party and outside it, that are pressing for reform and equally powerful forces opposing change. The leadership changes of 2012-13 have introduced a new generation of leaders, including members of the new Politburo Standing Committee, whose public position on reform is unclear: some are privately thought to be sympathetic to democratic reforms in a general sense but are not committed to it in public.

Precisely what is meant when political reform is discussed in China is also rather vague; this lack of clarity is not accidental. When senior leaders make routine pronouncements about political reform these are usually taken to refer to restructuring of the voting system within the CCP and making it more transparent. There is no suggestion that they are advocating a multi-party system or a diminution of the authority of the CCP. Subtle arguments in favour of radical political reform have been advanced in recent years and these were encouraged by Premier Wen Jiabao, who was the most outspoken member of the previous leadership on this sensitive topic.

China is embarking on a political transformation that is potentially more perilous than anything that has taken place since Deng Xiaoping opened up the economy in 1978. The 5th generation leadership has now emerged following the 18th National Congress of the Chinese Communist Party in the autumn of 2012 and the quasi-parliamentary National People's Congress in spring 2012. This was planned as a smooth transition

with Xi Jinping and Li Keqiang replacing Hu Jintao and Wen Jiabao respectively in the top party and government posts and a continuation of the policies of 'peaceful rise' and a 'harmonious society' that have been promoted by Hu and Wen. Well-informed Chinese commentators, writing in the Hong Kong Chinese-language press and in books which are not routinely consulted by most Western commentators, have insisted for years that the process was anything but smooth and have detected, in the words of the title of one book, 'the smell of cordite before the 18th Party Congress'.⁵

The unexpected scandal around Bo Xilai confirmed that analysis in a most dramatic way. Bo used his reputation as a crime-busting CCP Secretary of the southwestern city of Chongqing and invoked nostalgia for the Mao years to campaign for a senior role in the new leadership. Some commentators predicted that he was even a serious candidate for the post of Premier. His spectacular fall from grace in March 2012, the conviction of his wife, Gu Kailai, on 19 August 2012 for the murder of a British businessman, and the trial of his police chief Wan Lijun for corruption and abuse of power shook the entire Chinese political establishment. At the time of writing Bo has been stripped of all his political posts but has not yet been brought to trial.

Beneath the veneer of a smooth transition to the new generation lies a web of conflict between factions (regional and institutional patronage groups) and between party conservatives and supporters of political reform. There was an unusual delay in announcing the precise dates of the 18th party congress: it was expected to take place in October or early November 2012 (although cautious official announcements only mentioned 'the second half of the year'). Preliminary local party congresses went ahead as normal but there were persistent rumours that, in the wake of the Bo Xilai crisis, the leadership was having difficulty finalising its agenda and its slate of candidates for the national congress and in particular for the Politburo Standing Committee. In the end the delay was managed and the congress took place on 8 November 2012, only a little later than had been anticipated.

The transformation that began with this congress does not just affect the Chinese leadership and the people of China. China today commands respect as a global power with unprecedented financial leverage and Beijing is increasingly involved in decisions made by the international political community. The nature of the new leadership, its policy agenda and the impact of the transition on the economy and society of China

cannot be ignored by outsiders. The most powerful Chinese corporations are tied so closely to the leadership of the CCP that any major political change is likely to affect them and their business with the West. These developments matter to government, NGOs and other international policy makers, international business, tourists and even consumers in the West who rely on a supply of cheap consumer goods from China. To assume that China will continue as it has for the past twenty years is unwise and could be costly.

Political insiders and Chinese commentators acknowledge that the country faces serious challenges from widespread and serious rural protests. The CCP is divided on its future direction and reformers who have been silenced for decades are arguing forcibly that profound political restructuring is essential if the party is to remain in power. For some reformers the choices are stark – reform from within or revolution from below.

China is not yet post-Communist - as ill-informed commentators often suggest - and there is no immediate prospect of this happening. Although the position of the Chinese Communist Party is not impregnable there is no realistic alternative and successive leaderships have demonstrated their determination that it should remain in power in perpetuity. Of course the Chinese Communist Party (CCP) today is not the same as the CCP under Mao in the Great Leap Forward of 1958 or the Cultural Revolution of the 1960s; neither is it the guerrilla force of the War of Resistance against Japan in the 1930s and 1940s or the urban intellectual movement of its founding period in the 1920s. The name may have remained constant but the reality behind that name has not, even though the images of these past incarnations of the party are alive in the collective consciousness and more concretely in contemporary culture, especially films, literature and museums.

The leadership of the CCP and other members of China's elite today are deeply conscious of the political legacy of the party and how much they owe to their forebears for their present positions of power and influence. Memories of the history of the party and the nation (which are often conflated although they are far from identical) play a significant role in maintaining the status quo, the authority of the CCP and notions of the identity of China and the Chinese. These memories and the way that they are managed is partial and highly selective and the process of selection is influenced by political considerations and intellectual fashion.

There is a disturbing tendency in the popular perception of China's

modern history in the West as well as in China, a tendency encouraged by some writers and historians who should know better, simply to blame Mao for everything and even to assume that China had no problems until he came to power in 1949. *Après Mao le deluge* might be appealing but it is also simplistic and dangerous. It is true that China has struggled to define its identity since the death of Mao. The CCP retains supreme power but is riven by internal factional conflict and confusion about its ideology. All agree on the need for modernisation but there is still strong resistance to China becoming westernised, a struggle that has been going on since the mid-19th century, although that process seems inexorable. China's political attitudes today are underscored by memories of 'national humiliation' at the hands of Western powers and the Japanese before 1949; this has resulted in the emergence of a new-style patriotism and nationalism which has to a large extent replaced Marxism-Leninism in the popular discourse. China is determined to exercise its right to a wider role in world affairs which it was denied for decades. There is an informal social contract between the Chinese Communist Party and the Chinese people: the party will deliver economic prosperity and the stability necessary for prosperity but in return it demands political docility from the population. This contract is not universally accepted and there has been a continuing struggle between advocates of democracy and authoritarianism both inside and outside the party. The legacy of the democracy movement and its suppression in and around Tian'anmen Square on 4 June 1989 still haunts the political discourse in the party and the military.

WHY THERE WAS NO 'JASMINE REVOLUTION' IN CHINA

The new system for selecting the leadership, introduced in 2002, was intended to institutionalise political stability and the smooth transition from one generation to the next. Hu Jintao and Wen Jiabao, who emerged as President and Premier under this system, had contrasting political styles and personalities but functioned effectively as a team. China's 'peaceful development', 'harmonious society' and 'scientific development' were promoted as Hu Jintao's core values and the legacy of that leadership will be judged on how far these have been achieved. Under Hu and Wen there was more openness but no real progress towards reform or democracy. Corruption remains a key issue: this is acknowledged by the party leadership and anti-corruption measures

are a major part of the challenge faced by the new leadership of Xi Jinping and Li Keqiang.

Given the problems that China faces, many Western commentators assumed that the 'jasmine revolution' that engulfed much of the Middle East and North Africa from 2010 would spread to China. The 'jasmine revolution' never happened in China and it was never likely to. Even so, after internet demands by some overseas champions of democracy in China that citizens of the PRC should emulate the movement that was spreading across the Middle East, the Chinese security apparatus launched a comprehensive clampdown on dissidents, activists and independent-minded lawyers. Chinese security specialists and the democracy activists outside China have both been looking in the wrong direction – revolutions begin at home.

In the popular imagination, the 'jasmine revolution' was a wave of democratic sentiment that swept across the Middle East as the young interacted furiously on Twitter, Facebook and other social networking systems: this is only part of the story. The alternative names for the movement, the Arab Spring or the Arab 1989 are closer to the truth. It was (and remains) essentially an intellectual and political movement of the Arab Middle East and North Africa which galvanised the young and the not-so-young. It hardly touched Turkey at all although the demonstrations in Taksim Square in Istanbul that began in May 2013 have many features in common, and political activism and repression in Iran continued on a parallel but separate course. Mobile telephones and social networks played a key role but so did the satellite TV networks, *Al Jazeera* and *Al Arabiyya*, Arabic language broadcasters based in the Gulf that fed constant news and comment about the uprising to the Arabic speaking world. What connected the protesters in countries as diverse as Tunisia, Egypt, Libya, Morocco, Bahrain, Syria and Yemen was the Arabic language and a shared Arab Muslim culture as well as a loathing of the personal dictatorships that all lived under.

None of this was relevant to the majority of the population of China. Arabic is virtually unknown in the People's Republic, outside a small circle of specialists and some imams in the Muslim community who are able to read the language of the Qur'an. English language reports and summaries did filter through to China, in spite of heavy censorship, but Chinese language media outlets (almost entirely under government control) either avoided what is a highly sensitive issue or were blocked from publishing.

Whatever its faults, and they are legion, China is not ruled by a personal dictatorship. It is an authoritarian one-party state that suppresses dissent whenever it appears to threaten the authority of the Chinese Communist Party (CCP), but it does not have a single despot at its head. Does this mean that China is immune from the popular protest that has swept the Arab world? Not at all, but the history of protests in China are not the same as those in the Middle East and neither are the issues. Over the past few decades the Chinese authorities have publicly acknowledged well over 100,000 'mass incidents', as outbreaks of civil disorder are termed. These have erupted all over China but the majority have been reported in the rapidly developing south and east of the country. In the 1990s the unrest was predominantly the result of farmers protesting against an unpopular agricultural tax, but in the 21st century the disputes have almost all been related to the seizure of farming land for industrial or residential developments with little or no compensation, and often involving corrupt local government and police officers.

These protests have mainly been in the regions where the Han Chinese population is in the overwhelming majority but there have also been outbreaks of dissent and resistance in the non-Chinese frontier areas, notably Tibet in 2008 and Xinjiang in 2009 and also more recently. In May and June 2011, the death of a Mongolian herdsman, protesting against the impact of mining on his community and the environment, sparked off rare disturbances in the normally quiescent border region of Inner Mongolia. Pro-democracy demonstrations in China's major cities have been rare since the 4 June 1989 suppression of the Democracy Movement in Beijing, but in April and May 2011 there was unrest in the capital after the decision of the unofficial evangelical Shouwang Church to hold services in the open air after being evicted from its premises on the instructions of the city government.

While the authorities have accepted that the rural disturbances are a purely domestic issue (but still hazardous as they cannot forget that the origins of the CCP's rise to power were in the peasant movement of the 1930s and 1940s), the same cannot be said for protests in the minority areas or in the major cities. Protests by Tibetans, Xinjiang Uyghurs and Mongols have all triggered official warnings about outside interference; the leadership in Beijing finds it difficult to believe that there could be any faults in their policies of *minzu da tuanjie* (great unity of ethnic groups). Similarly the growth of independent churches has drawn criticism and repression on the grounds that they are effectively the

agents of a foreign power (the Vatican, the USA or South Korea) operating to undermine the authority of the CCP.

In the wake of the 'jasmine revolution', some Chinese émigré organisations and their supporters (possibly with the assistance or interference of foreign intelligence services) began to circulate on-line demands that Chinese citizens should follow the Arab world and call for an end to the dictatorship of the CCP. This had virtually no impact on the Chinese population, apart from a few unfortunate individuals who turned up for non-existent demonstrations and were promptly hustled off by plain-clothes police and state security officers. However, it did have a profound effect on the security services and government. Fearing that the usual 'hostile, foreign forces' were behind these demands, they launched a clampdown on the media and detained prominent and less prominent dissidents and independent lawyers, creating an atmosphere of paranoia.

Both the security apparatus and those outside China who are trying to promote democratic change in the country are looking in the wrong direction. If there is a serious threat to the security and the stability of the present regime in China, it does not come from ill-wishing hostile forces abroad but from very real problems faced by ordinary Chinese citizens whose jobs, homes and personal security are put at risk as a result of the thoughtless and often venal actions of government. China's former president, Hu Jintao, in a speech during celebrations for the 90th anniversary of the CCP at the beginning of July 2011, also pointed to the threat posed by the staggering level of corruption within the party itself, especially in the rural areas where its members combine with government officials, police and developers to profit from the spectacular expansion of the Chinese economy at the expense of local people.

Chinese activists and their supporters seem fixated on the idea of a wave of democracy flowing into China from the outside as the only solution to China's problems. This is also the position taken by the governments of the USA and some European countries who hope to export a democratic system to China; ironically it is also precisely what members of the Chinese government and security apparatus fear. Like the traditional Chinese scholars of the imperial era, they are all guilty of ignoring the *lao baixing* (the 'old hundred names' as the mass of the population are known) who bear the brunt of repressive policies in China. Courageous individuals and informal groups have emerged from the general public to defend people harmed by the conduct of government:

it is possible that a genuinely democratic and anti-authoritarian movement, which Western pressure on the Chinese government has not achieved, could emerge from the populace. At the moment the state prohibits the establishment of authentic independent organisations, although the CCP has been co-opting the wealthy and influential from the mushrooming urban middle class for years. Economic and social development is approaching the point when political change is imperative. Those within the Chinese elite (including members of the CCP) who genuinely wish to develop programmes for reform and human rights will have to decide whether to oppose emerging grass roots movements or join them.

WUKAN DISTURBANCES, GUANGDONG PROVINCE 2012-13

The Wukan village protests which began in September 2012 seemed initially to be just another example of the 'mass incidents' that have already been referred to but the outcome has been seen as a possible alternative model for dealing with rural conflict. A siege of the village against an onslaught by police and the military resulted in an agreement with the authorities rather than the defeat of the protestors and demands for democracy led to the holding of some elections in early 2012 that were relatively free. The Wukan case also affected the national leadership changes. Wang Yang, the Guangdong Party Secretary, and his 'Guangdong model' for China's future, which envisaged more liberal policies and a greater political role for the middle classes, were regarded as being in opposition to Bo Xilai's 'Red Culture' experiment in Chongqing. Although the peaceful settlement of the Wukan dispute has been welcomed in China, the leadership are wary about open elections setting a precedent and this possibly cost Wang Yang a seat on the Politburo Standing Committee.

The standoff between the villagers of Wukan and local officials followed protests against land seizures and corruption and the death of a popular village leader in police custody and was, on one level, just one of thousands of 'mass incidents' that have erupted in China in recent years. However, this particular village is in an interesting part of China and the protests acquired a more overtly political form than in other areas of the country. Wukan, on the coast of Guangdong province, is part of the rural area surrounding the city of Lufeng which has a history of peasant activism and resistance that goes back at least to the 1920s. Together with neighbouring Haifeng it was part of the Hailufeng Soviet,

a government of farmers that was established in 1927 by Peng Pai, one of the most influential peasant organisers of the Chinese Communist Party (CCP). This rural soviet was created during the movement that eventually led to the victory of the CCP in 1949 and the establishment of the People's Republic of China.

The current leaders of the CCP are apprehensive that a movement similar to the one that brought them to power could also become the agent of their downfall. They can conceive of only two possible strategies to deal with defiance on this scale. Massive repression by armed police and troops is their tried and tested response. Political concessions at either local or national level, the only realistic alternative, are viewed with suspicion as the thin end of the wedge and a potential threat to the authority of the regime.

The wave of rural protests is fragmented and although they have much in common they are not coordinated – they are local responses to local grievances. The CCP and its government have ensured that any attempt to link these protests, or create a nationwide movement that might give political support to them, has been crushed at the outset. If they were amalgamated, these rural protests could have the same effect on the CCP that their predecessors from the 1920s to the 1940s had on the previous Guomindang Nationalist government. In the case of Wukan, the villagers moved beyond merely protesting at the land seizures and began to demand genuine representative government at the village level. China has a system of elections for village headmen and other representatives but these elections are far from open and free. There is a procedure for voting, but only the names of candidates who are chosen or approved by the local branch of the CCP can appear on the ballot paper. In theory, recent changes in the regulations permitted independent candidates to put their names forward, but in practice genuinely independent individuals who have tried to do so have been harassed and obliged to withdraw from the contest. Nevertheless there is a structure in place that the CCP could use to promote a degree of representative democracy in the Chinese countryside. Unusually this structure was used by the authorities to make concessions to resolve the Wukan conflict in the wake of growing sympathy for the protesters and unprecedented international interest. New elections were held in Wukan and they were freer and fairer than any in China for decades but there is no evidence so far that the government intends to implement this more generally.

REFORM FROM ABOVE OR REVOLUTION FROM BELOW?

Many popular Western notions about the rise of China in the twenty-first century do not stand up to close examination. China is modernising visibly and dramatically but it is not necessarily evolving in the way that many Westerners assume or hope. Westerners tend to look for signs of Westernisation (which are equated with modernisation) and approve what they understand. China is not turning into a clone of either the USA or a European state. It is an Asian society with its own distinctive culture and history which drive and constrain its likely future trajectory.

A statement issued on 1 July 2011 during celebrations of the 90th anniversary of foundation of the CCP made it clear that dominant elements in the Chinese leadership continues to believe that Western-style multi-party democracy is not suitable for China's 'national conditions' and could even precipitate a repeat of the 'chaos and factionalism' of the Cultural Revolution. The leadership claimed that 30 years of economic growth was sufficient to demonstrate that the CCP had the welfare of the people at heart and guaranteed its legitimacy. The spectre of Cultural Revolution chaos was also invoked by Premier Wen Jiabao (usually identified as a more 'liberal' member of the regime) in his press conference at the end of the National People's Congress in March 2012 although these remarks were also directed at Bo Xilai's 'Maoist revival' in Chongqing.⁶

There are, however, other countervailing forces at work within or close to the CCP. On Wednesday 18 January 2012 Hu Deping, the eldest son of Hu Yaobang who was dismissed from the post of Premier in 1987, convened a forum on political reform on the 20th anniversary of Deng Xiaoping's 1992 'southern tour', the mission during which Deng finally secured support for his reform policies. At this meeting, academics, retired public servants and relatives of former senior party and government officials heard Hu Deping, an economist who chairs the Chinese National Chamber of Commerce and Industry, commend the way in which protests in the village of Wukan in Guangdong had been handled. He argued that the time was right to extend Deng's 'opening and reform' to political reform.⁷ At the time of writing there does not appear to be any realistic possibility of this happening.

Promoting reform

Within the CCP, the tendency known as 'internal democrats' (*dangnei*

minzhu pai), who are loyal to the legacy of Hu Yaobang and Zhao Ziyang, are the best-known and strongest proponents of political reform although their existence as a faction in the party is rarely acknowledged publicly in China. Their views are presented in the critical and respected monthly journal *Yanhuang chunqiu*, an officially-sanctioned publication that frequently finds itself in conflict with the Party leadership. Political think tanks within the CCP, universities and the Chinese Academy of Social Sciences are another source of ideas on reform. Outside China, dissidents may be the best known advocates of democracy in its broadest sense but, however worthy their aims, they have little or no positive influence on the decision-making bodies of the CCP.

Mass protests, a feature of Chinese society since the 1990s, could exert democratic pressure from below but their focus is usually confined to local interests and there is no national coordination. The siege of Wukan village in Guangdong and its resolution became issues for the leadership because of Wang Yang's candidacy for the Politburo Standing Committee. Village elections in the future could be run in a more democratic way as they were to some extent in Wukan.

International good practice on democratic reform is also available to China as a possible model but this has both positive and negative effects. The current Chinese leadership does not respond well to what it sees as foreign interference and, however well-intentioned, foreign pressure for political reform may have the opposite effect to that intended. Demands by Western governments and NGOs for political reform are likely to meet with a negative response because of popular nationalist or patriotic sentiment and the insistence that whatever change takes place must be 'with Chinese characteristics'.

Resisting reform

The CCP political machine is conservative and fiercely resistant to any change that might appear to threaten the continuing supremacy of the party. This resistance is effective not only in the public assemblies whose decisions are widely reported but also in secretive internal bodies of the central bureaucracy such as the Organisation Department. These conservative views are also prevalent throughout the party nationwide.

The CCP elders, former leaders who have retired from key decision-making bodies but are usually consulted on key issues, are a declining force. They have not yet been extinguished and will be joined by some more open-minded colleagues as the current generation of leaders retire,

but are still likely to resist political reform while endorsing Deng Xiaoping's approach of allowing continued economic reform. Hu Jintao and Wen Jiabao are now effectively 'elders' and it will be interesting to observe their role in the future debates on political change.

The military (and the state security organisations) play a key role in supporting the CCP and are formally under its control although their precise role and influence in national politics are not publicly analysed in China. Recent discussions of the 'nationalisation' of the Chinese military and pressure for relaxation of CCP control over its operations could change the balance of power. Although it is difficult to generalise, the military are likely to be more conservative in their views on political reform and to resist any move towards a multi-party system.

Existing institutions as basis for reform

China has a number of political institutions which, on paper, appear to be similar to institutions in democratic societies. These include the quasi-parliamentary National People's Congress and the Chinese People's Political Consultative Conference (CPPCC), the united front body, that was established in 1949 to provide a link between the CCP and non-communists and ethnic and religious minorities. For years there have been suggestions that these two bodies could evolve into a bicameral system with genuine parliamentary authority, but it is debatable whether such a move could overcome the negative image that they have acquired as rubber-stamp assemblies, used only to confirm decisions made by the CCP.

At the grassroots level, recent changes in the method of electing the leadership of village councils, and particularly the example of Wukan in Guangdong Province, have given hope to those who think that these councils could be the basis for genuine rural democracy: the jury is still out on the long-term impact of the Wukan elections. For a genuinely reformed political structure, electoral systems are of course not sufficient: changes to other institutions including the media and the legal system would be essential to inform and enforce reforms.

The absence of a democratic tradition in China, either historically or in the present day is problematic. On the one hand, democracy in the Western sense is regarded as being outside the Chinese tradition; on the other those in China who are supportive of multi-party democracy view it as a way of catching up with and becoming equal to the West.

THE CCP AND POLITICAL REFORM

The attitude of the CCP leadership remains the key to political reform. Since 1989, the CCP has looked to the USSR but as an example of what not to do rather than as a model to be followed. Articles in the *World Economic Herald* during the demise of Soviet control over Eastern Europe warned against China following the road that led to the collapse of the USSR and many writers blamed the reformists and Mikhael Gorbachev for the collapse. Since 1991, the experience of political reform and other changes in the former USSR and its Eastern European allies have alarmed conservatives within the Chinese Communist Party who are convinced that reform would lead to the collapse of its rule in China as it had in the USSR. Conversely, 'internal democrats' insist that without substantial reform the party is in peril. In the 4th Generation administration, Wen Jiabao was been the most public advocate of political reform, whereas Wu Bangguo, the chairman of the NPC Standing Committee, represented the most intransigent of the conservatives in his public opposition to any reform that could lead to a multi-party system.

As long as the CCP remains in power, a multi-party system is not viable and discussions about political reform can only be hypothetical. Since there is support for political change within the CCP, it is worth asking whether there is a half-way house that could provide a framework for reform without the immediate withdrawal of the CCP which is unlikely to happen unless the regime collapses under extreme political and social pressures.

Any move towards political reform is likely to be cautious given the history of reformers within the CCP. The limited approach to reform that is likely under the Xi and Li administration is indicated by a speech that President Xi Jinping gave on 28 June 2013 to a conference of representatives of the CCP's powerful Organisation Department. The meeting focussed on personnel issues and in particular the need to develop meritocratic systems for promoting cadres; this was in response to serious concerns about the level of corruption within the Communist Party. Xi criticised the way that promotion criteria overemphasised an obsession with economic growth at the expense of other considerations and indicated that changes in the way cadres are selected would be achieved by a 'scientific selection process'. This announcement disappointed reformers within the CCP who had been hoping that a more open system would be introduced, in which appointments would

be made by voting rather than the complex horse-trading that currently prevails. Xi specifically ruled this out, arguing that transparency could be achieved by a process of 'democratic recommendation and appraisals'. This vague and evasive language suggests that, in spite of genuine concerns within the leadership about the impact of corruption on popular attitudes towards the Communist Party, no far-reaching change is envisaged in the near future. Since this ruling was also accompanied by traditional political rhetoric on discipline and the study of Marxist classics and the theory of 'socialism with Chinese characteristics', it can be interpreted as a clear signal to the 'democratic' tendency within the CCP that now is not the time to push for political reform.⁸

SELECTED BIBLIOGRAPHY

- 炎黄春秋 *Yanhuang chunqiu* 2011-2013
- Cheng, Li *China's Leaders: the New Generation*. Lanham, Rowman and Littlefield, 2001
- Feng Chongyi "Charter 08, the Troubled History and Future of Chinese Liberalism". *The Asia-Pacific Journal*, 41-5-10, October 11, 2010.
- Gao Tian 高天 (ed) *Zhong gong diliudai 中共第六代 (Chinese Communist Party: the Sixth Generation)*. Hong Kong, Hong Kong Cultural Press, 2010.
- Jia Yumin 贾玉民 *Di wudai Zhong gong shibada zhujue 第五代中共十八大主角 (Fifth Generation: Leading players in the CCP 18th Congress)*. Hong Kong, Mirror Books, 2010.
- Ma Ling, *Wen Jiabao xin zhuan 温家宝新传 (New Biography of Wen Jiabao)*. Hong Kong, Mingbao, 2008.
- Nathan, Andrew J. and Bruce Gilley, *China's New Rulers: the secret files*. New York, New York Review of Books, 2003 (2nd edition).
- Shi Hua, *Hu Wen weiji 胡温危机 (The Hu Wen crisis)*. Hong Kong, Hong Kong Cultural Press, 2004.
- Tan Tian, *Shiba da qian de xiaoyan 十八大前的硝烟 (The Smell of Cordite before the 18th Party Congress)*. Hong Kong, New Culture Press, 2010.
- Waican bianji bu (Editorial Department of *Waican* Magazine) *Zhong gong shibada zhi zheng 中共十八大之争 (The Struggle for Chinese Communists' Eighteenth Congress)*. Hong Kong, Waican Publishers, 2011.
- Waican bianji bu (Editorial Department of *Waican* Magazine) *Xi Jinping mianlin de tiaozhang (The challenge facing Xi Jinping)*. Hong Kong, Waican Publishers, 2011.
- Wu Ming, *Hu Jintao xin gonglue (Hu Jintao's New Attack)*, Hong Kong, Hong Kong Cultural Press, 2007.
- Wu Ming, *Xi Jinping zhuan: Zhongguo xin lingxiu (Biography of Xin Jinping: China's new leader)*. Hong Kong, Hong Kong Cultural Press, 2010.
- Xia Fei et al, *Taizidang he gongqingtuan: Xi Jinping PK Li Keqiang : (Crown Prince Party and Communist Youth League Faction: Xi Jinping plays Li Keqiang)*, Hong Kong, Mirror Books, 2007.

- Yi Ming, *Hu Wen xin zheng* 胡温新政 (*New Politics of Hu and Wen*). Hong Kong, Mirror Books, 2003.
- Yu Jie 余杰 *Zhongguo yingdi: Wen Jiabao* 中国影帝 : 温家宝 (subtitled in English *China's Best Actor: Wen Jiabao*). Hong Kong, New Century Press, 2010.

REFERENCES

1. Part of this argument is set out in this author's *China's Rulers: the fifth generation takes power*. London, ECRAN (Europe China Research and Advice Network), 2012 www.ecran.eu. The author gratefully acknowledges permission to include some of that material in the present article.
2. Deng relinquished his final official position as Chairman of the Central Military Commission in 1989, but his continuing authority is evident from the impact of his 'southern tour' in 1992. The clash between Bo Xilai and Wang Lijun in Chongqing and Bo's eventual removal are a clear indication that these risks remain but also reveal the firm resolve of the CCP leadership to eliminate them.
3. Details of the discourse on party reform and the legacy of Hu Yaobang and others can be found in successive monthly issues of the critical journal *Yanhuang chunqiu* (*The Spring and Autumn Annals of the Emperors Yan and Huang*).
4. John P. Burns, 'China's Nomenklatura System'. *Problems of Communism* Volume XXXVI, September-October 1987, pp. 36-51; John P. Burns (ed.) *The Chinese Communist Party's Nomenklatura System*. Armonk, N.Y. and London, M.E. Sharpe, 1989.
5. See Tan Tian, *Shiba da qian de xiaoyan* (*The Smell of Cordite before the 18th Party Congress*). Hong Kong, New Culture Press, 2010.
6. *Xinhua* via *South China Morning Post* 3 July 2011.
7. *South China Morning Post* 20 January 2012.
8. *Xinhua* 29 June 2013; *South China Morning Post* 7 July 2013.

FINANCIAL DIPLOMACY
*THE INTERNATIONALIZATION OF THE
CHINESE YUAN*

IVANKA PETKOVA

INTRODUCTION

China is the world's biggest exporter since 2009 and the second largest economy since 2010. After achieving these high levels of inclusion into the global economy and trade it could be expected for the national currency (the Chinese Yuan) to find international demand. However, the still developing financial system and the currency control regime are key obstacles for this demand to evolve. China has to make efforts in adjusting its financial system to the respective comparable and generally accepted model worldwide. One of the core issues in this endeavor is the national currency to become the status of an internationally used currency. According to Kenan,¹ there are three basic functions of an international currency (medium of exchange, unit of account, store of value) which find implementation in two spheres – private² and official.

History of replacing reserve currencies (from pound sterling to the US dollar) makes evidence that the process is going through two main stages. First, the country of issuance of the reserve currency (UK) is defeated by the next candidate country (USA) as the world's largest economy, and second, as the biggest exporter. This process started in the case of the pound sterling in 1872 and ended successfully for the US dollar in 1945. At that time the dollar was accepted worldwide as a convertible net creditor currency used broadly in trade and finance. China is now the world's largest creditor and largest exporter. This fact supports

some scholars in predicting a switch in the reserve currency by the mid-21st century.³

Economic history also shows that counterparts of a world's export leader are usually using its national currency first in import invoicing and trade settlement. This was the case both with the pound sterling, and the US dollar. China goes a different way: although respecting the signals coming from the markets, currently, China does not wait for the natural process of the Yuan's internationalization to be guided by the market. China is following the pattern of a proactive position in internationalizing its currency, which necessitates both introducing of adequate measures to enhance the use, and a lot of financial diplomacy.

Chinese financial diplomacy is centered on upgrading the status of the Yuan in the international financial framework, which in practical terms means currency internationalization. This process is distinguished by two main specific features. For the first time a developing country is aiming at internationalizing its currency. Second, it is also unique in history that the market characteristics of the economy of a country which persuades to acquire an international status of its national currency, are driven by decisions within one party political system.

In practical terms, China is organizing a completely different, new kind of internationalization of its national currency. First, the internationalization is for the first time not initiated by market forces. The internationalization is a government-driven project. That is the reason for the internationalization to be accompanied by a massive financial diplomacy. Second, the internationalization is part of a strategic program aimed at upgrading the financial markets in mainland China. Logically, the internationalization is embedded into the reform measures directed to making the financial system comparable to the dominating global pattern. To a high extent these policy measures are dependent on and connected to the strategic goal of making the Yuan an international currency. So the two processes are interconnected.

This paper is not going to discuss the issue on whether the emergence of the Chinese Yuan as an international currency will be connected with other currencies loosing ground in this capacity. The goal of the research is rather to investigate the unique management process of internationalizing the Chinese Yuan and the diplomatic options employed to harmonize Chinese interests with stakeholders.

**THE DISTINCTIVE WAY OF YUAN'S INTERNATIONALIZATION:
RESPECTING THE MARKET**

The way China is internationalizing its currency goes along three main "stations". The departure is in the point that China has become a major world business player without having its national currency demanded for invoice, foreign trade payments, financial transactions, private investments and as part of official reserves. The Chinese Yuan is a non-convertible currency. A way out of this contradiction under a capital control regime is to manage the process.

First, as a government –driven project the internationalization of the Yuan requires both efforts in persuading proactive policies to promote the use of the Yuan in international trade and investment, and navigating between adjusting the easing of control regime to market reactions. Chinese authorities are aware that while managing they have to respect market signals. In practical terms the policy challenge is how to generate outflows in Yuan and manage return inflows of Yuan under the lack of capital account convertibility, current account surplus and managed floating of the exchange rate. Within these limitations the internationalization of the Yuan evolves as a gradual process during which every small action or pilot project has to be tested in order to get the rationale to move to the next stage.

Second, the Yuan is the legal tender in mainland China, but not in Hong Kong and Macau. Hong Kong has been naturally chosen as an useful focal point for experimentation and investigation of the market reactions to the policy measures applied for internationalization of the Yuan.

Third, the internationalization of the Yuan could not be an attractive project in economic terms, provided big financial institutions were not acting on the market to offer desirable financial services and products. On the other hand, the involvement of big and globally well placed institutions in financial intermediation shows their positive attitude and the lack of the need of special diplomatic efforts to promote internationalization by the Chinese authorities. Second, finding the common interest in internationalization of the Yuan, in some cases, these private actors on the international financial market can organically pave the way for using the Yuan in new regions. For example, Standard Chartered, the bank that pioneered cross-border Yuan trade settlements and account services to corporate clients across Asia is playing a leading

role in expanding this business beyond the region, extending the Asian model to Africa. Big foreign banks with a rich track record in China play a substantial role in internationalization of the Yuan via trade settlement. Although the Chinese Yuan is a non convertible currency, and Canadian companies doing business in China do not use the Chinese Yuan in trade transaction, HSBC Bank Canada completed the first Canadian trade using the Yuan exclusively.

**FINANCIAL DIPLOMACY IN MAKING THE YUAN FUNCTION AS
MEDIUM OF EXCHANGE AND UNIT OF ACCOUNT**

A country, the economy of which is based on an export-led growth model and not on a convertible national currency needs to adjust its foreign policy to key economic interests and center the preoccupation of its diplomacy accordingly. In the case of China additional efforts of financial diplomacy are required to navigate in reaching the international use of the national currency in trade and investments.

One of the reasons to activate financial diplomacy were the negative implications of the global financial crisis. It is well known, that China judged the crisis as an opportunity rather than a threat. In 2009, China made a proposal on the need to reduce the dependence on the US dollar by widening the scope of the SDR's functions out of a reserve asset in order to be used as an invoice and settlement currency as well. It was apparent that this suggestion could not be accepted because it is against the US interests of decreasing the international role of the dollar and because of the US veto right in the IMF decision making. This proposal, however, gave reasons for seeking ways to avoid the implementation of the US dollar in Chinese foreign trade and emphasize the need of the internationalization of the Yuan.

Financial diplomacy has been dexterously utilized as a follow-up reaction to positive changes for China in the global financial architecture. A good example seems to be the agreement among the World Bank member countries in April 2010 to give more voting power to developing nations. Under the agreement, China's voting power increased to 4.42% (from 2.77%). Not even a year later (January 2010) the World Bank issued 500 million Yuan (76 million U.S. dollars) of Yuan-denominated fixed-rate two-year bonds in Hong Kong. World Bank officials underlined that this Yuan-denominated bond issue signals the World Bank's interest in supporting the development of the Yuan market.⁴

In several cases commercial reasons have paved the way for financial diplomacy to sell the idea of making the Yuan an international currency. This is particularly true for using the sense of uncertainty about the US dollar in the region of South East Asia during the global financial crisis. China prepared the process of regional utilization of the Yuan in 2009 by contributing by one-third of the USD 120 billion economic stimulus package for ASEAN countries to reduce their dependence on the IMF. China is deepening its economic relations with countries from the region both on a bilateral, and on a multilateral basis. In 2010, the China-ASEAN (Association of Southeast Asian Nations) Free Trade Area, was established. Within a year the member countries became China's fourth largest trade partner. The Free Trade Area not only considerably impelled China's trade with the member countries. The Yuan turned into the main trade settlement currency between China and Vietnam, Myanmar and Thailand. The increasing trade volume and investment between China and ASEAN will further contribute to the intensive regional usage of the Yuan.

Internationalization necessitates also political acceptance by main economic counterparts. China is the biggest exporter to the EU among third countries. China has a profound interest in the Euro to be stable because it is one of the tools for diversifying Chinese foreign currency reserves. In the autumn of 2010, Chinese leadership paid visits to Europe to offer support during the debt crisis in some of the Eurozone countries. In the critical moment when the Greece rating was downgraded, Chinese high level delegation submitted the proposal on investments in the real economy of the country and a promise to start buying Greek government debt, when Greece comes back to the market. China bought Spanish government debt. These soft power activities were based on the financial strength of the China, owning 1/3 of the world's official currency reserves. The deepening of the debt crisis in the Eurozone activated also European leaders to pay attention to the core interest of China in internationalizing the Yuan. On a visit to China in mid May 2011, European Council President Van Rompuy met Chinese officials, including President Hu Jintao, to underline the safety of the euro amidst the ongoing debt crisis of some member states. He did not miss to publicly acknowledge that "the Chinese currency will play a major role in world reserves because China is so important in world trade and money follows trade."⁵

Demand-side measures (trade involving China)

In practical terms the internationalization started by promoting the Yuan in foreign trade, not in financial transactions. Later on foreign (mainly multinational banks) discovered the business opportunities in dealing in Yuan (to offer deposits in Yuan, to hedge positions against the US dollar etc.). The measures have been directed to assure a demand-side internationalization of the Yuan. Two channels have been explored. The first one was to boost the usage of Chinese Yuan in invoicing cross-border trade deals and their settlement. This possibility has been offered to the corporate sector. In April 2009, a pilot project was started in five mainland cities to use the Yuan for settlement of trade transactions with Hong Kong, Macao and members of ASEAN. In June 2010, the project was spread out to 20 provinces and cities. Currently, the use of the Yuan in foreign trade payments has been expanded to almost all Chinese provinces and to foreign companies worldwide. Some analysts make the prognoses that trade between emerging markets in the Asia Pacific region would continue to grow in the next five to 10 years. One-third of China's cross-border trade might be settled in Yuan by 2016. Others foresee, that more than half of China's trade, or about 2 trillion US dollars, is expected to be settled in Yuan by 2015.⁶

The efforts of China to promote the use of its currency internationally are bringing positive results in the field of foreign trade denominated in Yuan. The volume is still negligible (5.7% of foreign trade in 2010), but is growing at a very fast speed: cross-border Yuan-based trade in the first quarter of 2011 accounted for about 7% of total foreign trade. However, surveys show that foreign companies find it still difficult to obtain Yuan to pay for goods and they have too few channels to use the Yuan they have received as payment.⁷ Other surveyed foreign buyers indicate that the low using of the Yuan as a trade settlement currency is because it is not widely circulated in their home countries.⁸

The growth of the Yuan used for trade settlement outside mainland and Hong Kong depends on the decisions of Chinese authorities about capital account convertibility. Currently, Hong Kong is the only city mainland China is supporting for Yuan settlement. In technical terms, this is connected with the preparedness to establish Yuan's clearing centers. In Hong Kong the clearing system is finished, and two other cities are competing to set up such clearing centers: Singapore and London. According to Chinese regulations, no city can open an offshore

Yuan settlement center before having in place an Yuan clearing center. This requirement makes it evident, that the trade settlement role of the Yuan and the offshore use of the Yuan are closely interconnected.

Foreign trade settled in Yuan is a low risk mechanism, because balancing is easy to manage from a macroeconomic perspective. A country with a long-term trade deficit with China can increase exports to or decrease imports from China. The debt will be repaid to China in an accepted reserve currency. There is also a smooth mechanism to settle a long-term trade surplus with China, thus having Yuan credit against China. This credit can be paid back in a reserve currency until the Yuan gets this status.⁹ In other words, for trade partner countries there is a persuasive mechanism on place to balance the current surplus and debt accounts with China. So, internationalization through trade invoice and trade settlement in Yuan is bearing low risks.

The second important channel has been targeted to central banks. During the worst time of the global financial crisis in December 2008, China signed a three-year currency swap agreement with the Republic of Korea (180 billion Yuan) to provide liquidity support. The agreement was signed one day before the leaders of South Korea, Japan and China were going to meet in Fukuoka to discuss the global financial crisis. People's Bank of China signed bilateral currency swap agreements also with central banks (monetary authorities) of Malaysia, Belarus, Indonesia, Argentina, Iceland, Singapore, Hong Kong, New Zealand, Mongolia, Uzbekistan and Kazakhstan. Similar agreements are expected to be arranged soon with Thailand, Vietnam, and the Philippines.

The agreements have a three-year maturity and can be extended if both sides agree. The aim of these agreements is to promote financial cooperation, trade and direct investments. Some of the countries the agreements have been signed with are important trade partners, but others (Iceland, Belarus) play an insignificant role in Chinese trade. This signals the intent of China to use some agreements in purely encouraging the internationalization of its currency. The last agreements with countries in Central Asia will support further investments of China in oil, gas and metal reserves. For example, Chinese companies now control 22.5% of Kazakhstan's oil output, and China is going to build a second link to feed into a natural gas pipeline running from Turkmenistan to Western China.¹⁰

Investment side measures (off-shore market in Yuan)

The next and more difficult step has been to develop a mechanism for international investment in Yuan, creating opportunities for foreign players to issue financial instruments denominated in Yuan. For this to happen investors must have savings accounts in this currency.

At the beginning only individuals in Hong Kong had bank accounts and savings in Yuan, thus bonds denominated in this currency could be offered simply to individuals. The target group of investors had been widened by involving importers and exporters with long Yuan positions, who might be interested in buying Yuan denominated financial instruments. The second channel arises, when Chinese banks lend in Yuan to foreign investors to buy Yuan financial instruments, which is a more risky undertaking. In 2010, mainland non-financial corporation was allowed to issue Yuan bonds in Hong Kong. Restrictions on Yuan operations of Hong Kong banks have been relaxed. Financial institutions have been permitted to open accounts in Yuan, opening the way to offering of financial products denominated in Yuan. The use of Hong Kong for this business in Yuan is an appropriate choice having in mind its very well developed market in global terms. Lately other parts of the world started to be focused. The Bank of China branch in New York has started offering Yuan accounts to depositors.

The enlargement of the off-shore Yuan market goes hand in hand with relaxing capital control, thus is considered more risky. At the same time, it is very important, because for the Yuan to become an international currency the most representative measure is its share in global currency trading on the foreign exchange market.

The Yuan as a part of a multicurrency global system

The internationalization of the Yuan could be supported by reaching a common understanding about its upgrading role and acceptance as a reserve currency. One considerable step in this direction would be to make the Yuan belong to the IMF's Special Drawing Rights (SDR) currency basket, currently consisting of the euro, yen, sterling and the US dollar.

At the end of March 2009 Chinese central bank governor Zhou Xiaochuan proposed that the SDR, might eventually displace the dollar as the world's main reserve currency.¹¹ This statement was made on the eve of the G20 meeting in London. The basket composition is reviewed

every five years. As the review was to come in late 2010, the Yuan was not yet prepared for the inclusion. Chinese authorities were aiming at the inclusion of the Yuan during the review in 2015. However, the statement was a critical message to communicate that China is ripe to insist on system relevant reforms of the international financial architecture.

Parallel to the policy steps in internationalizing the Yuan, China started to attract the attention of well known scholars to the issue. McKinnon proposed the Chinese Yuan to be included into the SDR basket during the penitential review in 2012.¹² Robert Mundell was even more concrete suggesting that it should be a five-currency basket to calculate the SDR with China's Yuan having the same weight as the British pound.¹³ As a second step, in the next round of review in 2016 the IMF should consider increasing China's share close to its weight in the world economy. McKinnon also underlined that China should encourage the internationalization of the Yuan.¹⁴

In November 2010, the IMF completed the regular five-yearly review of the basket of currencies consisting the basket of the SDR. Under the current method the weight of a currency reflects the exports of goods and services of the respective member (or monetary union) issuing that currency, and reserves held in that currency.¹⁵ It was decided that the value of the SDR will continue to be based on a weighted average values of the current basket. Based on the currencies' share of global trade, the IMF decreased the weights of the US dollar (to 41.9% from 44% after the 2005 review) and the yen (to 9.4% from 11%), and increased that of the euro (to 37.4% from 34% in 2005). However, the IMF board advised against including the Yuan in the SDR basket, because at that time it did not meet the "freely usable" criteria required for inclusion into the SDR valuation basket. The reason was the limited use of the Yuan in global trading and investment. The IMF analysis, however, has stressed that it is "an open question whether this criterion should be retained as part of the SDR valuation method."¹⁶

Robert Mundell criticized the IMF for making "big mistake" by not adding Chinese Yuan in the list of currencies used in its newly reviewed SDR. The first supporting argument of Mundell was that the IMF must not overlook the country's increasingly significant role in the world economy (becoming the world's second largest in 2010). The second argument was that the Yuan had become the only inconvertible currency in history that could be expected to appreciate over time. Third, according

to Mundell the inconvertibility of the Yuan was actually technically a good one, but tactically, it was like 'missing the forest for the tree'.¹⁷ Another analyst, Jim O'Neill, chairman of Goldman Sachs Asset Management, speculated that the IMF might not wait until 2015 to change the currency structure of the SDR.¹⁸

In 2011, IMF began an examination of the indicators used to select currencies. The Board of Directors decided on a work program to be initiated in 2011 to review the indicators used to guide future decisions on the SDR valuation basket.¹⁹ The issue has been put into the context of emerging market currencies. Under the arguments against the IMF indicated that adding currencies with low weight, would result in increasing complexity and transaction costs for those tracking the SDR basket or needing to hedge their exposure. Second, adding a large number of emerging market currencies seems undesirable, but there may be a case for the ones with the largest weights in global trade and economic growth.

The debate on the Yuan's inclusion has been reopened under the G20 frame. Holding the rotating G20 presidency in 2011, France, made the international monetary system one of its six priorities, putting the currency reform at the top of its agenda. France repeatedly underlines that the Chinese Yuan should be finally included in the SDR basket, reflecting the increasing weight of China in the world economy and weakening the dominance of the dollar.²⁰ Concrete proposals on including other currencies will be made in November, 2011 at the G20 meeting.

The IMF and the G20 started a mutual assessment process. The French government commissioned a group of policy makers (Palais Royal Initiative), who released a report on Reform of the International Monetary System. The Report suggested first, that the composition of the SDR basket should reflect the relative importance of economies in international trade and financial transactions. Second, changes in the composition of the SDR basket should be rare and rules-based to maximize predictability. Third, according to the report, the requirement that only currencies widely used in international payments and financial transactions can be part of the SDR basket should be maintained.²¹ The issue of the Yuan inclusion into the basket of the SDR became part of the reform of the international monetary system.

One of the main obstacles to be removed for the Yuan to be included into the structure of the SDR basket is that China should have to liberalize capital transactions. The second one is that the U.S. government may

agree to such a proposal provided China revalues the Yuan against the dollar. Different reasons for the insertion of the Yuan are emerging. The US sees inclusion of the Yuan in the SDR basket as a way to make the Chinese currency more sensitive to market signals.²² USA would back adding new currencies to the SDR basket if they have flexible foreign exchange systems, are controlled by independent central banks and are used by countries that allow the free movement of capital across borders.²³ International organizations are strongly involved into the discussion on the inclusion of the Yuan into the basket of the SDR. The OECD is underlying that the Yuan is not convertible for capital transactions, and the Chinese authorities could make a major contribution to a new global architecture by substantially increasing the internationalization of the currency.

For China the main reason for including the Yuan as a component of the SDR is to make the Yuan more commercial. However, China does not want to see itself be pressed via SDR inclusion to make its currency compulsorily appreciated. The main challenge to Chinese authorities is the capital account liberalization. Representatives of Chinese institutions (Yi Gang, Deputy Governor of the PBOC) are emphasizing that a currency that is freely usable may not necessarily be “freely convertible,” pointing to currencies that joined the SDR basket in the 1960s and 1970s.²⁴ Second, the understanding of Chinese authorities is that expanding the SDR basket structure would help support global growth, reduce imbalances and provide a financial safety net during times of financial troubles. Last, but not least, it would also make the international monetary system more representative.²⁵ At the IMF meeting in Washington in April, 2011, Yi Gang, Deputy Governor of the People’s Bank of China sent two basic messages. The first one was that the Yuan is close to being a freely usable currency, one of two key tests for it to be included in the SDR basket. Second, China is not in a hurry to have the Yuan included in the IMF basket. Third, the most widely used emerging market currencies should be considered for the basket. More concretely, he suggested the currencies of the BRIC countries as the most obvious candidates.²⁶

There are several views among Chinese scholars on the preconditions for the Yuan to be included into the structure of the SDR basket. According to Xia Bin, an academic adviser to the Chinese central bank, the Yuan does not need to be fully convertible to gain inclusion in the basket of the SDR. In addition, the move towards Yuan convertibility would be gradual and the government needs to maintain appropriate

controls on capital flows.²⁷ Yu Yongding, an economist with the Chinese Academy of Social Sciences and a former member of the People's Bank of China monetary policy committee, shares the opinion, that the Yuan's convertibility and a flexible exchange rate are not immediately required for the inclusion of the Yuan in the SDR basket of currencies. On the other hand, he admits that at this stage, the inflexibility of the Yuan's exchange rate is an obstacle to its inclusion in the SDR basket: if the Yuan is pegged to the dollar, inclusion of the Yuan will make the SDR less stable, when the dollar moves.²⁸ Since the requirement is that the Yuan should be fully convertible and its exchange rate fully market-based, China should move slowly and carefully on the matter. According to PBOC' Vice-Governor Yi Gang, the IMF should adjust the currency basket to include emerging market currencies, and give the Yuan a 10% weighting.

Within a G20 forum Chinese official (People's Bank of China Deputy Governor Yi Gang) stressed first, that there is no clear connection between Yuan convertibility and the currency's possible inclusion in the SDR basket. Second, there is no need for the Yuan to be fully convertible before it is included in the basket of currencies used to determine SDRs. In his opinion, a currency can be widely used without necessarily being fully convertible.²⁹

Hu Xiaolian, deputy governor of the People's Bank of China underlined, that the Yuan will see major progress in its full convertibility in the next five years, but no timetable has been set to achieve this goal (Xinhuanet, 11 March, 2011). The pilot program of allowing Yuan to be used in settling cross-border trade is expected promote its convertibility under the capital account also. The country will "press ahead with making the Yuan convertible under capital accounts".³⁰

This change in the structure of the accounting unit SDR is expected to have big implications for the global economy. If the SDR basket composition includes more currencies, as the Chinese Yuan, this move could help expand the role of the synthetic currency in the private sector. This suggestion reemerged as a formulation in the Report of the Palais Royal Initiative on exploring ways in which the SDR could be more widely used in private transactions, and for invoicing commodity prices and international trade in SDR.³¹

The IMF is touching upon the question of global reserve assets as a key part of its work program. In this frame IMF prefers first, a gradual evolution of the international monetary system. Second, the choice of

reserve assets is considered to inevitably be a market decision. Third, the potential role of the SDR in this context is worth studying with an open mind.³²

CONCLUSION

The internationalization of the Yuan is an anticipated outcome of the emergence of China as a major economic and trading nation. China started to undertake efforts in increasing the international usage of the Yuan for two fundamental reasons: to reduce the country's exposure to the US dollar and to promote its currency to play a greater global role. These two rationales have been naturally combined during the global financial crisis as China views the crisis as an opportunity.

Although processing the internationalization of the Yuan gradually, in small steps, authorities have been approaching all the functions and playing fields of an international currency: medium of exchange and unit of account (in cross-border trade on corporate level), store of value (in swap agreements with central banks, the efforts to include the Yuan into the SDR currency basket). The Yuan is rapidly going the way to become the currency of choice in global trade. In this particular function it is more important the speed the process is evolving than the scope it had reached until now. To act as a store of value, a currency must not only be able to be reliably saved, but must be widely demanded to be stored, which is a distant occurrence. Nevertheless, the ground is there. The practical course of action is to be managed by Chinese authorities, because the Chinese Yuan is a non-convertible currency. Running the gradual process of internationalization of the Yuan a substantial package of diplomatic endeavors has been inevitably demanded.

The diplomatic efforts of China are diversified among international institutions, regional organizations, important multinational companies, allies among the developing countries worldwide. It is a very effective "broadband" diplomacy, driven by the pragmatic approach of China after dominating the trading scene to take the solo role on the global financial scene as well. In acquiring this position, Chinese authorities are precisely orchestrating the implementation of their idea on a multi-polar world, in which the developing countries have to obtain a relevant place in the world financial architecture.

Yuan diplomacy is intensively explored in China's efforts to contribute to tackle the difficulties of others. One example is the bilateral

currency swap agreements China started to sign during the global financial turmoil. Another example is the attitude of China to the debt crisis in Eurozone countries. The financial diplomacy has not only been concentrated in buying government bonds of countries in trouble (Spain), but it has been expressed through investments in the real sector (Greece). These interventions have a very forward looking timing and are addressed to find out common interests (for China to acquire the support in aiming to be considered market economy).

The issue of the inclusion of the Yuan into the currency basket of the SDR left the institutional borders of the IMF and centered the debate on the methods and criteria of the currency composition of the SDR basket among politicians and scholars. China organized conferences, where prominent researchers have been publicly underscoring the arguments supporting the inclusion of the Yuan in the currency composition of the SDR basket. Currently, the discussion on the internationalization of the Yuan within the G20 became an unavoidable part of the broader debate on the reform of the international financial architecture.

Diplomatic skills have been crucial in harmonizing different interests, goals and opinions in the exceptionally “managed” internationalization of the Chinese Yuan. They seem not to have been guided to resolve differences, but rather to harmonize Chinese interests with the interests of others: states, regions, administrative zones, companies. In the prevailing cases of this attempt China has been the initiator, trying to offer acceptable options to all kinds of stakeholders, after testing the market.

REFERENCES

1. P. Kenan, *The Role of the Dollar as an International Reserve Currency*. Group of Thirty Occasional Papers, No.13, 1983.
2. Based on the experience with both private and state owned companies which could be involved, it seems to be more precisely to name the private sphere a corporate one.
3. H. Reisen, *Shifting Wealth: Is the US dollar Empire Falling?* OECD, 20 June 2009.
4. *Xinhua net*, 5 January 2011.
5. M. Lee, Yuan to someday play major role as reserve currency -Van Rompuy. *Reuters*, 18 May 2011.
6. J. Yung, HSBC: China to Settle Most Trade in Yuan by 2015!. <http://www.marketwatch.com>, 30 May 2011.
7. *Ibid.*, Why must China buy US Treasuries?, *Chinaviews*, 7 January 2011 (<http://chinaviews.wordpress.com/2011/01/07/why-must-china-buy-us-treasuries/>)

8. Global Sources Buyer Survey, Buyer acceptance of Yuan settlement growing, albeit slowly, January 2011.
9. Ye Xiang, A road Map for Yuan Internationalization, <http://english.caijing.com.cn/2009-0326/110128282.html>, 26 March 2009.
10. D. Solovyov, China, Kazakhstan sign \$ 1 bn currency swap deal. *Reuters*, 13 June 2011.
11. Zh. Xiaochuan, *Statement on Reforming the International Monetary System*, People's Bank of China, 23 March 2009.
12. McKinnon in *China Daily*, 3 September 2010.
13. Robert Mundell, Key-note speaker on Realigning Currencies in Non-Aligned World, Asia Financial Forum, Hong Kong, 18 January 2011.
14. McKinnon, *op.cit.*
15. IMF, *Review of the Method of Valuation of the SDR*, prepared by the Finance Department, IMF, 26 October 2010.
16. IMF, *Enhancing International Monetary Stability – A Role for the SDR?* Prepared by the Strategy, Policy, and Review Department, 7 January 2011.
17. Robert Mundell, *op.cit.*
18. Jim O'Neill cited in *China Daily*, 19 April 2011.
19. IMF, Executive Board Concludes the Meeting on Enhancing International Monetary Stability—A Role for the SDR? Public Information Notice (PIN) No. 11/22, 10 February 2011.
20. G.T. Smith, IMF Board to Discuss Possible Expansion of SDR Role. *Davos Time*, 28 January 2011.
21. M. Camdessus, Alexandre Lamfalussy and Tommaso Padoa-Schioppa, Reform of the International Monetary System: A Cooperative Approach for the Twenty First Century. Palais-Royal- Initiative, 8 February 2011.
22. A. Rowley and Matthew Plowright, G20 presses for Yuan SDR inclusion. *Emerging Markets*, www.emergingmarkets.org, 4 May 2011.
23. *iMarketNews.com*, 31 March 2011.
24. *Reuters*, 17 April 2011.
25. *Ibid.*
26. *China Daily*, 19 April 2011.
27. *Reuters*, 31 March 2011.
28. Yu Yongding, Monetary reform to make SDR reserve currency. *The Korea Herald*, 8 April 2011.
29. *iMarketNews.com*, 31 March 2011.
30. China has no timetable for Yuan's full convertibility. *Xinhuanet*, 11 March 2011.
31. M. Camdessus, *op.cit.*
32. N. Shinohara, Keynote Address at the 46th SEACEN Governors Conference, Colombo, Sri Lanka, 25 February 2011.

UNDERSTANDING CHINA'S POLICY AND INTENTIONS TOWARDS THE SCO

MICHAEL FREDHOLM

How policymakers assess the long-term political intentions of their states' adversaries is a fundamental issue in international politics. The problem is particularly acute in situations when major powers for reasons of their own security decide to refrain from stating their ultimate intentions. When their top-level policymakers fail to understand, or distrust, their counterparts in states regarded as adversaries, the world had better hold its breath, because war or peace may ultimately hinge on personalities and emotions, not hard facts and thorough analysis.

Yet an analytic assessment of the intentions of great powers is no easy matter. National leaders, intelligence services, and think tanks devote considerable resources to the problem, yet often fail to get it right simply because they are coloured by, respectively, individual perceptual biases and organizational interests and practices which lead the analysis astray.¹

Among the world's great powers, China is one of those which arguably are most difficult to assess with regard to ultimate political intentions. The difficulties were voiced by the United States Ambassador to China, Gary Locke, who noted "that there is a concern, a question mark, by people all around the world and governments all around the world as to what China's intentions are."² China's top leadership seldom reveals its internal decision-making, nor its chosen strategies, so an outside observer has to resort to various analytical devices to assess China's intentions. These include but are not limited to a thorough analysis of the country's national interests (if known or deducible), political statements ("signals"), political, military, and economic power as well as infrastructure ("capabilities"), and political actions such as

the state's decision to enter into or withdraw from binding international institutions, significant investment decisions, and in extreme cases military intervention abroad ("behaviour").

Like any great power, China has a number of leading political institutions, including the Communist Party and its military, the People's Liberation Army (PLA); the State, led by the State Council, to which the Communist Party delegates day-to-day administration of the country; and the National People's Congress (NPC), China's unicameral legislature. The NPC is tasked to oversee the various state institutions, but in practice, the legislature is controlled by the Communist Party and is able to exercise little oversight. Other characteristics of the Chinese political system is that China is led not by one leader, but by a committee; that provincial leaders are comparatively powerful; that the political system regards statements by individual leaders as less authoritative than documents approved by committee; and that the Communist Party continues to control ideology. The system is meant to depend on meritocracy and predictability through the enforcement of term and age limits for holders of public office. Predictability is also the result of a preference for long-term planning and an emphasis on political stability, none of which entirely prevents bureaucratic competition, factionalism, corruption, and various adverse effects of weak rule of law.³ While it can be assumed that not all leading institutions would agree on the exact details of China's national interests and capabilities, the emphasis on long-term planning and political stability presumably ensures that a general consensus has been reached among Chinese top policymakers and that there are generally few sudden changes in policy and in intentions.

Which does not necessarily make it any easier for an *outsider* to assess China's intentions. If the U.S. Ambassador found it difficult to assess China's political intentions versus his own country alone, how much harder would it be to assess China's intentions towards a regional international organization such as the Shanghai Cooperation Organization (SCO)? Yet, as one of the two major drivers behind the SCO (the other being Russia), China no doubt has intentions and can be expected to base its policy towards the SCO in a manner that is ultimately expected to be beneficial to Chinese national interests. So what are these interests?

CHINA'S NATIONAL INTERESTS IN THE CENTRAL ASIAN REGION

China's national interests in the SCO can be deduced from the manner in which the organization was formed. The SCO emerged from a summit meeting in April 1996 between China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan. These countries shared common borders, and there was a need to ratify and consolidate the borders between the former Soviet states and China. The meeting resulted in the Shanghai Treaty of 26 April 1996. The initial emphasis was on border demarcation and confidence-building measures. From 1999, the organization became known as the Shanghai Five after its five member states. During a summit meeting in Dushanbe on 5 July 2000, the Shanghai Five became the Shanghai Forum as Uzbekistan was given observer status. At the summit meeting in Shanghai on 15 June 2001, Uzbekistan became a full member, and the Forum became the Shanghai Cooperation Organization (SCO).⁴

It is not surprising that China sees the neighbouring countries in Central Asia as being of strategic interest. Li Lifan has argued that China appears to regard Central Asia as a region which can provide it with strategic depth, a buffer territory where China can conquer new markets and reserves of raw materials and accumulate and wield influence through political and economic relations, in the form of trade, investment, loans, grants, and security. China sees itself as a gradually emerging major economic force in Central Asia, and this force will be considerably stronger and more effective than the Eurasian union advocated by Russia. Yet, Li Lifan argues, despite a strategic interest in gaining economic and political influence in Central Asia, China is unwilling to challenge Russia for the leading role in the region.⁵

The development of China's ties with the Central Asian states has been dictated by strategic considerations related to China's overall diplomatic strategy and policymaking. On the one hand, China wishes to improve diplomatic relations with major powers such as the United States, Russia, European Union, and Japan; while on the other hand, China also wishes to develop good relations with neighbouring countries using a friendly policy of good-neighbourliness. China has a common border with three of the Central Asian republics.⁶ For China, Central Asia is a critical frontier. China depends on the Central Asian region for its energy security, trade expansion, and ethnic stability in its Far West, Xinjiang. China has opened Confucius Institutes to teach Mandarin in capitals across Central Asia, in an attempt to further Chinese soft power

in the region.⁷ This may well be with the possible intent of ultimately reducing Russia's influence through enduring cultural links in the Central Asian republics, thus to replace Russian influence with that of China.⁸ Russian observers have duly noted that the Chinese definition of soft power is broader than the West's, and that for China, culture has become an increasingly important factor in the aggregate power of the state with regard to foreign countries. Indeed, the Communist Party of China Central Committee in October 2011 passed a resolution which simultaneously addressed two perceived problems: neutralizing the "corrupting influence of Western culture on Chinese citizens" and, of considerable relevance to the issue of Chinese soft power within the SCO, the need for means of strengthening China's global attractiveness.⁹

However, China's foreign policy towards Central Asia balances between two overriding objectives. On the one hand, China attempts to augment its relationships with the Central Asian states. On the other, China must consider the influence and interests of other major powers. To avoid worrying the other great powers, China makes a point of not explicitly expressing its very real special interests in Central Asia and how China seeks to maintain them.¹⁰

True to its background in border demarcation and confidence-building measures, the SCO always focused on security, in particular, in Chinese parlance, the Three Evils of terrorism, separatism, and religious extremism. Security, in particular in the face of the threats of separatism and Islamic extremism, would thereby seem to be China's primary interests within the organization. China and Russia even pledged to send troops to defend other states from terrorism and separatism – which was the first time China ever formally pledged in a treaty to project military power beyond its borders.¹¹ Yet the SCO is not a military alliance, and the organization should not be regarded as such. Besides, China has yet to intervene militarily in the face of terrorism and unrest in the Central Asian republics, so China's actual behaviour, and indeed capabilities, in this field remain unknown. Besides, the member states of the SCO also share other concerns. Of these, some are primarily security-related, such as drug trafficking, weapons smuggling, illegal immigration, environmental pollution, water resource shortage, energy security, and emergent public health threats. However, another major concern is economic cooperation and economic development. For China, this concerns raw materials and energy in addition to security, and for this reason, China constitutes the main driver behind the SCO orientation

towards economics. Furthermore, it is this field in which an observer can identify and most easily assess China's signals and behaviour with regard to Central Asia.

CHINA'S SIGNALS: THE NEED FOR ECONOMIC DEVELOPMENT

Economic development seems to be the key to China's policy towards the SCO, at least judging from China's political statements. Pan Guang has noted that economic, trade, and energy relations between China and the Central Asian republics have been of prime importance to China.¹² Liu Junmei and Zheng Min have argued that while the SCO was initially established primarily to maintain regional security, its establishment and operation was a great success in promoting China's economic and trade relations with the Central Asian states – and promotion of economic cooperation among the SCO member states is arguably one important strategic means employed by China in order to develop the organization and thereby obtain the oil and gas resources of Central Asia.¹³ Economic and trade relations between China and the Central Asian countries have developed rapidly since the SCO was formed. Compared with USD 500 million in 1992, China's trade with the five Central Asian republics reached USD 30 billion in 2010.¹⁴

As Liu Junmei and Zheng Min have pointed out, all economic and trade activities within the framework of the SCO are a means to an end: stability and growth. The same goes for other financial services such as foreign exchange, loans, and guarantees. With increasing economic and trade cooperation, the parties will be yet more closely linked to each other in the financial services sector. The development of regional trade will accordingly force the pace of regional financial cooperation, which in turn will bring stability together with growth.¹⁵

However, in particular during the early years, the SCO had only insignificant economic content. Economic ties among the SCO member states were mostly bilateral in nature. It took time to identify and lay the foundation for multilateral economic development. China realizes that the economic development of the Central Asian member states is a key to stable economic, trade, and energy relations. A number of SCO summits have reiterated this need. The SCO Tashkent summit in 2004 concluded that "Maintaining a sustained economic growth in Central Asia and the countries in its periphery and meeting the urgent needs of their peoples serve as a major guarantee for ensuring the stability and

security of the region and the countries in its periphery."¹⁶ The SCO Astana summit in 2005 emphasized that the main priority for the near future was to realize the Action Plan on Fulfilment of the Programme of Multilateral Trade and Economic Cooperation between SCO Member States.¹⁷ In October 2005, an agreement on the establishment of the SCO Interbank Association was signed during the meeting of the SCO prime ministers. The Interbank Association would include the China Development Bank, the Vnesheconombank of Russia, the Kazakhstan Development Bank, the National Bank of Tajikistan, and the Uzbekistan National Bank for Foreign Economic Activity.¹⁸ The SCO Interbank Association was formally established in November 2005 in Moscow.¹⁹ In June 2006 in Shanghai during the second meeting of the SCO Interbank Association, the Settlement and Savings Company of Kyrgyzstan joined as well.²⁰

The SCO Shanghai summit in 2006 chose energy, information technology, and transportation as the priority areas of economic cooperation. In support of economic development, the SCO Business Council was inaugurated and a document on educational cooperation was signed at the summit.²¹

These were powerful signals of intent. Yet China aimed for even closer cooperation, and in some fields indeed integration. Already in 2002, China proposed to make the SCO a free trade zone, indeed the largest free trade zone in the world with more than 1.5 billion people. At a 2003 summit, the SCO prime ministers signed an agreement on multilateral trade and economic cooperation. In 2004, four working groups were formed for electronic commerce, customs, inspection of goods and harmonization of standards, and cooperation in investment.²² However, China has faced difficulties in realizing its aims. When China's free trade zone initiative for various reasons, including the fear of Chinese economic expansion, did not go down too well with the Central Asian republics and Russia, which postponed the initiative to establish a free trade agreement, China instead intensified the negotiation of bilateral agreements on the establishment of free trade zones. Several small free trade zones were, for instance, created on the border between China and Kazakhstan.²³

However, instead of the proposed SCO free trade zone, Russia has promoted the Eurasian Economic Community (EurAsEC), which has developed faster as a means of economic integration. Russia has, in effect, not yet relinquished its traditional influence in the region, and Russia

can thereby, if it so wishes, act as a spoiler for China's strategic interests.²⁴

China also has plans for its national currency, the renminbi yuan (RMB). China aims for RMB regionalization, and ultimately RMB internationalization, that is, the eventual replacement of the hegemony of the United States dollar (USD) in international trade. Instead of the American USD as an international financial arbiter, China would prefer to see the Chinese RMB in its place, or at least as a worthy alternative. Liu Junmei and Zheng Min have noted that while East Asia remains the main field of RMB regionalization efforts, the SCO member states' recognition of China's successful economic development will lead to the deepening and expansion of regional financial cooperation which in turn will contribute to the realization of China's long-term objective to internationalize the RMB.²⁵

China has made efforts to promote settlement in domestic currency in the border trade between China and Russia since 2002. However, especially since Russia in July 2006 made the ruble (RUB) freely convertible, the amount of RMB and RUB for border trade settlement has become seriously imbalanced, with the amount of RUB more than two hundred times higher than that of RMB. In effect, the RMB lost out as being uncompetitive. The emerging gap between the RUB and RMB and the increasing proportion of cash settlement in RUB between China and Russia proved quite contrary to China's strategic objective of RMB regionalization.²⁶

Besides, the Chinese quest for a common market is far from being unanimously accepted. In the post-Soviet space, many industries never recovered from the collapse of the Soviet Union, and those that survived still cannot compete in financial terms with their Chinese competitors. Hence, given the development and growth differential, Russia and the Central Asian republics are not that interested in forming a free market with China. Russia as well as the Central Asian republics fear that they might be turned into a Chinese economic protectorate. Yet in China they see an alternative to the politically more demanding Western partners when it comes to investments in raw materials extraction and in particular the energy sector. In these sectors, Central Asian and Chinese interests currently coincide and Chinese investments are eagerly expected.²

CHINA'S CAPABILITIES: IMPROVING INFRASTRUCTURE BOTTLENECKS

China needs transportation infrastructure to import raw materials and

energy and to export manufactured goods. Since at least 1997, China has repeatedly emphasized that it has no choice but to augment domestic energy sources through imports from abroad, in particular Central Asia and Russia. Yet another Chinese interest in Central Asia is the creation of a regional rail network which, unlike the sea routes, would be beyond the control of the United States. Such a land transportation route, if fully functional, could in case of future conflict with the United States be used to move vital natural resources, manufactured goods, and in particular war materials into and out of China.

China is naturally keen on using the Central Asia-Siberia land-based transportation route for peace-time exports of consumer goods as well, including to the European markets. China has signed bilateral and multilateral agreements on automobile road communications with all Central Asian SCO members (a three-party agreement with Kyrgyzstan and Uzbekistan, and a four-party agreement with Kazakhstan, Uzbekistan, and Pakistan).²⁸ This is important, since automobile road communications remain the majority of existing transportation routes within the region and across the continent. By road, manufactured goods can be moved to Europe as well as to the Middle East and South Asia. Likewise, raw materials and energy can to some extent be moved to China. However, for these deliveries, other means of transportation are vital, including pipelines and railway.

In the days of ubiquitous and easy air travel, it is sometimes easy to forget the importance of rail communications for heavy goods transportation. Like other major infrastructure projects such as pipelines which once placed cannot be moved, the ownership and control of a railway is significant for how it can be used, but the same goes for technical details such as rail gauge. The former Soviet states and Mongolia use rail track with a broad gauge (1,520-1,524 mm), while China instead relies on standard gauge (1,435 mm) rail track. This entails the time-consuming change of bogies before a train can cross the border. Whoever builds a railway may thus influence its later usage. Since Russian engineers in the late nineteenth century constructed the Chinese Eastern Railway, built across Manchuria in Northeastern China to provide a shortcut for the Trans-Siberian Railway to Vladivostok, they used broad gauge rail track there as well, thus in effect making this part of China's railway network a component within the Russian one.²⁹ In 1935, the Soviet Union even sold the Chinese Eastern Railway to Japan, after long negotiations. Besides, China has presumably not forgotten that the first

railway project which aimed to reach its western territories, Xinjiang, was not projected to connect Xinjiang with Beijing – but with Russia. In the 1930s, Xinjiang was under the control of a general from Manchuria named Sheng Shicai (1895-1970; r. 1933-1944). In 1934 and 1937, the Soviet Union covertly intervened with troops and aircraft to aid Sheng against Muslim revolts. Sheng, who also played on Soviet fears of Japan, received other forms of Soviet support as well. In return, he in late 1933 reportedly signed an agreement which granted the Soviet Union the right to build a railway from Ayaguz (Sergiopol) in present-day Kazakhstan through Chuguchak to Urumchi in Xinjiang. Alongside this agreement, the Soviet Union received concessions for the exploitation of Xinjiang's mineral and oil resources. Soviet experts began to drill for oil in 1935, production began in 1939, and the 1940 Tin Mines Agreement gave the Soviet Union "exclusive rights for the prospection, investigation and exploitation of tin and its ancillary minerals" throughout Xinjiang, together with exclusive control over power supply, road transport, and other communications necessary for the task. Provincial traffic even had to switch from left-hand drive, which was the norm in China, to right-hand drive as in the Soviet Union.³⁰

Chinese dreams for a railway to connect its productive areas on the Pacific rim with the markets in Central Asia, the Middle East, and Europe had already existed since the final years of the Qing dynasty, but China naturally wished for a railway under Chinese, not Russian control. In 1907, Russian intelligence officer and future Marshal and President of Finland Gustaf Mannerheim (1867-1951) investigated China's plans for future westward railways. A Qing lieutenant general (a brigade commander, *zhentai*)³¹ in Aqsu told him that there were plans for two Chinese railways towards Russia. The first, northern railway would run from Shanghai and Beijing via Kalgan and Urga up to the junction with the Trans-Siberian railway. The other, southern line would run from Shanghai and Beijing via Lanzhou to Hami, where it would divide, the northern branch running along the north side of the Tianshan to Qulja, while the southern branch would extend via Aqsu and Kashghar to Andijan in present Uzbekistan. Both would be built by Chinese personnel, the Qing general informed Mannerheim. Later, in a new modern-style school in Urumchi, Mannerheim saw the two projected railway lines marked on a map as well.³² Similar plans influenced the early years of Sino-Soviet friendship. The Sino-Soviet agreements of 1950 among other things stipulated that a railway line was to be built from

Lanzhou through Hami (begun in 1952, completed in 1959) and Urumchi (completed in 1962, opened in 1966) to Almaty in present-day Kazakhstan. The westward extension of the railway from Pacific-rim China to Urumchi had a great effect on the development of Xinjiang, but because of the Sino-Soviet rift from 1959 onwards, it was only in 1990 that the railway from Urumchi to Alashankou on the Kazakhstan border was finally completed, joining the Chinese and Central Asian railway system. Besides, the new railway was only opened in 1992 when the relation of power between China and the former Soviet states had been overturned.³³ Standard gauge rail track was used up to the Kazakhstan border, broad gauge track on Kazakhstani territory. This pattern persisted when a second cross-border railway to Kazakhstan was opened in December 2012, by way of Korgas on the Kazakhstan border.³⁴

This brief excursus serves to illustrate how different countries perceive different needs and envisage different strategies in international railway construction. China wishes to develop transportation routes to connect by land its productive areas on the Pacific shore with the markets in Central Asia, the Middle East, and Europe. For China, it would be beneficial to build a railway through Kyrgyzstan and Uzbekistan in addition to the ones through Kazakhstan to take advantage of terrain as well as commercial and population hubs. However, this project is bound to concern Russia, since such a railway, in particular if built to advantage the Chinese use of standard gauge rail track, would increase Chinese influence in the region. The simple fact that the former Soviet states never shifted away from the broad gauge rail system was one factor which supported the continuation of strong trade bonds between Russia and the Central Asian republics.

In February 2013, the government of China officially approved the project for the construction of the long-awaited China-Kyrgyzstan-Uzbekistan railway line.³⁵ By August 2013, a decision had reportedly been taken that the railway line would be built with broad gauge rail track, despite Chinese attempts to argue for a standard gauge solution.³⁶ This may be seen as a victory for residual Russian soft power and the lingering effects of Russian technical standards in the region. In addition, the approval of the project was widely interpreted as resulting in the postponement of another, competing Central Asian railway project, the China-Kyrgyzstan-Tajikistan-Afghanistan-Iran railway. For Iran, the announcement of the choice of railway line was a disappointment and likely one of several reasons why Iran's newly elected president Hassan

Rouhani appeared indifferent about taking his first trip abroad as president to Bishkek for the SCO summit planned for 13 September 2013.³⁷

Iran has become an increasingly difficult strategic partner because of its complex international relationships and policies. Even so, because of the already mentioned perceived strategic need for a regional rail network which, unlike the sea routes, would be beyond the control of the United States, it is unlikely that China would support any move to increase the influence of the United States in the region, or the coming to power of a pro-American government in any country bordering China. The Chinese leaders would also no doubt prefer to retain influence over Pakistan including through Chinese participation in infrastructure projects, due to what may well be the remaining, and continuing, strategic objective of containing India and, despite improving Sino-Indian relations, in case of war, the hope to force India into a two-front war, a strategy that also includes Tibet and Burma.³⁸

Even with a new China-Kyrgyzstan-Uzbekistan railway line, the transportation infrastructure between China and Central Asia will remain insufficient and continue to suffer from bottlenecks. This matters. Infrastructure forms a key part of not only economic but also military and political capability. The days are long since gone when the PLA operated as a poorly equipped, barefoot peasants' army. In August 2009, China announced its then largest-ever tactical military exercise, Stride-2009, in which one army division from each of the military commands of Shenyang, Lanzhou, Jinan, and Guangzhou would participate. Notably, the Shenyang military command faces the Russian Far East, while the Lanzhou military command faces southern Siberia and Central Asia. Unlike previous annual tactical exercises, the participating four army divisions and their air units would be deployed, in part by civilian high-speed and regular rail and air transport, to unfamiliar areas far from their garrison training bases. Except for this emphasis on long-range mobility, the objectives of the exercise were not announced, but this is the kind of long-range mobilization that would be required for any major war operation along China's land borders. What the Chinese state media did announce, however, was that the exercise would focus on suppressing a technologically skilled adversary's electronic devices and countermeasures, that the manoeuvres would take place in a complex electromagnetic environment, and that the troops involved in the exercise would not be dependent on foreign communication systems.³⁹ These statements would seem to confirm that the manoeuvres were no mere

anti-terrorism exercise. In this context, it should be noted that the Russian military remains technologically at an advantage compared to its Chinese counterpart. For Russia and the other SCO member states, the exercise may well have been a powerful signal. It also displayed China's military capabilities in the region, which although impressive were by no means spectacular. A tentative analysis may be that the signal was that China had a military capability within the region, yet there was no particular emphasis on transportation capabilities beyond those already in existence and these clearly were insufficient to move more than a few army divisions. Any new railway network may accordingly, at least for the time being, chiefly signify an economic interest, not the future projection of military power.

CHINA'S BEHAVIOUR: RAW MATERIALS AND ENERGY IMPORTS

Without downplaying the importance of China's initiatives to assist in the region's economic development, China has been particularly eager to import raw materials from Central Asia. China at the same time is keen to export manufactured goods to the region's markets. From 2001 to 2010, the share of raw materials in the total exports from the Central Asian republics to China increased from an already significant 84.4 per cent to 92 per cent. Of this, energy resources constituted more than 67 per cent, ferrous and nonferrous metals about 21 per cent, chemicals over 1 per cent, and textile raw materials about 3 per cent. In return, China exported manufactured goods, which by the end of that period had reached more than 90 per cent of Chinese exports to the region.⁴⁰

In these figures, the observer finds yet other Chinese signals and behaviour – and no doubt national interests as well. China sees a need to promote the optimal allocation of resources in mutually beneficial economic cooperation, which in this case also would assist China in achieving the goals of its energy strategy and fulfil its demand for energy. Liu Junmei and Zheng Min have emphasized that promoting the optimal allocation of natural resources is one important way to strengthen SCO regional financial cooperation, which in turn brings important benefits to the entire region.⁴¹ Yet, this will in many respects be an optimal allocation of resources on China's terms and in accordance with China's needs.

China is particularly interested in exploiting the energy resources of the SCO member states. In this ambition, present-day China is strikingly similar to the Soviet Union at the time of the 1940 Tin Mines Agreement

which gave the Soviet Union exclusive rights with regard to minerals and oil reserves throughout Xinjiang. China needs alternative sources for its energy supplies, and would for reasons of risk diversification prefer to avoid single-supplier dependence. Political volatility and instability in the Middle East seems to continue, and China also sees a need to reduce dependence on critical maritime routes to import energy. An oil pipeline from Kazakhstan to China came into operation in 2006, and a natural gas pipeline from Turkmenistan to China via Uzbekistan and Kazakhstan was opened at the end of 2009. Furthermore, the economic cooperation that the SCO is committed to is directly contributing to China's programme for developing its western regions. It should be remembered that for China, the Central Asia-Siberia region forms the only land-based transportation route for energy imports. Besides, Central Asia has the potential to open a land transportation route for the Chinese energy imports from the Middle East as well.

One key means that China has at its disposal is to bolster its influence by turning its foreign exchange reserves into physical resources reserves, by exchanging resources for infrastructure construction and credit or equity investment in the Central Asian raw materials and, in particular, energy sectors. In the Central Asian republics, and to some extent in Russia as well, there is a serious funding gap for the large capital investments needed to develop new energy resources and finance improvements to the existing infrastructure. Such cooperation can easily take place under the SCO framework.⁴² Capital investments can also take place under bilateral agreements, but the SCO framework is not intended to compete with bilateral agreements. Indeed, one could argue that the very looseness of the SCO may facilitate the negotiation of bilateral agreements in the field of trade and economy.

This is particularly visible within the SCO concept of an Energy Club. The idea of forming an SCO Energy Club did not come from China, but from Russia. This was not surprising; Russia had a long history of coordinating and developing the energy reserves of what was then the Soviet Union. For this reason, the proposal to establish a unified and coordinated system of energy supply for the SCO member states was first raised in 2004 by Russian Prime Minister Mikhail Fradkov during the Bishkek prime ministers' summit. In the following year, Tajikistan proposed a unified hydroelectricity network. Then, at the 2006 SCO Summit in Shanghai, Russian President Vladimir Putin proposed the formation of the SCO Energy Club to coordinate the energy policies of

the member states and to increase energy cooperation among them. His proposal was approved by the subsequent SCO prime ministers' summit in Tajikistan later in the year. Ahead of the 2007 SCO Summit in Bishkek, Kazakhstan presented a plan for an Asian Energy Strategy. Finally, in Moscow in June 2007, the SCO Energy Ministers (except their counterpart from Uzbekistan who was not present) agreed to establish the SCO Energy Club according to the plan first proposed by President Putin. The SCO Energy Charter was formally signed during the August 2007 SCO Summit in Bishkek.⁴³

The SCO includes major energy producers like Russia, Kazakhstan, and Uzbekistan as well as energy consumers such as China, while Tajikistan and Kyrgyzstan are both producers of hydropower and consumers of imported energy. If the SCO observer members like Iran, India, and Pakistan are included in the cooperative effort, the SCO Energy Club has huge potential. However, few states – whether inside or outside the SCO – are willing to surrender their own national interests in energy security. So far, the SCO has not coordinated any major energy project under its guidance. Instead the emphasis has been on bilateral or trilateral energy projects among SCO member states, and the observer states have seen minimal involvement in SCO energy projects. Even so, Sreemati Ganguli has noted that although the Energy Club remains a work in progress and there are apprehensions, for several reasons this institution has the potential eventually to become possibly the key energy alliance in Eurasia. The SCO Energy Club has institutionalized the idea of mutual energy dependence among the producing states, consuming states, and transit states. Since the SCO Energy Club is not a mere energy producers' union, it seeks to involve all members of the energy chain in the region. In fact, the concept of the Energy Club, if successfully implemented, might for this reason open up entirely new avenues of regional cooperation and integration in Asia as a whole. The Energy Club indeed provides the SCO with a third dimension, beyond its present ones of security and economic cooperation.⁴⁴

Even though it was Russia, not China, which set the Energy Club in motion, this third dimension is one from which China can greatly benefit. The Chinese expectation of turning its foreign exchange reserves into physical resources reserves, by exchanging resources for credit or equity investment in the Central Asian raw materials and energy sectors would be greatly facilitated by a functioning Energy Club, even under a regime of bilateral agreements. As noted, the SCO framework is not intended to

compete with bilateral agreements and may indeed facilitate the negotiation of bilateral agreements in the field of trade and economy.

China could also benefit from the potential of using the SCO Energy Club as a balancer. Both Russia, which initiated the project, and China see the need within Central Asia to counter-balance the energy interests of third countries. For Russia, these are the European Union and the United States, while for China, the concerns are the volatile Middle East and the United States. Sreemati Ganguli opines that the Energy Club eventually might also become a balancer of NATO's possible energy interests in Eurasia. While it remains to be seen if NATO succeeds in finding a role in energy security, this was a topic of discussion during several NATO Summits, including those at Riga in 2006 and Bucharest in 2008. NATO wishes to engage in the promotion of energy security for its members. This might include the sharing of information and intelligence; the advancement of international and regional cooperation in energy; and support for consequence management and the protection of critical energy infrastructure.⁴⁵ If the NATO engagement with energy security results in an increased NATO presence in Central Asian energy, China no doubt would find the SCO useful as a balancer, so as to avoid positioning itself directly against NATO interests.

JAPAN, PERCEIVED ADVERSARY

It is noteworthy that Japan has been excluded from the SCO. In fact, some observers have gone so far as to draw the conclusion that the structure of the SCO was designed so as to exclude and disadvantage Japan, since Japan is the West's arguably main strategic ally in East Asia, with a U.S. military presence and close relations with NATO.⁴⁶ Whether this outcome was a result of China's or Russia's policy interests, or a coincidence, remains unclear. Russia and Japan, as is well known, have not yet signed a peace treaty formally ending World War II hostilities, because of the sovereignty dispute over the islands of Etorofu, Kunashiri, Shikotan, and the Habomai group, known in Japan as the Northern Territories and in Russia as the Southern Kuriles, occupied by the Soviet Union in 1945, since then administered by Russia, and still claimed by Japan.⁴⁷ Yet China is arguably the greater rival of Japan, with unsolved territorial disputes of its own, in particular over the uninhabited Senkaku islands, known as the Diaoyu islands in China.⁴⁸

Observers from the Central Asian states, to the contrary, often

consider the eventual participation of Japan in the SCO to be very beneficial. To include Japan in SCO activities would give the Central Asian SCO member states more room for economic and political balancing between the major powers.⁴⁹ In this context, it should be noted that the Japanese scholar Iwashita Akihiro has proposed giving Japan an ad hoc status at SCO summits. A framework in the form of the SCO Plus Three (the European Union, United States, and Japan) would be beneficial, since this could link the SCO to other regional organizations such as the South Asian Association For Regional Cooperation (SAARC), ASEAN, and the Six-Party talks on North Korea.⁵⁰ In fact, in the years following Iwashita's proposal there was talk of an SCO Plus Three format of the type which he had suggested, in particular with regard to security issues involving Afghanistan.⁵¹

However, China would no doubt, for historical reasons, prefer to see Japan remain outside the SCO format, in the belief that the inclusion of Japan would prevent China from achieving its full objectives in Central Asia. This, however, may be a mistake due to the possible failure of the Chinese top leadership in understanding Japan's ultimate intentions. As noted above, individual perceptual biases and organizational interests and practices often lead national foreign-policy analysis astray. In this particular case, it seems likely that wartime memories still haunt the Chinese top leadership and colour its collective view on Japan. An enduring feature of Sino-Japanese relations since 1978, when Deng Xiaoping introduced policies to reform and open up China, is that Japan has gone along with China's interests and indeed accommodated and facilitated China's rise as an economic and political great power.⁵² Besides, soft power is one thing, economic and military force another. Japan is highly unlikely even to consider the projection of military force into Central Asia, or to assist NATO in doing so in the face of Russian or Chinese opposition. Whether the inclusion of Japan in the SCO format would enable the Central Asian states to balance Chinese interests against those of Japan is by no means a certainty.

STABILITY IN XINJIANG AND THE UYGHUR FACTOR, CHINA'S NATIONAL INTEREST IN THE FAR WEST

In addition to trade and land transportation routes, China sees its influence in Central Asia as a key foothold for maintaining stability in its Far West, Xinjiang, since 1955 designated the Xinjiang Uyghur

Autonomous Region (XUAR). In Xinjiang, longstanding tensions between Muslim Uyghurs and ethnic Han Chinese have several times resulted in violence. For China, stability in Xinjiang is a very real national interest. China is especially concerned by Islamic extremism filtering in from the Central Asian states, Pakistan, and Afghanistan. A substantial minority population of Uyghurs lives in several of the former Soviet Central Asian republics. About a half million Uyghurs live in the broader Central Asian region, many of them the descendants of earlier immigrants from Xinjiang to Kazakhstan and Kyrgyzstan.⁵³

Xinjiang, formerly known as East Turkestan, has long seen separatist aspirations. More than sixty per cent of Xinjiang's inhabitants belong to ethnic minorities. According to official statistics, the region's largest ethnic group is the Uyghurs, numbering almost half the total population. Most other minorities are also of Turkic origin, including a large population of Kazakhs, numerous Kyrgyz, and some Uzbeks. There are also Persian-speaking Tajiks as well as a significant population of Mongols. Han Chinese so far form only the second largest ethnic group, with a population of somewhat less than that of the Uyghurs (according to official statistics, not necessarily reliable as China for political reasons may wish to play down the Han Chinese presence in the region). From 1944 to 1950, an independent, Uyghur-led secular republic – the East Turkestan Republic – was in effective control of the northern section of present-day Xinjiang (Ili, Tacheng, and Ashan (present Altay) districts; official Chinese historiography thus refers to it as the “Three Districts Revolution”). The East Turkestan Republic enjoyed support from and to some extent was controlled by the Soviet Union.⁵⁴

Kazakhstan has a substantial Uyghur minority and was the home of several Uyghur separatist groups. There is also a modest Uyghur population in Uzbekistan. However, there are no overt signs of Uyghur separatism within the country, perhaps for domestic political reasons. However, Kyrgyzstan has the second largest Uyghur minority in the Central Asian republics, after Kazakhstan, and is the Central Asian republic which has perhaps felt the political repercussions of the Uyghur presence most. Kyrgyzstan has on several occasions faced Chinese pressure to deal with its separatist Uyghurs: in May 2000 five Uyghur separatists were ordered deported to China. Perhaps in retaliation, a leading Chinese businessman was kidnapped in the city of Osh by what may have been Uyghur separatists, who demanded a ransom for his release. In July 2000, the Kyrgyz government responded by arresting

ten members of the Uyghur Liberation Front, among whom were reportedly Uzbeks, Uyghurs, Turks, Kyrgyz, and Chinese (nationals of presumably Uyghur origin) who allegedly had fought in Chechnya and trained in Pakistan and Afghanistan.⁵⁵ In November 2003, Kyrgyzstan banned two Uyghur groups, including the *Turkestan Islamic Party* (TIP).⁵⁶

The presence of the latter was important. Outside China, few regard the lingering Uyghur separatist sentiments in Xinjiang as a source of international terrorism or an existential threat to the Chinese state. However, the TIP is another matter. As its name suggest, the TIP consists not of secular separatists but Islamic extremists. The TIP built up bases in first Afghanistan, under Taliban protection, and then in Pakistan, where its militants currently cooperate with other international jihadists. From Pakistan, the TIP regularly releases jihadist videos and since 2008 an Arabic-language web magazine, *Islamic Turkistan*, which promotes support of Al-Qaida and hatred to not only China but the West as well. Since knowledge of Arabic is not widespread in Xinjiang, it can be assumed that *Islamic Turkistan* is primarily written for a Middle Eastern readership. The web magazine features martyrdom biographies, interviews with TIP leaders, and religious justification for waging jihad against infidels and Muslims who do not support the extreme views of the extremists. Its purpose, beyond general support to jihadist feelings, is perhaps to publicize the TIP, position Xinjiang as part of the global jihadist movement together with Afghanistan, Yemen, Iraq, Syria, and elsewhere, and bring in funds to finance the *jihad*.⁵⁷

For China, separatist sentiments in Xinjiang are for reasons of national sovereignty a cause of real concern, making stability in Xinjiang a key national interest. Yet, there is little evidence that the TIP has a substantial presence in Xinjiang or indeed in any other place but Pakistan. Even so, China is wary of any ethnically or religiously based political activities within the large Uyghur Diaspora in Central Asia, in particular if signs indicate links to the TIP or other Islamic extremist groups, since such activities might become a threat to China's ability to maintain stability in Xinjiang. The SCO and its avowed struggle against the Three Evils of terrorism, separatism, and religious extremism for this reason forms a fundamental means for China indirectly, through the Central Asian governments, to apply pressure on political groups within the Central Asian Uyghur Diaspora and thus to maintain stability in Xinjiang. This is important, since the extensive Uyghur Diaspora is well-connected in the West as well as in Turkey and several other countries.

CONCLUDING REMARKS

For China, Central Asia is a critical frontier. China depends on the Central Asian region, and accordingly the SCO, for its energy security, trade expansion, and ethnic stability in its Far West, Xinjiang.

China's primary national interest within the SCO is no doubt security, in particular in the face of the Three Evils of terrorism, separatism, and religious extremism. Another major national interest is economic cooperation and economic development. It should be noted that for China, all economic and trade activities within the SCO framework are a means to an end, namely stability and growth.

China has been particularly eager to import raw materials and energy from Central Asia. China has repeatedly emphasized that it has no choice but to augment domestic energy sources through imports from abroad, in particular Central Asia and Russia. China at the same time is keen to export manufactured goods to the region's markets and generally expands trade aggressively. For this, China needs an efficient transportation infrastructure, including the creation of a regional rail network which, unlike the sea routes, would be beyond the control of the United States in case of future conflict. The railway from Urumchi to Kazakhstan by way of Alashankou began operations after the dissolution of the Soviet Union, and a second cross-border railway to Kazakhstan was opened in December 2012, by way of Korgas. A decision has also been taken to construct the long-awaited China-Kyrgyzstan-Uzbekistan railway line. However, even with these railway lines, the transportation infrastructure between China and Central Asia will remain insufficient and continue to suffer from bottlenecks. In other words, China's capabilities remain insufficient to fulfil all its policy objectives in the region.

Ultimately, China's intentions seem to include an ambition to surpass Russia's influence in the Central Asian republics. China has proposed to make the SCO a free trade zone and aims for RMB regionalization, and ultimately RMB internationalization. However, the Chinese quest for a common market is far from being unanimously accepted and remains unfulfilled. China's soft power has not yet, despite considerable efforts, resulted in any major gains in capability to achieve these goals.

For China, separatist sentiments in Xinjiang are for reasons of national sovereignty a cause of real concern, making stability in Xinjiang

a key national interest. The SCO accordingly forms a fundamental means for China indirectly to apply pressure on political groups within the Central Asian Uyghur Diaspora and thus to maintain stability in Xinjiang. Without this support from other SCO member states, China would have only limited opportunities to suppress the extensive and well-connected Uyghur Diaspora's support for separatism in Xinjiang.

For these various reasons, China needs the SCO. Despite genuine and very impressive economic achievements, China is not yet sufficiently powerful to enforce its will unilaterally. China's relationship with other SCO member states is one of mutual dependence, not indisputable leadership. Besides, Russia has considerable means at its disposal to thwart Chinese ambitions in Central Asia, if these are deemed incompatible with Russian interests. China's top leadership realizes its limitations, even though Chinese rhetoric and in extension Chinese public opinion may not acknowledge or fully grasp these checks on China's power.

REFERENCES

1. See, e.g., Keren Yarhi-Milo, "In the Eye of the Beholder: How Leaders and Intelligence Communities Assess the Intentions of Adversaries." *International Security*, Vol. 38, No. 1, 2013, pp.7-51.
2. Interview with Ambassador Locke, National Public Radio (United States), 18 January 2012 (www.npr.org).
3. Susan V. Lawrence and Michael F. Martin, *Understanding China's Political System*. Washington, DC, Congressional Research Service, 10 May 2012.
4. For further information on the SCO, see Michael Fredholm (ed.), *The Shanghai Cooperation Organization and Eurasian Geopolitics*. Copenhagen, NIAS Press, 2013. See also the SCO web site, www.sectesco.org.
5. Li Lifan, "The SCO and How Chinese Foreign Policy Works: The Global Influence of its Central Asia Policy." In M. Fredholm, *Shanghai Cooperation Organization*. pp. 152-61, on 160, 161.
6. *Ibid.*, 159.
7. Li Lifan and Raffaello Pantucci, "Cosying up." *South China Morning Post*, 15 June 2011.
8. Liu Junmei and Zheng Min, "Financial Cooperation among SCO Member States: Review and Prospects from China's Perspective." In M. Fredholm, *Shanghai Cooperation Organization*. pp. 264-76, on 275.
9. Konstantin Kosachev, "The Specifics of Russian Soft Power." *Russia in Global Affairs*, Vol. 10, No. 3, 2012, pp. 47-60, on 51. At the time of writing, Kosachev was head of *Rossotrudnichestvo* (the Federal Agency for the Commonwealth of Independent States (CIS), Compatriots Living Abroad and International Humanitarian Cooperation) and the Russian President's special envoy for relations with CIS countries.

10. Li, "SCO and How Chinese Foreign Policy Works." *op.cit.*, p. 157.
11. Stephen Blank, "The Shanghai Cooperative Organization: A Post-Mortem", *NIASnytt* 3, September 2002, pp. 12-13, 30.
12. Pan Guang, "The Spirit of the Silk Road: The SCO and China's Relations with Central Asia." In M. Fredholm, *Shanghai Cooperation Organization*. pp. 20-28.
13. Liu and Zheng, "Financial Cooperation among SCO Member States," *op.cit.*, pp. 266, 273.
14. Web site of the Ministry of Foreign Affairs, People's Republic of China (www.fmprc.gov.cn); cited by Pan, "Spirit of the Silk Road," p. 23.
15. Liu and Zheng, "Financial Cooperation among SCO Member States." *op.cit.*, pp. 266-7.
16. The Tashkent Declaration, Tashkent, 17 June 2004 (translated from Russian).
17. Declaration of Heads of Member States of Shanghai Cooperation Organization, Astana, 6 July 2005. The Action Plan was eventually approved on 30 October 2008, providing for the implementation of projects in trade and investment, finance and taxation, management of natural resources and environment protection, customs procedures, transport, science and new technologies, agro-industrial complexes, information, and telecommunications technologies.
18. Zhuldyz Tulibayeva and Aigerim Sadvokassova, "The SCO and Prospects for Regional Economic Cooperation in Central Asia." In M. Fredholm, *Shanghai Cooperation Organization*, pp. 253-63.
19. Liu and Zheng, "Financial Cooperation among SCO Member States," *op.cit.*, p. 271.
20. Tulibayeva and Sadvokassova, "SCO and Prospects for Regional Economic Cooperation." *op.cit.*, p.258.
21. Joint Communique of the Meeting of the Council of Heads of Member States of the Shanghai Cooperation Organization, Shanghai, 15 June 2006.
22. Marlene Laruelle and Sebastien Peyrouse, "Friendship with Moderation: The Central Asian Point of View on the SCO." In M. Fredholm, *Shanghai Cooperation Organization*, pp. 229-52.
23. Mirzokhid Rakhimov, "The Institutional and Political Transformation of the SCO in the Context of Geopolitical Changes in Central Asia." Fredholm, *Shanghai Cooperation Organization*, pp. 62-81, on 73.
24. Liu and Zheng, "Financial Cooperation among SCO Member States." *op.cit.*, p. 273.
25. *Ibid.*, p. 268.
26. *Ibid.*, p. 274.
27. Laruelle and Peyrouse, "Friendship with Moderation." *op.cit.*, p. 235.
28. Rakhimov, "Institutional and Political Transformation," *op.cit.*, p. 75-6.
29. On the Trans-Siberian Railway, see M. Baldano, "The Trans-Siberian Railway: Eurasian Resource." In K. Warikoo (ed.), *Central Asia and South Asia: Energy Cooperation and Transport Linkages*. New Delhi, Pentagon Press, 2011. pp. 212-21.
30. Andrew D. W. Forbes, *Warlords and Muslims in Chinese Central Asia: A Political History of Republican Sinkiang, 1911-1949*. Bangkok, White Lotus, 2010, pp. 120, 143, 147-9, 150. For a map, see *Ibid.*, p. 108. First published by Cambridge University Press in 1986.
31. For details on the Qing military system, see Michael Fredholm, *Eight Banners and Green Flag: The Army of the Manchu Empire and Qing China, 1600-1850*. Farnham, Pike and Shot Society, 2009.

32. Gustaf Mannerheim, *Dagbok fjrd under min resa i Centralasien och Kina 1906-07-08*. Helsinki, Svenska litteratursallskapet i Finland (SLS, 3 vols., 2010), pp. 186, 200, 344-6, 348, 811, 814. This work includes Mannerheim's diary and personal notes, never before published.
33. See, e.g., Victor M. Mitypov, "The Great Silk Route: Historical Perspective." In K. Warikoo, *Central Asia and South Asia, op.cit.*, pp. 203-11.
34. *Xinhua*, 22 December 2012.
35. *Railwaybulletin.com*, 19 February 2013 (www.railwaybulletin.com).
36. *CA-News.org*, 2 August 2013 (<http://en.ca-news.org>).
37. Joshua Kucera, "Rouhani May Go To Bishkek, But Unlikely To Focus On SCO." *Eurasianet.org*, 15 August 2013 (www.eurasianet.org).
38. Mark Burles, *Chinese Policy Toward Russia and the Central Asian Republics*. Santa Monica, California, RAND, 1999, pp. 23, 39. See also, e.g., Michael Fredholm, "The Tatmadaw: Burma's Armed Forces and Prospects for the Future". *The Democracy Movement in Burma since 1962* (conference on 25-26 September 1999 organised by the Center for Pacific Asia Studies at Stockholm University); Michael Fredholm, *Afghanistan and Central Asian Security*. Stockholm, Stockholm University, Asian Cultures and Modernity Research Report 1, March 2002.
39. *Xinhua*, 11 August 2009.
40. Rakhimov, "Institutional and Political Transformation." *op.cit.*, pp. 74-5.
41. Liu and Zheng, "Financial Cooperation among SCO Member States." *op.cit.*, p. 269.
42. *Ibid.*, p. 275.
43. Sreemati Ganguli, "The SCO: An Energy Alliance in the Making." In M. Fredholm, *Shanghai Cooperation Organization. op.cit.*, pp. 277-93.
44. *Ibid.*, pp. 291-2.
45. *Ibid.*, pp. 293.
46. Alyson J. K. Bailes and Johanna M Thordisardottir, "The SCO and NATO." In M. Fredholm, *Shanghai Cooperation Organization. op.cit.*, pp. 85-117, on 96.
47. See, e.g., Akihiro Iwashita, "The Northern Territories and Russo-Japan Relations." *Russian Analytical Digest* 132, 11 July 2013, pp. 2-4.
48. See, e.g., Linus Hagstrom, "'Power Shift' in East Asia? A Critical Reappraisal of Narratives on the Diaoyu/Senkaku Islands Incident in 2010." *Chinese Journal of International Politics*, Vol. 5, 2012, pp. 267-97.
49. Rakhimov, "Institutional and Political Transformation." *op.cit.*, p. 80.
50. Iwashita Akihiro, "The Shanghai Cooperation Organization: Beyond a Miscalculation on Power Games." In Christopher Len, Uyama Tomohiko, and Hirose Tetsuya (eds.), *Japan's Silk Road Diplomacy: Paving the Road Ahead*. Central Asia-Caucasus Institute and Silk Road Studies Program, Institute for Security and Development Policy, 2008. pp. 69-85, on 73-74.
51. Pan Guang, "China and US in Central Asia: Role of the SCO and Possibility of Cooperation in Afghanistan." *China & US Focus*, 7 September 2011 (www.chinausfocus.com).
52. For a thorough analysis of this issue, which goes beyond the scope of the present paper, see Bjorn Jerden and Linus Hagstrom, "Rethinking Japan's China Policy: Japan as an Accommodator in the Rise of China, 1978-2011," *Journal of East Asian Studies*, Vol. 12, 2012, pp. 215-250.
53. Michael Fredholm, *Islamic Extremism as a Political Force in Central Asia: A Comparative Study of Central Asian Extremist Movements*. Stockholm, Stockholm University, Asian Cultures and Modernity 12, 2006, pp. 40-45.

54. See, e.g., *ibid.*, pp. 40-45; Linda Benson, *The Ili Rebellion: The Moslem Challenge to Chinese Authority in Xinjiang 1944-1949*. New York, M. E. Sharpe, 1990; David D. Wang, *Clouds over Tianshan: Essays on Social Disturbance in Xinjiang in the 1940s*. Copenhagen, NIAS, 1999.
55. Ahmed Rashid, "Central Asia Summary: Recent Developments in Kazakhstan, Kyrgyzstan and Turkmenistan." *Eurasia Insight*, 18 January 2001 (www.eurasianet.org).
56. *IWPR's Reporting Central Asia* 250, 4 December 2003.
57. *Islamic Turkistan* is issued on several, often changing jihadist web forums and has the email address turkistan@mujahid.biz.

CYBER WARFARE
*CHINA'S ROLE AND CHALLENGE TO
THE UNITED STATES*

ARUN WARIKOO

I. INTRODUCTION

"Information is the oxygen of the modern age. It seeps through the walls topped by barbed wire; it wafts across the electrified borders."

(Ronald Reagan, 40th President of the United States)

The 21st century is rightly dubbed as an Information Age. Endless information is readily available made possible by interconnection of billions of computer systems globally over a backbone of networks commonly referred to as the "Internet". The growing reliance on laptops, computer systems, ipads, and smart phones to perform most of our tasks has created a parallel world "the Cyber World". The reliance on the cyber world is growing among governments on everything from military to commercial activities. This reliance on the cyber space has created a new threat, cyber warfare with potentially devastating consequences. Cyber Warfare is no longer a figment of imagination taken out from a science fiction novel. It is real! Cyber Warfare is "a form of information warfare that involves units organized along nation-state boundaries, in offensive and defensive operations, using computers to attack other computers or networks through electronic means, to conduct sabotage and espionage."¹

The most important characteristic of Cyber warfare is that it is state sponsored. The motivation here is to sabotage another country's security capabilities using cyber weapons, steal Intellectual Property (IP) and espionage.² In the words of Barack Obama, President of the United States,

“It’s the great irony of our Information Age – the very technologies that empower us to create and to build also empower those who would disrupt and destroy. And this paradox – seen and unseen – is something that we experience every day.”³

This paper examines the Chinese policy on Cyber Warfare, the key players involved and the challenges it presents to the United States of America.

2. CHINA’S ROLE IN CYBER WARFARE

2.1 Historical Background

The earliest known recorded piece on cyber warfare by a Chinese was written by Shen Weiguang, publishing a book named *Information Warfare* in 1985.⁴ But it was only in the 1990s after the Gulf War that the Chinese showed tremendous interest in cyber warfare. The Chinese military leadership believed that cyber warfare played an important role in OPERATION DESERT STORM and that the US military used computer viruses to disrupt Iraqi information systems.⁵

Major General Wang Pufeng, former Director of the Strategy Department, Academy of Military Science is considered to be the Father of Chinese Information Warfare. In his book titled, *Information Warfare and the Revolution in Military Affairs*, Wang defines information warfare as follows:

“Information war is a product of the information age which to a great extent utilizes information technology and information ordnance in battle. It constitutes a “networkization” [*wangluohua*] of the battlefield, and a new model for a complete contest of time and space. At its center is the fight to control the information battlefield, and thereby to influence or decide victory or defeat.”⁶

2.2. China’s Doctrine on Cyber Warfare

China in the 21st century wants to sustain the tremendous economic growth of the 1990s and become a technological leader as envisioned in its Vision 2020. Cyber warfare is an essential component of China’s strategy to achieve world domination. The Chinese employ cyber warfare on three fronts – military, economic, and technological to achieve their strategic objectives.

Militarily, the Chinese see cyber warfare as an integral part of warfare and believe that this is the best way to neutralize an enemy that

is technologically superior.⁷ The People's Liberation Army (PLA) doctrine evangelizes the use of cyber attacks to achieve political and military goals and infrastructure disruption as part of unconventional warfare.⁸ The Science of Strategy and the Science of Campaigns are the PLA's most authoritative doctrinal writings and consider Information Warfare (IW) as an integral part of achieving information superiority and an effective means for countering a stronger foe.⁹ "xinxi zhanzheng" (Information Warfare) as the Chinese call it, is looked as a preemptive weapon that must be established in the opening phase of conflict.¹⁰ Cyber warfare enables data collection for intelligence and can be employed to slow down enemy's response time by targeting the infrastructure.¹¹ Lu Linzhi, a PLA military strategist and author of *Preemptive Strikes Crucial in Limited High-Tech Wars*, states:

"In military affairs, launching a preemptive strike has always been an effective way in which the party at a disadvantage may overpower its stronger opponent. . . . For the weaker party, waiting for the enemy to deliver the first blow will have disastrous consequences and may even put it in a passive situation from which it will never be able to get out. . . ."¹²

According to Major General Li Deyi, the deputy chair of the Department of Warfare Theory and Strategic Research at the Academy of Military Sciences, "Information deterrence is rising to a strategic level and will achieve a level of importance second only to nuclear deterrence."¹³

Technologically, the Chinese see cyber warfare as a tool to reduce the technological gap with the United States. The Chinese use cyber attacks to steal intellectual property and proprietary information to support national science and technology programs.¹⁴ The Chinese government, supports these activities by providing state-owned enterprises (SOEs) information and data extracted through cyber espionage to improve their competitive edge, cut R&D timetables, and reduce costs.

2.3 Key Players

2.3.1 PLA

PLA's strategic cyber command is situated in the General Staff Department (GSD) 3rd department.¹⁵ The GSD 3rd department is divided into several bureaus and three research institutes.¹⁶ The Chinese cyber command is fully institutionalized within the CPC and leverages China's state owned firms to support its operations.¹⁷ Mandiant, an Information Security firm, in its report states that the bureau employs hundreds of trained

professionals with huge infrastructure and facilities in Shanghai and that it has state of the art fiber optic communication infrastructure provided by state-owned enterprise China Telecom.¹⁸

2.3.2 Chinese Hacker Community

The Chinese Hacker community has a rich knowledge base and tremendous expertise in exploiting vulnerabilities. A report prepared for the US-China Economic and Security Review Commission states that most prominent Chinese hacker organizations active in the beginning of the decade have evolved into formal information security research companies and some of these groups or individuals have developed relationships with companies close to Chinese security organizations or to the government itself.¹⁹

2.3.4 Hacker-State Collaboration

The report states that the Chinese government have relationships with firms comprised of experienced hackers. Commercially-based white hat information security researchers (i.e. those pursuing overt legal research in the field) are developing extensive government customer bases for hardware and possibly software support. Many of the most prominent groups from earlier in the decade and their leaders have either disbanded or transformed themselves into seemingly legitimate security firms. Large groups like Xfocus and Black Eagle Base have reshaped themselves into commercial operations, albeit in close alignment with state security and information security objectives.

3. CHINESE CYBER ATTACKS AGAINST THE US

Numerous Chinese cyber attacks have been well documented targeting US national security programs and businesses. The timeline has been prepared by using the data provided in the following documents:

1. *Capability of the People's Republic of China to Conduct Cyber Warfare and Computer Network Exploitation*. Prepared for The US-China Economic and Security Review Commission
2. *Cyber Espionage and the Theft of U.S. Intellectual Property and Technology*. Testimony of Larry M. Wortzel before the House of Representatives, Committee on Energy and Commerce Subcommittee on Oversight and Investigations, July 9, 2013

Significant Chinese Cyber Attacks (1999-Present)²⁰

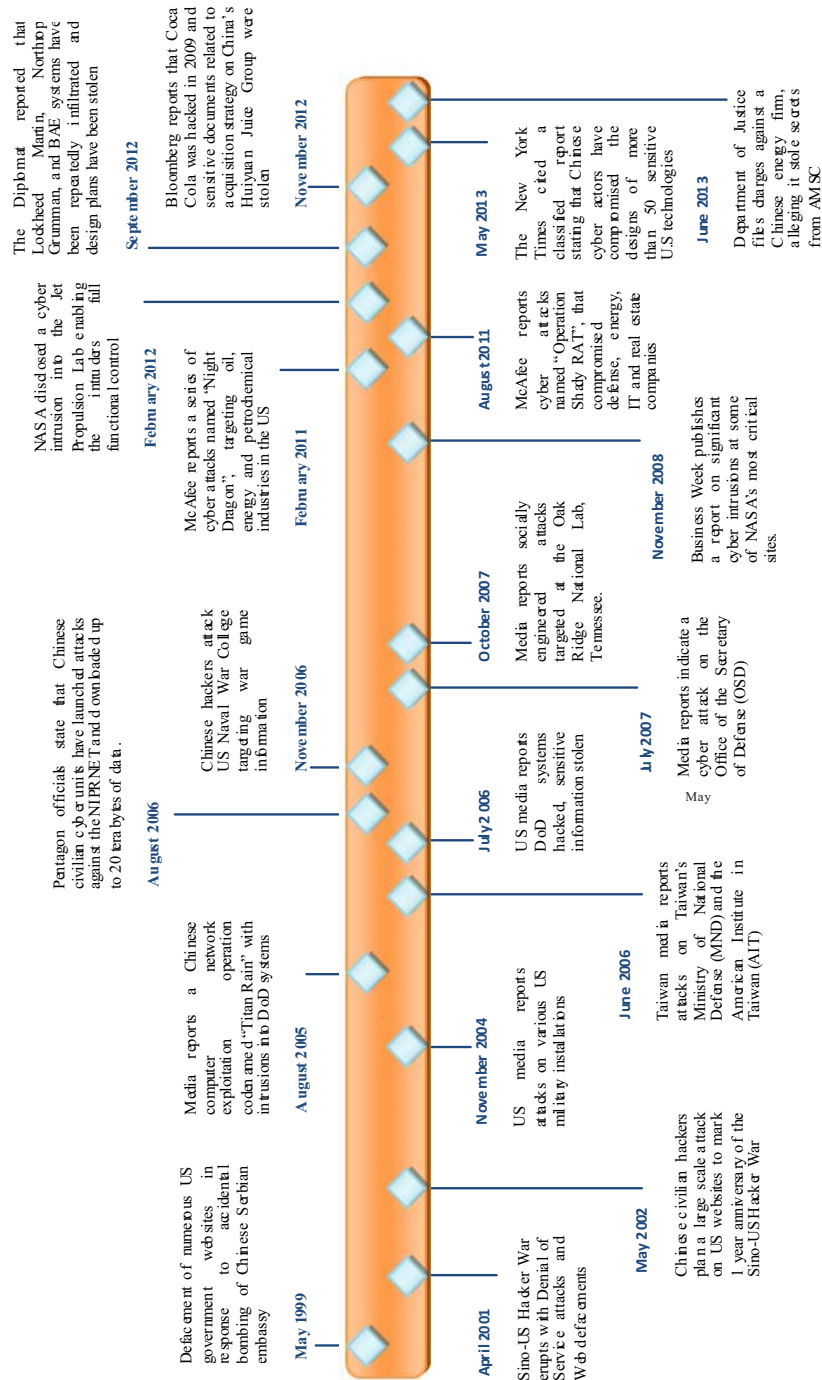


TABLE: COMPROMISES BY INDUSTRY SECTOR

	2005	2006	2007	2008	2009	2010	2011	2012	2013
R&D									
Defense	0	000	00	00			0	0	0
Energy							00		0
Biotechnology							0		
Oil							0		
Petrochemicals							0		

The diamonds in Table 1 represent the compromises within the industry sector. There is continuous attack on the defense sector for espionage related activities. Since 2011, one can also see compromises on Technology R&D sector, Oil, Energy, Petrochemicals and Biotechnology sectors. It is interesting to note that there is a direct correlation between the industry sector's compromised since 2011 and industries identified in China's Twelfth Plan (2011- 2015). China's Twelfth Plan focuses on innovation, energy and emerging strategic industries.²¹

4. CHALLENGE TO THE UNITED STATES OF AMERICA

4.1 Intellectual Property (IP) Protection and Enforcement

Intellectual Property or IP is a significant driver of the American economy. The President's 2006 Economic Report to the Congress states that 70% of the value of publicly traded corporations is Intellectual Property.²² Industries based on IP accounted for 34.8 percent of U.S. gross domestic product (GDP) in 2010.²³

Theft of IP has a huge impact on the economy. IP theft not only means loss of revenue but also has a demoralizing effect on the inventor. Innovation is the heart of the US economy and IP theft has a crippling effect on those start-ups that are involved in innovation. The IP Commission Report estimates that hundreds of billions of dollars are lost per year to IP Theft.²⁴ Gen. Keith Alexander, director of the National Security Agency and commander of US Cyber Command stated in a lecture at the American Enterprise Institute:

"The loss of industrial information and intellectual property through cyber espionage constitutes the greatest transfer of wealth in history. U.S. companies lose about \$250 billion per year through intellectual property theft, with another \$114 billion lost due to cyber crime, a number that rises to \$338 billion when the costs of down time due to crime are taken into account."²⁵

According to the IP Commission Report, China accounts for roughly 70% of international IP theft.²⁶ The report further states that the Chinese encourage IP theft and that both business and government entities engage in this practice.²⁷ According to the U.S. National Counterintelligence Executive, "Chinese actors are the world's most active and persistent perpetrators of economic espionage" obtaining trade secrets and continuing infringement of trademarks, copyrights, and patents.²⁸ IP are stolen from American universities, national laboratories, private think

tanks, and start-up companies, as well as from the major R&D centers of multinational companies.²⁹

4.2 Threat to U.S. National Security

China's cyber espionage against the U.S. government and defense industrial base poses a major threat to U.S. military operations. Larry M Woetzel in his report before the House of Representatives has said that China's aim is to fill gaps in its own research programs, shorten R&D timeline for military technologies, gather intelligence on U.S. strategies and plans, and identify vulnerabilities in U.S. systems.³⁰ The Department of Defense's DODs 2013 annual report to the Congress indicates the grave threat posed by the Chinese in collecting intelligence against US industries that support US defense programs.³¹ In one instance, a news report in 2011 revealed that malware had penetrated networks used to control U.S. military drones.³² In another report, it is alleged that the Chinese are hacking into US electricity networks and inserting malware that could be activated later to shut down the electric grid.³³

Richard Clarke, White House Cyber Security Advisor (October 2001 – March 2003), in an interview on PBS Frontline stated as follows:

"We, as a country, have put all of our eggs in one basket. The reason that we're successfully dominating the world economically and militarily is because of systems that we have designed, and rely upon, which are cyber-based. It's our Achilles heel. It's an overused phrase, but it's absolutely true. It could be that, in the future, people will look back on the American empire, the economic empire and the military empire, and say, "They didn't realize that they were building their whole empire on a fragile base. They had changed that base from brick and mortar to bits and bytes, and they never fortified it. Therefore, some enemy some day was able to come around and knock the whole empire over. That's the fear."³⁴

4.3 Threat to US Industry

China's cyber espionage against U.S. commercial firms poses a significant threat to U.S. business interests and competitiveness in key industries. A classic example is that of the American Superconductor Corporation that had its wind-energy software code stolen by a major customer in China resulting is not only loosing that customer but also 90% of its stock value.³⁵ In another instance, a U.S. metallurgical company lost technology to China's hackers that cost \$1 billion and 20 years to develop.³⁶

5. CONCLUSION

There is a direct correlation between the US industries that were compromised and those industries designated by China as strategic in their twelfth plan (2011-2015) industries. This points to the fact that such attacks are indeed state sponsored and the intention is to steal IP. Chinese cyber war poses a significant threat to the United States in terms of protecting IP, protecting critical infrastructure and maintain economic and technological superiority.

The issue of cyber attacks is threatening to become a major source of friction between the US and China. Bilateral talks on cyber security between the two countries are occurring at a very high level. A task force needs to be set up with representatives from both sides with a specific set of agenda to look at this thorny issue.

BIBLIOGRAPHY

- Billo, Charles G. , Chang, Welton, *Cyber Warfare - An Analysis of The Means and Motivations of Elected Nation States*, Institute for Security Technology Studies: Dartmouth College, December 2004
- Testimony of Larry M. Wortzel before the House of Representatives Committee on Energy and Commerce Subcommittee on Oversight and Investigations July 9, 2013, "Cyber Espionage and the Theft of U.S. Intellectual Property and Technology".
- Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2013*. (Washington, DC: Department of Defense, 2013)
- Kevin Larkin, "China Risk : Chinese Cyber-Warfare – Events, Motivations, and Actors", worldanalysis.net, <http://worldanalysis.net/smf/index.php?topic=392.0;wap2>
- Kenneth G. Lieberthal, "Cybersecurity and China", www.brookings.edu, February 22, 2013 <http://www.brookings.edu/blogs/up-front/posts/2013/02/22-cybersecurity-china-lieberthal>
- Capability of the People's Republic of China to Conduct Cyber Warfare and Computer Network Exploitation - Prepared for The US-China Economic and Security Review Commission
- Josh Rogin, "NSA Chief: Cybercrime Constitutes the 'Greatest Transfer of Wealth in History'," Foreign Policy: The Cable, July 9, 2012, http://thecable.foreignpolicy.com/posts/2012/07/09/nsa_chief_cybercrime_constitutes_the_greatest_transfer_of_wealth_in_history
- MG Wang Pufeng, "Information Warfare and the Revolution in Military Affair", James C. Mulvenon and Richard H. Yang, *The People's Liberation Army in the Information Age*, RAND Corporation, 1999
- Richard Clarke, former White House cyber security advisor, Interview for PBS Frontline: Cyber War!, March 18, 2003 <http://www.pbs.org/wgbh/pages/frontline/shows/cyberwar/interviews/clarke.html>

-
- Deng Shasha, "Key targets of China's 12th five-year plan". *Xinhuanet*, March 5, 2011
http://news.xinhuanet.com/english2010/china/2011-03/05/c_13762230.htm
- Remarks by President Barack Obama on Cyber Security, *Remarks by The President on Securing our Nation's Cyber Infrastructure*, May 29, 2009
http://www.whitehouse.gov/the_press_office/Remarks-by-the-President-on-Securing-Our-Nations-Cyber-Infrastructure
- The Commission on the Theft of American Intellectual Property, *The IP Commission Report* (Washington, DC: May 2013),. http://www.ipcommission.org/report/IP_Commission_Report_052213.pdf.
- Mandiant Corporation, "APT1: Exposing One of China's Cyber Espionage Units," February 2013, http://intelreport.mandiant.com/Mandiant_APT1_Report.pdf.
- Michael A. Riley and Ashlee Vance, "China Corporate Espionage Boom Knocks Wind Out of U.S.Companies." *Bloomberg Businessweek*, March 19–25, 2012
<http://www.bloomberg.com/news/2012-03-15/china-corporate-espionage-boom-knocks-wind-out-of-u-s-companies.html>
- Kenneth Lieberthal and Peter W. Singer, "Cybersecurity and U.S.-China Relations". February 2012, Brookings,
- Institute of Global Conflict and Cooperation GCC Report from Workshops held at the University of California, San Diego April 2012, "China and Cyber security: Political, Economic, and Strategic Dimensions"

REFERENCES

1. Charles G. Billo and Welton Chang, "Cyber Warfare - An Analysis Of The Means And Motivations Of Elected Nation States". Institute for Security Technology Studies, Dartmouth College, December 2004.
2. See Kenneth G. Lieberthal, "Cybersecurity and China", www.brookings.edu, February 22, 2013 <http://www.brookings.edu/blogs/up-front/posts/2013/02/22-cybersecurity-china-lieberthal>
3. Remarks by President Barack Obama on Cyber Security, *Remarks by the President on Securing our Nation's Cyber Infrastructure*, May 29, 2009. http://www.whitehouse.gov/the_press_office/Remarks-by-the-President-on-Securing-Our-Nations-Cyber-Infrastructure
4. James C. Mulvenon, Richard H. Yang, "The People's Liberation Army in the Information Age". RAND Corporation, 1999. p. 177.
5. *Ibid.*, p. 178.
6. M.G. Wang Pufeng, "Information Warfare and the Revolution in Military Affair", p. 37.
7. Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China*, 2013. p. 37.
8. See Kevin Larkin, "China Risk : Chinese Cyber-Warfare – Events, Motivations, and Actors", worldanalysis.net, <http://worldanalysis.net/smf/index.php?topic=392.0;wap2>
9. Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China*, 2013. p. 37
10. *Ibid.*, p. 10.
11. *Ibid.*, p. 36.
12. James C. Mulvenon and Richard H. Yang, *op.cit.*, p. 183.
13. Li Deyi, "A Study of the Basic Characteristics of the Modes of Thinking in Informatized Warfare." *China Military Science*, Summer 2007, pp.101-105.
14. Testimony of Larry M. Wortzel before the House of Representatives Committee

- on Energy and Commerce Subcommittee on Oversight and Investigations July 9, 2013, "Cyber Espionage and the Theft of U.S. Intellectual Property and Technology" <http://docs.house.gov/meetings/IF/IF02/20130709/101104/HHRG-113-IF02-Wstate-Wortzell-20130709-U1.pdf>
15. Mandiant Report, APT1: Exposing One of China's Cyber Espionage Units, p. 7.
 16. *Ibid.*, p. 8.
 17. *Ibid.*
 18. *Ibid.*
 19. Bryan Krekel, "Capability of the People's Republic of China to Conduct Cyber Warfare and Computer Network Exploitation", Prepared for the The US-China Economic and Security Review Commission, October 9, 2009, p. 38.
 20. Capability of the People's Republic of China to Conduct Cyber Warfare and Computer Network Exploitation - Prepared for The US-China Economic and Security Review Commission. "Cyber Espionage and the Theft of U.S. Intellectual Property and Technology"; Testimony of Larry M. Wortzel before the House of Representatives, Committee on Energy and Commerce Subcommittee on Oversight and Investigations, July 9, 2013.
 21. See Deng Shasha, "Key targets of China's 12th five-year plan". *Xinhuanet*, March 5, 2011. http://news.xinhuanet.com/english2010/china/2011-03/05/c_13762230.htm
 22. *IP Commission Report*, p. 11.
 23. IP-intensive industries accounted for about \$5.06 trillion in value added, or 34.8 percent of U.S. gross domestic product (GDP), in 2010.
 24. *IP Commission Report*, p. 2.
 25. See Josh Rogin, "NSA Chief: Cybercrime Constitutes the 'Greatest Transfer of Wealth in History'," *Foreign Policy: The Cable*, 9 July 2012. http://thecable.foreignpolicy.com/posts/2012/07/09/nsa_chief_cybercrime_constitutes_the_greatest_transfer_of_wealth_in_history
 26. *IP Commission Report*, p. 3.
 27. *Ibid.*
 28. *USTR 2013*, p. 13.
 29. *IP Commission Report*, p. 13.
 30. Testimony of Larry M. Wortzel before the House of Representatives, Committee on Energy and Commerce Subcommittee on Oversight and Investigations July 9, 2013, "Cyber Espionage and the Theft of U.S. Intellectual Property and Technology"
 31. Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2013*. Washington, DC, Department of Defense, 2013. p. 36.
 32. Kenneth Lieberthal and Peter W. Singer, "Cybersecurity and U.S.-China Relations", February 2012, Brookings, p. 12.
 33. IGCC Workshop Report on China and Cybersecurity. p. 27.
 34. Richard Clarke, former White House cyber security advisor, Interview for PBS Frontline: Cyber War!, March 18, 2003 <<http://www.pbs.org/wgbh/pages/frontline/shows/cyberwar/interviews/clarke.html>>
 35. Michael A. Riley and Ashlee Vance, "China Corporate Espionage Boom Knocks Wind Out of U.S. Companies," *Bloomberg Businessweek*, 19-25 March 2012. <http://www.bloomberg.com/news/2012-03-15/china-corporate-espionage-boom-knocks-wind-out-of-u-s-companies.html>
 36. *Ibid.*

THE CHINA-EUROPEAN UNION STRATEGIC PARTNERSHIP AND THE SHANGHAI COOPERATION ORGANIZATION

MANUEL ROCHA-PINO

The People's Republic of China and the European Union (EU) have designed different projects for their inclusion into the international system. However the contrast among the different meanings that each actor gives to concepts like sovereignty, global security, human rights or multilateralism has not been an obstacle to establish cooperation nexuses. Their mutual recognition as Great Powers in the post-Cold War period is a reason that forces them to approach and engage each other in a political dialogue despite their differences. Even though the present international system is characterized by its instability and an apparent chaos, the Sino-European relations have assumed a position in favour of stability and global peace.

In order to coordinate and to find areas of consensus in thier relations, China and the EU have established a strategic partnership since 2003, a bond that exists mainly due to the political will of the actors to form a formalized process of construction of institutions. This strategic partnership has been product of the development projects that are implemented by China and the EU, as well as, the strategies of international socialization that both actors have pursued - China with the outer world, and the EU particularly in its relations with the East Asian countries. While studying the development of these historical processes that could help to explain the possible course of the Sino-European approach in Central Asia as a space of encounter and possible cooperation, this paper explores the possibilities of cooperation in the institutional context of the Shanghai Cooperation Organization (SCO).

I. THE CHINA-EUROPEAN UNION RELATIONS: DIFFERENT VIEWS
ON THE “STRATEGIC PARTNERSHIP”

1.1 China: Multipolarity and Strategic Partnerships as a means to development

In 1990 Deng Xiaoping formally introduced the concept of multipolarization of the world order (*duojihua of shijie*) in the official discourse of the People’s Republic of China’s (PRC) foreign policy. During the late eighties, Chinese analysts contended an erosion of the bipolarity and a growing importance of new world power centres (although they didn’t imagine the USSR collapse) in part by means of a new technological revolution that was accelerating the trend toward multipolarity: those Chinese analysts thought that “the development of new technology is likely to have a decisive impact on a nation’s competitiveness and thus on its relative economic and political power position in the twenty-first century.”¹ This multipolarization process was regarded as a necessary process and cooperation to direct the project of opening and economic reform initiated in 1978. According to Deng, a less aggressive bipolar system, by means of the process of global interdependence, could create the conditions to reach the objectives of technological and industrial modernization that China needed to obtain its immediate goals of development in the post-Maoist era. Another reason that convinced Deng to implement its policy of “peace and development” (*heping yu fazhan*) was the internal stability that prevailed after so many years of political and economic turmoil in China: “Under the basic guideline of focusing on economic construction during reform, the main goal of China’s diplomacy was to maintain a peaceful and stable international environment for domestic economic development”.² After the temporary diplomatic isolation that China suffered after the Tiananmen crisis and the disintegration of the USSR, the PRC began to perceive a challenging international atmosphere with new risks and dangers to its security, like the presence of U.S. as the only Great Power, the projects of NATO’S expansion and “humanitarian interventions”, and the risk of border conflicts and threats to its territorial integrity in Central Asia, the Spratly islands and the Taiwan issue.

The PRC’s reaction to face the new context of the post-Cold War period was trying to be inserted on a pragmatic way in the Asian mechanisms of multilateral cooperation (those that the PRC had distrusted during the Maoism): improving relations with the ASEAN countries,

joining the Asian Regional Forum (ARF) in 1994 and founding the Shanghai 5 Group in 1996 and the ASEAN + 3 in 1997. On the bilateral relations, the PRC began to establish new bilateral relations with the Great Powers and some regional leaders under the criteria of a "multipolar discourse" that would try to contain "American hegemony", but without looking for the establishment of defence alliances, similar to those of the bipolar period. Beijing instead "began a concerted effort to cultivate "partnerships" with the world's major states, arrangement that it hopes will increase the benefits they perceive in working with China while underscoring the opportunity costs of working against it".³ The new diplomatic strategy of the PRC was consolidated during the 15th Congress of the Chinese Communist Party (CCP) and the ascent to the power of the "PRC's Third Generation Leaders" in 1997.

Due to the fear that U.S. could implement policies of containment against the Chinese process of modernization, Jiang Zemin's regime was dedicated to establish bilateral agreements that would diversify the foreign relations of the PRC, leaving secondly the development of multilateral bonds. Among other diplomatic mechanisms, the multipolarity would be obtained by means of "strategic partnerships" (*zhanlue huoban guanxi*): "strategic partnership is an organizational form of joint efforts countries undertake in key areas in the long term to recognize, respect, and accommodate each other's interests equal rights, obligations, benefits, and responsibilities, and to work to achieve shared strategic objectives".⁴

The PRC not only sought to establish cooperation partnerships to resist a possible American containment, the communist government also tried to involve new partners in its modernization project: strategic partnership "signals the partner's political willingness to recognize China's legitimate rise to manage areas of disagreement in order to steadily improve the overall bilateral relationship , and to enhance coordination in promoting their common preferences in the international arena. However, in reality, each of these dyadic relationships has its own difficulties and limits as well as distinctive set of dynamics".⁵ At the same time, establishing bonds of cooperation with other powers, the PRC assumed itself as a world power on a indirect way; the strategic partnerships helped to orchestrate a new "Great Power relations" (*daguo guanxi*) and by means of this China began to construct an identity as great power thanks to the partnerships that it established. This behaviour has continued until the present time, since the Chinese regime considers

that a too assertive discourse on its rise could create fear and opposition by other powers against the PRC : “By emphasizing that China has a lot in common with other world powers it actually indicates that China is one of them”.⁶ However, beyond the Chinese discourse the strategic partnerships could become a manipulation or means of persuasion, so that the “partner” modified a contradictory behaviour with the objectives of the strategic partnership and not to affect the PRC’s interests, such as on the subject of European claims to the respect of the human rights in China.⁷

The first strategic partnership was established between China and Brazil in 1993, which was followed by the partnership agreement between Russia and China in 1996, in the context of the signature of the first agreements for mutual confidence among China and former Soviet Central Asian republics: that was the origin of the Shanghai Group (the future Shanghai Cooperation Organization, created in 2001). The SCO’s members are China, the Russian Federation, Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan. The organization’s official observers are India, Iran, Mongolia and Pakistan.⁸

In 1997 the Shanghai Group met in Moscow and during that summit Jiang Zemin and Boris Yeltsin reaffirmed their partnership announcing a Joint Declaration on the Multipolarity and the Formation of a New World Order. In order to avoid that its partnership with Russia was understood as a military alliance, the government of Jiang Zemin emphasized a “the three no’s” principle in the Sino-Russian strategic and cooperative partnership, meaning that the relationship involved no alliance, no confrontation, and was not directed against or at the expense of a third party.⁹ An example of the Chinese desire to stick to the “three no’s” principle was Jiang Zemin’s rejection of the proposal of the Russian Foreign Minister Yevgueni Primakov in 1999 to form a “strategic triangle” among the Russian Federation, India and China as a formal alliance: Russia made its proposal in the context of the war in Chechenya and NATO’s intervention in Kosovo.

During the nineties, the PRC pursued its diplomatic strategy seeking to relate its project of modernization to other global actors. The PRC introduced concepts that related its external security to its development, and promising that China would share the benefits with its partners, especially those located in the East Asia region. This idea was synthesized in the Chinese new security concept (NSC), introduced in the official discourse by the Minister of Foreign Relations Qian Qichen during the

ARF summit in 1997. In the following years, and according to the existing international context, the Chinese leadership has reformulated new concepts with the basic idea to maintain an international system to benefit its internal development, and inside China there was developed an intense debate about "...the degree of multipolarity in the international system; the Ministry of Foreign Affairs' development of "the new security concept" in the mid to late 1990s; and the 1999 debate about whether "peace and development" remained the main trend of the times".¹⁰

From the ascent to the power of the "Fourth Generation of Chinese Leaders" in 2002, with the designation of Hu Jintao as Secretary General of the Chinese Communist Party, the regime has innovated with new concepts like the idea of the "China's peaceful rise" (*heping jueqi*) (after the "China's peaceful development" or *heping fazhan*), the incorporation of a Joseph Nye's concept to the official discourse (the *soft power*), and the idea about "the construction of an harmonious Chinese society and an harmonious world". These ideas have the purpose to resist the influence of the "theories on the Chinese threat and the collapse of China" and to continue with the modernization project: "To construct harmonious society internally and to promote harmonious world externally are completely of the similar objective and complement each other".¹¹

1.2 The European Union as a normative power: partnerships in symmetry and asymmetry.

During the early years of the European Community existence, its nation state members took common positions on commercial policies, and their foreign relations were oriented mainly towards their former colonies. Nevertheless these interests have changed, and at the present time the WU has had to take an active role in the international system, developing an agenda that adds the political subjects to the economic ones. In the last years the policies of global security have been added to the European agenda, forcing the EU to participate as much as possible into the problems of the international system.

The EU's presence in the world has become a necessary condition for the defence of its interests and the diffusion of values and norms that orient to the process of European integration.¹² The EU's absence of some space or region could be interpreted or being symptom of weakness or power vacuum. The EU must influence the world through an agenda corresponding with its own model of integration based on the protection

of human rights, good governance, equality, economic liberalism, multilateralism, and rule of law. The institutional system of the EU sets an agenda defined as much by the European values and the EU's law, establishing a bond between European governance and world governance.

The European Union uses different strategies and tools to drive its external action and performance; the mechanisms that help to orchestrate the EU's external action include from policies of enlargement and good neighbourhood, mechanisms of inter-regional dialogue and bilateral strategic dialogues (like the New Transatlantic Agenda and strategic dialogues with third countries like China).¹³ The European Union is a supranational normative power because it needs to transfer its norms, standards and prescriptions of world politics away from the bounded expectations of state-centricity "...the EU promotes a series of normative principles that are generally acknowledged, within the United Nation system, to be universally applicable".¹⁴

Ian Manners identifies nine substantive normative principles promoted by the EU: sustainable peace, social freedom, consensual democracy, associative human rights, supranational rule of law, inclusive equality, social solidarity, sustainable development and good governance (as quality representation, participation, social partnership, transparency and accountability).¹⁵

Nevertheless, for Björn Hettne and Frederik Söderbaum the European foreign policy is not only based on mechanisms of dialogue with roots in an idealistic normativism; in fact, to diffuse its norms and to protect the Community interest, the EU can use two ideal types of policies: some "soft policies" (*civilian power*) like the bilateral and multilateral dialogues and some "hard policies" (*soft imperialism*) like the conditionality principle, economic sanctions and military responses. "The difference between civilian power and soft imperialism lies in the overall importance of values and norms, and also whether negotiations are carried out in a symmetric, dialogical way rather than by imposition".¹⁶ The use of the symmetry and asymmetry in its relations with other international actors is a decision taken on pragmatic criteria by the EU, especially when establishing mechanisms of interregional dialogue (the EU has a preference to institutionalize its relations with other regional groups instead of orienting itself towards bilateral contacts). The clearer example is the asymmetric relation established with the countries of the Cotonou Agreement (Asia, Caribbean and Pacific's former European colonies or

ACP countries), and the symmetrical relation between Asia and the EU is due to the interest that the development of the economies in that region began to wake up in the EU during the nineties. The Asia Europe Meeting (ASEM) is the mechanism of interregional dialogue where the EU applies a clearer symmetrical dialogue. "ASEM is frequently stated to be interregionalism among "equals". The EU view is that the EU-Asia partnership should be seen as a meeting place where much can "be gained from dialogue and exchange of best practice", and that there is no single "European model" of social governance".¹⁷

In 1994 the European Commission recommended to the EU members to implement a "New Asia Strategy" to develop economic and political dialogues with those Asian countries which were able to maintain "peace and stability both regionally and globally. Asia should be engaged more and more in the management of international affairs in a partnership of equals. The Commission also encouraged the EU to seek a positive contribution to regional security dialogues by following closely developments in the area".¹⁸ The origin of the Euro-Asian political dialogue is a symmetrical relation because the European side wished to renew a neglected relation with the Asian countries as well as to intensify its presence in the region (although after the colonial period the European Community had no hegemonic intentions). In addition the U.S. had created the APEC Forum some years before and the EU feared to be displaced of an economically emergent region. "The New Asia Strategy noted that Europe could not take the acceptance of European values and manners for granted in Asia... The EU's strategy was to be based on an appreciation of cultural, economic, social and political characteristics of each country or region".¹⁹

This symmetrical policy has been the beginning of the EU-China relations during the post-Cold War period. The adaptation of the EU's China policy "follows the orientation of the Commission's Asia strategy papers and is part of the EU's Asia policy, which today includes all the dimensions of Europe's Common Foreign and Security Policy with its engagement in the ASEM process, the ARF, formerly KEDO, as well as the EU's participation in various UN Peacekeeping Operations in Asia".²⁰ Through the political choice of a symmetrical relation based in equality with its Asian partners, particularly with China, the EU has chosen the way of the civilian power as the normative principle of the Sino-European strategic partnership.

1.3 The Sino-European Strategic Partnership: Perspectives on Multilateral Cooperation

In 1995, as a part of the implementation of the New Asia Strategy, the European Commission elaborated its first Communication about China titled *A Long-Term Policy for China-Europe Relations* in which it recognized the importance of China as a key actor of the EU's foreign policy, and in 1998 the European Union initiated the negotiations to establish a "constructive partnership facing the twenty-first century" with China. With time the European Commission's China policy papers have become a fundamental source in the construction of the strategic partnership, giving to the political discourse a more formal content. For Antoine Sautenet, from the perspective of the EU's law, this strategic partnership has been developed, on the one hand "simultaneously as a para-legal instrument which add dynamism to economic dialogues, which assist to conclude sector-based agreements and to integrate the political dimension...", and on the other hand "...also as a pre-legal instrument which allows one to envisage the conclusion of a new framework agreement –an element of hard law indispensable to the reality of the challenges posed by the EU-China relationship...".²¹ Therefore while a formal legal instrument does not exist to guide the Sino-European strategic partnership, it will be continued by the present political criteria of "equality of the partners", with legal flexibility (*soft law*), but sometimes opposed to the principles of cohesion and coherence of the legal structure of the European Union's external action.²²

The European Commission's (EC) Communication that gave answer to the Chinese proposal to establish a strategic partnership in 1998 was titled *Building a Comprehensive Partnership with China*. In this Communication the EC demonstrated its intention to engage China as a Great Power into the international system: "With the help of the new concept of "comprehensive partnership" with China formulated in 1998, the political dialogue was intensified and complemented by annual summit meetings between the EU and China. The first summit of this kind took place in April 1998 shortly after the publication of the second China policy on the occasion of the ASEM summit in London".²³

From that time EC's communications have been used to set the agenda for the China-EU summits.

Current and past EU's China policies are based on four main goals:

1. To engage China further, both bilaterally and multilaterally

- through a political dialogue.
2. Supporting China's democratization and the respect of rule of law and the human rights.
 3. Supporting China's integration into the world economy and the Chinese process of economic and social reform.
 4. Raising the EU's profile in China.²⁴

For China, this approach satisfied its criteria for the construction of a multipolar world, besides it received the European recognition as an emerging power.

During September 2003, in the context of the American invasion of Iraq, the EU published a new policy paper to guide its relations with China, this time titled *A Maturing Partnership: Shared Interest and Challenges in EU-China Relations*, five years after the Chinese proposal to establish the "constructive partnership". China's Europe Watchers saw this proclamation "...as the manifestation of the EU's strategic re-examination of China in the mid-1990's. It also fits in well with the series of strategic partnerships China has forged with more than twenty other nations".²⁵ In October 2003 the PRC answered the European communication publishing its first assessment of strategic orientation toward a specific international actor or region known to the public, the *China's EU Policy Paper*. For David Scott, those policy papers "represented an interesting and unusual example of unofficial policy formulation coordination between international actors". This action "explicitly judged as compatible and convergent" set the scene for the strategic partnership announced in 2003".²⁶

Both policy papers recognize the mutual importance of the strategic position that the other partner occupies in the construction of a multipolar world and its economic potential, but the PRC government and the EU differ on the question of the human rights in China. However, the European document approaches the deficit of human rights protection as a China's internal problem (where the EU would like to have some influence).

The political symmetry is one of the main identity characteristics of the China-EU strategic partnership as consequence this kind of political dialogue makes that the EU does not dispose of any conditionality principle mechanism in its relations with China. The 2003 Sino-European "comprehensive strategic partnership" (*zhonghe zhanlue huoban guanxi*) has five basic parts: "economic, strategic, political, extensiveness and

Europe's "supportive and forgiving" nature.²⁷ These five aspects are incumbent as much on the bilateral relationship as to the EU's project of world governance where the collaboration with China is important due to its emerging power and also being a member of the UN Security Council. Ideally the Sino-European multilateral cooperation is comprehensive, including subjects from social, economic and cross-border security, political development, environmental problems, and the prosecution of war crimes. Another factor that stimulates the cooperation between China and the EU is the absence of anti-Chinese theories in the European academic and political space, at least until the present.

Chinese approaches on multilateralism are similar to Western theories on this issue, referring to the efficacy of multilateral international organisations, and opposed to unilateral mechanisms, although "...the Chinese interpretation lays emphasis on equality, trust, common security, non-specification of enemy, and peaceful resolution of conflicts. These apart, the Chinese also stress the independent nature of China's foreign policy, principles of state sovereignty, respect for political, economic and military relations among different countries..."²⁸ The discourse on the multipolarity can fit as much within the strategic partnerships, generally of bilateral nature, as in the Chinese multilateral practices. Nevertheless the multilateral approaches are incipient in China and these depend on the official rhetoric and support to the Chinese interests and its modernization process. The discourse on the multipolarity and multilateralism are not opposed and they are used in a pragmatic way.

In their strategic partnership, China and the EU have certain shared subjects but their strategies to make them can be contradictory: on the one hand "...the EU wants to (enmesh) China in the widest possible range of international institutions. It expects China as an emerging global power to shoulder global responsibilities and to contribute actively and constructively to effective multilateralism."²⁹ Whereas for China, the EU is an international actor which can impel so much to the multipolarity as to the multilateralism. "Qualitatively, Chinese analysts judge the EU to be acting with greater independence on the world stage across a range of issues and in their judgement: independence (from the United States) = multipolarity".³⁰ Until this moment these differences in values and strategies have limited an effective collaboration in the area of the political dialogue: "The foundation of this politico military dialogue is a commonality of views of the world order, in particular on the need on the

rule-based multilateral order and the role of the UN".³¹

The strategic interests and the normative preferences of each actor determine the Chinese and European capacity to collaborate in some multilateral projects, although the UN's universal principles can become a guide in the case of some discord, something important in the case of a possible Sino-European cooperation in Central Asia.

2. THE SHANGHAI COOPERATION ORGANIZATION AND CHINA'S COOPERATIVE SECURITY

2.1 SCO's Development after the "Colour Revolutions"

After their independence in 1991, the Central Asian countries belonging to the former Soviet space developed a foreign policy determined by their relations with the new Russian Federation under the elaborated institutional frame of the Commonwealth of Independent States (CIS) and the CIS' Treaty of Collective Security. These mechanisms were thought to safeguard Russian's interests. Nevertheless, the development of diversified relations with the outside world, especially at intra-regional level, could be considered as a necessity because it could serve the Central Asian countries as an excellent mechanism to reaffirm their own national sovereignty. "...The states of Central Asia find themselves in a situation that may only be described as dialectical-sustainable inter-state cooperation and regional integration entail and depend upon enhanced national sovereignty."³² About this role it is considered that one of the regional organizations which has fulfilled this function with greater clarity until this moment has been the Shanghai Cooperation Organization (SCO) created formally in June 2001, but with a previous experience of five years in the conformation of an agenda on subjects and mechanisms of cooperation about border negotiation and security. Initial development of SCO was determined by the international context derived by the September 2001 terrorist attacks against the United States, as well as by the American military incursion in Central Asia.

The SCO's members have identified "three evils" to their security that must be fought in the cooperative structure of the organization: extremism, separatism, terrorism, as well as the transnational crime (like drug trafficking) that has been added as a "fourth evil". The Central Asian cooperation with the US declined since 2005, due to the internal destabilization in the Kyrgyz Republic and Uzbekistan during the spring

of that year, in the context of the named “colour revolutions”. Although some western observers considered the “colour revolution” in the Kyrgyz Republic as the beginning of consolidation of American influence in the region, as well as the end of the medium relevance of the SCO. The reaction of the new government of Kurmanbek Bakiev in the Kyrgyz Republic, and overall by Islam Karimov’s authoritarian regime in Uzbekistan, were in a sense opposed to the American presence in the region. A regional opinion on the intervention of the NATO’s coalition in Afghanistan was expressed at the SCO’s Fifth Summit in Astana held in August 2005. In the Astana Summit final declaration the SCO’s members and observers established the consensus to ask the NATO’s coalition a calendar of activities to leave Afghanistan because according to the SCO’s members criteria the NATO’s mission had fulfilled its objectives of elimination of the extremist groups in that country. After the “colour revolutions”, SCO has witnessed three main processes a greater cohesion among the SCO members; an increasing interest of other actors to become observers or members in the organization, as well as China and Russia’s interest to extend the SCO’s relations to reach out to the Southeast Asia region (according to declarations formulated by president Vladimir Putin during the Asian Regional Forum Summit 2007); and an increase in the size of the joint military exercises among the SCO’s members. After the Astana summit the SCO has developed its mechanisms of cooperation in a more independent way but at the same time there has not been observed any process of significant internal destabilization among the six members.

Nevertheless, in the evolution of the SCO it is possible to observe that both Russia and China have different economic interests in Central Asia, both preserve important differences in the matter of what they understand as *its* security. These approaches and interests differ due to the strategies that both powers have developed in their process of inclusion in the post-Cold War period international system. On the one hand, during the government period of Vladimir Putin, Russia has acted as a country that mixes a pragmatic behaviour with an increasingly nationalistic and defensive discourse.³³ On the other hand, China continues being coherent with its modernization process initiated in 1978. The mechanisms of approach to the members of the international community on the part of China can be something more versatile and complex than the developed ones by Russia, particularly the SCO’s relevance for the Chinese foreign policy consists in the function that this organisation can have in the process of construction of a Chinese leadership in the international multilateral

system. The SCO guarantees to the Chinese diplomacy a leadership in the process of construction of the regionalism in Central Asia, which is a priority for China and the departure point for the extension and the defence of its interests in the region. China's position can be characterized like "cooperative security".

The SCO has reached its cohesion in according these dynamics and has been sustained by the Sino-Russian strategic partnership, in both emerging countries aspirations and in the role that they plan to carry out in the present international system (Russia centred in a preferable regional place, whereas China looks for a greater presence globally), as well as in the joint multilateral forums that impel the processes of regional integration in Asia. This process has been defined by the Sino-Russian relations and the process of their strategic association has reached can influences the regional reordering of Central Asia. Between that both dynamics the security issue has a comprehensive and a multidimensional dimension, although under different criteria, because the Russian and Chinese policies toward the region derive from the historical processes experienced by both these countries. In the coherence and compatibility of both visions lies the future of cooperation in the SCO: "The smooth and complementary meshing of defensive elements in Russian motives with ambitions for 'soft'—that is, economic and cultural—hegemony on the Chinese side is the central secret of the SCO's success and the key to its hopes of survival. The harmonizing of all six members' interests takes place in the SCO in much the same way as for any (non supranational) regional group: by the formulation of guiding principles that, among other things, play the role of safeguards; by the creation and balancing of a programme of activities in which each party can find something to its taste; and by features of institutional 'process' that allow difficult issues to be worked through to compromise."³⁴

2.2 China: Modernization and Cooperative Security in SCO

The expectations of China in the SCO have changed with time: these have included from the resolution of border agreements with Russia and its Central Asian neighbours as well as the diminution of high level troops in the border zones, collaboration in the fight against the "three evils" (China wishes to target the Uyghur secessionist groups activities in the SCO's "three evils" fight), to the perspective of cooperation in a variety of subjects like energy, free trade, cooperation for development, and cultural interchange. These expectations have been coherent with

the PRC's modernization project along its different versions, including the Hu Jintao government's discourse on a "harmonious world".³⁵

For the Chinese regime, initially the SCO was based on a practical application of the new security concept in Central Asia, in this case denominated as the "Spirit of Shanghai", a concept including in the final declaration of the Shanghai 2001 Summit; according to the Chinese regime the Spirit of Shanghai "...is a new security concept, a new model of inter-state relations and regional cooperation. It is based on the principles of non-alignment, openness to the rest of the world, mutual trust and benefits, equality, consultation, respect for diversified civilizations and mutual development".³⁶

The base of the new security concept is the concept of "cooperative security" which is a form of multilateral security in which all the countries cooperate as much in subjects of security in the regional and global areas. The content of the security is comprehensive because it includes not only the political or military security, but also economic development, environmental protection, nation building, etc. This comprehensive security must establish mechanisms of multilateral cooperation of security, preferring the non-military methods. The nation States participating in the cooperative mechanism of security develop relations as partners in equality; and each partner must respect the internal subjects of the others.³⁷

For Erick Teo there are five reasons for which Chinese prefer to develop the potential of the SCO from the perspective of the Chinese discourse on the construction of a "harmonious world": in order to attract Russia, reduce the American presence in the region; to promote the concept of stability and development in its western border; to promote regional cooperation in strategic areas like energy security, information technologies and communications, transport and agriculture, and to assure its leadership as promoter of the regional multilateralism in Central Asia.³⁸

Though the SCO, the PRC practices its leadership position in an international multilateral organization, something necessary front for the multiplication of its interests in the world. In order to obtain it, the communist regime engages a new generation of professional diplomats with knowledge of foreign languages and contemporary international issues, something perceivable in the positive image that China has begun to spread in the last four or five years.³⁹

With increasing economic resources, China's interest to develop the

SCO grows and the offers of aid to its Central Asian partners are demonstrated in real investments. China's expectations in the SCO have grown beyond just the border security. In his speech at the 2005 SCO summit, President Hu Jintao stated that China hopes that the SCO can better deal with challenges, advance regional development, maintain regional stability, and fulfil common prosperity through deepening and expanding bilateral and multilateral cooperation of all forms among the SCO member states.⁴⁰

Nevertheless the Chinese leadership in the SCO is limited for several reasons: the discourses on the "Spirit of Shanghai" and the present one on a "harmonious international system" correspond to unfinished segments, largely abstract, without to becoming a true set of values and principles to be shared by other SCO members. Another challenge is the internal weaknesses of China, a developing country with serious internal problems like corruption, increasing social inequality, and the proliferation of revolts by farmers who demand an improvement of their labour conditions and life, as well as separatist dynamics in Xinjiang or Tibet. At the moment the Chinese multilateral leadership is in construction, and the Chinese capacity to exert (itself) an effective leadership in the global scene is insufficient.⁴¹ Therefore, China depends on the aid of a greater amount of confidence partners.

The Russian Federation has a special interest in the good operation of the SCO as much in its function in the fight against the "three evils" as the SCO's potential to integrate a military infrastructure among its members, but simultaneously Russia rejects an institutionalization process to guide the SCO to become a supranational organization. On the other hand, the PRC's plans to create a free trade zone in the space of the SCO would imply a greater centralization in the faculties of the organization in the economic and trade areas (and Russia rejects it). In addition the SCO's decentralized nature benefits the Central Asian states, which do not feel the pressure to see themselves being included in the decisions taken by China and Russia, overall in the bilateral relations of the last two ones with the Western powers.⁴² In order to continue developing the SCO, Russia and China have to articulate their interests taking into account the necessities and interests of the Central Asian partners, which must be treated in a symmetrical relation, according to the principles of the Chinese multilateral policy. The Central Asian countries and their security have been, after all, the main justification for the development of the SCO, and their necessities have to be included

in the SCO's agenda setting. Therefore, neither China nor Russia have imposed their preferences until the present time, avoiding a clear clash of interests within the organization. The SCO's members have managed to accommodate their expectations and interests in the organization. The SCO can be considered a space of international cooperation, in opposition to the reappearance of a kind of New Great Game in the region. The concept about a New Great Game is a strategy that the organization's major powers like China and Russia could not afford at this time

3. THE CHINA-EUROPEAN UNION STRATEGIC PARTNERSHIP AND THE SHANGHAI COOPERATION ORGANIZATION

3.1 The EU's foreign policy towards Central Asia

There are many reasons that force the EU to implement a policy that prioritizes cooperation in the matter of security and energy security, over other political preferences towards its new Central Asian neighbours. Among these reasons must be mentioned the European needs to diversify its energy suppliers in order to avoid a permanent dependency on the Russian resources; the fast increase of its commercial bonds with East Asia; the EU's territorial proximity to Central Asia after the 2004 and 2007's enlargement processes; and the appearance of new challenges in the subjects of organized crime as well as the fight against Islamic extremism. "The EU considers security and good governance to be key objectives in Central Asia. One of the key implications of the European Security Strategy is the need to promote a ring of well governed countries to the East of the European Union".⁴³

Nevertheless the EU relations with Central Asian countries can be described as paradoxical because despite the geopolitical proximity between both actors, the EU has not been able to implement a "single coherent strategy" towards the region: "...understated considering that Europe's substantial interest in Central Asia have been more evident while the absence of strategy seldom has been clearer".⁴⁴ According to the *European Regional Community Strategy for Assistance to Central Asia 2007-2013* until the moment the EU's relations with the Central Asian countries are guided under the instruments ensuring continuity with the former Central Asian Regional Cooperation Programme 2002-2006. Institutionally the EU's foreign policy towards the Central Asian region is similar to that directed towards the ex-Soviet republics of Eastern Europe

and the Caucasus.⁴⁵ The cooperation between the EU and Central Asia has been based mainly on three pillars: political dialogue, trade and economic relations as well as cooperation on a variety of sectors like security subjects, cooperation for development, protection and diffusion of EU's energy interests in the region. Also the EU and three Central Asian countries (Kazakhstan, Kyrgyzstan, and Uzbekistan) have established bilateral Partnership and Cooperation Agreements (PCA). "These agreements with Kazakhstan, the Kyrgyz Republic and Uzbekistan are in force. The PCA with Tajikistan entered into force in 2010 and Turkmenistan's PCA has yet to complete their ratification processes".⁴⁶

One of the main institutional difficulties of the EU to coordinate effective policies towards the Central Asian region is that the Union's institutional mechanisms have maintained "a tendency to think of Central Asia not as a constituent of independent sovereign states but as a unified region".⁴⁷ The post-2001 international scene has determined that the EU's policies towards Central Asia maintain as a priority the security questions, and it was fortified after the implementation of the European Security Strategy in 2003. As a consequence the relations between the EU and the Central Asian countries have stayed on an asymmetric structure, due to European protests over numerous cases of human rights violations, and the lack of democracy in the authoritarian regimes of the region. However "strong instruments (negative conditionality, sanctions) are hardly used; even the EU's principle of positive conditionality, which has been laid down in almost all EU strategy documents and agreements with the Central Asian countries, lacks observance"..."EU Member States' political interests in Central Asia focus on security issues."⁴⁸

The transmission and diffusion of the EU's good governance norms is inoperative towards the Central Asian countries; this lack of coherence in the inclusion of Central Asia in the EU's preferences can be interpreted as much as the absence of a clear strategy towards the region: "conditionalities are hardly ever followed by actions, a situation that weakens the effectiveness of EU instruments".⁴⁹ The European indecision to implement a clear and specific strategy towards the Central Asian countries is because the EU has not been able to recognize the more suitable foreign policy model for the region: between the symmetrical dialogue like that used into the Asia Europe Meeting members dialogue, the asymmetric mechanisms used toward some Third World countries (*soft imperialism*) or some intermediate policy. Until the moment the first option seems to have determined the criteria for the elaboration of the

new Central EU's Asia Strategy Paper 2007-2013, although by pragmatic reasons. This situation was fortified after the negative attitude of the regimes in Uzbekistan and the new government of the Kyrgyz Republic after the 2005 "Colour revolutions": "It is precise to rethink the premises on which one is based the performance of the EU with a great realism and pragmatism, and to advocate a balance between the necessary bilateral relations and the regional cooperation".⁵⁰ At the moment there exists a subtle balance between the Western interests and the fear of certain authoritarian regimes like in Uzbekistan to the promotion of democracy in the region; a new strategy for the promotion of the European values is necessary because new processes of regime change similar to the "colour revolutions" in those regimes could lead to a greater isolationist attitude, adding a significant political instability in the Central Asian societies: "...long-term stability might come from incremental change and change of political cultures rather from NGO's with unrealistically high expectations on rapid bottom-up democratic consolidations".⁵¹

3.2 The China-EU Strategic Partnership: which role for SCO?

The SCO members have constituted their organization by means of a set of values different from the project of European supranational regionalism. But these values concerning the sovereignty of the members and the non-interference in the internal affairs of any other country do not deprive the SCO of faculties to be related with other countries and some organizations. In the constituent Charter of the organization, the SCO members based its legal principles on the UN Charter, and continuously reaffirm their adherence to the goals and principles of the Charter of the United Nations, establishing conditions to be related to the international community that are comprehensible for other actors. For Alyson J.K. Bailes these conditions could create an optimistic context for the relations of the West with the SCO and the Central Asian countries: "If these same features are also having any "educative" affect on the smaller Central Asian countries, it could even be argued that the SCO is doing part of the West's job of "softening them up" for more transformative kinds of international partnership".⁵²

In the geopolitical aspect, an approach of the EU would add to the set of nations and organizations that have shown interest to have some kind of relation with the SCO in informal way (like ASEAN, Sri Lanka, Turkmenistan or Nepal; the U.S. and Japan have wished to attend the organization summit meetings, but their members have declined this

proposal). The SCO can play a role in regional development; the interdependence among development, security and stability is shared as much by the Chinese foreign policy as by the EU's members although the interests of member countries of the EU towards the Central Asian region may diverge: especially for a country with strong economic interests in Central Asia and Russia as Germany. In order to establish a Euro-Asian dialogue between the EU and the SCO members, the European part should restructure the asymmetrical relationship built with the Central Asian countries: this time, producing a symmetrical relationship as equal partners among the Central Asian countries and the European zone.

So far the European countries have maintained a consensus on its relations with Central Asia. However, the economic and institutional crisis experienced by the European integration project can push some members of the organization to expand their relations with Central Asian regimes independently of the EU's normative principles. The possible formation of an "energy group" among the SCO members is a factor that should interest some EU members due to its dependency on the Russian energy market and the European interest to diversify its suppliers. The fear of the nuclear power generated due to the accident in Japan's Fukushima power in March 2011 may increase the competition for energy markets in Eurasia generating unforeseen geopolitical changes. However, in the context of competition for energy resources the Sino-European partnership could prevail as a space for diplomatic dialogue and negotiation, and some European countries may regard the SCO as a formal institution for cooperation.

4. CONCLUSION

Due to the differences and contrasts between the normative preferences between China and the EU at this moment the development of some type of "Euroasian" identity is not probable, even if the strategic partnership were developed preferably through the territorial space of Eurasia. But taking into account the similarities in some preferences and interests shared between Chinese and Europeans, the existing potential for the development of new forms of cooperation is clear. These perspectives of cooperation have roots in the characteristics that the evolution of the strategic partnership has maintained from 1998 to the present time: by means of policies of reciprocal recognition of the norms and values that both powers use in a symmetrical relation, as well as through a pragmatic

accommodation of its interests. The strategic partnership and the SCO are instruments implemented by China to make the function of diffusers of its interests, and also they are drivers that integrate China in the international system. Coincidentally one of the main preoccupations of the West about the PRC has been the integration of this country in the international system as a *status quo* power, a condition that has been accepted by China: "The Western order's strong framework of rules and institutions is already to facilitate Chinese integration..." and China "...is increasingly working within, rather than outside of, the Western order".⁵³ The challenge for the EU members is to maintain an integrated approach to the cooperation mechanisms that are emerging today in the Eurasian space like the SCO: mainly in times of a multidimensional crisis (in terms of economic, immigration, food, energy and environmental subjects).

REFERENCES

1. Banning N. Garret and Bonnie S. Glaser, "Chinese Assesments of Global Trends and the Emerging Era in International Relations", *Asian Survey*, Vol. 29, No. 4, April 1989. pp. 252-253.
2. Xing Yue and Zhan Yijia, "New Identity, New Interests and New Diplomacy", *Contemporary International Relations* (Beijing), No. 12, December 2006, p. 36.
3. Avery Goldstein, "The Diplomatic Face of China's Grand Strategy: A Rising Power's Emerging Choice", *The China Quarterly*, No. 168, December 2001, p. 842.
4. Anatoly Klimenko, "Russia and China as Strategic Partners in Central Asia: Way to Improve Regional Security", *Far Eastern Affairs* Vol. 33, No. 2, 2005, pp. 1-2.
5. Yong Deng, "Remolding Great Power Politics: Chinas's Strategic Partnerships with Russia, the European Union and India", *The Journal of Strategic Studies*, Vol. 30, Nos. 4-5, 2007, p. 863.
6. Xing Yue and Zhan Yijia, *op. cit.* p. 36
7. Phillipe Saunders, "China's Global Activism: Strategy, Drivers, Tools", *Institute for National Strategic Studies Occasional Paper*, No. 4, (Washington: National Defense University Press, 2006), p. 15. <http://www.ndu.edu/inss/symposia/pacific2006/saunders.pdf>
8. Next agreements or conversations to establish a strategic partnership with China during 1997 were with France (established comprehensive partnership), USA (declared to build a constructive strategic partnership for the Chinese discourse), MÈxico and Canada (agreed on a comprehensive partnership straddling on the present and the next decades), ASEAN (agreed to establish a partnership facing the twenty first century based on good neighbourliness and mutual trust), India (reached a consensus on the establishment of a partnership of constructive cooperation facing the twenty-first century). During 1998 China and EU leaders agreed to establish a constructive and comprehensive partnership of long-term stability facing the twenty first century. See Joseph Y.S. Cheng and Zhang Wankun, "Patterns and Dynamics of China's International Strategic Behavior".

- In Zhao Suisheng (ed.) *Chinese Foreign Policy: Pragmatism and Strategic Behavior*. Armonk, M.E. Sharpe, 2004, p. 181.
9. *Ibid.*, p. 180.
 10. Bonnie S. Glaser and Evan S. Medeiros. "The Changing Ecology of Foreign Policy-Making in China: The Ascension and Demise of "Peaceful Rise", *The China Quarterly*, No. 190, June 2007, p. 307.
 11. Yu Xintian, "Harmonious World and China's Path for Peaceful Development", *International Review* (Shanghai), No. 45, Winter 2006, p. 8. http://www.sis.org.cn/Sh_Yj_Cms/Mgz/200604/20087242316271Q7X.PDF
 12. For Hettne and Söderbaum "actorness, usually referring to external behaviour, implies a larger scope of action and room for manoeuvre, in some cases even a legal personality". Björn Hettne and Frederick Söderbaum, "Civilian Power or Soft Imperialism? The EU as a Global Actor and the Role of Interregionalism", *European Foreign Affairs Review*, vol. 10, no. 4, Winter 2005, p. 538.
 13. The European Union has strategic partnership agreements with Brazil, Canada, China, India, Japan, Russia, Mexico, and South Africa. The Transatlantic relationship is based on a strategic alliance.
 14. Ian Manners, "The Normative Ethics of the European Union", *International Affairs*, Vol. 84, No. 1, January 2008, pp. 45-46.
 15. *Ibid.*, pp. 47-54.
 16. Bjorn Hettne and Frederick Söderbaum, *op. cit.*, p. 538. "Obviously civilian power is exercised more effectively in a situation of strong actorness. In the case of decreasing actorness—as in the present constitutional crisis—effectiveness is reduced at the same time as the soft imperialism option, being more demanding in terms of cohesiveness and consistency, disappears". *Ibid.*, p. 539.
 17. *Ibid.*, p. 548.
 18. European Background Study, *ASEM in its Ten Year Looking Back, Looking Forward. An Evaluation of ASEM in its First Decade and an Exploration of its Future Possibilities*, Helsinki, University of Helsinki Network for European Studies, 2006. p. 18.
 19. *Ibid.*
 20. Volker Stantzel, "The EU and China in the Global System". In David Shambaugh et al., *China-Europe Relations. Perceptions, Policies and Prospects*, London, Routledge, 2008, p. 257.
 21. Antoine Sautenet, "The Current Status and Prospects of the "Strategic Partnership" between the EU and China: Towards the Conclusion of a Partnership and Cooperation Agreement". *European Law Journal*, Vol. 13, No. 6, November 2007, p. 706.
 22. According to Sautenet, "The combination of "partnership" and "strategic" introduces the idea of priority in the implementation of common for the two players, even if the banality of resorting to this terminology in the external action of the European Union alters the scope of the concept. Legally, as laid out in the orientation documents and developed in the course of annual summits, appears as an instrument of soft law which help to complete and re-evaluate the legal framework of relations between the EU and China". *Ibid.*, pp. 705-706.
 23. Susanne Weigelin-Schwiedrzik and Nele Noesseltn, "Striving for Symmetry in Partnership: An Analysis of Sino-EU Relations Based on the Two Recently Published Policy Papers", In Susanne Weigelin-Schwiedrzik et al. *As China Meets the World. China's Changing Position in the International Community*. Vienna, Austrian Academy of Sciences, 2006, p.13.
 24. European Commission, *Building a Comprehensive Partnership with China COM*,

- Brussels, 1998, p. 4. < http://ec.europa.eu/external_relations/china/com_98/index.htm>
25. David Shambaugh, "China eyes Europe in the World: Real Convergence or Cognitive Dissonance?", In David Shambaugh, et al, *China-Europe Relations: Perceptions, Policies and Prospects*, London, Routledge, 2008, p.135.
 26. David Scott, "China-EU Convergence 1957-2003: Towards a Strategic Partnership", *Asia Europe Journal*, Vol. 5, No. 2, June 2007, p. 228.
 27. David Shambaugh, *op cit.*, p.135.
 28. Raviprasad Narayanan. "The Chinese Discourse on the 'Rise of China', *Strategic Analysis*, Vol.31, No. 4, July-August 2007. p. 652.
 29. Liselotte Odgaard and Sven Biscop. "The EU and China: Partners in Effective Multilateralism?". In David Kerr and Liu Fei eds., *The International Politics of EU-China Relations*. Oxford, Oxford University Press, 2007, p. 62.
 30. David Shambaugh, *op. cit.*, p. 130.
 31. Liselotte Odgaard and Sven Biscop, *op. cit.*, p. 76.
 32. Gregory Gleason, "Inter-state Cooperation in Central Asia from the CIS to the Shanghai Forum". *Europe-Asia Studies*, Vol. 53, No. 7, November 2001, p. 1078.
 33. William Wohlforth summarizes this behaviour in four aspects: "1) that most of the geopolitical thinking in Russia accepts some version of the "heartland thesis", which attributes great global significance to Russia's size and location, 2) that this theory is an understandable reaction to Russia's historical experience, although it also has the effect of exaggerating the strategic importance of the only dimension of power in which Russia excels, 3) that this theory is wrong; and 4) it may have had some deleterious effect on Russia's policy, and it has clearly distorted experts' and intellectuals' analysis of Russia's interest and prospects in the near and far abroad." William Wohlforth, "Heartland Dreams: Russian Geopolitics and Foreign Policy", in Wolfgang Danspeckgruber (ed.) *Perspectives on the Russian State in Transition*, Princeton, The Liechtenstein Institute on Self-Determination at Princeton University, 2005, p. 265.
 34. Alyson J. K. Bailes and Pal Dunay, "The Shanghai Cooperation Organization as a Regional Security Institution", in Alyson J. K. Bailes et al, *The Shanghai Cooperation Organization*. SIPRI Policy Paper No. 17, Stockholm: Stockholm International Peace Research Institute, 2007, p. 9.
 35. Jia Qingguo, "The Shanghai Cooperation Organization: China's Experiment in Multilateral Leadership". In Akihiro Iwashita, ed. *Eager Eyes Fixed on Eurasia. Russia and its Eastern Edge*. Vol. II. Sapporo, Hokkaido University, 2007, p. 117.
 36. Zhao Huasheng, "The Shanghai Cooperation Organization at 5: Achievements and Challenges Ahead", *China and Eurasia Forum Quarterly*, Vol. 4, No. 3, 2006, p. 107.
 37. Ma Ying. "Search for Peace Community: Regional Cooperation in North East Asia". *Journal of East Asian Affairs*, Vol. 20, No. 1, Spring-Summer 2006, pp. 39-40.
 38. Erick Teo Chu Cheow, "Shifting Perception of the 'China Threat' in America: Implications for Domestic American Psyche, Politics and Asia". *China Report*, Vol. 43, No. 1, January 2007. p. 75.
 39. Jia Qingguo, *op. cit.* 121.
 40. *Ibid.*, p. 120.
 41. *Ibid.*, p. 123.
 42. Alyson J. K. Bailes and Pal Dunay. *op. cit.*, p.14.
 43. European Council, *European Community Regional Strategy Paper for Assistance to*

- Central Asia for the period 2007-2013*. Brussels, 2007, p. 5. http://ec.europa.eu/external_relations/ceeca/c_asia/index.htm
44. Nicklas Norling, "EU's Central Asia Policy: The Adoption of a New Strategy Paper". *Central Asia and The Caucasus, Journal of Social and Political Sciences*, No. 45, 2007. p. 7.
 45. See: European Council, *Central Asian Regional Cooperation Program 2002-2006*, Brussels, 2002. Available in: http://eeas.europa.eu/central_asia/rsp/02_06_en.pdf; European Council. *Regional Strategy Paper for Assistance to Central Asia 2007-2013*. Brussels, 2007. Available in: http://www.eeas.europa.eu/central_asia/rsp/07_13_en.pdf
 46. European Council, *op. cit.* 5. During the 1990s the EU-Central Asian cooperation had three pillars: first, the bilateral agreements (Partnership and Cooperation Agreements-PCA); second, the Technical Assistance for the Commonwealth of Independent States (TACIS) programme (completed in 2006), and third some EU's programmes for development like TRACECA (Transport Corridor Europe-Caucasus-Asia) and INOGATE (Interstate Oil and Gas Transport to Europe).
 47. Nicklas Norling, *op. cit.*, p. 14.
 48. Alexander Warkotsch, "The European Union and Democracy Promotion in Bad Neighbourhoods: The Case of Central Asia", *European Foreign Affairs Review*, Vol.11, No. 4, 2006, p. 324.
 49. Katherina Hoffmann, "The EU in Central Asia: Successful Good Governance Promotion?", *Third World Quarterly*, Vol. 31, No. 1, 2010, p. 97.
 50. Natividad Fernández-Sola, *La Union Europea en el Cáucaso Sur y Asia Central: las limitaciones de la política de vecindad*, ARI no. 43/2007, Madrid, Instituto Elcano, 2007. p. 8.
 51. Nicklas Norling, *op. cit.*, p.12.
 52. Alyson J.K. Bailes, "The Shanghai Cooperation Organization and Europe". *China and Eurasia Forum Quarterly*, Vol. 5, No. 3, August 2007, p. 16.
 53. G. John Ikenberry, "The Rise of China and the Future of the West: Can the Liberal System Survive?", *Foreign Affairs*, January/February 2008, pp. 31-32.

CENTRAL ASIA - CHINA COOPERATION *LESSONS FOR INDIA*

K. WARIKOO*

China considers herself to be an important player in the new geopolitics of Central Asia not only because it shares nearly 3,000 kms. of its strategic frontiers in Xinjiang with the Central Asian states of Kazakhstan, Kyrgyzstan and Tajikistan, but also due to cross-border fraternisation of Muslim population inhabiting this area, which makes borders vulnerable to ethnic-religious separatism. Whereas China's interest in Central Asia had originally stemmed from its need for protection against the tribal incursions from the west, the imperial government never lost sight of the importance of trade as a means of extending political influence over the outlying border regions of China. Silk Route system provided a stable trans-continental bridge facilitating contacts between the mainland of China and the peripheral areas.

With the termination of Ching rule (1911) in China and the establishment of Soviet power in Central Asia (1917-20) started a new phase of Sino-Soviet relations over Central Asia. Now the Chinese warlords ruling over Xinjiang chose to follow semi-independent policies taking full advantage of communication gap with the central authority at Peking. They developed direct and close economic, political and military linkages with the Soviet authorities. It was in 1924 that five Chinese Consulates were set up in Uzbekistan (Tashkent, Andijan) and Kazakhstan (Alma Ata, Zaisan, Semipalatinsk) in exchange for establishment of an equal number of Soviet Consulates in Xinjiang. By 1930s Soviet Union had started evincing direct interest in Xinjiang affairs.

* The author acknowledges with thanks the financial assistance received from the Central Asian Studies Programme, Jawaharlal Nehru University, New Delhi for conducting his field study in Xinjiang region of China in June 2011.

So much so the Eastern Turkestan Liberation Movement was crushed twice in early 1930s and 1940s with the Soviet military support. However, with the military victory of communist China over Xinjiang in 1949, the Soviet influence started declining. Initially the new Chinese regime maintained links with the Soviets in Central Asia. The Sino-Soviet frontier in this region which was termed as the 'Friendship Border', was crossed by Kazakhs and Uyghurs from both directions frequently. But by 1956, China being conscious of the past experience of local Muslim separatism, revised its policies in Xinjiang. Now began the large scale transfer of Han population to Xinjiang. The trans-national diaspora of Kazakhs and Uyghurs and their shifting loyalties assumed importance in the changing equation between China and the former Soviet Union.

Following the demise of former USSR and establishment of five independent Central Asian Republics which share their history, culture and religion and above all the Silk Route connection with Xinjiang, China activated its diplomatic and economic relations with its western neighbours. Several factors account for active Chinese interest in this region. The ethnic-religious resurgence particularly in Tajikistan and Ferghana valley of Uzbekistan and mobilisation of Uyghurs in the newly independent Central Asian Republics caused discomfitures to China. Chinese fears of rise of Pan-Islamism and Pan-Turkic consciousness among the Muslims of Xinjiang are compounded by the recurrent clashes between the Han Chinese and local Uyghur / Kazakh / Kyrgyz Muslims in Xinjiang. Though there prevails an aura of general peace and stability in Xinjiang, Chinese sovereignty over this region is being questioned by the local Turkic Muslim separatists, who receive support from few hundred thousand Uyghur and Kazakh emigres now settled in Kazakhstan, Kyrgyzstan and Turkey. China has been very touchy on this issue and has utilised every opportunity to impress upon the leaders of the Central Asian states, not to allow any such separatist activity from within their territories.

Soon after their independence, China accorded recognition and established diplomatic relations with all the Central Asian Republics, in first week of January 1992. While doing so China received a pledge from the Central Asian Republics that "PRC is the sole and legitimate government of China and Taiwan is an inalienable part of China." The Central Asian Republics not only endorsed China's territorial integrity describing Tibet and Xinjiang as parts of China, but also supported 'one China Policy' committing themselves not to establish any official relations

with Taiwan. The Central Asian Republics also expressed their support to Chinese nationalities policy and opposed religious extremism and separatism, at the same time undertaking not to allow the Uyghur separatists operating from within their territories. On its part China pledged to develop friendly relations based on mutual respect for each other's sovereignty, territorial integrity, non-aggression and peaceful co-existence. China's Central Asia policy is based on the following main premises:

- i) China and Central Asian Republics are close neighbours sharing common borders. So maintaining good-neighbourly relations and peaceful co-existence is seen by China as an important policy objective for securing long term stable and peaceful external environment,
- ii) Developing economic cooperation and trade is mutually beneficial and for common prosperity,
- iii) Respecting the independent choice of Central Asian peoples and non-interference in their internal affairs;
- iv) Respect for other countries' independence and sovereignty and promoting peace and regional stability.

Thus China has established new relationship with the Central Asian Republics on five principles of mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in each others' internal affairs, equality and mutual benefit and peaceful co-existence. China views territorial disputes, religious extremism and ethnic separatism as contributory factors for regional instability in Central Asia. China's policy aims at peaceful external environment conducive to curb secessionism and extremism in Xinjiang, securing China's national security and economic development.

China has settled the long standing border disputes with all the Central Asian Republics-Kazakhstan, Kyrgyzstan and Tajikistan, albeit after securing some territorial concessions. China and Kazakhstan signed a treaty in 1998 defining their 1,700 km long border, under which Kazakhstan retains only 57% of the 944 disputed sq. kms.¹ China concluded its border agreement with Kyrgyzstan in 2002, under which Kyrgyzstan agreed to transfer 900 sq. kms. to China.² And the Sino-Tajik border was finally delineated in 2002.³ Thus China has not only removed an important and potential source of conflicts with the CARs, but also paved the way for boosting cross-border trade and economic cooperation.

China views Central Asia as a huge energy resource, base for raw materials and a ready market for its consumer goods. Taking due note of the geographical contiguity of Central Asia with Xinjiang and complementarily of their economies, China was prompt enough to develop Xinjiang into a hub of China's economic cooperation with the newly independent Central Asian Republics. China has not only opened Xinjiang to cross-border trade and traffic with the adjoining Central Asian Republics, but has also evinced keen interest in the project for revival of Silk Route by developing the economic corridor along the Eurasian Continental Landbridge. At the same time Xinjiang has been brought closer to China's mainland both by air, railway and road network thus surmounting the odds of enormous distance and inhospitable deserts intervening between the two regions. *Eurasian Continental Bridge* starting in eastern Chinese cities of Lianyungang - one of the main freight ports on China's east coast - traversing Xinjiang in China, passing through Kazakhstan and Russia to Europe is fully operational. Recently, Kazakhstan completed the construction of 293 km. rail line from Zhetygen to Khorgos at the China border in Xinjiang, following which this railway has been looped to China's national railway network, thus opening another China-Europe rail link. It takes only 15 days for trains carrying cargo containers from Chongqing in southwest China to Duisburg in Germany's industrial Ruhr region. Annual volume of freight turnover along this route would be about 2 million metric tons in the year 2013, which is expected to touch 15 million metric tons later on. That both the Chinese and Kazakh authorities are gearing themselves to facilitate the passage of such cargo across their territories, was recently confirmed by Yerkin Meirbekov of Kazakhstan's railways.⁴

China has extended Xinjiang's overland transportation links through Kashgar to Central Asia- Kyrgyzstan via Osh, Turgart and Karamik passes; Tajikistan via Osh, Sary Tash and Murgab; Kazakhstan by building Alashanko, Khorgos and several other border ports. This road network is being linked to the Karakoram Highway running through Pak-occupied Kashmir (PoK), so that these Central Asian countries secure access to the sea via Pakistan. Besides, cis-Pamir mountain territories of Karategin, Garm, Tajikabad, Jirghital, Darvaz and Tavildara in Tajikistan have been linked to Kyrgyzstan and Kashgar region of Xinjiang by formation of a transport and economic corridor through Osh, Sary Tash and Turgart pass (in Kyrgyzstan), Kyzyl Art and Kulma passes (in Tajikistan) and via Irkeshtam to Kashgar in China. This route is reported

to have no high passes or inaccessible sections and can be made operational throughout the year. There already exists road on some sections of this route and the whole section from Dushanbe to Kashgar (750 to 800 kms.) has asphalt or pebble stone cover. Only a few sections of this road are reported to be not metalled. This transport network is sought to facilitate development of peripheral and underdeveloped areas of southern Xinjiang, Kyrgyzstan and Tajikistan. It will embrace Pamirs and connect the Central Asian countries of Tajikistan, Kazakhstan and Kyrgyzstan with Xinjiang and Pakistan through the Karakoram Highway.

China has firmed up its plans to build a Special Economic Zone (SEZ) in Kashgar and connect it by a major rail with Pakistan through PoK along the Karakoram Highway. Pakistan's President Asif Ali Zardari during his visit to China in early July 2010 urged China Northern Railways Corporation (CNR) to form a consortium with Pakistan Railways⁵ to concretize the planned rail link between Kashgar and Pakistan. Pakistan's Ambassador to China, Masood Khan in an interview given last year disclosed that the "pre-feasibility work on the proposed railway line has been completed".⁶ This railway line which would run from Kashgar in Xinjiang through PoK and onwards will join Pakistan's railway network at Havelian. Work on the Chinese side is almost completed and train is already running upto Kashgar and Khotan. China is also providing 500 million dollars for repaving and widening the Karakoram Highway.⁷ Recent reports suggest that China has taken over the management of Gwadar port in Pakistan.⁸ As such China is implementing its plans to have direct access to the Arabian Sea through the Karakoram Highway and Pakistan. China is thus securing an alternative route to its trade with West Asia.

China is keen to utilise the existing infrastructure of rail and road networks and particularly the Eurasian Landbridge, to reorient the economies of Central Asian Republics, which still have closer economic and political relations with Russia and other CIS states, towards China. Whereas Xinjiang imports raw materials, oil, hides and skins, cotton and yarn, silk and silk yarn, rolled steel, aluminium, ferrous and non-ferrous metals, agricultural machinery, fertilisers, cement etc. from Central Asia, it exports cheap consumer goods, footwear, sugar, textiles, clothing, electronics goods, chemical products, machinery, processed food stuffs etc. to Central Asia. Trade with Central Asia constitutes an important factor in the economic development of Xinjiang. 80% of China's total trade with Central Asian Republics (CARs) is through Xinjiang.

of trade between Xinjiang and the CARs increased from a mere half a billion US dollars in 1993 to 6 billion US dollars in 2005.⁹ According to a Chinese expert, "Central Asia represented a small portion of China's foreign trade (0.6%) while as China accounted for about 10% of Central Asian foreign trade volume."¹⁰ Trade statistics as provided by China differ from those recorded by the CARs. It seems that the voluminous shuttle and bazaar trade carried out in the bazaars in Kazakhstan and Kyrgyzstan does not get reflected in the official trade figures. According to Chinese government statistics, in 1992 the value of import and export trade between China and the CARs was 464 million US dollars, which rose to 2.388 billion US dollars in 2002,¹¹ bulk of which was with Kazakhstan. China adopted a multi-pronged strategy of developing infrastructure and market in Xinjiang, developing its export-oriented economy, opening it to border trade with Central Asia and simultaneously developing road and rail communication to link Xinjiang with mainland and coastal parts of China, as a convenient means of developing Xinjiang and adjoining border areas of China.

China has been assiduously developing Xinjiang as the hub of trade and traffic across Central Asia to Russia and Europe on the one hand and to Iran and Gulf region on the other. China's 'open door policy' for promoting Xinjiang's foreign trade is designed to carve out a definite Chinese influence in Central Asian Republics. Though China has the potential and means to extend its influence over Central Asia, it will be restricted by the negative image harboured by its Central Asian neighbours which are conscious of the big-brotherly and expansionist image of China and also that of China's policy in Xinjiang.

Ethnic-religious separatism and recurrent violence in Xinjiang have motivated China to develop Sino-Central Asian relations in a manner that secures China's interest in the region and maintains security and political stability in Xinjiang. China's policy is not only to defend and strengthen its position in Xinjiang but also to use Xinjiang as a landbridge to extend China's reach into Central Asia and beyond. Though Uyghurs in Kazakhstan and Kyrgyzstan are part of their respective national mainstreams, they maintain their distinct ethno-cultural identities and harbour an ambition for liberated East Turkestan. However, the Central Asian Republics while following policy of good neighbourly relations with China, have ensured that China's sensitivities on the issue of Xinjiang or Uyghurs are not offended, as these states do not want to be seen as supporting in any way the Uighur diaspora in these countries.

That China and Central Asian Republics have taken a common stand against trans-border terrorism, religious extremism, ethnic-religious separatism, drugs and arms trafficking only demonstrates China's success in having its position in Xinjiang reinforced and endorsed by the Central Asian Republics. China has not only warded off any Islamic criticism of its policies in Xinjiang but even succeeded in having its position in Xinjiang legitimised and endorsed by Muslim countries like the adjoining Central Asian Republics, Pakistan and Iran.

LESSONS FOR INDIA

India and China are not only two ancient civilisations, proud of their own history, culture and traditions, but are also direct neighbours both maintaining key geopolitical and economic interests in Central Asia. The Silk-Route facilitated the overland movement of men, ideas and goods across the Himalayas into Central Asia through the Xinjiang region of China. Buddhist missionaries from India established Buddhism in China, which became a storehouse of Buddhist scriptures. To the Chinese, India was the land of wisdom. If Huiyen Tsiang and Fa Hien travelled across the lofty Pamirs and the Karakoram mountains to India, Kumarajiva and Boddhidharma went from India to China. This historico-cultural interface promoted the transmission of Indian thought and culture as also the Indian experiences in astronomy, medicine, yoga, physical exercises etc.

Given the richness of the Sino-Indian contacts through history, it becomes all the more necessary for the two countries to cooperate in economic, cultural and political domains, shedding old suspicions and inhibitions. Both countries, being the largest populated countries comprising nearly 40% of total humanity, are poised to achieve greater heights in their economic, industrial and technological powers in the 21st century. India has emerged as the biggest trading partner of China in South Asia. That both India and China share similar views on major issues particularly economic development, pursuit of economic, social and cultural rights, threat posed by drugs and arms trafficking, trans-border terrorism, religious extremism and ethnic-religious separatism to the territorial integrity of nation states, there exists solid ground for further strengthening the Sino-Indian cooperation in Central Asia.

- a) By taking concrete steps including the resolution of long standing

border disputes with the CARs, formation of SCO, investment in rail, road and pipeline projects in CARs and promoting cross-border trade, China has secured peaceful external environment conducive to curb extremism and separatism besides ensuring border security so vital for maintaining peace in the restive Xinjiang region. China has developed the requisite infrastructure in terms of rail and road network, cargo terminals, border ports etc. to harness the raw materials, mineral and energy resources of Central Asia and boosting the export of Chinese manufactured goods to that region.

- b) China's 'open door policy' for promoting Xinjiang's foreign trade has enabled Xinjiang to develop as the hub of overland trade and traffic across Central Asia to Russia and Europe on the one hand and to Iran and Gulf on the other. It is high time that the traditional India-Central Asia overland trade route via Leh, Yarkand, Kashgar and onwards to the Central Asian Republics is opened now. It can be one of the major Confidence Building Measures to reduce/diffuse tension along the Himalayan frontiers in the north and north west. During the visit of the Governor of China's Xinjiang province, Ismail Tiliwaldi to Delhi at the invitation of Government of India few years back, the issue of renewal of traditional economic and cultural ties between India and Xinjiang was discussed. Whereas the Xinjiang administration is keen on opening of this route, New Delhi needs to pursue this objective with Beijing, as it will provide a direct overland access to Central Asia via Ladakh.
- c) The proposal of Jammu and Kashmir government to open the Leh-Demchok route to Western Tibet as a viable and easier alternative route for pilgrimage to the Kailash-Mansarovar across the LOC in Ladakh needs to be pursued and got accepted by the Chinese. This will help in reducing the journey time and provide a safer passage to pilgrims. (More than 300 pilgrims died due to landslides at Malpa in Uttarakhand in October 1998).
- d) For the past few years, China has been making incursions in the Ladakh sector, particularly in Demchok, Chushul, Spanggur, Hot Springs, Depsang and the Pangong Lake areas. China has developed Ngari region of Tibet (facing Ladakh) on a fast pace, the latest being the building of airport and connecting Ngari with other destinations by air. So India needs to take concrete steps to

develop border road infrastructure in Ladakh. Besides, the Leh-Manali highway needs to be upgraded and put to effective use for transporting goods between India's mainland to Ladakh. This becomes necessary for taking the next step of asking China to open Ladakh-Demchok route for border trade with China in the same manner as was done at Nathu La in Sikkim some time back. Opening of Indian route to Xinjiang via Ladakh will not only be a big CBM, but will also provide India overland access to Central Asia through Xinjiang.

- e) The possibilities of opening a pipeline linkage across the LOC in Ladakh with the proposed Xinjiang-Kazakhstan pipeline project need to be considered and explored. According to Prof. Yang Shu, Vice President of Lanzhou University, the pipeline (Tarim-Korla-Turfan basin-inland China) transporting oil and gas from Xinjiang to inland China can be extended through Zepu and Kashmir to India. This according to him, would "not only reduce the distance of China's 'west Gas to the East Project' in Xinjiang but also provide another option of oil import for India".¹²
- f) There is great scope for opening of direct aviation link between Delhi and Urumqi with onward connections to Ulaanbaatar, Almaty, Bishkek, Tashkent and Dushanbe, which is commercially viable.
- g) As Tibet has been connected with Beijing by rail, it offers immense opportunity for Sikkim, Siliguri, Kalimpong and Kolkata, to become hubs of India's trade and travel with China via Tibet. Now that both the governments have opened Nathula pass for overland trade, Indian states of Sikkim and West Bengal need to act fast in setting up the requisite infrastructure like good roads, transportation, warehouses, check posts etc. Similarly, the border trade points in Ladakh can be opened to facilitate re-opening of the traditional border trade, and onward linkage with Kashgar which is being developed as the main hub of Xinjiang's trade with South Asia.
- h) India needs to be pro-actively involved in the SCO's anti-terrorism centre, Regional Anti-Terrorism Structure (RATS) at Tashkent, to coordinate efforts against terrorism, separatism and extremism in the region, besides sharing intelligence on these issues.



CONVOY OF CHINESE CARGO TRUCKS COMING VIA KARASU (XINJIANG)-
KHOROG-DARVOZ- DUSHANBE



CHINESE TRUCK TAKING MATERIALS TO DUSHANBE



AUTHOR STANDING AT KHAROG-JULANDI-MURGHAB-KULMA-OSH HIGHWAY



JOINT TAJIKISTAN-CHINA CARGO TERMINAL, KHAROG



CHINESE TRUCKS OFFLOADING AT THE CARGO TERMINAL, KHAROG



CHINA-KAZAKASTAN BORDER PILLAR AT ALASHANKO, XINJIANG



CHINESE BORDER POST, ALASHANKO



HIGHWAY TO ALASHANKO (XINJIANG)



CARGO TRUCKS AT ALASHANKO BORDER PORT



AUTHOR STANDING IN FRONT OF KHARGOS BORDER PILLAR NO. 324, XINJIANG



KAZAKH SHUTTLE TRADERS IN KHARGOS, XINJIANG



CARGO TRUCKS IN KHARGOS BORDER PORT, XINJIANG



KHARGOS- LIYUNGANG HIGHWAY UNDER CONSTANT REPAIR



KHARGOS- LIYUNGANG HIGHWAY (NEAR SALYMOON LAKE, XINJIANG)
UNDER CONSTANT REPAIR



EXPRESS HIGHWAY (NEW EURASIAN LAND BRIDGE) FROM KHARGOS TO LIYUNGANG

REFERENCES

1. Jean-Pierre Cabestan, 'Central Asia-China Relations and their Relative Weight in Chinese Foreign Policy'. In *China and India in Central Asia: A New Great Game*". Edited by Marlene Laruelle, Jean-Francois Huchet, Sebastian Peyrouse and Bayram Balci. New York, Palgrave Macmillan, 2010. p.27.
2. *Ibid.*
3. *Ibid.*
4. See "Kazakhs launch China-Europe Rail". *Hindustan Times*, 11 June 2013. p.17.
5. "SEZ signals China-Pak Rail Link", *Times of India*, 8 July 2010.
6. Anant Krishnan, China's POK rail link plan gain Traction, *The Hindu*, September 2012, p.4.
7. *Ibid.*
8. Rahul Datta, With Gwadar in kitty, China expands logistics. *Pioneer*, 3 February 2013, pp.1, 6.
9. See Huasheng Zhao, 'Central Asia in China's Diplomacy'. In *Central Asia: Views from Washington, Moscow and Beijing*. London. M.E. Sharpe, 2007. p.147.
10. *Ibid.*
11. Hsui-Ling Wu and Chien – Hsun Chen, 'The Prospects for Regional Economic Integration between China and the Five Central Asian Countries.' *Europe-Asia Studies*, Vol.56, No.7, November 2004. p.1065.
12. Yang Shu, 'Analysis of Relations between Interests of China and India in Central Asia'. In *Chinese Strategies on Central Asia*. Edited by Charles Hawkins and Robert Love. New Delhi, Manas, 2012. p.113.

INDIA AND CHINA

CONTEMPORARY ISSUES AND CHALLENGES

B.R. DEEPAK

Ever since the formulation of common borders between India and China during the 19th and 20th centuries, the sailing for Sino-Indian relations has not been smooth. The course of Sino-Indian relationship was filled with the ramps of mistrust, jealousy, hatred and armed conflict. The territorial aggrandisement of the British and Manchu imperialism turned the peaceful Himalayan region into an area of protracted contest between India and China. During the period of British and Manchu diplomatic manoeuvrability in the region, India being under the colonial servitude of the British could only sympathise with the Chinese people. It extended its support to the Chinese people whether it was the sacrifice of Indian soldiers fighting shoulder to shoulder with the Taiping heroes during second half of the 19th century or the sacrifice of young doctor Kotnis during the War of Resistance Against Japan in the first half of the 20th century.¹ However, continuance of the British policies by Independent India and those of Manchus by a China eclipsed the brilliant sun of Sino-Indian historic friendship.

During the 1950s, there were attempts to resurrect that friendship. However, since both India and China did not show any signs of departure from the British and Manchu legacy, the suspicion and mistrust continued, and ultimately resulted into an armed conflict that stained the young Himalaya with the Indian and Chinese blood. Obviously, the cold war between the two superpowers also cast its shadow on Sino-Indian relations of that time. The external and internal compulsions of China resulted in the so-called 'self-defensive counter attack' against ill-conceived Indian 'forward policy'. The spin off effect of this small scale conflict was the Sino-Pak entente cordiale, overplayed notion of the

'string of pearls' that further thickened the clouds eclipsing the Sino-Indian friendship.

However, with the demise of Mao, died the period of turbulence in Chinese modern history, for the new leadership directed its efforts to end the period of self-imposed isolation, and initiated a policy of open door and reforms that accorded priority to economic construction. The disintegration of the Soviet Union further warned China of the repercussions of Stalinist authoritarianism and made former Chinese President, Jiang Zemin, to admit the entrepreneurs in the Communist Party of China (CPC). Mao perhaps would have launched yet another 'cultural revolution' for 'righting the wrongs' and purifying the CPC of 'capitalist roaders' or 'revisionists' or 'counter-revolutionaries,' had he survived to witness the socialism with Chinese characteristics!

India on the other hand, responded positively to the changes in China and international arena. The diplomatic relations were taken out of deep freeze in 1976 when India and China restored ambassadorial level relations. Since then both sides have strived hard toward a dÈtente. After Nehru's departure from the Indian political scene, the Indian leadership has been more pragmatic and realistic in its approach towards China. It has agreed to negotiate border dispute with China contrary to earlier Indian position that its borders were well defined, and is willing to diversify ties in other spheres. Nevertheless, the road ahead is uneven, as the 'historical burden' that both the countries are carrying has not been thrown away. Meanwhile, the new equations that have been developing with the economic development in both the countries throw new challenges as well as opportunities for future cooperation and partnership.

I. PROBLEMS AND ISSUES

Owing to the hostilities of the 1960s and subsequent deep freeze in the bilateral relations, the security issue has remained a very sensitive, rather hypersensitive issue between India and China. One of the spin offs of the political distrust, has been the huge security deficit between India and China, which has led the other side to believe that they have been ganging up with the third parties to contain them. Despite much of negativity between India and China, it could be discerned that the general security environment between the two has improved even though there has been border infrastructural development on both the sides. It could

be attributed to the confidence building measures (CBMs) or the Crisis Management Mechanisms (CMMs) of the 1991, 1996, 2005 as well as some new mechanisms signed in 2012. The “Memorandum of Understanding for Reinforcing Communication and Cooperation in the Defense Areas” between India and China signed during Pranab Mukherji’s visit in 2006 has literally made joint military exercises on counter terrorism, fight against piracy, joint search and rescue between these two countries possible, albeit there still exists huge security deficit which is manifested in the form of visa refusal to Lieutenant General B. S. Jaswal, of the Northern Command by China in 2010, and suspension of defense ties by India with China in a tit-for-tat move.

1.1 The border issue

The main stumbling block and most sensitive issue that has been preventing a firm Sino-Indian handshake over the Himalaya, is the knotty boundary question. Both sides hold divergent views and have not given up their earlier claims. China does not recognise Arunachal Pradesh and claims it as part of Tibet Autonomous Region (TAR) in the Eastern Sector. In Western Sector, the first issue of discord is Aksai Chin situated in northwest of Kashmir and the second being the Ladakh-Tibet boundary from Chang Chenmo valley to the region of Spiti, where Himachal Pradesh has a common border with Tibet. China abandoned its 1956 claim line and added the Galwan Valley in the maps produced in 1960. In the Middle Sector, China claims Nilang-Jadang [Congsha and Sang], Bara Hoti [Wure], Sangchamalla and Lapthal [Xiangzha and Labudi], Shipki [Shepuji] Pass, and Spiti area [Juwa and Qure]. The gravity of dispute in this sector, however, is far less than the Western and Eastern sector. The LAC that came into being after 1962 conflict remained contested by both the sides at many places, let alone their differences on the border alignment. Owing to these differing perceptions, the transgressions on the LAC have been interpreted differently by India and China.

The conclusion of Sino-Indian agreement on Tibet in 1954 was perceived in India as acquiescence of India’s position in the Eastern Sector. The subsequent cartographic changes by both the countries further complicated the issue. In 1958, when Zhou Enlai formally laid China’s claim to Arunachal Pradesh in Eastern Sector and Aksai Chin in the Western Sector, Nehru was greatly surprised. The 1959 Tibetan revolt and Indian sympathy towards Tibet, and the political asylum to the Dalai

Lama, made China furious and she started taking anti-India posture at regional as well as international level. The official talks on border in 1960-61 ended in a failure. The Sino-Soviet split and increasing bonhomie between India and Russia was perceived by China essentially a military alliance directed towards China. The growing mistrust and animosities resulted into a small scale war in 1962. The ensuing diplomatic freeze also froze the boundary issue and heightened the tensions along border areas.

It was not until Chinese Foreign Minister, Huang Hua's India visit in 1980 that India and China agreed to hold talks on the border issue. Between 1981 and 1987, eight rounds of talks were held in Beijing and New Delhi alternatively. After Rajiv Gandhi's path breaking China visit in 1988, a Joint Working Group (JWG) was especially established for the resolution of border issue. Between 1989 and 2003, fifteen rounds of talks had been held. Between 2003 and 2013, 16 rounds of talks have been conducted between the Special Representatives of India and China, a mechanism created in 2003. But even after the parleys of 32 years and 39 rounds of talks on border, the issue is awaiting resolution.

This is not to say that there has been no progress, there is substantive progress as both have maintained peace and tranquility along the border without firing a single shot since the Nathu La crisis in 1967. The "Agreement on Maintenance of Peace and Tranquility along the Line of Actual Control (AMPTAC)", in the India-China border areas signed on September 7, 1993; the Agreement on Confidence Building Measures in the Military Field Along the Line of Actual Control (ACBMMF) in the India-China border areas signed on November 29, 1996; and the Protocol on the Political Parameters and Guiding Principles (PPPGP) for the Settlement of the India-China Boundary Question signed on 11 April, 2005 are unique in a way that these are not the byproduct of bipolarity of the world, neither the cold war, and nor the asymmetrical force structure between India and China; rather the evolution of these CMs could be seen as lessons learnt by India and China from the hostilities and Cold War, and the result of the rapprochement and engagement after the establishment of diplomatic ties between India and China. According to Wang² both sides adopted a "realistic and flexible" approach to the knotty border problem, and were emerging into an era of mutual comprehension and understanding. The commitment to not to use force by both sides and not to undertake "specified levels of military exercises in the mutually identified zones" further hinted to the fact that both

sides were willing to accept the ground realities, albeit article 6 of the Agreement clearly pointed out that references to the LAC do not prejudice the respective positions of India and China on the boundary question. Nevertheless, it may be pointed out that the reference to the LAC was being used for the first time in a formal document signed by both the sides. These exchanges and CMMs reiterated the faith in 1954 Panchsheel agreement, as well as the equality of the relationship, which is clearly manifested in the articles of these CMMs.

The CMM emphasizes time and again that "India-China boundary question shall be resolved through peaceful and friendly consultations. Neither side shall use or threaten to use force against the other by any means." Both undertake to "strictly respect and observe the line of actual control" and will maintain peace and tranquillity along the border. To achieve this end, the two sides will keep their border military presence "to a minimum level compatible with the friendly and good neighbourly relations." 1993 and 1996 CMMs also recommend provisions in the case of border transgression and intrusions. Articles IV and V of the 1993 CMMs stipulate that the "two sides shall deal with them through meetings and friendly consultations between border personnel of the two countries."

The 1996 CMM, built on the foundations of the 1993 CMMs is more elaborate and specific as regards military and security relations between India and China. The very first article "Neither side shall use its military capability against the other side" was pronounced as 'a virtual no pact' at the time it went public.³ Article III and IV spells CBMs in military fields, for example "two sides shall reduce or limit the number of field army, border defence forces, paramilitary forces and any other mutually agreed category of armed forces deployed in mutually agreed geographical zones along the line of actual control to ceilings to be mutually agreed upon." Article IV stipulates the withdrawal of some offensive weapons such as combat tanks, infantry combat vehicles, guns (including howitzers) with 75 mm or bigger calibre, mortars with 120 mm or bigger calibre, surface-to-surface missiles, surface-to-air missiles and to start with the two sides etc. as well as avoiding the holding of "large scale military exercises involving more than one Division (15,000 troops) in close proximity to the LAC." Article X says that both sides "agree to exchange maps indicating their respective perceptions of the entire alignment of the line of actual control as soon as possible." For avoiding intrusions, as well as to "strengthen exchanges and cooperation between their military personnel

and establishments”, Article VII provides that the two sides shall (a) increase “meetings between their border representatives at designated places, (b) expand “telecommunication links” between these border points, and (c) establish “step-by-step medium and high-level contacts between the border authorities” of the two sides. Article IX stipulates “the right to seek clarification” regarding the “manner in which the other side is observing the agreement” or on any “doubtful situation” in the border region.

The 2005 protocol on the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question takes the bilateral relations to higher level, and attempts to view the relation in a larger and global context. There was an indication that the constructive and cooperative partnership between India and China transcends bilateral and regional configurations but has global implications, and that “both sides are seeking a political settlement of the boundary question in the context of their overall and long-term interests”. Therefore, “differences on the boundary question should not be allowed to affect the overall development of bilateral relations.” It also talks about “a package settlement to the boundary question” which still remains one of the most viable frameworks for resolving the issue. Pending an ultimate settlement of the boundary question, the two sides should strictly respect and observe the line of actual control and work together to maintain peace and tranquillity in the border areas. The importance of the mechanism of Special Representatives (SR) on the boundary question was underscored, and stated that the SRs “shall continue their consultations in an earnest manner with the objective of arriving at an agreed framework for a boundary settlement, which will provide the basis for the delineation and demarcation of the India-China boundary.” The protocol while invoking Panchsheel, reiterated that both sides would abide by and implement the 1993 and 1996 CBMs.

Besides the above mentioned CMMs, in January 2012, India and China signed Working Mechanism for Consultation and Coordination on India-China Border Affairs (WMCC) at Joint Secretary Level of ministries of foreign affairs of the two countries especially for timely communication of information on the border situation, and for appropriately handling border incidents. In March 2012 both sides also agreed to undertake joint operations against pirates and sharing technological knowhow on seabed research. Presently, two sides are also working to conclude a new Border Defense Cooperation Agreement

(BDCA) possibly during the visit of Indian Prime Minister to China. The BDCA proposes the prevention of face-offs between the troops of the two countries along the LAC. However, there are hurdles as regards freezing the border development infrastructure along the LAC.

1.2 Depsang faceoff of April 2013 and the CMMs

In mid-April 2013 there were reports of at least 40 People's Liberation Army (PLA) troops transgressing and camping at Depsang Bulge, 30 km south of Daulat Beg Oldi (DBO) and almost 10 kilometer inside the Indian territory according to media reports. The Indian forces also pitched tents almost 200 meters away from the PLA and the faceoff continued for three weeks. The faceoff yet again reminded of perpetual mutual mistrust and security deficit between India and China. It also vitiated the atmosphere in India and perhaps in China too just before the maiden visit of the newly elected Chinese Premier, Li Keqiang to India in May 2013.

Even though both Indian and Chinese government downplayed the incident, but starting from May 1, some articles by academics started to surface in the Chinese print media and hint to the Chinese apprehensions about 'aggressive' patrolling in the region as well as the up-gradation of border infrastructure by India. An Article by Hu Zhiyong, a professor in the Shanghai Academy of Social Sciences while calling for a better management of the border issue, also maintained that presently India has deployed 45 battalions of police force along the border areas, besides 4 battalions are in the midst of organization. India plans to add 9 more battalions by 2015.⁴ Reports about China's infrastructural development are equally hyped in Indian Media,⁵ for example Indian Defense Minister A. K Antony himself gave a statement in March 2011 that

"The total road network in TAR is assessed at 58,000 km in 2010. Extension of Qinghai Tibet Railway to Xigaze is in progress. Another railway line from Kashgar to Hotan in Xinjiang Uighur Autonomous Region is under construction," besides there are five operational TAR airfields namely Gongar, Pangta, Linchi, Hoping and Gar Gunsu. Antony further said that "necessary steps" were being taken in consonance with India's national security concerns."

It could be discerned that there are attempts to enhance the military capacity along the borders by both India and China along with the modernization of armed forces, irrespective of the scores of CMMs. This kind of capacity enhancement and modernization may create further tension along the LAC and vitiate the security environment in the region. On the other hand, the peaceful resolution of the so called faceoff or

'tent confrontation' as it was reported in Chinese media, points to the maturing of India-China relations, and that both sides have the will and confidence to resolve the crisis bilaterally and prevent the crisis from acquiring dangerous proportions. It is also a pointer to the fact that India-China relations remain "fragile" and the border issue being the root cause of most of the trust deficit and mutual suspicion, if not handled properly could rekindle the animosities in no time. It is also indicative of the fact that the existing mechanisms have been effective in maintaining peace and tranquility along the border. However, these have also demonstrated that these fall short of finding a solution to the border issue. Therefore, it becomes imperative for both India and China to show political will and resolve, and reach an agreeable resolution of the border as soon as possible so that a way is paved for a firmer hand shake and trust.

2. SINO-PAK ENTENTE CORDIALE

Within a decade of its inception, the PRC was successful in establishing an entente with Pakistan, and diluting Pakistan as a US satellite of anti-communist alliance. The reasons for its success could be attributed to the Sino-Indian hostilities and subsequent border war of 1962, and the Indo-Pak hostilities over Kashmir. China accepted the Pakistani proposal of 1961, which set to demarcate the boundary between Pakistan occupied Kashmir (POK) and China's Xinjiang. Barely three months after the conclusion of 1962 War (2 March 1963), China concluded border agreement with Pakistan. The agreement was said to be temporary and China would renegotiate the above border with relevant sovereign authority after the resolution of Kashmir dispute.

It has been admitted by the Chinese think tanks and academicians that the "mono-dimensional (*danweixing*) China-Pak relationship is focused at military security cooperation with not an endogenous (*neishengxing*) aim but around external security concern (*waibu anquan guanqie*) that is to counter India." They further posit that "this kind of cooperation, to a greater extent is due to the long rivalry of both Pakistan and China with India, as India for a long time has been number one enemy of Pakistan, and also poses major threat to the security of western China. Therefore, to keep away the common enemy is a decisive factor in this relationship".

It is this relationship that China has supplied Pakistan with sophisticated weaponry including the nuclear bomb and missiles. It is this

relationship that prompts a Chinese premier to go to this country even if there is no government in place. It is also this relationship that Chinese soldiers are engaged in construction work in Pakistan occupied Kashmir that has been claimed by India. Therefore, the Sino-Pak entente has been counted as a factor in political mistrust between the two countries. ⁶

3. CHINA'S DAMS IN TIBET-QINGHAI PLATEAU⁷

In order to meet the scarcity of water in the north, China has advocated massive water diversion called as the South-North Water Transfer Project (*nanshui beidiao gongcheng*). The idea has been supposedly put forth by Mao Zedong in 1952 while on an investigation tour of the Yellow River. After years of deliberations and delays the project was commenced in 2002. The main idea is to divert abundant water of Yangtze to Yellow and Hai River, a tributary of Yangtze. In order to realize the project, China has defined three lines of diversion, namely the eastern, central and the Great western line.

The Eastern Line would use the course of Grand Canal (also known as Beijing-Hangzhou Grand Canal), a 6th -7th century vintage canal, one of the largest artificial river in the world; the canal has been upgraded in recent times. Water from the Yangtze will be drawn into the canal at Jiangdu where a huge pumping station has already been built during the 1980s; after pumping the water into canal, another canal under Yellow River will take it to the reservoirs near Tianjin. The work commenced in 2002 and was supposed to be completed by 2012. The projected water diversion is estimated at 14.8 billion cubic meters with an investment of 130.0 billion yuan (around 20 billion USD). The problems are environmental related, as the water on this line is heavily polluted and require serious processing. Moreover, since the water needs to be pumped at Jiangdu, power consumption would be huge.

The Central Line envisages diverting 13 billion cubic meter water from Han River to Beijing and Tianjin from Danjiangkou reservoir after elevating its height. This would require 1276 kilometer long canal to Beijing connecting 365 big and small rivers with an estimated investment of 170 billion yuan (around 30 billion USD). The estimated project period is 15 years. Work on the Central Line commenced in 2004. At present the water is primarily coming from reservoirs in Hebei rather than the Han River, as the river has been continuously receding, it is advocated by the experts that it is useless to divert water from Han River. As an alternate plan,

another canal from the Three Gorges to Danjiangkou reservoir in Hebei has been initiated. However, since the canal routes through densely populated areas of Hubei, Henan, and Hebei the problems related to migration, water resource management, and operational costs are huge, the progress has been very slow. It has also been stated that the real capacity of the diverted water till it reaches Beijing would be only 800 million cubic meters.

The Great Western Line as it is known was conceived in the 1950s but did not make any head start. Of late Guo Kai, a 73 year old water engineer and chief proponent of the massive Western Line advocates that with one engineering project, China would be able to solve all of its water problems. In fact Guo advocated and drummed support for the "Great Western Line Water Transfer Project" in the 1990s. In 2006 Li Ling drumming up support for the plan wrote a book entitled *Tibet Water will Save China*. The plan envisages diverting water from Yangtze to Yellow River by way of digging hundreds of kilometers of tunnels and reservoirs across Qinghai Tibetan plateau. The plan calls for constructing a canal intersecting six rivers namely Yarlung Zangbo (Brahmaputra), Nu, Lancang, Jinsha, Yalong, and Dadu. The distance between Yarlung Zangbo and Yellow River would be bridged by a 240 kilometer long tunnel. Guo Kai and his supporters believe that there would be only 25,000 people who would need to be rehabilitated; the water diverted would be around 200 billion cubic meter (equaling 4 Yellow rivers) and the investment would be as little as 225 billion yuan. The opponents, however, posit that only 17 billion cubic meter water could be diverted with an investment of 390 billion yuan, and the project completion would require 40 years too huge an investment for little diversion. Moreover, they argue that environmental hazards would be of unimaginable magnitude.

3.1 The Present scenario

Damming Brahmaputra is not new for China, for it has built many dams on its tributaries that number around 199. Of these, 130 tributaries have a drainage area greater than 100 sq. km and 64 have drainage area more than 1000 sq. km, and 5 tributaries namely the Lhasa River, Palongzangbu, Nyang Qu, Duoxiongzangbu and Nianchu have drainage area of more than 10,000 sq. km. Water resources of Brahmaputra are very rich; theoretical potential of hydropower resources amounts to 113.5 million KW. The preliminary investigations in China indicate that it is

possible to develop hydro potential of about 47.4 million KW, of which about 46.4 million KW would be on the main river.

China proposes to build 13 cascade power stations with a total installed capacity of 46.336 million KW accounting for annual power output of 276.411 billion KW.h. As far as the development of cascade power stations is concerned, China has proposed two plans. Plan A is to build Gangke (270,000 KW), Gu Lu (170,00 KW) , Qingding (150,000 KW), Boshu (130,000 KW), Pengcuolin (300,000 KW), Jiangdang (50,000 KW), Suolang Gatu (500,000 KW), Qushui (96,0000 KW), Gacha (1.65 million KW), Langxian (1.2 million KW), Rixue (420,000 KW), Motuo (38 million KW), Jie Riguo (3.5 million KW) in the downstream power stations above Motuo. Plan B is to build a large dam at Daduka, straighten the river bends, excavate a number of large-diameter tunnels, instead of Motuo. Single-hole single-tunnel would be around 41 km in length. The power station head reaches 2,400 m, and the installed capacity is around 43.8 million KW. However, the technical difficulty is too great. Since Yarlung Zangbo is located in the Tibetan plateau, therefore, due to high altitude, thin air, poor project conditions, transportation difficulties, complex engineering and geological conditions, engineering marvels are required. As such very little survey and design work has been done. At present most of the river basin is almost undeveloped except a few small size power plants and irrigation projects in some of its tributaries.

Prior to 1980, 31 small reservoirs were constructed on the Zangbo river that irrigated around 70,000 sq. hm; built 97 diversion projects that irrigated around 40,200 sq. hm, besides 3755 embankments, irrigation and other works were completed, irrigating around 30,000 sq. hm of farmland. The total irrigated area by these undertakings reached 50,100 sq. hm, with the water conservation level of 33%. At present, in order to overcome the electricity problem in areas such as Lhasa , Xigaze, Nyingchi cities and regions, a few small power stations have been constructed on Lhasa and Niyangqu tributaries. The main stream of the Yarlung Zangbo remains undeveloped. On the tributaries where power station of more than 1,000 KW have been built are Nagin, Tanghe, Woka, Xijiao, "606", and "8.1" etc. power plants, the rest are below 1,000 KW capacity. The installed capacity of the Nagin on Lhasa River is 7,500 KW, which is the largest hydro plant on the Yarlung Zangbo basin. The guarantee levels of these plants in dry season are very little. During dry season the output of the plants that are more than 1,000 KW is only 1/3-1/2 of the installed capacity. Those which are below 1,000 KW are

basically seasonal. The installed capacity of hydropower stations that have been built along the entire basin is about 50,000 KW, which is only 0.1% of the entire developable capacity of Yarlung Zangbo.

3.2. The Indian Scene and debates

Yarlung Zangbo flows out of China and enters India's Assam via Sadiya. This section of the river is known as Diheng River. In Sadiya it confluences with Dibaing and Lohit and is called as Brahmaputra. Brahmaputra according to China is about 1,000 km, of which 725 kms is in India and 274 kms inside Bangladesh. The annual mean annual runoff of its tributaries such as Lohit, Subansiri, Kameng, Manas etc. is 618 billion m³. It could be discerned therefore that the Indian fear is unwarranted.

Since the introduction of the project, not only the western line, but also the remaining two, it has created widespread controversy in China. Those who have supported the projects are people like Guo Kai, Li Ling, government officials and some army officers. Guo Kai seems to have the support of 13 or so high ranking army officials. Some scientists, especially professor He Zuoxiu, a physicist with the Chinese Academy of Sciences is the leading supporter of Great Western Line. Rather than framing his argument on scientific data, Prof. He takes refuge in the well known 'scarce water resources of the north' paradigm, the desertification, east-west disequilibrium etc. Opponents, however, seems to have the upper hand at the moment, and have been supported by the netizens, especially the micro blog community in China. There has been an anonymous article entitled *The Great Western Line Project: Already Gone Mad* that has opposed the project tooth and nail. It has also castigated various viewpoints raised in Li Ling's book. It posits that The Great Western Line Project is simply a project on paper; and argues that whenever China has tamed the rivers it not only did not have bring any benefits but caused serious problems such as flooding. They argue that to make a 636 – 1205 meter wide canal on the roof of the world and Hengduan Mountain ranges, is easier said than done.

Indian side on the other hand has been a victim of the psychological warfare of China, and China has definitely scored another point in this front. India has frantically argued that the damming would dry up the Brahmaputra. Some have even argued that China is employing water as a weapon. Allaying the anxieties of many riparian states, Jiao Yong, Vice Minister at China's ministry of water resources, told a press conference in Beijing on 12 October 2011 that although there is a demand among

the Chinese to make greater use of the Brahmaputra but “considering the technical difficulties, the actual need of diversion and the possible impact on the environment and state-to-state relations, the Chinese government has no plan to conduct any diversification project in this river.” India, China and other downstream countries, however, need to initiate steps to institutionalize a mechanism by which all information as regards any natural or human activity on the river is shared, so that unwarranted fears are not allowed to jeopardize the bilateral relations.

4. SOUTH CHINA SEA ISSUE

South China Sea encompasses an area from the Singapore and Malacca Straits to the Strait of Taiwan, and consists of Dongsha, Xisha (known as Paracel in English, and Hoang Sa in Vietnamese), Zhongsha (Huangyan in Chinese) and Nansha (Spratly in English and Truong Sa in Vietnamese) islands. At present, of these Zhongsha and Xisha are under the actual jurisdiction of China; in fact the Paracel were jointly controlled by both China and Vietnam. However, in 1974 China in a show of military strength ejected the Vietnamese from here. Dongsha is under the jurisdiction of Taiwan. As far as Nansha is concerned, the western, northeastern and southwestern areas are under the jurisdiction of Vietnam, Philippine and Malaysia respectively. According to China, the focus of the South China Sea lies in Spratly. Of these islets 8 are controlled by China, 1 by Taiwan, 29 by Vietnam, 8 by Philippine, 5 by Malaysia and 2 by Brunei. Various claimants have been passing legislations claiming certain islets. Earlier in February 2013, Philippines Senate and House of Representatives passed Baseline Bill and declared its ownership over Scarborough (Huangyan in Chinese) island and some others in Spratly. In June 2013 Vietnam also passed a Maritime Law declaring indisputable sovereignty over the Paracel and Spratly islands. China claims the entire South China Sea and has expressed outrage on these declarations, and further reinforced its claims by increasing the level of governance on the disputed islands; the establishment of Sansha city, a garrison in Zhongsha, and the invitation of bids to some of the disputed islands is the manifestation of China’s show of strength and above all the assertion of its sovereignty in the region.

The reason why the area is so ferociously fought over is that one-third of the world’s shipping transit through these waters; therefore, the archipelagos are of great strategic importance to all the claimants.

Secondly, it is believed that the area holds huge oil and gas reserves beneath its seabed. Thirdly, the region is a treasure house of fishery. In Sansha alone, the annual fishing potentials are estimated at two million tons, almost 25 times more than the entire annual potential of Hainan Island. China is considering the tourism potential of the area. It is precisely the second reason that India has been there in the Spratly islands.

Indian presence in the Spratly is not new. However, it has been seen as a hostile act by China owing to the recent spat in the region between China and Philippine on the one hand and China and Vietnam on the other. The Indian presence in the area started in 1988 when India and Vietnam signed an agreement covering aspects such as the exchange of information on the petroleum industry. Under the ambit of this agreement Vietnam permitted ONGC Videsh to explore oil and gas in Block 06.1 in partnership with BP, which now contributes to almost 50% of the gas requirement of Vietnam. In June 2006, Petro Vietnam awarded two more blocks called block 127 and 128 for exploration to the Indian company. India handed over the block 127 back to Vietnam in 2009 after the company failed to discover any oil and gas. As regards the block 128, India renewed the deal for another 3 years. It was at this time that China's reaction to India-Vietnam agreement was ferocious.

It is in recent years that China has started to define South China Sea as an area of core interest in addition to Taiwan and Tibet. India's presence in the area has been challenged by China by resorting to various ways. For example on 22 July 2011, one of India's amphibious assault vessels, the INS Airavat on a friendly visit to Vietnam, was reportedly contacted by the Chinese navy and told that it was in Chinese waters. In June 2013 when four Indian naval ships left the Philippines for South Korea, they were greeted with "Welcome to the South China Sea, Foxtrot-47 [INS Shivalik]" by the People's Liberation Army Navy (PLAN) frigates and later escorted for next 12 hours. The message was clear that the Indian ships were entering the Chinese waters. In September 2011, when the ONGC Videsh extended the agreement with Petro Vietnam by three years for block 128, Chinese Foreign Ministry spokesperson Jiang Yu, reiterated China's 'indisputable sovereignty' over the South China Sea and warned India without naming it that the 'relevant countries respect China's position and refrain from taking unilateral action to complicate and expand the issue.' The nationalistic *Global Times* was more aggressive in its editorial published on 14 October 2011 when it wrote:⁸

“Both countries clearly know what this means for China. China may consider taking actions to show its stance and prevent more reckless attempts in confronting China in the area. By inking pacts with Vietnam, India probably has deeper considerations in its regional strategy than simply getting barrels of oil and gas. India is willing to fish in the troubled waters of the South China Sea so as to accumulate bargaining chips on other issues with China. There is strong political motivation behind the exploration projects. China’s vocal objections may not be heeded. China must take practical and firm actions to make these projects fall through. China should denounce this agreement as illegal. Once India and Vietnam initiate their exploration, China can send non-military forces to disturb their work, and cause dispute or friction to halt the two countries’ exploration. In other words, China should let them know that economic profits via such cooperation can hardly match the risk.”

Another newspaper called *China Energy News* in a front-page commentary published on 16 October 2011 raised the pitch further by noting that:

India is playing with fire by agreeing to explore for oil with Vietnam in the disputed South China Sea. India’s energy strategy is slipping into an extremely dangerous whirlpool. On the question of cooperation with Vietnam, the bottom line for Indian companies is that they must not enter into the disputed waters of the South China Sea. Challenging the core interests of a large, rising country for unknown oil at the bottom of the sea will not only lead to a crushing defeat for the Indian oil company, but will most likely seriously harm India’s whole energy security and interrupt its economic development. Indian oil company policy makers should consider the interests of their own country, and turn around at the soonest opportunity and leave the South China Sea.

Above all China National Offshore Oil Corporation (CNOOC) called for bids from foreign companies offering exploration of oil in nine blocks in the South China Sea, including the Block 128. The foreign companies may not be interested in the bids in the disputed region, but the bidding itself is symbolic and shows assertion of China’s claim in the region.

It was perhaps under such a tremendous pressure from China that India communicated openly early this year that it also wanted to surrender Block 128 albeit for techno-economic reasons. India took a 180 degree turn on 15 July 2012 and agreed to stay on when Vietnam requested the ONGC to hold on in Block 128. It is obvious that India has a rather muddled and incoherent policy as regards its exploration in the South China Sea Region. At the outset, when China reacted to India’s presence in South China Sea, India accepted de jure sovereignty of Vietnam in the contracted areas. According to the spokesman of the

Ministry of External Affairs, Government of India, "the Chinese had concerns but we are going by what the Vietnamese authorities have told us and have conveyed this to the Chinese." A little later External Affairs Minister S M Krishna said India is "purely there for commercial reasons" and for India's energy security concerns. Of late, India has said that the dispute between different countries in the South China Sea is a matter for them to settle, however, India will undertake commercial activities with governments who exercise actual control over disputed territories.

What should be the Indian policy? Many in India believe that India needs to adopt a tit for tat policy as China has also been fishing in the troubled water as far as the Indian territory of Gilgit-Baltistan in Pakistan's occupation is concerned. Here again, even if China is assisting Pakistan in building military or civilian infrastructure in Pakistan occupied Kashmir, it has never accepted the sovereignty of Pakistan in the area, albeit it has issued visas to the people of this region on Pakistani passports. China has also started to issue visas to people from Kashmir on Indian passports after the initial spat over stapled visas. The 2 March 1963 border agreement between China and Pakistan is very careful about choosing the words. The agreement was described as Sino-Pak border agreement concerning delimitation of China's Xinjiang and the contiguous areas, the defence of which is under the actual control of Pakistan. The agreement was said to be temporary and China would renegotiate the above border with relevant sovereign authority after the resolution of Kashmir dispute. India needs to be cautious and avoid supporting the claims of countries as regards the sensitive issue of sovereignty even if they are allies in various spheres. The United States, which is the only super power and with extensive capabilities in the region has so far been following a policy of rejecting Chinese claims of sovereignty over the entire Sea while not getting involved in the various disputes over the claims of sovereignty over the island territories. Irrespective of its condemnation of China on the issue of setting up the new city of Sansha, it has not taken sides with Vietnam or Philippines even though it has resolved to strengthen its security dialogues with its partners in the region and amass 60 percent of its naval assets in Asia Pacific region.

Can India sustain its position or interests in the region? Do we have the capabilities or are we in a position to match China in sea, air or ground? We must be modest in accepting that India's power projections are far behind those of China, least to talk about the US. As mooted by the *Global Times*, if China disrupts the activity of ONGC, can India protect its interests,

or can Vietnam protect India's interests in these Blocks? Vietnam failed in 1974 when it was forcibly trounced by China from the Paracel Island in a small naval conflict; in 1988 in another similar conflict, Vietnam not only lost over 70 marines in Spratly but also the control of a few islands. China has repeatedly said that it is the armed conflict that has won it sovereignty in the region, and will not hesitate to resort to force if dialogue fails.

5. TRADE AND COMMERCE

As far as bilateral trade is concerned, this would be the real focus of the new leadership, for it could be a catalyst in sustaining domestic growth to some extent and maintain the desired continuity in the bilateral relations. Secondly since the US would also be looking towards India for greater trade and investment, job creation and economic growth, China would like to compete with the US in Indian markets for getting a sizeable pie, be it the infrastructural development, power and energy sector or the telecom and banking sectors. The present 200 plus strong Chinese delegation that participated in the November 26-27 Strategic Economic Dialogue (SED) in New Delhi manifests it quite clearly. It is also an indicator that economics of bilateral relationship has become much more important than any other impending issues including the border. The widening trade deficit and shrinking trade volume has portrayed a gloomy picture of the bilateral trade.

Bilateral trade between India and China reached a record \$73.9 billion in 2011, with the imbalance widening to \$27 billion. In 2012, the trade has faced a downturn and reached only \$55.6 billion during the first ten months, with \$23 billion trade deficit for India. Even though both countries have pledged to take the figure of bilateral trade to \$100 billion by 2015, however, ballooning trade deficit and declining volume throws new challenging to the future leadership in India and China alike. The recently concluded SED may improve these figures as 11 MoUs worth \$5.2 billion were signed between India and China. Most of the investment would be in the private sector as chunk of this capital rests in a \$3 billion financing agreement between Reliance Power Ltd and China's Guangdong Mingyang Windpower Group Co. Ltd and a \$800 million agreement between NIIT China (Shanghai) Ltd and China's Hainan province to establish an information technology enclave in Hainan. Since this was the second SED, one could expect the fifth generation leadership in China to adopt more proactive approach towards investment in India

rather than the traditional cautious and incremental attitude.

India would reciprocate provided the balance of trade issue is addressed through a bigger market access to Indian companies in the Chinese markets. The investment in high speed railway and other infrastructural building projects could be considered as big opportunity windows to both countries. For India it could prove as an opportunity to learn from China's experience, for it was during last 30 years of experience that China could develop its own technologies, perfect its manufacturing facilities, bring in new managerial practices and become self reliant in many sectors, like heavy machinery and computer hardware. The recently opened retail sector is another example where India can learn from China, as to how China protected the interests of its farmers, as to how they were brought into the fold of new supply chains, and how it successfully created its own brands in retail giving tough competition to the foreign brands like Wall Mart and Carrefour etc. If all goes well, the bilateral trade during Xi Jinping's tenure could jump to \$250 billion or even more.

6. POTENTIALS FOR FUTURE COOPERATION

Notwithstanding the existing problems and differences, India and China have vast opportunities for cooperation. It is time for India and China to cast off the inhibitions that killed the incentive for sound relationship. The relationship has acquired global significance, given the rise and emergence of China and India at the world stage. The icon of China's reforms and 'sinicized socialism' Deng Xiaoping⁹ has remarked. "If China and India are developed, we can say that we have made our contribution to mankind." He also made it clear that neither country poses a threat to the other and wanted both the countries to make progress in economic field thus ensuring peace and prosperity. India and China, in order to reduce their technological dependence on western countries, need to cooperate in the fields like space, peaceful application of nuclear energy, computer software, genetic engineering, agriculture, hydroelectricity generation etc.

6.1 Need to strengthen trade and economic ties

The huge potential for trade and investment has not been exploited fully by India and China. The recent trade volume of US\$ 66 billion dollars is abysmal in the face of sheer size of India and China. Even Beijing and

Washington who consider each other as strategic competitors have redefined their relationship. The US is the largest trade partner of China with a total trade volume of 446 billion USD. Even the arch rival Japan is the second largest trade partner with a trade volume of 342 billion USD. Given the potential and complementarities, India and China could strengthen their trade ties and usher in a new era of regional and international cooperation. Though Indian economy is far behind the Chinese economy, nonetheless, the two most populous countries of the world are in fact fastest growing economies of the world and are largest markets of the world. India's strengths lie in Information Technology, software engineering, management and financial services, and China is strong in hardware, manufacturing, construction and industry. Therefore, there is an ample scope for collaboration and cooperation and learning from each other's strong points.

Yet another encouragement to the bilateral trade has been the opening up of border trade. A couple of passes in Himachal Pradesh and Utranchal have been opened to border trade since the resumption of border trade in 1991. However, in order to further develop the border trade, India and China need to build the necessary infrastructure in their respective side of the trading points. The communication links including construction of roads has to be enhanced. The building of hotels and other travel related infrastructure need to be taken urgently. India and China might like to revive "the southern silk route" connecting India's northeast region with Myanmar and China's Yunnan. This could be feasible if India and China remain committed to restore the "Stillwell Road" that played significant role during the Second World War and supplied thousands of tons of supplies to the allied forces. India and China can also explore the possibility of building the rail links. The roads and rail links would be beneficial for the prosperity of border regions and would help to build peoples to people links, which are important for any confidence building between the two countries. It is reported that in 1995 a Yunnan government delegation proposed to Indian government that China and India be linked by rail; however, the Indian government did not show much enthusiasm for such a project.¹⁰ Zhao¹¹ citing professor Wen Fude of Sichuan University notes that the overland route from China via Kunming, Myanmar to Kolkata would reduce a journey of 4,000 kilometres comparing the sea route from Guangzhou to Kolkata that had to take a detour via Malacca Straits. If India and China are connected by road and rail links, tourism industry in the region will also get impetus. It also might be beneficial for strengthening

trade with the ASEAN, as Myanmar is already a member. China is vigorously developing infrastructure on its side with an eye on the Free Trade Area agreement it has signed with the ASEAN in 2002.

6.2 Cooperation in the field of science and technology

Both India and China have made huge strides in the fields of science and technology. During Rajiv Gandhi's China visit in 1988, a first ever committee on Science and Technology was established. Since then, India and China have been working on expanding cooperation in the field of science and technology. During Li Peng's India visit in 1991, India and China signed a memorandum of understanding (MoU) on scientific and technological cooperation in outer space for the peaceful use by the aviation ministries of India and China. China has made good progress in agricultural science. Both sides can join hands in seed hybridisation technologies and improve wheat and rice production. Other areas for collaboration are peaceful application of nuclear energy, computer software, genetic engineering, agriculture, hydroelectricity generation etc. Three MoUs signed during Vajpayee's China visit in 2003 are worth mentioning. One was in the field of renewable energy. Both sides agreed to establish cooperation in the field of small hydropower, wind power and other areas of renewable energy through joint research and development activities, exchange of technical expertise and information networking. The ultimate objective of this cooperation as stated by the MoU is to commercialise the result of such cooperation, create business opportunities and facilitate sustainable market development in an environmentally responsible manner. The Second MoU relates to cooperation in the field of ocean science and technology, which aims at promoting development and cooperation in areas such as integrated coastal zone management, sea-based resources exploration and exploitation technology, polar science, ocean energy, gas hydrate exploration and exploitation technology, marine resources assessment, seaweed production and processing, satellite oceanography and other fields of marine science of mutual interest to both sides. The third MoU signed between the Department of Science and Technology of India and the National Science Foundation of China agreed to undertake collaborative activities in the fields of natural sciences with emphasis on Physical Sciences, Mathematical Sciences, Chemical Sciences, and Biological Sciences. The agreements are believed to strengthen science and technological cooperation between India and China in various fields.

6.3 Cooperation in international arena

Even though the state of India and China is different from it was a decade or couple of years back when both India and China witnessed impressive growth rates to the tune of over 8 and 9 percent, the cooperation at global stage has strengthened even if India's economic performance has dwindled to 4.4 percent this year. Even though the gap between India and China is widening in terms of economic development and overall living standards of their population, both have witnessed increased level of engagement at world arena. Both have found some real convergence of interests on issues such as climate change, democratization of international financial institutions through multilateral forums such as Russia-China-India Strategic Triangle, Brazil; Russia, India, China and South Africa (BRICS); Brazil-South Africa-India-China (BASIC); the ASEAN Regional Forum (ARF); East Asian Summits (EAS); G 20 and other multilateral forums such as both the countries being observers in Shanghai Cooperation Organization (SCO) and South Asia Association for Regional Cooperation (SAARC). India and China have also initiated dialogue on terrorism and Afghanistan.

The multilateral cooperation has been used to strengthen the bilateral relations by both the countries, and both are working towards raising the level of bilateral relationship with the hope of creating larger stakes in each other's economic systems through complementarities and interdependence. These have also resulted in China scaling down its policy of supporting India's neighbors. Even though the relations have been best at bilateral, regional and multilateral level, there are elements of competition along with the problems left over from the history. The unresolved boundary issue remains the fundamental cause for mistrust at every level. China's 'all weather friendship' with Pakistan and supplying the latter with sophisticated military weaponry including the missiles and nuclear technology, has cropped up time and again when referring to security environment. China using water as a weapon to coerce India has also created a negative image in India. Conversely, China has also accused India of meddling in its internal affairs by encouraging the Dalai Lama to engage in separatist activities, and also by fishing in the troubled waters of South China Sea on the one hand and coming closer to the US, and Japan for containment of China on the other. The joint statement signed during Singh-Obama meeting in US on 28th September that envisages closer defense and strategic ties, and India's

decision to participate in the Rim of Pacific (RIMPAC) naval exercises in 2014 would certainly ruffle some feathers in Beijing.

CONCLUSION

As the global political architecture is undergoing a fundamental transformation, the power structure is increasingly shifting from the West to East. The 21st century, it seems is going to be an Asian Century. However, the future of this century also hinges on the relationship between India and China, for the relationship will not only define the contours of new international political architecture in Asia but also the world at large. Even though there are issues and problems between the two countries, there is a real convergence of interests on various issues at international stage. While the cooperation at world stage and multilateral forums has definitely strengthened the bilateral relations, there is a need to create larger stakes in each other's economic future through their complementarities and interdependence. Since the level of distrust remains high, both need to maintain and deepen the momentum of the high level political visits as well exchanges between the two armies at all levels. It appears that the military exchanges at various levels are just perfunctory. For example in military exercises there is no real content. Even though these are termed counter terrorism, the approaches towards terrorism are dramatically different. China sees terrorism in the region from Pakistani prism, and that is why it would be difficult to find a common regional approach to the Afghanistan problem.

Secondly, the present confidence building measures need to be strengthened, consolidated and a series of new CBMs need to be initiated at various levels. In this regard India and China agreeing to undertake joint operations against pirates and sharing technological knowhow on seabed research, and the Mechanism on Coordination and Consultation on Border Affairs, are welcome steps. Another practical CBM could be dialogue between forward troops of both sides in actually controlled areas.

Finally economic relations need to be deepened and strengthened. Some of the irritants in trade such as huge trade deficit and market access denials by China to some of India's leading sectors such as pharmaceuticals and information technology could be addressed. Vibrant trade between the two may prove as a catalyst to create a better security

environment and reduce the security deficit greatly. Finally, in order to create a congenial atmosphere, the media on both the sides need to play a constructive role rather than flaring up the issue and deteriorating the environment.

REFERENCES

1. For details see, B.R. Deepak, "The 1857 Rebellion and the Indian Involvement in the Taiping Uprising of China" in Madhavi Thampi (ed), *India and China in the Colonial World*. New Delhi, Social Science Press, 2005. pp. 139-149. Also see B.R. Deepak, "Colonial Connections: Indian and Chinese Nationalists in Japan and China". *China Report*, Vol. 46 , Nos.1-2, February 2012, pp. 147-170.
2. Wang, Hongwei 王宏? ,喜? 拉雅山情? : 中印? 系研究 ximalayashan qingjie: zhongyin guanxi yanjiu (The Himalayas Sentiment : A Study of Sino Indian Relations). Beijing, China Tibetology Publication, Beijing, 1998. p.339.
3. B.R. Deepak, *India and China 1904-2004: A Century of Peace and Conflict*. Delhi, Manak Publishers, 2005, p.352.
4. B.R. Deepak, "DOB faceoff: Some Chinese perceptions" in Chennai Centre for China Studies C3S Paper No. 1150, dated 10 May 2013 <http://www.c3sindia.org/china-internal/3600>.
5. B. R. Deepak, "Leadership Transition in China: What does it hold for India". C3S Paper No. 1077, dated 11 December 2012. <http://www.c3sindia.org/china-internal/3226>
6. For a detailed account see B.R. Deepak, Sino-Pak 'Entente Cordiale and India: A Look into the Past and Future. *China Report*, Vol. 42, No.2, 2006. pp. 129-151.
7. For details see B.R. Deepak, "China's Dams in Qinghai-Tibet plateau: An unwarranted Indian anxiety" in Chennai Centre for China Studies C3S Paper No: 1101 dated 15 February 2013 <http://www.c3sindia.org/india/3438>
8. "India-Vietnam Joint Work Must be Halted", *Global Times*, Beijing, 14 October 2011.
9. Deng Xiaoping, *Selected Works*. Beijing, Foreign Language Press, 1994. Vol. III.
10. Wang, *op.cit.*, p.360.
11. Zhao, Weiwen 赵蔚文. 印中关系风云录 : 1949-1999 yinzhong guanxi fengyunlu: 1949-1999 (*Records of Turbulences in Sino-Indian Relations: 1949-1999*). Beijing, Current Affairs (shishi) Publishers, 2000.

INDIA, CHINA AND RUSSIA
CIVILIZATIONAL LINKS OVER POLITICAL PROCESSES

BAATR U. KITINOV

At present, the direction and content of civilization process is characterized by a significant updating of religious sentiment, which suggests a single confessional-civilizational discourse. Such discourses may have special capabilities to optimize and diversify approaches to forecasting and planning of political processes, depending on various regional characteristics.

In such multi-confessional countries like India, China and Russia, the development of political processes goes along with the search or the construction of confessional and civilizational image and identity at the state (or regional) and national (ethnic) levels. These trends are mutually updated by the weakening and destabilization of established patterns of political structures, in the period of formation of the new political systems and relations. The importance of the moment is due not only to the influence of religious and civilizational factors on regional political processes, but also to the geopolitical context: the increasing “civilizing” pressure from Western countries on the peoples and states of the East in the interest of “total democracy” and, accordingly, of the deep civilizational unification. Such processes often mean the rejection of the foundations of inter-civilizational peace, lead to the crisis, to the annihilation of the role of local civilizations, give the contradictory results, cause the radicalization of nationalist and religious feelings, growth of anti-traditional trends and moods.

Since the end of the last century, the new forms and patterns of interaction between cultures and civilizations have become the subject of political and historical analysis, in particular with the rising role of such important players in world politics like India and China. It is known

that the international economic, political, and ideological systems and processes are developed by their own laws. Civilization is a special case. Since it is impossible to establish the unified parameters of modernity, civilization has the ability to express its creativity and multifacetedness. Multiplicity of civilizations causes a variety of approaches to the present and a lot of variations of their activity. For example, the perception of achievements of European civilization can be different – one can compare the transformation of European civilization in Latin America and Japan. Civilizations are not major players in politics, but are the fundamental structures, which increase the political, economic, cultural and other institutions and events of the world history. This paper seeks to study the role of Buddhist civilization as the ground, which gives the new perspective for the local as well as regional various political, economic and other processes between India, China and Russia.

REVIVAL OF BUDDHIST HERITAGE IN INDIA

Indian culture and civilization have had a significant impact on world culture and civilization, largely due to Buddhism. This religion influenced the Indian civilization, too, and many images of India are associated with Buddhism. For example, V. Rodriguez pointed out that in the past the Indian sub-continent was called as *IndirarDesam*: *Indirar* was one of the names of Buddha, and India (Bharat) is modified form of the word *varatha*, another name of Buddha.¹ The wisdom of India influenced the literature in Chinese, Japanese, Mongolian, Tibetan, Persian, Arabic, European and other languages. This is the only country in the world that gave birth to an incredible array of spiritual teachings, much of them exist up to now. For example, Hinduism, as the bulk of the traditional beliefs of India, has a huge reserve of inner strength at the individual, local and national levels. Hinduism has been a way of life, providing a basis for its normal and stable development in the socio-religious and cultural spheres, where the role of the policy has been minimized.

Buddhist and Hindu civilizations are closely linked, a number of important elements in Hinduism were introduced from Buddhism - for example, monkhood and philosophy.² Buddhism, in turn, took some ideas from Brahmanism and Vedas, which formed the basis of Hinduism. Buddhism was so different from the general paths of Indian teachings, that it was able to gain a foothold among the various peoples, regardless

of their affiliation to specific ethnic groups or cultures. It is known, that Buddhism is completely indifferent to national and ethno-specifics, it has the same features which had converted a number of spiritual teachings into the world religions (Christianity and Islam).

Swami Vivekananda was, perhaps, the first person, who expressed the pan-Asian significance of Indian civilization and spirituality at a symposium in Boston in 1894. Later this idea was evolved by his student Irish woman Margaret Noble, who promoted it, taking the name Sister Nivedita (Dedicated). A worthy successor of the ideas of Vivekananda was Rabindranath Tagore, whose views had been largely shaped by the influence of European Oriental studies in mid - late nineteenth century.

Tagore had been under great impact of the legacy of the Indian civilization when choosing an ideological platform. In 1901, he opened the Visva-Bharati University (Shantiniketan), with the main purpose of consolidating India's relations with the world. In Shantiniketan he developed the basic ideas of Eastern spiritual revitalization of culture and civilization. Tagore was convinced that Asia, before continuing interaction with the West, should reconstruct its culture: the Aryan, Semitic, Mongolian and others.³ He did not focus on Buddhism, but always remembered the historical and religious context of the ancient period when Buddhism and Indian culture was widespread throughout Asia. In 1904, he wrote, that China, Japan and Tibet invite India as the guru, and believed that India should use its "inherent powers" not only for self-defense, but also for bringing the achievements of its civilization to other countries, because "today the world stands sorely in need of the priceless fruits of the discipline of our ancient Rishis."⁴ Jawaharlal Nehru also believed that India has become known to other peoples and nations due to the Buddhist monks.⁵

Being widely known after receiving the Nobel Peace Prize, Rabindranath Tagore thought of using his authority for the sake of consolidation of Asian countries on the basis of Indian culture. Thus, Tagore, who spoke about the significance of the Indian cultural and civilizational heritage, including Buddhism as the basis of unity of the main countries and regions of the East, came to the same idea, which later, after nearly five decades, became fundamental for Bhimrao Ambedkar: Islam and Christianity are foreign religions, Hinduism is the religion of India, but Buddhism became the world religion. He was sure, that Buddhism would be able to continue to provide significant services to India. That time only India was able to stress its national,

cultural and civilizational specifics because in Russia and China there was the growing influence of revolutionary ideas, whose theoretical foundations were rooted in the Western civilization.

Bhimrao Ramji Ambedkar, a prominent political and religious leader of India, gave rise to the phenomenon of the development of Buddhism in modern India. Coming from a family of untouchable caste of Mahars, he was able to get quality education in the UK and proved himself as an outstanding journalist, publisher and legislator. As Chairman of the Committee for Constitution and author of many articles of this document, B. R. Ambedkar achieved some success in prohibiting caste discrimination. He announced his intention to leave Hinduism for another religion and pick up with him millions of his followers. Analyzing many religious teachings not from the standpoint of spiritual reformer, but in terms of politics and public figure, Ambedkar looked for religion which gives the possibility to rise to higher levels in social, economic and other spheres of life. He rejected Christianity and Islam as ineffective as these teachings did not have deep foundations in the cultural and historical past of India. Selecting Buddhism, he did not join any of the existing traditions of this religion, but proclaimed the revival of old Buddhism, Buddha's Buddhism.

B. R. Ambedkar believed that Buddhism is free from all forms of social and economic oppression and exploitation, and would be the real religious and philosophical basis for equality of all people. He was sure, that the question is - what kind of spiritual and moral benefit the religion can offer.⁶ B. R. Ambedkar drew attention to the fact that Buddha did not insist on eternity and immutability of his teachings. Many Hindu leaders, including M. Malawi and V. D. Savarkar, positively evaluated the activity of B. R. Ambedkar, drawing public attention to the problems of untouchables.

One of the most famous cases - the perception of the Buddha's teaching by three hundred thousand Mahars, members of one of the lower castes of Maharashtra, occurred in October 1956. The process of mass conversion to the new faith continues to our days. In 1990, tens of thousands of Harijans adopted Buddhism in Agra (Uttar Pradesh). In 1993, 50,000 Harijans of Bihar had the same ceremony in the state capital city of Patna. These events were organized by the Buddhist Society of India. In May 1997, Buddhism was adopted by 10,000 untouchables in Varanasi and by 30,000 untouchables in Chitrakoot (Uttar Pradesh). An important influence on the Buddhist trends in India happened after 1959,

when Tibetan refugees, headed by the Dalai Lama, began to settle in India.

Modern Indian scholars believe, that politicians in their activities for the future development of the state and the strengthening of its international position should use the huge store of Indian civilization. Upendra Baxi pays attention to the ideological forms of knowledge, achievements of Indian civilization, and points to the heuristic value of the Buddha's words about two realities: the reality of suffering and the reality of the causes and consequences of this suffering.⁷ Thus, India is interested in Buddhist aspect in its culture, in domestic and foreign policy. According to Kanti Bajpai, patterns of the past are relevant for modern Indian concept of security.⁸

It can be argued that the revival of Buddhist traditions is supported by the Indian authorities. In mid-June, 2007 the then Indian Foreign Minister of India Pranab Mukherjee, in connection with the initiative to rebuild the ancient Buddhist University Nalanda, supported the establishment of the Nalanda International Advisory Panel, headed by Nobel laureate Amartya Sen and George Yeo, Foreign Minister of Singapore. At the end of November 2011 in New Delhi the first Global Buddhist Congress was held with the support of the Government of India. It was attended by about 900 experts and Buddhist teachers from 46 countries. It decided to create new international Buddhist association, headquartered in New Delhi. Thus, the revival of Buddhism in India in the middle of the last century, has had a considerable impact on the actualization of religious and civilizational component in India's foreign and domestic policy.

In recent years, India has strengthened ties in cultural, political, economic and social spheres, with countries such as Mongolia, Bhutan, Vietnam, and other countries belonging to the Buddhist civilization. Of great importance is the improvement of relations with China, as the Buddhist element, being one of the bases of civilizations of both countries, can have a significant positive impact. Buddhism has influenced many aspects of culture in many nations and countries, including China and Russia.

RELIGION AND POLITICS IN CHINA

In the Buddhist world, China is well-known not only because of a long history of Chinese Buddhism. Chinese monks and rulers are not known in Central Asia as active missionaries or preachers of Buddha's teachings.

Rather, their interest is related to the specific refractive index of religion in the history and civilization of the state, and its potential use for the construction of a vast empire, and in (geo) political processes and aspirations.

When Buddhism began to spread in China, it faced the local ancient ideological systems - Confucianism and Taoism. The penetration of Buddhism led to collapse of the balance of spiritualism and ideology in the state, since the Buddha's teachings to some extent were contrary to Confucian ethics and standards of conduct (the cult of the family and of the Emperor) and Taoist spiritual healing techniques (in order to realize the potential of immortality). The specific attributes of Buddhism were, in particular, the development of the theory of retribution (Law of Karma) and the doctrine of achieving transcendent state (*Nirvana*).

Several circumstances helped the perception of Buddhism by the Chinese civilization, including such specifics. The Chinese accepted Buddhism as transformed Taoism. According to one legend, Buddhism was announced to be the transformed teaching of Lao Tzu, founder of Taoism, who once went to the West, reached India, and spread his teachings there. "Thus it was understood that Buddhism is something secondary and derived from Taoism, this matter flattered the vanity of Chinese."⁹ Buddhist terms have been translated using Taoist words, and this has had an impact on the transformation of Buddha's teachings; for example, the *bodhi* (enlightenment) was understood as a *dao* (path). Another Chinese version was explained by H. Dumoulin: the spiritual force "de" of emperors reached India, and its inhabitants, in appreciation, presented teaching of Buddha to China.¹⁰ The Chinese spiritual systems have traditionally been opened to the interaction and did not anticipate religious exclusivity, which had a positive impact on the formation of the known syncretism of "three teachings" (*san jiao*) (Confucianism, Taoism, Buddhism).¹¹

Buddhism in China received support from the government under the rule of various dynasties, especially during the Sui and Tang dynasties. The Chinese culture has been greatly enriched by Buddhist innovations: *Sangha* began to develop, the influence of the teaching grew due to the spreading of the ideas of *karma*, *samsara* and *nirvana* (paradise of Amitabha). Buddhist cosmogony ideas, tradition of religious architecture and the fine arts have had a tremendous impact on all cultures which came into contact with this religion.

During the reign of Manchu Qing Dynasty, "three teachings"

continued to flourish. Emperor Yongzheng (Shizong, 1723 - 1735), who was interested in Buddhism and had Buddhist lamas as his tutors, signed the decree, where he pointed out: "I, the Emperor, believe, that three teachings enlighten the people of the four seas, their main ideas jointly get from one source, and they together follow their ways without interfering with each other... One can ignore their external doctrinal differences and accept the basis, where three teachings... did not differ from each other: they all want people jointly to appeal to the Good ... I want to unite the hearts of the followers of all three teachings and to calm their disputes. And that's why to all the Confucian dignitaries, disciples of the Buddha and the Taoist immortals – to all those who adhere to their narrow views and their own personal opinions, I order to awake up and see the light. I, therefore, declare the decree instructing to dispel their misconceptions."¹²

After the founding of the PRC, the status of the *Sangha* had changed. In the spring of 1953 China Buddhist Association (CBA) was established, which was headed by Chinese and Tibetan monks. Freedom of religion was determined by the ratio to the socialist changes. Well-known political activist Liu Shaoqi said: "The draft of Constitution provides that our state will continue to provide citizens with the right to freedom of religion."¹³ The big problem for China became the flight of the Dalai Lama to India in 1959. This event triggered another complication in the relations between Beijing and Delhi (which later became worse due to the border war in 1962), as well as between China and the world leading nations.

In the early 1990s, the idea of "harmony of religion and socialist society" spread in PRC, and it has formed the principal direction of state policy on religion.¹⁴ For example, in foreign policy Buddhism is defined as a means of maintaining stable international relations, optimizing internal and external political processes. So-called "Buddhist diplomacy" is also an important component of foreign policy: the potential of Buddhism has been used to implement political, economic and other interests of the state. Chinese leadership emphasizes the relationship with the Buddhist countries of Southeast Asia: Vietnam, Cambodia, Laos, Myanmar and Thailand. During their official visits, Chinese leaders seek to demonstrate respect for the local Buddhist shrines, they support appropriate research and religious education. An important part of this diplomacy is to welcome foreign delegations to the Buddhists shrines, located in China; for example, on 25 June 2003, during the official visit to China, the Indian Prime Atal Behari Vajpayee visited Luoyang City - the former capital of the Han

Dynasty, from where Buddhism began to spread throughout China. Depending on the situation, the famous Buddhist relics are exported abroad (for example, the exhibition of Buddha's finger in Thailand in 1994).

The modern approach of Chinese authorities to religion was formed in December 2001, when the CPC Central Committee and the State Council held a National Conference on religious work. Leader Jiang Zemin said that in the period of socialism, religion is widespread and has long-term influence, and, in addition, there are objective laws of the development of religion, including its significant role in international affairs.

Chinese Buddhist organizations focus their efforts on various countries, where Buddhism is spread. They initiate the exhibitions of worship's objects in other regions, and organize international scientific seminars. For example, a seminar on Xuan Zang, who played significant role in the history of Buddhism in Tang China, was held in September 2006 in Chengdu (Sichuan Province). Among the participants there were representatives of India, Japan, Vietnam, Sri Lanka and other countries. Approximately every five years, international scientific seminar on Tibet takes place in Beijing (last was held in 2012).

An important International Buddhist Forum took place in Hangzhou city (Zhejiang Province) in April 2006, where more than 1,000 delegates from ten countries were brought together. It was first such big forum in the history of China. The second World Buddhist Forum held in March 2009 in Wuxi City, Jiangsu Province - Taipei, Taiwan was attended by more than 1,700 representatives from 50 countries and regions, including Buddhist monks, scholars and politicians. In his speech, the chairman of KBA monk Yi-cheng Chzhanlao said that the forum will be a solemn assembly of Buddhists all over the world, and a demonstration of Buddhist culture, as well as a memorable event for the exchange and fusion of Buddhist circles sides of the Taiwan Strait.¹⁵ Deputy Chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) Jia Qinglin said that Buddhism is a religion that preaches tolerance and openness, based on the ideas of equality, harmony and amicability.¹⁶ According to the 11th Panchen Lama Bainqen Erdini Qoigyijabu, this event fully "demonstrates that China nowadays enjoys social harmony, stability and religious freedom; it also shows China is a nation that safeguards and promotes the world peace".¹⁷

Third World Buddhist Forum opened on April 26, 2012 in Hong Kong with more than 1,000 monks and scholars from over 50 countries

and regions. Its aim was to discuss the role of Buddhism in the construction of a harmonious society and peaceful world. The 11th Panchen Lama delivered a keynote speech on the Dharma. Jia Qinglin congratulated the opening of the forum in a congratulatory letter: "It is my hope that the participating masters will use the occasion to exchange experience in religious practices, find more cultural resources, expound the inner meanings of Buddhist teachings and explore solutions to the common problems facing mankind, so as to make a positive contribution to kinder human relations, greater social harmony and a more peaceful world."¹⁸ Beijing's initiatives of convening such meeting gives the reason to believe that the CBA is committed to provide the position of state as one of the leading spiritual centers of the world community.

Until recently, China had no contact with India in the Buddhist lineage. The situation began to change due to the gradual normalization of bilateral relations; thus, the Indian workers built in 2006 a Buddhist temple in the style of Sanchi's stupa in Luoyang City. In May 2010, President of India Pratibha Patil during her state visit to China, dedicated the Indian-style Buddhist temple in the White Horse Temple complex to the people of China in order to strengthen the existing bilateral relationship. "The Indian-style Buddhist Temple is a gift from the people of India to a sister civilization - one with which we share so many valuable associations and memories of interaction," she said in her speech.¹⁹

In the autumn of 2006 a delegation of religious leaders of India met with Wang Jian, the head of the Secretariat of the Office of Religious Affairs of China, and Fashi Xue Cheng, deputy chairman of the CBA and the head of the secretariat. Fashi Xue Cheng said: "The history of cultural ties between China and India is more than two thousand years old. India is also one of the oldest cultures of the world, traditionally revered Shakyamuni founded Buddhism in India, distributed it there and plunged into nirvana. History of Buddhism in China is more than two thousand years."²⁰ It is interesting to note, that such meetings had already taken place 80 years earlier, when, as noted above, Tagore, the messenger of India, visited the Middle Kingdom with a view to bring together two great nations.

Tagore did not know the civilization of China, and his ideological constructions were based on moral and spiritual values, as opposed to Western imperialism in Asia. In his appeal, that China and India get closer together, not for political or economic goals, but in the interest of human love, the civil governor of Nanjing Buddhist Jie-sui at a meeting

with Tagore on 20 April 1924 said, “the Chinese for 700 years waited for the message from India, and finally, Tagore came”.²¹ S. Hay specifically points out that the Indian side and the Chinese Buddhists regard the visit of Tagore as the restoration of relations of their countries on the basis of Buddhism, and Tagore perceived himself as Buddhist teacher and philosopher, who proclaimed the Eastern civilization, understood precisely as Buddhist civilization.²² Tagore said: “The great spirit of Buddhism is not found in the man who would save the world but sits at home doing nothing.”²³ It should be noted that even the invitation to Tagore to visit China contained a Buddhist terminology: “Now You - the great Buddhist poet—come from the original country of the Buddha to our sister-country with all your milk of thought; surely we realize your flowery giving all world around where your elephant-like steps reach.”²⁴

But in general, the Chinese authorities and intellectuals met Tagore’s ideas warily. Thus, the famous Chinese scholar Ku Hung-min said that Buddhism has destroyed the Chinese civilization, and a philosopher Liang Sou-ming, the author of the famous book on the philosophy of the East and the West, believed that the Chinese civilization and Eastern civilization, proclaimed by Tagore, are different.²⁵ For Sun Yat-sen, the term “Eastern civilization” was similar to the term “Chinese civilization” and he hoped for revitalization of the Chinese political civilization, that is largely Confucian civilization. Most anti-Tagore statements were organized by CPC, using the press and student demonstrations. The main slogan was “The Elephant - get out!” Tagore was awarded the title of *Chu Chen-tan* (in ancient China, India was known as Chu, China was called as Chen-Tan), and with the assistance of his Chinese follower Tan Yun-shan he opened the Sino-Indian Cultural Society.²⁶ According to Prof. Liu Jian of the Chinese Academy of Social Sciences, Tagore’s visit was a great event in the history of Sino-Indian cultural relations that gave rise among Chinese the tireless interest in him and India.²⁷

Since the end of the last century the civilizational space is curved, when the definitions, earlier developed by the classics of civilizational, cultural, geo-political and other theories, are to some extent conditional and require some clarification. The globalization of Chinese cultural and civilizational image is usually treated as the natural process, which to some extent is true, if one takes into account numerous diaspora of *huaqiaos* and traditional domination of the country in some parts of Asia. Currently, there is real expansion of Chinese culture and world outlook. Civilizational potential of the country goes into a phase of

globalization: China's manipulation of its actively distributed images is likely to define many trends in the development and interaction of cultures and civilizations, and will affect the geopolitics and international relations. In its diplomacy China comes from the centuries-old strategy of *jingji* – "ruling the world", "to help people." This strategy involves, in particular, the use of the *wuwei* - non-action, one of the fundamental principles in Taoism and Buddhism (in its Chinese and Japanese versions). Its value - the action of such deeds and things which would not violate the existing order, being natural, but at the end lead to a positive, or, more precisely, necessary changes for China.

According to the opinion of Chinese leadership, "merging with the economy and politics, the culture in current world is more prominent and plays an increasingly important role in the competition of comprehensive national powers." B. Kuzyk and L. Titarenko wrote: "This means that traditional culture also becomes a part of the comprehensive national strength of China, and not only provides arguments for foreign propaganda, but also gives protection from unwanted external intrusion. The expectations of rising pressure from Western culture in the decades encourage the Chinese elite to use the national culture as a protective barrier."²⁸

Also these scientists note that the IV Plenary Session of Central Committee of the CPC pointed the projection of Chinese culture to the outside world as a target: "Strengthen the comprehensive strength of Chinese culture. Promote Chinese culture, better go out into the world, to increase its international influence."²⁹ In May 2002, Jiang Zemin announced the coming period of "20 years of strategic opportunities", when the role of cultural and civilizational capabilities of the state is increasing. As the Chinese experts note, the Chinese increasingly appreciate and use the growing possibilities of religion in a form of "soft power" in international relations.³

Political, economic and social processes in China have traditionally been accompanied by state-controlled process of spiritual development. Despite the difficulties in the history of this state in the first half of the twentieth century, the new trends, laid down by famous Deng Xiaoping in the late 1970s, allowed Beijing to achieve significant results in many fields, including political, economic, and ideological. The latter was made possible, in part, due to the revitalization of religious and ideological systems such as Confucianism and Buddhism. At present, China's leaders, wishing the stable relations with neighboring countries,

including India and Russia, has devoted considerable effort to the spread of “soft power” of its civilization in the form of Buddhism and Confucianism.

RUSSIA: NEW POSSIBILITIES

Prof. I. Shapiro from Yale University notes, that there is an important political phenomenon: the knowledge can propel us forward even when projections show that this is impossible.³¹ In our opinion, the use of confessional and civilizational factors will allow China, Russia and India to find the further base and opportunities for optimization of regional political processes, their forecasting and planning, to strengthen security in the Asian region. Conceptual abstraction, coupled with the empirical data, will determine such quality characteristics of Buddhist civilization, which allow to build an idealistic and practical models of its development and revitalization by recreation of systematic connections and relationships.

Considering the current territory of Russia, it is obvious that Buddhism firstly came there about the tenth century AD, when part of modern Primorsky Krai was included into the border of Bohai State. However, the most significant wave of Buddhist religion and civilization occurred almost six centuries later, when the West Mongolian tribes of Oirats (Kalmyks) entered into Russia. In the nineteenth century, Buddhism was flourishing in Russia. Buddhist monasteries, if they were stationary, owned significant land areas and livestock. There were the acting theological and medical schools within monasteries, as well as iconography (*Thanka*-painting), religious architecture, traditions and like. Buddhism became the natural part of the life of believers, an important factor in the formation of morality, national holidays, traditions and customs. In pre-revolutionary Russian state the Tsar power took into account the interests and needs of the Buddhist peoples (Kalmyks, Buryats, Tuvans and Altai peoples): the monks were allowed to go for studies to Tibet, new temples and monasteries have been built. The interest of the ruling Romanov family in the activities of this relatively small population of Buddhists was a major cause of construction of the famous Buddhist temple in St. Petersburg in 1913.

With the beginning of the period of Soviet rule the new authorities also paid attention to the East. Vladimir Lenin and Josef Stalin stressed the importance of nations, culturally and civilizationally integrated with

the Indo-Buddhist East, for the Russian people and all humanity. J. Stalin said in 1923: "The Eastern peoples, organically linked with China, with India, associated with them by language, religion, customs ... If we make even a small mistake concerning the Kalmyks, who are related to Tibet and China, it will respond much worse on our work than the error with regard to Ukraine. We stand in front of the East and we need to direct our efforts primarily on the East..."³²

A big role in the development of relations between India, China and Russia can play a spiritual factor, conceptually presented by Buddhism. Otton Rosenberg, one of the prominent Russian Buddhologists, once said, that Buddhism is the initial step for further study of ideologies and religions of the East, as being the first world religion, a few centuries before the Arab conquest it laid the foundation of its long-term influence in Central Asia: "The convergence of Europe with the East is increasing, more and more barriers, that divide peoples, are crumbling. But we do not understand the people of the East, if we do not know their souls... Perhaps the abyss, dividing soul of the East and spirit of the West, is not so deep, perhaps, there is a bridge thrown over it by Buddhism..."³³ Otton Rosenberg pointed out that India is opening to the world, using the potential of Buddhism: "Closed largely in its inner life, India comes to world stage, and the driving source of this cultural influence of India is the creation of the Indian spirit – Buddhism".³⁴

The first Russian-Indian contacts relate to a period no later than the 15th century, and even earlier, and relate to the spread of such Christian apocryphal writings as the "Word about the Rakhmans", "Christian Topography" of Kuzma Indikoplov and "The Legend on the Indian kingdom" in Russia. The beginning of a direct relationship should be linked to the middle of the 15th century, when the merchant Athanasius Nikitin from the town of Tver visited India. His book *Journey Beyond Three Seas*, where he described his travel to the Indian state of Bahmani in the years 1466-1472, evoked considerable interest in Russia for a long time. The Indian languages were studied already in 1740 in St. Petersburg. First Russian expedition led by N. Safarov arrived in India in 1750. A century later the Departments of Oriental Languages with Sanskrit and Hindi, were opened in St. Petersburg, Moscow and Kazan Universities. During the Soviet period, USSR and India mutually supported each other in solving various international issues. In the post-Soviet era, the relationship has gradually recovered.

Relations between Russia and China had different periods. These

two empires and civilizations border each other spanning a huge area. Already in 1525 the Russians came to Amur-river. Attempts to establish relations with the Chinese till the early 17th century were unsuccessful, and in fact only the famous embassy of Spafariy (1675-1678) was able to establish more or less regular communications between them. In 1689 and 1727 Nerchin and Kyakhtinsky treaties were signed, establishing the border between Russia and China, as well as the order of trade and dispute resolution. Later the interstate relations were affected by such important events like the Opium Wars, Dungan revolt and others. An important chapter in the history of relationship was positioning of Russian Pacific fleet at Port Arthur naval base, the construction of the Chinese-Eastern Railway, the establishment of Harbin-town (now the capital of Heilongjiang province of China).

During the civil war in China, the Soviet Union supported the Kuomintang and Chiang Kai-shek, but later helped the CCP and Mao Zedong. The 1930s and 1940s was a period of strengthening military ties between the former USSR and China against Japan. After the creation of Chinese People's Republic in 1949, China received significant Soviet assistance in economy, science, commerce and military spheres. The collapse of the USSR in 1991 had negative impact on the development of relations between Russia and China. The normalization of political relations led to the improvement of situation in many areas of cooperation, and one of the most important agreements was signed in October 2004, which delimited the state border between Russia and China.

Russia is one of the few countries in the world where faith-related aspects of domestic life are closely related to external circumstances, that is, the religious aspect of Russian civilization interacts with religions belonging to the strata of other civilizations (Christian and Muslim). Buddhism is one of the most prominent examples, though not emphasized in Russian politics. Meanwhile, this religion and Buddhist civilization in general has the potential to optimize the interaction of civilizations in South Asia and the Far East, in the context of the formation of new discourses in the development of political and other processes.

At present, Russia is still looking for its identity, which is burdened by ideological potential of the past, often truly great and long-lasting. Various economic, political, ethnocentric and other groups of influence try to direct the development of the country to the West or the East. As V. Tsymbursky, Russian political scientist, wrote, the appeal of Russia to the West has often been unsuccessful, Russia usually found its identity

in the East, and every such contact leads to an increase of the influence of the particular Eastern elements in Russian statehood and geo-politics. Interaction between cultures and civilizations depends on their morphology and content. Russia becomes post-Western and post-Eastern state, its policies and actions must take into account the confessional and civilizational context of various regional processes, including civilizational resources and potentials of China and India.

Russia should take a number of joint actions with China and India in Buddhist civilizational sphere, creating the preconditions for important results. The updated civilizational discourses in regional processes will have an impact on the formation of modes of trust and deepen cooperation, when the local Buddhist potential in Russia will restore traditional values, symbols and behaviors, and in future will influence the priorities for the next stage in the development of Buddhist civilization in Russia.

Forecasting and strategic planning of regional political processes involve, first of all, the research of capacities and capabilities of Russia, that would facilitate the establishment of strong and responsible relations with China and India. Russia should focus on its multi-faith and polycivilizational identity, in many ways complementary to the regional ones. Confessional and civilizational processes are the important aspect of modern politics, and its involvement in improving the regional political processes is an objective necessity. The uniqueness of Russia is that it may equally emphasize the value of both Western and Eastern worlds at all levels: supra, regional and local.

Now it is important to change the pervasive idea, that the world is split into different civilizations and antagonistic ways of life, to the idea of the inter-connected and cooperating civilizations, cultures and societies. Thus, the emphasis shifts to the interaction of civilizations, when the reconstruction of local and regional identities structure the interests of the political actors. Modern possibilities in the development of the local Buddhist civilization along with the concept of its revitalization allow us to plan the new direction of cooperation between Russia, China and India.

REFERENCES

1. Rodrigues, Valerian, "Dalit-Bahujan Discourse in Modern India", In V.R. Mehta and Thomas Pantham (Ed.), *Political ideas in modern India: thematic explorations*. New Delhi, Sage Publications India Pvt Ltd., 2006. pp. 52-53.
2. Toynbee, A. J., *The Study of History* (Postizheniyeistorii). Moscow, 1991. p. 55.

3. Hay, Stephen N., "Asian Ideas of East and West - Tagore and His Critics". In *Japan, China and India*. Harvard University Press, 1970. pp. 131-132.
4. *Ibid.*, p. 44.
5. Nehru, Jawaharlal, *Discovery of India* (OtkrytiyeIndii). Book 1. Moscow, Izdatelstvopoliticheskooliterary, 1989. p. 278.
6. Ambedkar, B.R., *Buddha and the Future of His Religion*. Punjab, 1980. p. 11.
7. Baxi, Upendra, "Justice of Human Rights in Indian Constitutionalism: Preliminary Notes". In V.R. Mehta and Thomas Pantham (Ed.), *Political ideas in modern India: thematic explorations*. New Delhi, Sage Publications India Pvt Ltd., 2006, pp. 263-284.
8. Bajpai, Kanti, "India Modified Structuralism". In *Asian Security Practice*. Stanford University Press, 1998, p. 159.
9. Torchinov Eugeny, *The Introduction to Buddhology: lectures* (Vvedeniye v Buddologiyu: kurslekcii). St. Petersburg, 2000. pp. 262-264.
10. Dumoulin, Heinrich, *History of Zen-Buddhism: India and China* (IstoriyaDzen-Buddhizma. Indiya I Kitai). St. Petersburg, 1994. p. 67.
11. Abayev, Nikolai and Leonid Perelomov, "Buddhism in China: Historical Traditions and Modernity" (Buddizm v Kitae: istoricheskietraditsii I sovremennost). In *Problems of Far East* (ProblemyDalnegoVostoka), 1980, No 3, p. 136.
12. Martynov, A., "State and Religions in Far East" (Gosudarstvo I religiinaDalnemVostoke), In *Buddhism and State in Far East* (Buddizm I gosudarstronaDalnemVostoke). Moscow, Nauka, 1987. pp. 43-44.
13. Gorbunova, Svetlana, "Buddhism as one of the factors of CPR's public life" (Buddizmkakodinizfaktorovobschestvennoizhizni KNR), In *China on the path of modernization and reforms* (Kitainaputimodernizatsii I reform), Moscow, Vostochnyaliteratura, 1999. p. 519.
14. Jiang Zemin, *Reform.Development.Stability.Articles and Speeches* (Reforma. Razvitiye.Stabilnost.Statyi I vystupleniya), Moscow, Obshestvodruzhy s zarubezhnymistranami, 2002. p. 132.
15. 2 World Buddhist forum opened in Wuxi (2 vseмирnyibuddiiskii forum otkrylsya v g. Usi), URL: http://www.russian.xinhuanet.com/russian/2009-03/28/content_846858.htm
16. World Buddhist Forum discusses building of world harmony. URL: http://news.xinhuanet.com/english/2009-03/28/content_11088685.htm
17. Panchen Lama says China enjoys religious freedom. URL: http://english.chinatibetnews.com/TibetdDiscovery/Belief/2009-03/28/content_222408.htm
18. World Buddhist Forum opens in HK, Panchen Lama speaks on Dharma. URL: http://news.xinhuanet.com/english/china/2012-04/26/c_131552981.htm
19. President Patil gifts China Indian-style Buddhist temple. URL: <http://breakingnews.gaeatimes.com/2010/05/29/president-patil-gifts-china-indian-style-buddhist-temple-31001/>
20. Kuznetsov, V. Chinese Buddhist society and the world Buddhism (Kitaiskoebuddiiskoesoobschestvo I mirovoibuddizm), URL: http://dazan.spb.ru/_documents/2007-06-15-mezkonf-otnosh/kitai-buddhism.txt
21. Hay, Stephen N. *Asian Ideas of East and West - Tagore and His Critics in Japan, China and India*. Harvard University Press, 1970. p.153
22. *Ibid.*, p. 159
23. *Ibid.*, p.160

24. Mohan, Pankaj, "JiXianlin: The Tagore of China", In Wang Shuying and B.R. Deepak (Ed.), *India-China Relations. Civilizational Perspective*. New Delhi, Manak Publications, 2012. p. 267.
25. Hay, Stephen N., *op.cit.*, pp.206-207.
26. Reddy P. Munirathnam, "Sino-Indian Ties Towards Forging a Viable Partnership", In Y. Yagama Reddy (Ed.), *India China Relations. Changing Profile in the 21st Century*. New Delhi, Gyan, 2012. p. 132.
27. Liu Jian, "A Cultural Bridge between China and India. Rabindranath Tagore's Visit to China Reconsidered". In Wang Shuying and B.R. Deepak (Ed.), *India-China Relations. Civilizational Perspective*. New Delhi, Manak Publications, 2012. pp. 233, 251.
28. Kuzyk B., Titarenko L., *Russia – China – 2050: Strategy of Co-Development*. (Rossiya – Kitai – 2050: strategiyasorazvitiya), Moscow: Instituteconomicheskikhstrategii, 2006, p. 419.
29. *Ibid.*, p. 420.
30. XuXin, "The Chinese Concept of "Twenty Years' Strategic Opportunities" and its Implementation for Asian Security Order", In N.S. Sisodia and V. Krishnappa (Ed.), *Global Power Shifts and Strategic Transition in Asia*. New-Delhi, AF, IDSA, 2009. pp. 59, 69.
31. Shapiro, I., "Problems, Methods, and Theories in the Study of Politics, or What's Wrong with Political Science and What to Do About it". *Political Theory*, Vol. 30, No. 4, August 2002. p. 608.
32. Russian state archive of social and political history, (Rossiiskii gosudarstvennyi arhiv sotsialno-politicheskoi istorii), Fond.50, opis 1, delo 42, p. 185-186.
33. Rosenberg, O., *The works on Buddhism* (Trudy pobuddizmu). Moscow, Nauka, 1991. pp. 41-42.
34. *Ibid.*, p. 156.

INDIA-CHINA STRATEGIC RIVALRY *HAS THE DRAGON REPLACED THE ELEPHANT IN SOUTH ASIA?*

AMIT RANJAN

Has China replaced or is in the process of “replacing” strategic presence of India in South Asia, is the most pertinent question, which keeps the Indian strategic community busy. It is known fact that since ancient time, South Asia, as a region, had been under the influence of India; but things changed since beginning of the Cold War. The United States of America (USA) and the erstwhile Union of Socialist Soviet Republics (USSR), in their global, covert, war game began interfering in this region. After the end of cold war in 1991, China has started its strong interference in this region, to spread its sphere of influence and also to contain India. In response to China’s strategic manoeuvre, India has acquired modern weapons. In the ongoing game between India and China, China has an advantageous edge against India.

Construction and deconstruction of region is in reality a much more volatile affair. They are ephemeral, intellectual constructs: they wax and wane with changing technological developments, geopolitical events, demographic flows, scholarly fads and numerous other dynamics that taken together, constitute human history.¹ Defining South Asia as a region is even more complex task because of presence of different dynamic aspects and close interaction of various actors, who are normally considered to be physically outsiders.² Including, extra-regional players in the definition of the region is required because, more than often, they act as the chief architect of regional security.³ All policies in the region are being influenced by these extra-regional actors. They also change the power-equation and play important role in balancing and containing the regional power. At present South Asia constitutes eight states-India, Pakistan, Afghanistan,

Sri Lanka, Bangladesh, Nepal, Bhutan and Maldives-but due to its contiguous border, political influence and active role, China is a member of political South Asia. Its emergence at the global level and assertiveness has its impact on the region.

After the end of cold war the theory of "China threat" emerged in the western media and academia due to its power capability.⁴ China started refuting this theory; and from 1996, it started advocating the theory of "Responsible Participant"⁵ in international affairs. In the initial years of the post-cold war days China first adopted the straight forward approach of investing in its own capabilities and attempting to cultivate ties with others, who shared its concerns about the US hegemony. Relatively soon, however, Beijing tacitly acknowledged the failure of this approach and started emphasizing threat reduction and linkage politics.⁶ That paid it positively.

Buoyed by economic growth and political status, China, once again, started re-imagining, its ancient dream to set up "Middle Kingdom". Even Mao-Tse-Tung, after successful revolution, had dream to it. By setting up "Middle Kingdom" they want to make China a suzerain of Asia to which other nations must pay homage; not so much through 'conquering their neighbours with military force' but 'rather to acquire such political and economic power that no major decision would be made in any Asian capital without Beijing's approval.⁷ With this in mind China has, successfully, established its sphere of influence and has always acted as a regional or a continental power. It has also managed to keep the extra-regional powers out from its sphere of influence.⁸ Whenever China had strategic fears that an outside power or powers will establish military deployments around China's periphery capable of encroaching on China's territory or meddling in its domestic institutionsit went to war rather than risk the outcome of what it saw as gathering trends-in Korea in 1950, against India 1962, along the northern border with former Soviet Union in 1969 and against Vietnam in 1979.⁹ Even the present controversy between China and Japan over the maritime sovereignty over Senkakus or Diaoyus islands¹⁰ is an extension of that policy.

In this paper an attempt has been made to study the India-China rivalry and their on-going strategic game in South Asia. As it has been mentioned, earlier, that China has an advantage over India; therefore this paper will also look into the reasons how India is losing or has lost its sphere of influence. Further, it will also talk about the reactions by India to the Chinese belligerence and also focus on the available options

it has, to meet the strategic challenges posed by China.

INDIA-CHINA RELATIONS

India-China relations are marred with both conflict and cooperation. Economically, both are important trading partners to each other, at multilateral economic forums too they are actively supporting each other but when it comes to political relationship, things have not moved up between them.

India-China Economic Relations

The root to India-China relationship is mutual economic interests and gains. Driven by the process of globalization, the two countries re-built economic relationship in late 1980s. During the visit of the then Indian Prime Minister Rajiv Gandhi, Joint Study Group (JSG) was set up to chalk out plan for economic cooperation between the two countries.¹¹ Afterwards, there has been an evolving institutionalized framework that has continued to structure Sino-Indian trade and investment relations. The major pillars of the institutional framework are the ministerial level India-China joint group on economic relations and trade ,science and technology; at the Secretary Level the Joint Study Group(JSG was set up in 2003 during the then Prime Minister Atal Behari Vajpayee's visit to China)and at Joint Secretary level the Joint Working Group (JWG).The JWG on trade and commerce is also supported by a Joint-Business Council that represents the business interests of the non-state and non-governmental sector in both India and China.¹²

Another major institutional arrangement that India and China have come to terms with is the trade agreement on the avoidance of double taxation between the two countries. Finalised in 1996, these terms put in place: (a) double taxation avoidance mechanisms; (b) provision of Most Favoured Nation (MFN) status extended to one another's sea borne trade commodities; and (c) combating the smuggling of narcotics and arms.¹³ These structural and institutional arrangements have helped India and China to increase their bilateral trade from 0.38 billion dollars in 1992 to 74 billion dollars in 2012 and is expected to touch 100 billion dollars mark by 2015.Both countries have also provided various facilities to businessmen to invest in other's country.

Economic prosperity in technological savvy world highly depends on the availability of energy. India and China, to certain extent, are co-

operating with each other in this area also .On 12 January 2006, during the visit by the then India's petroleum and natural gas minister Mani Shankar Aiyer to Beijing, an agreement was reached; whereby Oil and Natural Gas Corporation (ONGC) Videsh Limited and China National Petroleum Corporation (CNPC) would place joint bids for promising energy project in other countries. Prior to this agreement, in 2005 India and China made a joint bid and got oil and gas fields in Syria.¹⁴

India-China bilateral economic relationship boosted further with multilateralism. Multilateral forum called BRICS ,known after the initials of its member states-Brazil, Russia, India ,China and South Africa-was set up to promote trade and commerce among the member states. The member states are the countries experiencing fastest economic growth in the world. In an initiative to promote trade in local currencies BRICS members signed a pact to provide line of credit to business community and decided to examine possibility of setting up a development bank on lines of multilateral lending agencies.¹⁵

Economic cooperation between the two countries makes one to think that trade and commerce will act as a catalyst to dilute bilateral tension. Great proponents of cooperation and functionalists maintain that peace can be attained only if the intrusion of power politics is checked and efforts are made towards material unity in an increasingly interdependent world.¹⁶ Both India and China despite having good economic relations have not even moved an inch in the political arena. Then, the much talked process of spill-over factor, which has amicably resolved bilateral disputes between many countries, has failed to improve political relations between India and China. As neo-functionalists maintain, spillover is not automatic; states decide, on the basis of their interests, whether or not to "adapt integrative lessons learned in one context to a new situation.....".¹⁷ Also as Joseph Grieco maintains that it is not relative gains rather their relative positions, vis-a-vis-others, which states seek to defend.¹⁸

In the past, economic-cum-political tussle between India and China has surfaced umpteen times. China objected to India's membership in the ASEAN Regional Forum (ARF), Asia-Pacific Economic Cooperation (APEC), Asia-Europe Summit Meeting (ASEM),the Shanghai Cooperation organization (SCO), the UN Security Council and the Nuclear Suppliers Group (NSG).¹⁹ Despite being fully aware of the importance of use of nuclear technology to boost India's power sector, China opposed the Indo-US civil nuclear deal and tried to block the deal behind the scenes at the crucial September 2008 Nuclear Suppliers Group

(NSG) meeting.²⁰ Then in April 2012 China had a spat with India over the latter's mineral exploration in South China Sea, which is an international water area. It opposed despite the fact that India has inked oil and gas exploration agreements with the other littoral states-Philippines and Vietnam. India's preoccupation is with the block in the portion of the sea claimed by Vietnam, which is firm in its assertion that the new block assigned to India is in its territorial waters.²¹ This was due to political reasons because China does not want the presence of extra-regional power in its sphere of influence. China also dumps cheaper goods in the markets of India and other South Asian countries. This dumping is a big problem to India's economic interests and against the ethics of fair competition. Annoyed by it in recent years, India also filed more anti-dumping investigations against China than any other country at the World Trade Organization.²²

India-China Political Relationships

As important actors of international political structure, India and China have been engaged in balancing and counter-balancing the 'other'. Quite often, it is being mentioned that 1962 is past; but it is not; it still dictates the direction of India-China relations. The seeds of that rivalry were sown in March 1947, four months before independence, when the Congress party organized the Asian Relations Conference in New Delhi. The Chinese delegation expressed unhappiness over separate invitation to, and over a map, which showed Tibet as an independent country.²³ The Chinese anxiety that the conference was part of India's plan to acquire implicit leadership in Asia came to the fore when the location of the secretariat of the proposed Asian Relations Organization, the apex body of the member nations was being discussed. While India assumed that it would be in India, China objected. It was then decided to rotate the location between New Delhi and Beijing.²⁴ This marked the beginning of "leadership" tussle between the two.

Things changed for a short time-period as India, after independence, in 1947 recognized the Communist China, and supported the grant of permanent membership to China in the United Nations Security Council (UNSC). In a bid to deepen their relationships in 1955 India and China signed *Panchsheel* agreement.²⁵ Despite all those good moves, tensions over demarcation of border could not be managed by the two sides and things exploded. Asylum provided to Buddhist monks from Tibet by Government of India was the immediate reason and gave strong excuse to Chinese to

launch an attack on India. On 20 October 1962 People's Liberation Army (PLA) intruded into Indian border in the northeast and launched powerful attack. The war took place only for twenty days as suddenly in November 1962 China made a unilateral ceasefire. There are many theories and most are "conspiracy" theories about China's decision of declaring unilateral ceasefire, without any talk or surrender by India. China, at that point of time, was a leading power of communist block. It wanted a single-handed control over Asia. India was a big hurdle in its way because like China, it too was a big and powerful country at that time. The war was to threaten and check the growing power and status of India; other incidents were used as excuse. After that war India lost its "status" of an Asian power; while China made its intentions clear: Asia is for China. Even the staunchest critic of Mao Tse Tung does not hesitate from supporting him on that move.²⁶ Though Mao-Tse-Tung was a respected leader of the communist bloc, Pandit Nehru had established himself as a popular leader of newly de-colonized countries and leader of the Non-Aligned Movement (NAM). The defeat downgraded the charisma of Pandit Nehru.

Even after fifty years of India-China war, Chinese Scholars give preposterous reasons for it. Hong Yuan writes that in 1962 China never wanted to launch an attack on India. He blames the "imperialist" powers-USA and the USSR which provoked India to challenge China and the latter reacted.²⁷ On the contrary, Indian diplomatic accounts by Mullik, Gopal, Patel and Bajpai question the Chinese motives and aggressive behaviour in Tibet and concerns about Mao's statements about Tibet as the palm of the five fingers of Ladakh, Bhutan, Sikkim, North East Frontier Area (Arunachal Pradesh) and Nepal that merited liberation.²⁸ China still maintains this position and considers Arunachal Pradesh as its territory despite protests from India. It has given up its claim on Sikkim only after India recognized Tibet²⁹ as part of China and on the issue of Ladakh and Bhutan it has kept its cards close to its chest.

After the 1962 war, Line of Actual Control (LAC) came into existence. At present wide differences exist between India and China on the exact location of the alignment of their respective boundary lines. India views the traditional boundary between the two countries as what it declared in September 1959.³⁰ The precise area claimed by China is unclear as it did not present India its official maps of the eastern sector. China's vice-minister of foreign affairs and other senior officials defined Beijing's claim in 2001 as 125,000 square kilometers in the eastern sector, and the area of "real conflict" as 95,000 square kilometers south of the McMohan Line.³¹

To resolve the border dispute, the two countries agreed to establish Joint Working Group (JWG) in 1988 to expedite negotiations. To facilitate JWG's work, both sides set up an expert group the 1993 for the purpose of making a closer scrutiny of each side's position and clarifications on the LAC. It comprises of diplomats, military officials, cartographers etc from both countries to advise the JWG on the boundary questions and review the working of the Confidence Building Measures. This group is still active and has managed, to certain extent, de-escalate tensions on the border.³² To aid JWG, Special Representatives (SR) were appointed in 2003 after Indian Prime Minister Vajpayee visited China and stressed the importance of including political viewpoints in the solving of border disputes.³³ Since then fifteen rounds of talks have taken place between SRs; the last one held in December 2012 was not formally notified as sixteenth round because the new leadership had yet to formally take over. Also, Chinese side had not named the new SR on its side after Dai Bingguo relinquished office³⁴ at the fag end of 2012.

After taking over as President, Xi Jinping stated that boundary problem between India and China is a complex issue left from history and solving the issue won't be easy. But he believes that "as long as we keep up our friendly consultations we can eventually arrive at a fair, reasonable and mutually acceptable settlement." "Pending the final settlement the two sides should work together to maintain peace and tranquility in border areas and prevent the boundary question from affecting the overall development of bilateral relations", the President added.³⁵ On Chinese territorial disputes with its neighbours, Taylor Fravel observes, "Beijing has often been very flexible about principles in reaching territorial settlements with other states. The decisive factor is the judgment of China's leaders about what best serves their national interests, flexibility or inflexibility on principle. In case of India, rather than being flexible Beijing has chosen to stand on inflexible principle, making a solution of the territorial conflict less likely".³⁶

China has never hesitated to issue statements condemning the visits of Indian ministers or public officials to Arunachal Pradesh. Chinese government condemned the Indian Prime Minister's visit to Arunachal Pradesh on 7 April 2007 to inaugurate the development projects for the State.³⁷ It also criticized the visit of Dalai Lama to Arunachal Pradesh on 20 November 2009. Chinese government considers the people of Arunachal Pradesh, as citizens of China; thus does not issue normal visa for them, which one requires, while paying visit to another sovereign

country. In September 2009 it denied visa to a student from Jammu and Kashmir, instead, he was given written orders to go and study in China, which is against the international norms and rules for going to another country.³⁸ In August 2009, almost coinciding with the 13th round of Sino-Indian border talks (New Delhi, August 7-8, 2009), an article (in Chinese language) appeared in China captioned "If China takes a little action, the so-called Great Indian Federation can be broken up".³⁹ Interestingly, it was reproduced in several other strategic and military websites of the country, targeting the domestic audience.

Not only in the fields of traditional security rather in the area of non-traditional security issues too China is taking all measures to use its geographical extent to control and regulate trans-border natural resources. One of the important natural resource of 21st century is water, whose supply is being constant while demand is increasing. Almost one-fourth of India's water supply depends upon rivers originating in Tibet Autonomous Region (TAR) of China. India's north-eastern states are completely dependent upon river Brahmaputra, which originates in TAR. In order to fulfill its own economic demand and also due to political reasons, China is building big dams over it. It plans to build twenty eight dams. The Zangmu hydropower project is the first to be built. The other five dams, which are going to be built are: Dhongzhong, Guoduo, Xiangda, Ruxi and Linchang.⁴⁰

In this conflict-dominated relationship between India and China, it is quite obvious that both sides would try to contain each other. India, took lot of time to learn this strategic art; while China has successfully established itself in South Asia, which *is* supposed to be the backyard of India.

SHIFTING OF POWER IN SOUTH ASIA

Talking about India's strategy in South Asia, Maya Chadda calls it a "relational control strategy"⁴¹ through which India has indirectly maintained its influence over its neighbours. But the current scenario has changed and even this concept of "relational control strategy" is not working because it demands more consensus than coercion. India is gradually losing its consensual power and through coercion one cannot be an important regional player. On the other hand through its effective and calculative use of "soft power", China has managed to change age-old India-centric political calculus in South Asia. As Malik notes:⁴²

.....the Chinese know India is the only Asian country determined to resist China's pre-eminence in Asia by developing the full spectrum of economic and military capabilities .It is safe to conclude that China's foreign and defence policy initiatives will continue to be designed to reduce India to the status of sub-regional power by increasing Chinese influence and leverage in the south Asian region....

China and Pakistan

China came to Pakistan's assistance as early as in 1950.Until then, Pakistan and India had a barter agreement whereby India supplied coal to Pakistan in lieu of jute and cotton. In September 1949,India devalued her currency but Pakistan did not follow suit. Trade halted because India did not accept the new par value of Pakistani currency. At that stage China came to Pakistan's rescue by buying cotton in exchange for coal.⁴³ Ever since, the two countries have developed good relations.

Since Pakistan sought a strong ally to check India, it joined the USA led western bloc during the cold war. But it was of little help because USA did not want to affect its relationship with India. But China was different in its approach and attitude. In 1965 and 1971 India-Pakistan wars China, covertly, interfered in favour of Pakistan. In both wars it made false accusations against India. In the 1971 war China accused India of stealing stags and sheep from its border areas near Aruanchal Pradesh and warned that in case India fails to return them, China will attack India to release the stolen animals.⁴⁴

One of the prime considerations of Beijing during the Cold War period was to balance India by supporting Pakistan, specifically as India was seen as a large country in South Asia with the potential to challenge China. While under Jiang Zemin and Hu Jintao's leaderships, Beijing has amended its position due to the spread of Uyghur separatism and its connection to Pakistan; balancing India nevertheless remains a prime consideration.⁴⁵ In the United Nations (UN), it has voted several times against India and that too on issues of global concern. One such important vote was when at Islamabad's behest, China blocked UN Security Council's move to declare *Jamat-ud-Dawa* (JuD) (formerly *Lashkar-e-Tayyeba*)-involved in numerous terrorist attacks in India-as an international terrorist organization under UN Security Council Resolution 1373.⁴⁶ China has also helped Pakistan to modernize its defence forces and nuclear installations by supplying modern state-of-art technologies and gadgets. In 2009 Pakistani President Asif Ali Zardari

pointed out that Pakistan is in a “time-tested and all-weather friendship and strategic partnership with China.”⁴⁷

China and Nepal

Situated between the two largest countries in Asia, national security issues have always been a major concern for Nepal. Nepal’s foreign and security policy evolved against the backdrop of the concurrent but separate threats posed by the British East India Company to the south and by the steadily expanding Chinese presence in Tibet to the north. Even after the emergence of India as an independent country and China as a People’s Republic, “Nepal’s security threat perception has not altered, significantly.”⁴⁸ In spite of Nepal’s inalienable cultural, commercial and civilisational affinity with Indian subcontinent, Kathmandu’s desire to assert its autonomy has constantly compelled it to play China against India. This has often resulted from their desire to obtain concessions from both sides though, given its geography and history, Nepal remains closer to India than China.⁴⁹

The beginning of China-India skirmishes over their boundary dispute in 1959 had evoked Chinese interest in Nepal. Prime minister B.P. Koirala, however, tried to balance his policy by engaging with Beijing without disrupting the basic framework of Indo-Nepalese equations. So, while in March 1960 he signed a Treaty of Peace and Friendship with China he declined to sign a non-aggression pact and also refused a Chinese offer to build a road link. Later, King Mahendra accepted the same offer for the building of Lhasa-Kathmandu road when it was used by Beijing as a bargaining chip for resolving the boundary dispute.⁵⁰ China also supported Nepal’s proposal of a ‘Zone of Peace’ at various international forums and increased its aid and trade, including a direct air link that resulted in several high-level visits between the two sides.⁵¹ After India stopped supplying arms following King’s assumption of direct power in 2005, China strengthened its position by supplying weapons to the monarchy. Later, it engaged with the Maoist leaders and has since expanded military cooperation with them.⁵²

Soon after successful people’s revolution, when Maoists assumed office in Kathmandu, Prime Minister Pranchada visited China and not India. This was a major shift in the policy of Nepal. As was reported in the media, in 2010 when Nepal was going through a political crisis, Maoist leader Krishana Bhadur Mahara received NRS 500 million to “buy” the votes of fifty Members of Parliament (MPs) to shore up support for Prime Ministership. That money was received from a “friend”,⁵³ who was either

a Chinese intelligence agent or a businessman, working for the Chinese state establishment.

China and Sri Lanka

China-Sri Lanka ties have often been cited as most critical to China's encirclement of India. As regards Colombo's motives for engaging with China, these have been attributed to its attempts to come out of the shadows of Indian pre-eminence in South Asia. This has prompted Colombo to encourage the involvement of external powers in the region, especially those with have had differences with India. Sri Lanka had established good relationship with China in 1950s. After India's defeat in 1962 war, Sri Lanka played a crucial role in the reconciliation process between the two countries. It came up with Colombo plan.

India's relations with Sri Lanka have been kept on swinging between good and bad due to long ethnic conflict and India's position on it. Sri Lanka has established defence relationship and also has welcomed Chinese investment in its infrastructure sector. India's reluctant attitude and politically influenced policies due to important role played by ethnic Tamil parties from the Indian state of Tamil Nadu has made Sinhala dominated Sri Lanka to look towards China to seek favour. China has accepted the call and has been active in helping it. In 2012, on his visit to Sri Lanka, Chinese defence minister, offered an assistance of \$100 million for welfare projects in the north and east of the country, zones that were hard hit by the quarter century civil war.⁵⁴

During March 2009 China was the only country that provided Colombo weapons and ammunitions to fight against the Liberation of Tamil Tigers Elam (LTTE).⁵⁵ After protracted ethnic conflict the United Nations blamed it for violating the human rights of ethnic Tamils residing in its northern part. A resolution was moved against Sri Lanka. India voted against the resolution called Lessons Learnt and Reconciliation Commission (LLRC); while China backed Sri Lanka.⁵⁶ Once again in March 2013 India voted against Sri Lanka in a resolution sponsored by the United States.⁵⁷ The resolution blamed the Sri Lankan government for violating human rights and international law during its protracted planned ethnic cleansing of Tamils in Sri Lanka. The move by the Government of India was under pressure from the coalition ally DMK. It is also a move to get closer to the USA. The move is also appreciated on the human rights count. But this has made the Sinhala dominated Lankan government to move further away from India. India appropriate

the government of must take steps to repair the damage, in keeping with its national interest.

China and Bangladesh

China's relation with Bangladesh improved after General Zia-ur-Rehman came into power. By the early 1980s China and Bangladesh were engaged in trade and military talks. The two countries also signed a barter protocol envisaging exchange of commodities worth \$60 million both ways from 1982 to 1983.⁵⁸ Following the visit of a high-powered Chinese military delegation to Bangladesh in 1987, its army was developed on the Chinese pattern and trained and fully equipped with Chinese arms. The 33 Infantry Division, one of the country's first divisions, with its headquarters in Comilla, is called the Chinese division. The second Chinese infantry division is the 24 Division garrisoned at Chittagong.⁵⁹

At a time when India –Bangladesh ties were strained over issues like trade, transit rights, illegal immigrations and the alleged presence of the Al-Qaeda in Bangladesh ,China concluded a comprehensive Defence Co-operation Agreement with Bangladesh in December 2002,thereby making “ the beginning of the transformation of Bay of Bengal into the Bay of Beijing for all practical purposes”.⁶⁰

Not only in the military sector, China has helped Bangladesh to improve its infrastructure by building roads, bridges etc. In 1980s Bangladesh-China Friendship Bridge was built at a cost of \$24 million with China contributing \$13 million in the form of grants and loans. The bridge built over the river Buriganga connects South Bangladesh with Dhaka. The Chinese engineers took part in its construction.⁶¹ Chinese entrepreneurs are pouring into Bangladesh with a view to set up factories for garments, footwear etc. China is also very much interested in active engagement with Bangladesh in improving its infrastructure.⁶²

China and Maldives

Even in Maldives, China has its presence. It has built Maldives' Ministry of foreign Affairs building and a national museum. Bilateral trade between the two countries in 2010 increased to \$64 billion up by 56 percent from 2009. In 2010 the two countries signed several bilateral treaties.⁶³ The recent coup in which President Nausheed lost his office to Vice-President has many conspiracy theories. Many feel that it was China which backed the coup-leaders because both India and the USA were vocal against the coup while Chinese maintained calm. In the post-coup

period China has come closer to Maldives. It announced \$500 million package of economic assistance for Male.⁶⁴

Besides Maldives, China has also set its eye upon another island nation-Seychelles. Chinese President reached out there as early as in 2007. Beijing is now training the small island defence forces and providing military hardware such as turbo prop aircraft for surveillance. Seychelles, in 2011, offered the Peoples Liberation Army(Navy) its territory for setting up a base. Though China did not set up a base,⁶⁵ it has not completely rejected the offer, either. Shocked or fazed by the developments, India too sent its defence minister to these island nations, with offer of economic assistance and cooperation in all sectors with them.

China and Bhutan

In a book entitled *The Brief History of Modern China*, Beijing describes Bhutan as its 'lost territory' and their maps showed bulk of Bhutan as part of China.⁶⁶ India's special relations with Bhutan have remained an obstacle in China-Bhutan relations and Beijing continues to ask Bhutan to treat China at par with India and possibly to accept a Chinese ambassador to Bhutan. This demand for an equal status to that of India delayed China's border talks with Bhutan until 1980s which again had a direct relationship with India's own improving ties with Beijing at that time. China was however successful in starting negotiations which began in 1984 and the 19th round of border negotiation was held in January 2010.⁶⁷ In 2012 the two countries decided to carry on with their talks on border issue.

STRATEGIC PRESENCE OF CHINA IN SOUTH ASIA

Besides having effective relations with Indian neighbours and replacing India, China is also all out to encircle it through what is often referred as 'strings of pearl' strategy⁶⁸ that is being pursued to enhance the reach of Chinese maritime platforms-through this long term Indian Ocean Region port investment.⁶⁹

As a major trading nation and a future world power, China is now laying the groundwork for naval presence along the Malacca straits, the Indian Ocean and the strait of Hormouz in the Persian Gulf to protect its long term economic and security interests. From Beijing's perspective, a closer alliance relationship with Cambodia, Myanmar, Bangladesh, the Maldives, Pakistan and Iran would contribute towards stable balance of

power in the Indian Ocean Region (IOR), secure the country's oil supply and trade routes from the Persian Gulf to the South China Sea, challenge India's great power pretensions and counter the US presence in the Indian Ocean.⁷⁰

In 2000, China accepted Pakistan's request to fund the development of a deep water port at Gwadar, with docking and refueling facilities for the largest oil tankers. China's plans of constructing the highest railway in the world over the Karakoram mountains and the construction of modern roads and high speed rail links to Gwadar, with plans for pipelines carrying natural gas and oil could serve the strategic interests of both Pakistan and China, connecting the Middle East, Pakistan, China and Central Asia into 21st century version of the Silk Route. China's construction of a pipeline from Gwadar port would substantially reduce its dependence on the narrow Malacca Strait for oil supplies from the Middle East.⁷¹

China is also constructing the deep sea port of Kyuk Phyu in the western Rakhine State of Myanmar near the Shwe gas fields, counted among the world's largest natural reserves. Bangladesh has also received assurances from China of support to build a deep sea port at Sonadia and a Chittagong-Kunming Highway via Myanmar.⁷² It is also building up a port at Hambantota in Sri Lanka.⁷³ These ports are viewed as merchandise ports, used for commercial purposes but there is not much difference between them and naval ports. In a short notice commercial ports can be effectively turned by navy for defence purpose. China's naval encirclement of India would be complete if and when Beijing would be able to persuade Maldives to grant a naval base at Gan, south of Sri Lanka and north of Diego Gracia in the Indian Ocean.⁷⁴ At present PLA Navy (PLAN) fields almost 260 naval vessels. The major platforms in the PLAN include seventy seven destroyers and frigates, eighty- four amphibious vessels and sixty-five submarines. The Indian navy in contrast has a total fleet of under 100 ships.⁷⁵

On land also PLA has a strong strategic presence near the Indian border, writing in New York Times on 26 August 2010 Selig Harrison mentioned that 7,000 to 12,000 People's Liberation Army soldiers are present in Pakistani side of Kashmir bordering India. They actively built 22 tunnels there, which both Pakistan and China claim are for building rail roads linking Pakistan with Xinjiang province through Pakistan. But Harrison claims that these tunnels can be used to place missiles⁷⁶ and so can give military advantage to China against India.

INDIAN RESPONSE AND OPTIONS

To secure its interests in the region and at the global level, India has reacted in multiple ways to check manipulations by the Chinese. As China has established itself in South Asia, India has countered it by making its presence felt in the Chinese sphere of influence. 'India's response is a good example of how China's buildup is already eliciting counterbalancing responses around her periphery'.⁷⁷ India's Look East Policy launched in 1995 under the then Prime Minister Narasimha Rao, is viewed with suspicion by China. A mix of economic and military rationales, this policy aimed at expanding India's security ties with the states neighbouring China in the Pacific Ocean.⁷⁸ Presently India is actively engaged in this region. It is developing relations with South Korea, Japan and Vietnam. The fall of the Taliban brought in a friendly government in Afghanistan, whilst still further north on China's borders, an 'Indian military shadow over Central Asia'⁷⁹ was apparent as Tajikistan gave India air force facilities at Farkhor and then Ayani, and India sought to become a land based player in the 'Great Game' opening up in Central Asia.⁸⁰

In terms of modernising defence forces, Revolution in Military Affairs (RMA) has equipped the Chinese with modern military technologies and nuclear weapons. In response India, after itching delay, carried out nuclear test in May 1998. The test was to "credibly" deter the Chinese threat.⁸¹ Qualitative deterrence of China is more important than engaging into a quantitative deterrence. Possession of Inter Continental Ballistic Missile (ICBM) Agni-V by India in 2012 is a step in this direction.⁸²

Oceans have played significant role in rise and fall of past powers; control over the sea-lanes provides economic⁸³ and military security to a country. India and China are maritime rivals in Indian and Indo-pacific Ocean. Indian ships have been patrolling the Malacca Straits since 2002, highlighting Chinese concerns over the security of access to oil supplies in times of trouble. In 2000, discussions took place on naval berthing rights for Indian ships, possibly at Cam Ranh deep-water bay.⁸⁴ India also brought outside powers and held joint naval exercise involving the USA, Japan, Australia and Singapore *Malabar 2007-2*. This was conducted in the Bay of Bengal and near Coco Island⁸⁵ area and engaged twenty thousand personnel, 28 ships and 150 airplanes. This was a multilateral unlike the past *Malabar* exercises that had been conducted only by India and the USA.⁸⁶ To quote John Graver, "Unless India is able to alter its lackluster development record and to work out a skilled and confident

program employing Indian national capabilities in the South Asian region, India could well conclude that the prudent way to enhance its security is to assume a role as junior partner to an emerging Chinese super power".⁸⁷

Non-Alignment (NA) 2.0 report prepared by Indian think tank Centre For Policy Research (CPR) has warned about the Chinese aggressive and insulting postures on Indian borders and threats of grabbing more Indian land. It does not see immediate prospect of the border issue being settled in near future.⁸⁸ The report suggests revitalizing India's relationship with the developing countries. This is in line of Nehruvian policy of Non-Alignment. In case it has to play significant role in global affairs it has to get back to that policy. Even China through its soft power has established itself in Central Asia and Africa. India has to do a lot both in terms of politics and strategy- in the region to re-boost confidence and re-generate good will.

Besides improving bilateral relations with its neighbours India has also to take important strategic measures to balance Chinese presence in south Asia. The NA 2.0 mentions that India has an edge in terms of maritime capabilities though China is catching up rapidly and, therefore, India must assert its maritime superiority.⁸⁹ On the contrary, Varun Sahni asserts that in any meaningful geo-strategic sense India is a continental state and hence land power. India has not faced a threat on its shores, even remotely, since 1971, nor is one likely to emerge in the foreseeable future. India's main adversaries Pakistan, in short and medium term and China in long term share disputed land borders with it. This is geo-strategic reality of Indian power.⁹⁰ Still, India must have a strong navy; in an emergency situation, it can choke or block the Malacca strait, which is trading life line of China.

CONCLUSION

Strategic rivalry between India and China depicts the typical picture of competition between the two parallel rising powers. In this rivalry conflicts will remain until one gains unmatched upper hand against the other. The degree of conflict and nature of relationships will keep on changing, according to the interests of the rival actors. In case India wants to remain and does not want to "lose" this power game then it has to take many more steps than it has taken. India has to make huge political investment in South Asia and strongly re-locate itself in the capitals of other developing countries. Also, India has to change its policy towards

its small but strategic important neighbours by providing the requisite assistance. Finally, India has to keep in its mind that China follows Sun Tzu's tactics on facing enemies. According to Sun Tzu best way to defeat enemy is: to defeat it psychologically without shedding a drop of blood.⁹¹ They have been doing it since 1962. To counter, India has to play its cards; cautiously, carefully and rationally.

REFERENCES

1. Davin T. Hagerty, "Introduction: South Asia in World Politics". In Devin T. Hagerty *South Asia in World Politics*. New York, Toronto, Oxford, Rowman and Littlefield Publishers, 2005. p.4.
2. *Ibid.*
3. PR Chari and Vijayanti Raghavan, *Comparative Security Dynamics in North East Asia and South Asia*, New Delhi, Pentagon Press, 2010.
4. Various literature and media clippings emerged in USA during the early 1990s stating China to be global threat. In China too, much literature came out refuting the theory of "China Threat" and arguing that the image has been constructed by the western scholars to support the United States of America(USA)'s unipolarity. See David Scott, *China Stands Up: The PRC and the International System*. London & New York, Routledge, 2003. pp.112-118. Both Western and Chinese authors may be blamed for spreading rumours and for engaging in war of words but for India and Asia the idea of "China Threat" has been real. From mid-1990s China started playing assertive role and tried to hegemonise over the Asian continent.
5. China through use of soft power started showing that it is a "Responsible Participant" in international system. It gave up the ideas of Deng Xi oeng ,who wanted China to remain isolated from global politics and concentrate on its economic development. It took help of largest public relations firm –Hill & Knowlton-to improve its image, which was tarnished due to Tianamen square incident. Also, Confucious institutes have been set up by China, throughout the globe, to spread its soft power and propogandising its soft side. See Melissen (ed), *The New Public: Soft Power in International Relations*. New York, Palgrave Mcmillan, 2005. Also Michael Barr, *Who's Afraid of China? The Challenge of Chinese Soft Power*. London & New York, Zed Books, 2011.
6. Avery Goldstien, "Structural realism and China's Foreign Policy; Much (But Never All) of the Story". In Andrew. K Hanami (ed), *Perspectives on Structural Realism*. New York, Palgrave, 2003. pp.119-155.
7. R. Hallorane, "China: Restoring the Middle Kingdom". *Parameters*, Vol.28, No.2, 1998, pp.56-68.
8. Before becoming or giving any thought to be a global power,a country must be a regional power.It can acquire status of regional power only by keeping other powers out from its region.All erstwhile powers have maintained this rule.The USA through Monroe doctrine did it in 19th century. See John J.Mearshimer, *Tragedy of Great Power Politics*. New York, W.W. Norton, 2001.
9. Henry Kissinger, "Future of US-Chinese Relations". *Foreign Affairs* March/ April 2012, pp.44-55.
10. "Could Asia really go to war over these?"*The Economist* re-published in *The Indian Express* 25 September 2012.

11. Amardeep Athwal, *China India Relations: Contemporary Dynamics*. London, Routledge, 2008, pp.1-90.
12. *Ibid.*
13. *Ibid.*
14. Siddharth Vardarajan, "India China and Asian Axis of Oil". *The Hindu*, 24 January 2006.
15. "Member Nations Signed Pact To Promote Trade in Local Currency". *The Times of India*, 29 March 2012.
16. David Mitrany, *A Working Peace System*. Chicago, Quadrangle Books, 1996.
17. Ernst Hass, *The Uniting of Europe: Political, Social and Economic Forces, 1950-1957*, Stanford, Stanford University Press, 1958.
18. Joseph M. Grieco, "Anarchy and the Limits of Cooperation". In David Baldwin (ed), *Neorealism and Neoliberalism: The Contemporary Debate*, New York, Columbia University Press, 1993. p.128.
19. Mohan Malik, "India and China: As China Rises, India Stirs". In Harsh V. Pant (ed) *Indian Foreign Policy in a Unipolar World*. London, New York & New Delhi, Routledge, Taylor & Francis Group, 2009. p.172.
20. Takenori Horimoto, "India-China Relations: Bonhomie with Ambivalence" in Srikanth Kondapalli and Emi Mifune (ed.) *China And Its Neighbours*, New Delhi, Pentagon Press, 2010.
21. Sandeep Dikshit, "China, India to discuss spat over South China Sea". *The Hindu*, 13 April 2012.
22. Ananth Krishnan, "India, China to discuss trade disputes". *The Hindu*, 15 April 2012.
23. Mohan Guruswamy, "The China Factor". In Stephen P. Cohen and others (ed.), *The Future of Pakistan*. New Delhi, Oxford Publications, 2011. p.124.
24. *Ibid.*
25. According to this agreement India and China agreed to (a) Mutual respect for each other's territorial integrity and sovereignty (b) Mutual non-aggression (c) Mutual non-interference in each other's internal affairs (d) Equality and mutual benefit and (e) Peaceful co-existence. See Swaran Singh, "Panchsheel: Three Agreements and Five Principles" ignca.nic.in/ks_41062htm. Accessed on 6 October 2012.
26. V.P. Dutt, *India's Foreign Policy*. New Delhi, Vikas, 1984.
27. Hong Yuan, "China Won but never wanted Sino-India War". *Global Times* 28 June 2012.
28. As cited in Ashok Kapur, *India and South Asian Strategic Triangle*. London & New York, Routledge, 2011.
29. In 2003 India recognized Tibet as sovereign part of China while China reciprocated by recognizing Sikkim as part of India. They exchanged maps related to it. But over the status of Arunachal Pradesh (NEFA) logjam is still there. Chinese maps show it as part of China while India considers it as its own territory. Many instances of issuing stapled visas to residents of Arunachal and sneaking of PLA in this territory of India has been reported by the media.
30. Srikanth Kondapalli, "Negotiating borders or Bordering on Negotiations? Predicaments in Indian and Chinese Policies". In P. Sahadevan, *Conflicts and Peace Making in South Asia*. New Delhi, Lancers Books, 2002. pp. 308-346.
31. Francine R. Frankel, "The Breakout of China-India Strategic Rivalry in Asia and the Indian Ocean". *Journal of International Affairs*, Vol. 64, No. 2, Spring/Summer 2011. pp. 1-18.

32. Amardeep Athwal, *China India Relations: Contemporary Dynamics*. London, Routledge, 2008. pp.1-90.
33. Takenori Horimoto, "India-China Relations: Bonhomie with Ambivalence". In Srikanth Kondapalli and Emi Mifune (ed.) *China And Its Neighbours*. New Delhi, Pentagon Press, 2010, p.169.
34. Pranab Dahal Samanta, "China's Ties with Others Must Not Hurt India, PM Tells Xi". *Indian Express*, 29 March 2013.
35. B. Raman, "Xi Jinping on Sino-Indian Relations". Retrieved from globalgeopolitics.net/wordpress/2013/03/28. Accessed on 31 March 2013.
36. As cited by John Graver in "Sino-India Border Dispute: An Interpretation". *China Report*, Vol.47, No.2, 2011, pp.99-113.
37. "Manmohan Singh's visit to Arunachal Pradesh". *The Hindu*, 8 April 2007.
38. *The Hindu*, 18 November 2009.
39. www.chinaiiss.org "If China takes a little action, the so-called Great Indian Federation can be broken up" by Zhong Guo Zhan Lue Gang. Accessed on 26 June 2011.
40. Pranab Dahl Samanta, "China begins building dam on its side of Brahmaputra". *Indian Express*, 15 October 2009.
41. By "Relational Control Strategy" Maya Chadda means (a) set the "rules of the game"; (b) exercise a degree of influence over the actions of neighbours and (c) acquire leverage over the ideology and culture of the region. As cited by Vikash Yadav and Conard Barwa, "Relational Control: India's Grand Strategy in Afghanistan and Pakistan". *India Review*, Vol.10, No.2, April-June, 2011, pp.93-125.
42. J. Mohan Malik, India and China: Bound to Collide?. In P.R. Kumaraswamy (ed), *Security beyond Survival: Essays in honour of K. Subramaniam*. New Delhi, Sage publications, 2004. pp.127-165.
43. Aparna Pande, *Pakistan's Foreign Policy: Escaping India*. London & New York, Routledge, 2011. p.115.
44. Sumit Ganguly, *Origins of Cold War in South Asia: Indo-Pakistan Conflicts since 1947*. New Delhi, Vanguard Books, 1988.
45. Srikanth Kondapalli, "Testing China's Rise: China-Pakistan Relations". In Ashutosh Mishra and Michael E. Clarke (eds.), *Pakistan's stability Paradox: Domestic, Regional and International Dimensions*. London & New York, Routledge 2012, p.178.
46. Mohan Malik, "India and China: As China Rises, India Stirs". In Harsh V Pant *Indian Foreign Policy in a Unipolar World*. London, New York & New Delhi, Routledge, Taylor & Francis Group, 2009. p.172.
47. As cited in Aparna Pande, *Pakistan's Foreign Policy: Escaping India*. London & New York, Routledge, 2011. p.133.
48. Rajan Bhattarai, "The concept of Human security and changing Security Dynamics in Nepal". In Rajan Bhattarai and Rosy Caves (eds), *Changing Security Dynamics in Nepal*. Kathmandu, NIPS, 2009. p.23.
49. Swaran Singh, "China's South Asian Policy: From Bilateral to Multilateral". In Smruti S Pattnaik (ed.), *South Asia: Envisioning a Regional Future*. New Delhi, Pentagon, 2011, p. 225.
50. *Ibid.*, p. 226.
51. *Ibid.*
52. *Ibid.*
53. Twocircles.net/2010sep07/nepal_government_probe_chinese_bribe_

- scandal.html. Accessed on 12 March 2012.
54. Harsh V. Pant, "India Defends Its backyard in the Indian Ocean" *wsj.com/articles/SB*. Accessed on 10 September 2012.
 55. As cited in Swaran Singh, "China's South Asian Policy: From Bilateral to Multilateral". In Smruti S. Pattanaik (ed.), *South Asia: Envisioning a Regional Future*. New Delhi, Pentagon, 2011, p. 226.
 56. *www.ndtv.com.>world*.
 57. India votes for Resolution Against Sri Lanka". *The Hindu*, 21 March 2013.
 58. Suchita Ghosh, *China-Bangladesh-India Tangle Today: Towards a Solution?*. New Delhi, Sterling Publishers, 1995, p.16.
 59. *Ibid.*, p.17.
 60. P. Sharma, "Delhi wary of Defence: Dhaka-Beijing defence deal". *The Telegraph*, 28 October 2002.
 61. As cited in Suchita Ghosh, *op.cit.*
 62. Zafar Shoban, "The Chinese are coming to Bangladesh". *Sunday Guardian*, 30 September 2012.
 63. *wsws.org* "Maldives President Ousted in US backed coup" accessed on 29th April 2012. Also See Angana Guha Roy, "The Drive For Democratic Reforms in Maldives" Retrieved from *southasiamonitor.org* Accessed on 15th September 2012.
 64. Harsh V. Pant, "India Defends Its backyard in the Indian Ocean". *wsj.com/articles/SB*. Accessed on 10 September 2012.
 65. *Ibid.*
 66. As cited in Swaran Singh, "China's South Asian Policy: From Bilateral to Multilateral" in Smruti S. Pattanaik (ed) *op.cit.*
 67. *Ibid.*
 68. Booz Allen Hamilton, 'Energy Futures in Asia', Office of Net Assessment Report, US Department of Defense, November 2004. Though it is considered as western concept used by the US defence department, Mohan Malik uses this term for China's port development mission in IOR. He calls it as China's "string of pearls".
 69. C. Uday Bhaskar, "China and India in the IOR: Neither Conflict nor Cooperation Preordained", *China Report*, Vol.46, No.3, August 2010.
 70. Amardeep Athwal, *op.cit.*
 71. Francine R. Frankel, "The Breakout of China-India Strategic Rivalry in Asia and the Indian Ocean". *Journal of International Affairs*. Vol.64, No.2, Spring/Summer 2011. pp.1-18.
 72. *Ibid.*
 73. Suhasini Haider, "Only our fears can encircle us". *The Hindu*, 27 September 2010.
 74. J. Mohan Malik, "India and China: Bound to Collide?", *op.cit.*
 75. Francine R. Frankel, *op.cit.*
 76. Selig Harrison, "China's Discreet Control on Pakistan's Northern Borderland". *New York Times*, 26 August 2010.
 77. As cited in David Scott, *China Stands Up: The PRC and the International System*. London & New York, Routledge, 2007. p. 155.
 78. Robert Wirsing, "Great Power Foreign Policies in South Asia". In Devin T. Hagerty *South Asia in World Politics*. Lanham, Boulder, New York and Oxford, Rowman and Littlefield Publishers, 2005. p. 151.
 79. *Ibid.*, p. 156.
 80. *Ibid.*

81. In a letter to the then US President Bill Clinton, Indian Prime Minister Atal Bihari Vajpayee, wrote that India's nuclear test was mainly to deter China, which has aggressive posture against India. See C. Rajamohan, *Crossing The Rubicon: Indian Foreign Policy*. New Delhi, Penguin Publications, 2004.
82. Rory Medcalf and Fionna Cunningham, "After the Fireworks, time for some diplomacy". *The Hindu*, 20 April 2012.
83. Ocean provides economic security because almost ninety percent of global trade is being carried out via sea routes. China's two-way trade stood at around \$3.5 trillion (2011 estimate). The combined value of India's merchandise exports and imports was around \$750 billion in 2011. Most of the trade is sea-borne. C. Raja Mohan, *Samudra Manthan: Sino- Indian Rivalry in the Indo-Pacific*. New Delhi, Oxford University Press, 2013. p. 2.
84. David Scott, *op.cit.*, p. 154.
85. This island is near to Indian sovereign water territory in Bay of Bengal. This was leased by Myanmar to China, which set up a naval base with all modern equipments. From here it keeps an eye upon the developments in sea territory. From here it also keeps an eye on Indian missile tests which are being conducted in Chandipur-on-sea in the Bay of Bengal region.
86. Takenori Horimoto, "India-China Relations: Bonhomie with Ambivalence", *op.cit.*, p. 170.
87. John W. Graver, *Protracted Contest Sino-Indian Rivalry in the Twentieth Century*. Seattle & London, 2001. p.389.
88. www.cprindia.org/.../Non Alignment%2020_1P Accessed on 18 November 2012.
89. www.cpr.org/.../ op.cit.
90. Varun Sahni, "Agent-Structure Problem and India's External Security". In Navneeta Chadda Behra, *International Relations in South Asia: Search For An Alternative Paradigm*. New Delhi, Sage, 2008. p.224.
91. Sun Tzu, *The Art of War*. Translated by Samuel B. Griffith. London, Oxford University Press, 1971.

THE DEPSANG STANDOFF AT THE INDIA-CHINA BORDER ALONG THE LAC *VIEW FROM LADAKH*

DELDAN KUNZES ANGMO NYACHU

The India-China border dispute has been subject of much debate, discussion, and analysis ever since the Sino-Indian war of 1962. However, the developments on the India-China border in the Western Sector in April 2013 brought to the fore the sensitivities of the border dispute between India and China which remains unresolved till today. This paper seeks to look into the implications of the transgressions/incursions in the Daulat Beg Oldi sector,¹ and elaborate on the sensitivities, insecurities and problems of the local population. It also attempts to provide the local perspective of the Ladakhis settled along the LAC.²

The events unfolded on the night of 15 April 2013 when the Chinese troops entered 19 kms deep into the Indian territory of Burtse (in Daulat Beg Oldi). They erected a tented post there and set the stage for a face-off with the Indian troops nearby. Responding to the reports of a Chinese incursion, the Indian Foreign Ministry acknowledged that both sides were in touch through diplomatic channels established to diffuse border flare ups. India did seek to play down the incident of the Chinese camping in Burtse, and agreed that it was a face-to face situation but was localised in nature and that the tension should be resolved through existing mechanisms agreed to by both sides. Officials in the Indian government were of the view that such an incident had taken place due to the difference in perception of the LAC.³ The first flag meeting was held on 18 April 2013 in Chushul,⁴ where the Indian army commander raised the issue of the intrusion with the Chinese who reportedly responded claiming that they are camping on their own territory. The meeting eventually ended in deadlock. From then on till 23 April 2013 three flag

meetings took place. The third flag meeting ended again without achieving a proper consensus. The Chinese asked India to dismantle its infrastructure developed in Eastern Ladakh which includes some newly-constructed bunkers at key vantage points and roads constructed close to the Indian perception of the Line of Actual Control.⁵ The Chinese officers through the means of 'banner drill' as they call it conveyed to the Indian ITBP personnel to 'go back and not to come back'. Sources in the Ministry of External Affairs termed the incident as "localised".⁶ The Chinese in their press briefing asserted that the Chinese side had confined activities within the Chinese border and had never violated the LAC. The Depsang incident took place at a time when China and India were going through a warm diplomatic phase which left experts and officials alike to wonder if there is a disconnect between the top civilian leadership in China and the military establishment, especially the border personnel. Such a view was put forward by Srikanth Kondapalli.⁷ The Chinese on the other hand accused the Indian side of repeatedly coming into the Chinese side of the LAC.

The Ladakhis residing on the border areas have voiced their resentment against the Depsang incursion, as these incidents result in routine episodes of tensions between the armies on the two sides. After a series of discussions and interviews with the people of the LAC areas, this author came across certain facts which bring to light the perceptions of Ladakhis. Rigzin Tangey⁸ (Sarpanch of Demchok village) stated that these transgressions are not a new development at the border and that Ladakhis have been subject to such incursions right from 1962 onwards. He stated that there have been series of transgressions by the Chinese into the Indian soil and only a few have made it to the headlines. For instance in 2010, when the Indian government had started work on a local bus stop shed in the Demchok village, the Chinese army pressurised the state government to suspend the work. Although the issue was raised during a meeting by District Congress Committee in Leh on 2 May 2013, no remedial steps were reportedly taken. Rigzin informed that from 2004 to 2005, the Chinese incursions became more frequent. What disturbs the villagers the most is that the Chinese residing near the border telecast propaganda through documentaries and short movies about how their country is a better place to live and hence older citizens fear losing their children to China as a result of this propaganda. TV channels from across the border routinely air programmes showing Chinese people superior to less privileged and inferior Ladakhis. Rigzin stated that this strategy was being employed to brainwash young Ladakhis residents of the border

to abandon their homes and join China's military. The locals of the border villages state that ever since the India-China conflict in 1962, so many major incidents of Chinese incursions into our territory have been reported. There is not a single incident when Indian troops have tried to regain their territory back from China. That is why the locals haven't been unable to claim their land which the Chinese military keeps into their territory, forcing them to shift, and putting their lives at stake. In July 2012 in the Chumur area of Ladakh, Chinese helicopters destroyed Indian bunker and tents.⁹ The Chinese even stopped the construction of a road in the Demchok area which was being made on the Indian side under the MNREGA scheme. Similarly, under the Indira Awaas Yojna, the Indian side was constructing housing structures along the border in Ladakh which were later broken by the Chinese. Instances like the one reported in December 2012 wherein the Chinese army shooed away nomads along with their cattle in Chumur have been repeated. The Dualat Beg Oldi incident took place precisely nine months after the PLA had forced the J&K Government to suspend work on the irrigation scheme at Koyul area of Nyoma block in 2012.

According to, P. Stobdan,¹⁰ "Since 1986, China has taken land in the Skakjung area in the Demchok-Kuyul sector in Eastern Ladakh. Now, it has moved to the Chip Chap area in Northeastern Ladakh". He further speculates that the Chinese intention is to enter from the south of the Karakoram and cross the Shyok from the east, which would be disastrous for Indian security leaving the strategic Nubra vulnerable impacting supply lines and even India's hold over Siachen. Stobden asserts that "the possibility of Chinese plans to divert the waters of the Shyok and Chang Chenmo rivers to the arid Aksai Chin and its Ali region cannot be ruled out".¹¹ The Chinese army, meanwhile, is always a threat to the local landowners who have only their pasturelands to depend on as a means to live. The Chinese, they say, are gradually pushing them away from their own pasturelands. Such incidents result in loss of territory as well as loss of livelihood to the people living in the remote areas. For them, the only source of income is their grazing land, as they feed their animals on the pasture.¹² Most of the families have been out of their livelihood as they've already lost their land to Chinese troops. The areas where the Chinese come frequently include Daulat Beg Oldi, Trig Heights, Pan Gong Tso Lake, Dosa Nala, Tsagala, Koyul, Hotspring, Samar Lungpa, Chushul and Dem Chok, etc. Last five years saw Chinese patrols' increasing their forays in Chumur which was not identified by

the Chinese as disputed before. Earlier also, Chinese People's Liberation Army (PLA) resorted to incursions at many places in Ladakh. However, this time around the locals feel that the incursion was of different kind and very serious in nature, as the Chinese troops intruded deep inside the Indian territory. Locals openly voice their resentment against the central government for treating the incursions in Ladakh casually. However, they declared that this aspect wouldn't come in the way of their fight against China should such a situation arise? The Ladakhis have been repeatedly pointing out that over the years the Chinese have nibbled their territory bit by bit but consistently these transgressions have been downplayed by the government. The Ladakhis take the frequent Chinese transgressions into their territory as the geographical and cultural invasion being faced by them on the border.

Another demand put forward persistently by the Ladakhis is the reopening of the old overland trade route via Demchok in Ladakh to Kailash Mansarovar¹³ in China. If such a development takes place it will give a tremendous boost not only to local trade but also to local tourism which is backbone of the local economy. Thupstan Tsewang (former Member of Parliament from Ladakh), asserts that, "China has conquered or rather captured such strategic points, by which they can compromise our defence preparedness. It is a serious security concern for India, which has never tried to counter Chinese aggressive postures along the India-China border. The locals question as to why their concerns have not been properly addressed by the Indian government and they question the casual attitude of the Indian government in the matter."¹⁴ The Ladakhi response to the Daulat Beg Oldi incursion has been voiced strongly this time and they are determined not to let loose even an inch of Ladakhi territory to the Chinese. The Ladakhis lament that the infrastructure and the defence preparedness along the Indian side are poor as compared to the Chinese and that the Indian government side-lines their repeated pleas to take adequate measures to counter the alleged Chinese transgression into their territory. Indian and Tibetan students carried out a street protest against China's incursion in Jammu, Leh and McLeod Ganj square in Dharamshala.¹⁵

The Ladakhi youth also demanded of the Indian government to call off the visit of Indian Foreign Minister to China and Chinese Premier Le Keqiang's visit to India which was scheduled in the first week of May 2013.¹⁶ Members of Ladakh Student Association of Jammu came out on the streets and shouted slogans urging the government to take necessary

action against the alleged incursions and not remain a mute spectator to these events. J& K Chief Minister Omar Abdullah also asked China to sit with India and clearly demarcate the boundary in Ladakh region at the earliest to ensure that any such incident does not recur and peace prevails along the boundary.¹⁷

What is the Chinese strategy at the India-China border? Judging by the recent events, the Chinese action needs to be viewed at two levels. Firstly, it is an established pattern where the PLA keeps nibbling at Indian territory to create new “facts on the ground” or a “new pattern in relation to their claims on the LAC”. According to the locals living on the border who have observed the Chinese activities at the border, their tactics involve occupying an area, then asserting that it has always been part of their territory, and then offer to negotiate. They have done this several times in the past too.

The Ladakhis further assert that the Chinese come in bulk, intrude, capture and then go back. They do it gradually but effectively bit by bit. However, it is believed that China is doing so to express its unhappiness over the Indian military build-up on the Sino-Indian border. In the past five years, India has activated forward airfields in the Ladakh sector, completed important road building projects in the Chumur sector, begun work on the road to link Daulat Beg Oldi with Leh and moved high-performance fighter aircraft to bases near Tibet. The Chinese resent the opening of Advanced Landing Grounds at Daulat Beg Oldi, Fukche and Nyoma in the year 2008. It is also noted that China’s activity in Ladakh has grown after it built infrastructure in its Ngari area to develop Kailash-Manasarovar into a tourist complex to attract the affluent Chinese. The incremental construction of forward posts, bunkers and roads as well as reactivation of old advanced landing grounds (ALGs) in Ladakh and Arunachal Pradesh, coupled with patrolling by Indian soldiers, has irked China. Due to such insecurities at the border, the Ladakhis are demanding an all-weather connectivity as the fate of Bilaspur-Manali-Leh rail line is still uncertain. Ladakh Autonomous Hill Development Council, Leh, has demanded the rail project on Kashmir pattern to increase mobility in the border area. Rigzin Spalbar, Chairman of the Ladakh Autonomous Hill Development Council, stresses the need to connect Leh via Kibber village of Lahaul-Spiti districts of Himachal Pradesh, so that all-weather connectivity could be ensured. Locals are of the view that China has created good infrastructure on its side by erecting communication towers and laying down metalled roads. Ladakh does not have such all-weather

internal roads. According to defence expert Brigadier (retd) Khushal, road, rail and air link is vital to keep enemy at bay in the Ladakh sector.

After 2011, there were 500 instances of Chinese incursion along China border right from Arunachal Pradesh, Uttarakhand, to Kinnaur and Ladakh sector. In 2010, a fact-finding committee visited the border areas of Ladakh region especially Nyoma, Kayul, Demchok, Chushul, Pangong Lake and recommended the construction of metal roads and advanced landing grounds in its report. The committee pointed out that there are virtually no roads on border, especially in those areas which are under dispute. But India is still a long way from defying China's strategic moves.¹⁸ Many border infrastructure development projects are stuck for various reasons such as environmental clearances, bureaucratic red-tape, hard rock stretches, limited working seasons in high-altitude areas and inadequate air efforts to mobilise resources. However, India's border infrastructure is improving gradually with reopening of Advanced Landing Grounds and construction of metalled roads by the BRO (Border Roads Organisation) and GREF, which are tasked with road projects in the Eastern, Middle and Western sectors. They have announced that nearly 50 percent of the work is done. There is also a Rs 3,500 crore plan to upgrade the Nyoma ALG into "a full-fledged airbase", with a 12,000-foot runway capable of handling all kinds of aircraft, which Air Chief Marshal N A K Browne says will ensure "both defensive and offensive options" in this sector.¹⁹ China has developed infrastructure in Tibet and Xinjiang, specifically feeder roads to the border areas, railway projects, air fields, fibre optics, and concrete metalled roads etc. China's motives behind its Depsang acts can be either to expand the LAC, or to protect its strategic assets being built by Chinese companies in Pakistan occupied Kashmir and Gilgit-Baltistan and in Tibet, like the expansion of the Karakoram Highway or the proposed railway line connecting Xinjiang with the interior of Pakistan. Strategic experts feel that China has plans to set up a demilitarised zone across the trans-Himalayan region by withdrawing troops.²⁰ According to Srikanth Kondapalli, "China may be attempting to attain a "negotiating point to force India to stall its actions close to the border".²¹

Whereas China's transgressions in the region have expanded in the last decade, China has been demanding rollback of similar infrastructure developments by India in the region. The eventual withdrawal of the Chinese took place on 6 May 2013. Indian official sources said the agreement was reached at the diplomatic level, while the modalities were

agreed at the flag meeting and that both sides had “agreed to restore status quo ante” as of 15 April 2013. It is not clear from the official statements whether the Chinese troops have gone back to the status quo position or Indian troops have moved away from their position they were holding since 15 April 2013. What prompted the Chinese troops to withdraw their troops was unclear with Chinese officials saying little more than the official line that their troops had not trespassed the LAC. It was reported that India might have agreed to dismantle certain border positions and observation posts since the Chinese side remained firm on its demand that India should dismantle its infrastructure developed in eastern Ladakh which includes some newly-constructed bunkers at key vantage points and roads constructed close to the Indian perception of the Line of Actual Control.²² China, however, rejected the reports that India had made concessions in the Chumur region in southern Ladakh to end its standoff across the Line of Actual Control.²³ However, the withdrawal of the Chinese troops from a point 19 km inside the Indian territory in return for a removal of just a tin shed in Chumur area seems to be the crux of the agreement reached by the two sides. As a result of the resolution of the latest face-off, the high-profile visits of the Indian External Affairs Minister to China and that of the Chinese Premier to India took place as scheduled. India’s main thrust during Premier Li’s visit to New Delhi was the border issue. It was reported that the Chinese called the Depsang incident “border incident” and as “tent confrontation” and sought to undermine the seriousness of the situation by emphasising that the dispute was localised in nature and was due to the “discrepancies between the two concerning the exact position of the Line of Actual Control (LAC).²⁴

The highlight of talks between Premier Manmohan Singh and Premier Li was the recent Chinese incursion in Ladakh. Both sides took stock of the lessons learnt from the recent incident in the western sector, sought to seek an early resolution to the boundary issue, and agreed that peace and tranquillity on border be preserved. On the Brahmaputra where China is trying to divert waters, and should the diversion become a reality, strategic experts caution that there is a possibility that China will inevitably leverage Tibetan water as a tool for strong-arm diplomacy and may even link the water dispute to the border problem.²⁵ Eventually, India and China signed eight pacts including pacts on enhancing trade, sharing of information on the Brahmaputra waters and facilitating the Kailash Mansarovar pilgrimage.²⁶ Under the MOU on information sharing on the Brahmaputra

waters, China will provide India with information on water level, discharge and rainfall of 0800 hrs and 2000 hrs (Bejing time) twice a day from June to October 15 each year in respect of three hydrological stations on the mainstream of the Brahmaputra river. The MOU was signed between the Water Resources Ministries of the two countries.

CONCLUSION

The Depsang incident was of a different magnitude and is a case of serious incursion which can be compared to the Sumdrot Chu showdown²⁷ reviving the conspiracy theories about China's strategic intent vis-a-vis India. Strategic experts have cautioned that even after the standoff has been resolved, the current face-off could flare up again in the near future as fundamentally the issue is related to the uncertainty on the unresolved border areas, with China's pounding pressure to strategically dominate the region.²⁸ And the prediction did come true soon after the withdrawal of the Chinese from Depsang, as they intercepted an Indian army patrol and prevented it from going to the Line of Actual Control (LAC). The incident took place near Finger-VIII area, also known as Siri Jap, on 17 May 2013.²⁹ The Ladakhis feel strongly that India should take lessons from the Depsang incident. It is a wakeup call for the government which should immediately focus on infrastructure development, logistic management, and reorganization of additional resources in the Western sector.³⁰ At the same time it should work towards a mutual and peaceful border agreement with China through the existing³¹ mechanisms agreed upon by the two sides or work towards new ones. China's boundary dispute settlements with 12 of its 14 land neighbours show a pattern and also serve as useful indicators of what India can expect in future negotiations.

The details of a proposed Border Defence Management Agreement (BDMA), with potential demilitarisation proposals, have been closely guarded by both sides. Recently they have moved closer to inking the new Border Defence Cooperation Agreement (BDCA) that outlines several confidence-building measures to defuse face-offs and tensions between rival troops along the Line of Actual Control (LAC). Although India is aware that there is a wide military and economic asymmetry between her and China but at the same time it can use to its advantage its status as an emerging power in the global scenario and develop stronger economic and bilateral ties with all its neighbours, including China.

THE DEPSANG STANDOFF AT THE INDIA-CHINA BORDER ALONG THE LAC



SEEN HERE IN THE PICTURE IS RIGZIN TANGHEY, THE SARPANCH (VILLAGE HEADMEN OF DEMCHOK VILLAGE) OF LADAKH. HE IS HOLDING INDIAN FLAG AS A SYMBOL OF PROTEST AGAINST THE CHINESE WHO STOPPED THE LOCALS FROM CARRYING CONSTRUCTION ACTIVITIES ON THIS LAND, WHICH INDIA ASSERTS IT TO BE THEIRS.



CHINESE OP (OBSERVATION POINT) KNOWN AS THE ZORAWAR OP SITUATED AT THE INDIA - CHINA BORDER AT DEMCHOK.



SEEN HERE ON THE EXTREME RIGHT IS CHINESE CONCRETE INFRASTRUCTURE ALONG THE LAC IN DEMCHOK AND THE MUD STONE HOUSES ON THE OTHER SIDE ARE INDIAN STRUCTURES. THE PICTURE DEPICTS THE STARK DIFFERENCES OF INFRASTRUCTURE BETWEEN THE INDIAN AND CHINESE SIDE WHICH IS WELL DEVELOPED.



THE ROAD SEEN IN THE PICTURE IS TRIG JUNCTION LADAKH (DBO SECTOR) THE ROAD TOWARDS THE MOUNTAINS IS ON THE CHINESE SIDE AND THE ROAD OVER THE TRIG JUNCTION NALLAH IS ON THE CHINESE SIDE AND THE AREA SOUTHWARDS FROM THE NALLAH IS ON THE INDIAN SIDE

The crux of the problem between India and China is that there is no legally defined Line of Actual Control. The border resolution is a long way to go. India needs to review its diplomatic and military preparedness in a crisis situation. The Ladakh episode is not a local incident, but it is a pointer to a growing Chinese assertiveness vis-à-vis India. India should take lessons from the Depsang incident for India. Beijing of late has been giving a different spin to the boundary issue by detaching Ladakh from its list of boundary disputes with India. Visiting Chinese security experts for a recent bilateral security dialogue at IDSA confirmed that China has no dispute in the “so-called Western Sector” (implying that this is not Indian territory) and that for China, J&K means only the Kashmir Valley. The Ladakhis feel that the repeated transgressions by the Chinese like the Depsang incident add greatly to their insecurities and more importantly loss of their livelihood. As a result many Ladakhi nomads and villagers are leaving their pasturelands and are migrating towards the city and other areas in search of livelihood and shelter. China is yet to revert with its response to India’s suggestions on the draft of a border defence cooperation agreement that Beijing had proposed in March 2013. India must muster its united political will to withstand Chinese pressure. At the same time it should work towards a mutual and peaceful border agreement with China through the existing mechanisms agreed upon by the two sides or work towards new ones. This matter assumes importance and urgency as the local settlers on the LAC are being displaced from their land in a gradual pattern which is most undesirable. Postponing the search for a final border settlement would either entail the risk of escalation or make the dispute more intractable in the future.

REFERENCES

1. This is a barren strip of land in Ladakh (Jammu and Kashmir State of India), which is south of Depsang and the Daulat Beg Oldi airstrip. The name Daulat Beg is derived from the name of a Yarkandi noblewoman namely Daulat Beg Oldi, who is believed to have died at this place after her descent from the Karakoram pass, which is 17 kms to the North West on the Sino-Indian border. It is situated at northernmost Ladakh and is a historic camp site located on an ancient trade route connecting Ladakh to Yarkand in Xinjiang (China) and it is just eight kms from the China border and 9 kms northwest of Aksai Chin on the LAC. The landing ground in Daulat Beg was brought back to operational readiness in 2008 and at nearly 17,000 feet it is the highest military airstrip on the globe.
2. Line of Actual Control (LAC) which India has with China is 4,057 kms long

- and is the effective border between India and the People's Republic of China. It runs along the Western, Middle and Eastern Sector of the border
3. Fiyaz Bukhari, "China and India set up rival camps in the Himalayan desert". *Srinagar Daily*, Srinagar 20 April 2013.
 4. Situated, in eastern Ladakh, Chushul is a border village and has lot of army camps and an advanced landing ground is also established here
 5. "Indo-China hold third flag meeting over border row, no headway". *The Hindustan Times*, New Delhi, 30 April 2013.
 6. Swapan Dasguta, "Sleeping Tiger, Creeping Dragon". *The Pioneer*, New Delhi. 28 April 2013.
 7. Srikanth Kondapalli is Professor in Chinese Studies at the Jawaharlal Nehru University, New Delhi.
 8. He is the Sarpanch of the Demchok village which is situated 300 kms south east of Leh and is the last Ladakhi village on the Indian side of the border,
 9. "China Needles India in Eastern India". *The Times of India*, New Delhi, 19 September 2012.
 10. Former Indian ambassador to Kyrgystan.
 11. P. Stobdan, "The Ladakh Drift". *Indian Express*, New Delhi, 20 April 2013.
 12. The 45-kilometre long Skakjung area is the only winter pasture land for the nomads of Chushul, Tsaga, Nidar, Nyoma, Mud, Dungti, Kuyul, Loma villages.
 13. It is a day's journey from Demchok in Ladakh to Mansarovar. Ladakhis used to go there often for trade and religious purposes but after the Communist takeover of Tibet in 1949, the Chinese sealed the borders and since then it hasn't been reopened. The present route for pilgrims to Mansarovar is via Pithoragarh in Uttarakhand which is very long and cumbersome.
 14. Excerpts from his Talk on *Border Speaks: Eye Opener Narratives from the Peoples Representatives in Ladakh Area about the Untold stories of the Indo-Tibetan Border and the Truth of The Chinese Incursion*. New Delhi, Max Mueller Bhavan, 17 May 2013.
 15. "Indian students lead protest against China's incursion". *Phayul*, Dharamshala, 30 April 2013.
 16. Rai Arpan, "Ladakh leaders in Delhi to highlight Chinese threat ahead of Premier Li Keqiang's visit". *Mail Online* New Delhi, 20 May 2013.
 17. "China should sit with India for demarcation in Ladakh-Omar". *Daily Excelsior*, 21 May 2013.
 18. Jane Perlez, "Continuing Build-up, China Boosts Military Spending More Than 11 Percent", *The New York Times*, Washington, 4 March 2012. For details on Chinas defence management also see: Arvind Gupta, "China's Defence White Paper 2013: Lessons for India", *IDS Comment*, 25 April 2013.
 19. Rajat Pandit (2013), "Border follies". *Times of India*. 28 April 2013,
 20. "Making Sense of the Depsang Incursion". *The Hindu*, New Delhi, 7 May 2013.
 21. R. Guha and B. Spegle, "China India Border Tension Rise". *Wall Street Journal*, Washington, 26 April 2013.
 22. Anand Both, "Fear of Chinese incursion raises need for all-weather connectivity in Ladakh". *CNN-IBN*, New Delhi, 28 April 2013.
 23. "India made no concessions in Ladakh's Chumar region: China". *CNN-IBN*, New Delhi, 7 May 2013.
 24. Manoj Joshi, "Making sense of the Depsang incursion". *The Hindu*, New Delhi, 7 May 2013.
 25. P. Stobdan, "As the Brahmaputra Bends". *The Indian Express*, New Delhi, 19

- April 2013.
26. "India and China sign eight pacts in May 2013". *Greater Jammu*, Jammu, 21 May 2013.
 27. Sometimes called the Wangdung incident, in 1986-87 in the state of Arunachal Pradesh on the LAC. For details read IDSA Comment- by Mandip Singh, "Lessons from Sumdurong Chu Incident 26 April 2013.
 28. Srikanth Kondapalli, "Standing our ground with China: What India needs to do". Redifnews.com, New Delhi, 26 April 2013. (Accessed on 28-06-2013).
 29. "China builds 5 km road crossing LAC, sends border patrolling Indian troops back". *Kashmir Watch*, Srinagar, 26 May 2013.
 30. P. Stobdan, "Ceding Aksai Chin not an option for India". *The Tribune*, New Delhi. 19 April 2013.
 31. Since the last twenty five years there have been endless number of discussions, group meetings, 15 expert groups meetings, 15 Joint Working Groups. 15th Special Representative meeting was last held in January 2012 in New Delhi. Both sides reportedly exchanged a framework to clarify their respective jurisdiction. Border personnel meetings take place almost every month, The most important outcome of bilateral agreements on the territorial dispute is enshrined in agreements made in 2005 and 2006. Agreements like Peace and Tranquillity Agreement of 1993 and the CBM Agreement of 1996 have also been signed. While these CBMs (Confidence Building Mechanisms) are functioning effectively, India and China have still not reached an eventual consensus on the LAC.

CHINA- MYANMAR

NO MORE PAUK PHAWS?

RAHUL MISHRA

INTRODUCTION

One of the most dramatic events in the twenty-first century Asia, as it is turning out, has been the rise of People's Republic of China (henceforth China). Equally dramatic has been the ongoing reform process, and opening up of Myanmar to the outside world. Intriguingly enough, the China- Myanmar bilateral relationship has also been full of surprises, drawing the attention of policy makers and foreign policy pundits alike.

Myanmar is the second largest nation amongst the ten states of the Association of Southeast Asian Nations (ASEAN) to which it was admitted in July 1997. Notably, it is strategically located at the tri-junction of China, India and the Southeast Asian region that has played a crucial role in shaping the foreign policy calculus of Myanmar. Myanmar's relation with China is an irrefutable example in that regard. Since its independence in 1948, Myanmar's relations with China have been occupying a central position so much so that in the history of modern Myanmar's foreign relations, no other relationship has been able to draw as much attention as China has. For reasons, both good and otherwise, ties with the giant northern neighbour have always been dramatic and full of ups and downs ever since their existence as modern nation-states. Myanmar has the distinction of being the first non-communist country to recognise China in 1949. Within a few months since then, China-Myanmar relations were formally established on 8 June 1950.

However, relations could not sustain the momentum and for decades there was no constructive dialogue between the two countries.

Within a decade since independence, bilateral ties soured to such an extent that China intruded into Myanmar's territory in 1956. In fact, by early 1956, the PLA (People's Republic Army) troops were said to occupy almost 1,000 square miles of Myanmar's territory along the Sino- Myanmar border. Much to the surprise of the Burmese leaders, Chairman Mao Zedong termed Burma as a 'fascist country'. Interestingly, in the late 1980s, the relationship took another dramatic turn when the two countries not only restored cordial ties, but the military junta of Myanmar went to the extent of calling China its *Pauk Phaw*, which literally means sibling in Burmese.

It is evident from the aforementioned description that in the past half-a-century, China's relations with Myanmar have undergone different phases of friendship and resentment. Verily, their relationship has never been smooth. Rather consistent ups and downs have defined this set of relationship. With the recent controversies over exploitation of natural resources, the relationship has taken another unexpected sharp turn. Thein Sein government's decision to shelve the dam project gave a major blow to China's relationship with Myanmar. Moreover, since 2011, as Myanmar moved ahead on the reform path, it attracted a lot of attention and appreciation, particularly from the US and the West, leading to a phase of rapprochement between Myanmar and the West. The West has seen China as a road blocker in its relations with Myanmar. In fact China has been accused by the West of being a hurdle in the efficacy of sanctions imposed on Myanmar as also on the country's democratisation process. Amid changes at the political front, Myanmar is very well aware of the fact that China endeavours to manipulate its foreign policy moves which, most of the times, lead Naypyidaw to take extra care in dealing with Beijing. Perceived irritations in China-Myanmar relations is seemingly not affecting Myanmar much, as it has found new friends who could partner with it on a range of things including energy, infrastructure and foreign direct investments.

Apart from the ASEAN member countries particularly Singapore and Thailand, Myanmar has been receiving encouraging responses from Australia and Japan which are favourable towards President Thein Sein in his much-talked about reform process. Lately, the US and UK have also been showing keen interest in Myanmar. In fact, the US has played a vital role in letting the World Bank and Asian Development Bank initiate their engagements with Myanmar, which is world's second poorest country. It is somewhat apparent that Myanmar's attempt to

engage with the West is not only aimed at putting an end to decades old isolation, but also to minimise its over-dependence on China.

This paper argues that China's relationship with Myanmar is slipping into a rather rough phase, which have the potential to cripple Chinese influence on Myanmar. Thein Sein's coming to power as President in 2010, and subsequently the commencement of the reform process in 2011 has intensified the differences between China and Myanmar. Needless to say that the Myitsone dam and Letpadaung mine issues and USA's gestures towards Myanmar have triggered the relationship with China to a downward spiral. The paper substantiates the point that such peaks and troughs, evident in China- Myanmar relationship, are not new and, in fact, form the core of this relationship and play an important role in defining it. Despite presence of several prickly issues in China- Myanmar ties, the relationship still counts; geo-political and geo-economic compulsions will not let importance of China go down in Myanmar's foreign policy.

HISTORICAL BACKGROUND

Myanmar, sitting at the tri-junction of India, China, and Southeast Asia, functions as a gateway to Southeast Asia for China and India and vice versa. Naturally, it has influenced and has been influenced by the exchange of religious and political ideas and intermixing of cultures and intermingling of people over hundreds of years. Like India and Thailand, China too has strong historical and cultural linkages with ethnic groups of Myanmar, which is active even today. Amongst Myanmar's neighbours, China lies on its north and northeast, Andaman Sea and the Bay of Bengal on the South, India, and Bangladesh on the west, and Laos and Thailand on the east and the Southeast side. Of all, China shares the longest border with Myanmar, which is 2204 km in length.

In modern times, Myanmar and China achieved independence around the same time, *i.e.* January 4, 1948 and October 1, 1949 respectively. Myanmar was in the league of first few countries to grant recognition to China. As aforementioned, Myanmar was "the first country outside the communist bloc to recognise the People's Republic of China in 1949, the first to conclude a Treaty of Friendship and Mutual Non-Aggression with the nation, the first to achieve a boundary settlement in 1961, and one of the first to patch up relations with China after the Cultural Revolution which was officially declared over in 1977."¹

After achieving independence, both countries embraced socialist ideologies, but despite mutual recognition, neither felt motivated to support the other's specific ideological commitments.² Moreover, China's agenda of exporting communist ideology in the neighbourhood massively damaged the relationship. Like Indonesia and Thailand, Myanmar also became the laboratory for the Chinese attempts to engineer communist resistance with the Communist Party of Burma serving as their proxy. Public support for the communist insurgency was backed with the quieter provision of weapons and training.³ In the early years of independent Myanmar, the U Nu government had to face Chinese communist subversion. However, the two sides managed to maintain 'correct' relations, based on the Five Principles of Peaceful Coexistence. Rangoon government had to also face security challenges from China, including serious incursions by Chinese troops in 1956 into Wa state in Burma's northeast against the backdrop of competing territorial claims concerning the border and the presence of KMT troops in Shan State.⁴ Chinese attempts eventually got exposed thereby leading to deep distrust of China in Burma. The incursions also raised questions about China's sincerity towards agreements and respect for other country's territory. In the event, U Nu, in his capacity as President of Burma's Anti Fascist People's Freedom League, in September 1956, reached agreement in principle with Chinese leaders regarding the border dispute. The settlement of the border dispute in January 1960 fell to the then head of the caretaker government, General Ne Win. This briefly lifted relations to a new high; and Burma allowed PLA troops to cross over the border to militarily oust remaining Kuomintang (KMT) forces, seemingly in return for the favourable border settlement.⁵ Jurgen Haacke opines, "tussles emerged between the China, Taiwan and Burmese governments to secure the loyalty of the hundreds of thousands of ethnic Chinese living in the country. A violent climax was reached in 1967 as the Chinese embassy in Yangon mobilised ethnic Chinese to spread the Cultural Revolution and promote Mao Zedong's thought, sparking mass anti-Chinese riots."⁶ The incident came as a major jolt to China- Myanmar relationship.

In the late 1960s and 1970s, as Myanmar slipped under a military dictatorship, it started practicing a high degree of self-imposed isolation. Still under Ne Win, Burma distinguished itself by withdrawing from NAM (Non Aligned Movement) at the 1979 Summit in Havana, as the then ruling Burma Socialist Programme Party remained committed to

an 'independent and active foreign policy'.⁷ Haacke's argument is in line with Michael Leifer's opinion who says, "In Burma's case a policy of firm adherence to the defence of independence was combined, where necessary, with an expedient accommodation to safeguard that independence.' The extent to which such accommodation with China was considered compatible with nonalignment became clear when Burma's 1960 border agreement with the PRC was followed by a bilateral Treaty of Friendship and Mutual Non-Aggression."⁸

After the 1967 riots against Chinese in Burma, the relationship took time to recover. However, the period 1972-1988 was a thaw in bilateral relations between China and Burma. Relations between the two countries were renormalized in 1971. In the early and mid 1970s, Sino-Burmese ties faced the conundrum of how to heal the rupture. China attempted to assuage Burmese apprehension of China's export of revolution, while Burma wanted to reassure China about its neutral role in the game of power politics.⁹ Nevertheless, it took the two countries a long time to develop mutual trust for each other.

RECENT TRENDS IN CHINA- MYANMAR RELATIONS

The brutal repression of pro-democracy protest on August 8, 1988, led to a range of political, diplomatic, and economic problems for Myanmar. The sanctions imposed by countries across the globe added to Myanmar's problems. International isolation, necessities of economic sustenance and regime survival left no option for a hopeless Myanmar but to look up to China and the latter didn't miss the opportunity in bringing Myanmar into its fold.

Internationally, Myanmar needed a country, which could support its case at forums like United Nations General Assembly and the United Nations Security Council. China suited most to the Myanmar's interests on that front. Evidently, China has supported Myanmar's case regularly in the UN meetings. For instance, in 2007, China repeatedly defended the Myanmar military junta, leading to serious criticism from international community. On January 12, that year, China and Russia jointly vetoed the US sponsored resolution in the UNSC, demanding that the Myanmar military government release political dissidents hasten democratisation and stop attacking other ethnic minorities. When the Myanmar military government suppressed the massive but peaceful demonstrations in Yangon in late September, China again proclaimed

its non-intervention policy and opposed any economic sanctions towards Myanmar.¹⁰ Strengthening of diplomatic ties yielded to closer cooperation in all areas of mutual interest of China and Myanmar.

Clearly, China turned out to be a good friend of Myanmar in post-1988 situation. The era in Sino- Myanmar relations since 1988 has been driven by Chinese requirements at national and local levels for strategic and economic access to Myanmar and its resources to help fuel China's economic growth; and by inter Burmese needs for both economic support and a strategic partner against what the Burmese junta perceived as external threats, especially from the U.S. and through its ally, Thailand.¹¹

China- Myanmar Frictions: The Myitsone Dam and Letpadaung Mine Issues

Many believe that the issue of Myitsone dam, a giant Chinese hydroelectric project on the Irawaddy River, in Kachin state has created friction between China and Myanmar, though both the countries denied it at the official level. China Power Investment Corporation, a Chinese State-owned company, was involved in building and completion of the project. To be completed by 2017, the Myitsone dam was expected to provide up to 6,000 megawatts of electricity for China. President Thein Sein halted the US\$ 3.6 billion dam construction project, as it had invited strong protests from local populace. Unwilling to ignore popular protests, the Sein government had no option but to suspend the project. It is beyond doubt that Myitsone dam issue turned out as a trigger for downward spiral of relations with China, which further accentuated with Myanmar's attempt to inch closer to the US and open up to the international community.¹² The project, deferred until 2015, was meant to supply cheap electricity to southern China. According to a report published in *The Economist*:

The Myitsone was to be the largest, and at about 150 metres (458 feet), one of the highest in the world. If completed, the dam's reservoir would flood an area the size of Singapore and drive more than 10,000 people, mainly from the Kachin ethnic group, from their ancestral lands. The area straddles territory controlled by the Kachin Independence Organisation (KIO), one of Myanmar's myriad insurgencies. Last May the KIO warned China that building the dam would lead to "civil war".¹³

According to reports, China tried to intervene in the matter citing potential economic losses and damage to the robust bilateral ties between the two countries. Chinese officials also registered their protest on the matter. Some even went to the extent of saying that, "It is impossible that the investor move the hydropower projects out of Myanmar ... If the

Myanmar people are at risk, the investment by the investor is at risk as well. The investor and the Myanmar people are both stakeholders in dam construction."¹⁴ Thein Sein, however, refused to pay heed to such complaints and went ahead with his decision. Myitsone dam suspension has been seen as growing popular resentment against China. The decision was taken as a sign that China- Myanmar bonhomie was "not immune to the vicissitudes of Myanmar's political transformation, and that Myanmar would be prepared, if required, to find other backers and friends. The fact that the Chinese apparently failed to see it coming was widely considered further evidence that their strong relationship with the Myanmar military brass could not be taken for granted."¹⁵

Controversy over Letpadaung Copper Mine brought another major setback to China- Myanmar relations. In 2012, a group of villagers protested against the project expansion and claimed that acres of land including holy sites had been illegally seized. Owing to the protests, the project was halted for a while. However, the controversial Letpadaung copper mine is set to resume operations in two months, Hla Tun, a union minister remarked in July 2013, following the signing of a new contract that gives the government a large share of the mine's profits.¹⁶ The new terms give the government 51 percent of the profits from the Letpadaung copper mine in Monywa, 760 km north of Yangon, far more than its original 4 percent share.¹⁷ While the new agreement seems to be beneficial for the government in general and fruitful for the relations in particular, it is still too early to predict whether it will be able to assuage public anger.

TABLE 1: CHINA'S INFRASTRUCTURE DEVELOPMENT PROJECTS IN MYANMAR

No.	Year	Project	Amount	Details
1.	2003	Yeywa hydroelectric project	US\$ 700 Million	US \$ 200 million preferential loan given by China Exim Bank to Myanmar.
2.	2003	Shweli Hydropower Project	US\$ 150 Million	Joint Venture contract signed between Myanmar Ministry of Electric Power and Yunnan Joint Power Development Company. Project located in northern Shan State.
3.	2004	Lashio-Muse Railroad Project	N.A.	170 km in length and located in Shan state.
4.	2004	Mineral exploration along		Agreement signed during

CHINA- MYANMAR NO MORE PAUK PHAWS?

	China- Myanmar border regions	N.A.	visit of Vice-President of China, Madame Wu Yi.
5. 2004	Thanlyin- Kyaukthan Industrial zone	N.A.	1,230 hectares in size, it is proposed to be Myanmar's first SEZ.
6. 2005	Paunglaung Hydropower Project	US\$ 160 Million	Constructed by Yunnan Machinery Import and Export Corporation and funded by Export-Import Bank of China.
7. 2005	Oil and Gas Infrastructure for several project	N.A.	Rakhine Block a-4; Moattama Blocks M-2 and M-10 to be developed by Myanmar Oil and Gas Enterprise with production sharing contracts with China National Petroleum Corporation (CNPC) and China National Offshore Oil Corporation (CNOOC)
8. 2008	Construction of deepwater port at Ramree Island and 1,900 km Kunming-Mandalay-Kyaukphyu road	N.A.	To eventually set up a transport corridor from Myanmar to Yunnan linking the latter with the Bay of Bengal and thereby bypass the Malacca Straits and the South China Sea.

Source: Haacke (2006) and Kudo (2006), cited in Raviprasad Narayanan, *China Report* Vol. 46, No. 3, 2010, p. 257).

As evident from the Table 1, China has huge investments in Myanmar. Considering the massive scale and importance of these projects, China will keep playing an important role in infrastructure development in Myanmar, thus Myanmar will have to keep relations with China in good condition to keep these projects intact.

Naypyidaw's New Strategy: Lesser Dependence on China for More Autonomous Policies

It is beyond doubt that Myanmar has been excessively dependent on China, which is not only unhealthy but also an unsustainable practice. One may argue that over the years, Myanmar had become over-dependent on China, to the extent of being labelled a 'satellite state' of China.¹⁸ However, the recent developments suggest that Myanmar wants to interact with the world on its own accord so as to lessen its dependence on China. According to a study carried out within Myanmar, the country's "reliance

on China as a diplomatic ally and economic patron has created a 'national emergency' which threatens the country's independence."¹⁹

So far as the bilateral trade is concerned, China- Myanmar trade links are centuries old, dating back to the 11th century during the Pagan dynasty. In the recent past, the trade relations started officially in November 1989 after decades of mutual avoidance. According to Steinberg and Hongwei, "during the Cold War, economic and trade dimensions were principally motivated by political calculations and served as a tool for political relations. Since 1988, however, economic interests have become a prime consideration of Beijing's policy towards Myanmar and have become interlinked with Beijing's long term security interests."²⁰ In November 1989, State Law and Order Restoration Council (SLORC) signed a multiple trade and economic agreement with the Yunnan province authorities. A month later, in December 1989, the two countries signed an economic and technical cooperation agreement in which China agreed to offer an interest free loan of US\$ 15 million for the Rangoon- Thanhyin rail and road bridge construction project. There has also been a sharp jump in the trade volume of the two countries. In 1988, for example, the total trade between China and Myanmar reached US \$ 9.51 million. In the year 2000, the total trade increased to US \$ 621.26 million.²¹ It is Myanmar's biggest trade partner. Bilateral trade has increased substantially and crossed the US\$ 4 billion mark in 2010. China gradually replaced Myanmar's neighbours like Thailand and other Southeast Asian nations and became Myanmar's biggest trade partner. However, there are several issues of concern, raised by the international community; one of the most significant of them being the fact that China is not a member country of Development Assistance Committee (DAC) of the OECD, and it does not disclose its economic cooperation programs. The Myanmar government does not disclose their receipt of economic cooperation from abroad, either.²² Nevertheless, according to the ADB, following are the major trends in Myanmar's exports and imports with major partners:

From tables 2 and 3 given above it is clear that China holds a key position in Myanmar trade. In fact, Thailand, India and the People's Republic of China (PRC) account for more than three-quarters of Myanmar's (cumulated) exports between 2006 and 2010. Nearly half the country's exports are destined to Thailand alone. China, Thailand, and Singapore together account for nearly three quarters of Myanmar's imports. More than one third of imports are sourced from the PRC alone.²³ So far as economic relations are concerned, China has been Myanmar's

TABLE 2: MYANMAR'S EXPORT COMPOSITION (2006- 2010)

<i>Importer</i>	<i>Total \$ Million</i>	<i>STX</i>	<i>Food</i>	<i>Fuels</i>	<i>Agricul- ture</i>	<i>Manufac- turing</i>
Thailand	13,615	48.4	3.3	91.3	4.5	0.9
India	4,722	16.8	62.8	0.0	36.1	1.1
China	2,891	10.3	25.0	3.6	67.5	4.0
Japan	1,583	5.6	32.7	0.0	7.0	60.3
Malaysia	812	2.9	48.1	0.1	43.1	8.8
S. Korea	532	1.9	10.9	26.8	5.1	57.2
Germany	515	1.8	2.5	0.0	6.9	90.6
Singapore	421	1.5	37.8	0.7	46.3	15.2
U.K.	304	1.1	30.2	0.7	2.2	66.9
Rest of the world	2,763	9.8	41.4	0.1	26.2	32.4
World	28,157	100.0	23.1	45.1	20.3	11.5

(The figures represent percentage shares unless indicated otherwise. Total \$m are total exports. STX is the share out of total exports. 'Manuf.' are manufactures and 'Agric.' are non-food agricultural commodities. 'ROW' (Rest of the World) are all countries with STX smaller than 1%.)

Source: Asian Development Bank paper *Myanmar's Trade and its Potential*, No. 325, January 2013.

TABLE 3: MYANMAR'S IMPORTS COMPOSITION (2006-2010)

<i>Exporter</i>	<i>Total \$ Million</i>	<i>STM</i>	<i>Food</i>	<i>Fuels</i>	<i>Agricul- ture</i>	<i>Manuf.</i>
China	10,622	35.7	3.1	5.1	1.3	90.5
Thailand	6,659	22.4	23.4	16.9	1.5	58.2
Singapore	4,677	15.7	11.6	40.3	2.4	45.7
S. Korea	1,542	5.2	0.2	1.6	5.0	93.1
Malaysia	1,268	4.3	39.4	15.3	3.3	42.0
Indonesia	1,110	3.7	58.6	0.3	0.3	40.8
India	1,005	3.4	13.2	2.2	1.9	82.7
Japan	931	3.1	0.5	0.3	1.4	97.8
Rest of the world	1,977	6.6	16.6	5.2	2.7	75.5
World	29,792	100.0	13.6	13.1	1.9	71.5

(The figures represent percentage shares unless indicated otherwise. Total \$m are total imports. STM is the share out of total imports. 'Manuf.' are manufactures and 'Agric.' are non-food agricultural commodities. 'ROW' (Rest of the World) are all countries with STM smaller than 1%.)

Source: Asian Development Bank paper *Myanmar's Trade and its Potential*, No. 325, January 2013.

second largest trading partner for long and the third largest investor. It has also been reported in the media that the two countries are likely to supervise China-Myanmar economic cooperation projects by forming working groups between them.²⁴ According to official statistics, in 2009,

China- Myanmar bilateral trade totalled 2.907 billion U.S. dollars. Up to January 2010, China's investment in Myanmar amounted to 1.848 billion U.S. dollars, accounting for 11.5 percent of Myanmar's then total foreign investment.²⁵ Moreover, according to reports, The China-Myanmar main border trade center, Muse, has traded US\$225 million of goods in June, 2013. According to the report:

The centre mainly exported farm products such as rice, bean, corn and sesame. Myanmar has exported 14886 tons of ehmeta (approximately \$6.65 million in value), 11537 tons of ngesein (approximately \$5.08 million in value) and 13922 tons of broken rice (approximately \$4.73 million in value). Myanmar has earned \$16.46 million in total from the exported rice. Myanmar has also exported mung bean, corn, peanut and white sesame and earned \$46.78 million in total. More than half of exported earnings are earned from farm products export.²⁶

However, the picture is not as rosy as it seems since China has been monopolising Myanmar's markets, which has gone to such an extent that local traders have been left high and dry. Like any other country in Southeast Asia, Myanmar is also anxious of its markets being flooded with cheap and low quality Chinese goods which, in a way, are threats to economic sovereignty of Myanmar.²⁷ Also, the Chinese hunger for natural resources has, to a certain extent, ignited resource nationalism amongst common Myanmarese. It is also believed that China has kept Myanmar insulated in order to reap the benefits of its resources alone. Though China came to Myanmar's rescue when the latter was going through difficult times, over the years, Myanmar found the relationship suffocating. China's control over resources and markets as well as influx of huge number of Chinese became a concern for Myanmar. The large-scale migration to Myanmar that occurred over these years also played a key role in increasing ties, as Chinese entrepreneurs found their way into all the crevices of Myanmar's commercial life.²⁸ It is estimated that over the past 25 years, the Chinese population has grown by over 2 million people. Such a massive influx naturally became a matter of grave concern for policy makers and masses alike. Cautioning China about its shortsighted approach, Thant Myint-U, in his book *Burma and the New Crossroads of Asia: Where China Meets India*, rightly points out that "Chinese interests are served in the short term but in the longer term, anti-Chinese sentiment increases; the opportunity for a friendly and mutually beneficial relationship, so important to Burma, is lost".²⁹

China, Myanmar and the Ethnic Rebels

Apart from an overwhelming presence in the economic domain, another tool at China's disposal has been the ethnic linkage. What makes the matter even more challenging is the fact that over the years, the Chinese have also attempted to broker peace between the Myanmar military and the ethnic militias on their border, and have sought to discourage the involvement of other players, especially from Western democracies. It is widely believed that in the inter-related areas of military and ethnic affairs that the Chinese are most prone to wield their influence, and this has become perhaps the most contentious area for the Myanmar side. Through the years of military rule since 1988, China forged special relationships with local authorities in border areas to facilitate trade and maintain a delicate relationship between the Chinese, ethnic militias and the Myanmar government.³⁰

In these areas, where the impact of ethnic conflict on stability in China is most relevant, the Chinese have been consistently willing to shun their policy of non-interference and meddle in their neighbour's affairs. It is also believed that there are early indications that China's once pre-eminent role in border matters may further diminish in the years ahead- something that China wouldn't like to see. Rather, China wants to see the tranquillity prevailing along the borders. In addition, China's close ties with the United Wa State Army- Myanmar's main drug-trafficking militia, has not gone unnoticed by the authorities in Naypyidaw.³¹ It is important to note here that The United Wa State Army (UWSA), the largest ethnic army to emerge from the CPB's (Communist Party of Burma) collapse in 1989, enjoyed the privilege of Chinese support for long. China has also shown keen interest in bringing the two sides closer and ensure peace between them, which has not been liked by Myanmar leadership. Though remotely possible, one cannot deny the likelihood of a worst-case scenario in which, as Mohan Malik argues, "Beijing could even threaten to resume assistance to ethnic insurgents fighting for independence on the Sino-Burmese border."³²

Diversifying Relations to Balance the Chinese Influence

Myanmar's improved relations with ASEAN, India and the US have proved beyond doubt that Naypyidaw has been striving to craft a balanced foreign policy, which enables the country not to become excessively dependent on a particular country. Inching closer to the US

seems to be a part of that strategy. It is worth noting that Myanmar has always tried to maintain an autonomous and independent foreign policy. It is widely acknowledged that:

Successive Myanmar governments since independence have based their foreign policy on 'non-alignment' and highlighted their 'independent' nature in the conduct of diplomacy. The Myanmar government expects that the principles of sovereign equality and non-interference in internal affairs should form the basis upon which a country's foreign relations should be regulated. It is in this context that Myanmar has formulated her China policy.³³

The Thein Sein government is taking all possible measures to garner US support, the most crucial being the release of the opposition leader Aung Sun Suu Kyi who has, in turn, contested the much-awaited by-election in April 2012. This was considered a step in granting legitimacy to the Sein government and the election process in Myanmar.³⁴ In another positive sign, even the ethnic minority leaders have been reaching out to the US, India and members of the European Union for developmental investment in remote areas inhabited by ethnic minorities. Hillary Clinton's meeting with Kachin ethnic minority leader Daw Bauk Gyar and others on February 8, 2012, indicates that.³⁵ For its part, the Sein government has shown signs of adopting a reconciliatory approach towards the country's ethnic minorities. In order to end incessant ethnic clashes in various parts of the country, the Sein government had signed 11 ceasefire agreements including the January 2012 agreement with the Karens, and those signed with the Shan and Kachin rebel groups in December 2011, and that with the New Mon State Party on 1st February.³⁶ For instance, the deal with the Mons permits them to celebrate their national day, which had been prohibited for the past 15 years.³⁷ These moves clearly demonstrate that the Sein government is keen to make peace with the country's ethnic minorities. Bringing ethnic minority leaders into the political mainstream is also likely to strengthen the democratic process in Myanmar, even though Suu Kyi is likely to remain the main reference point for the further development of democracy in the near future.³⁸

The US has acknowledged these changes in swiftly changing Myanmar and has been taking into account the suggestions made by Myanmar's neighbours including India and the member countries of ASEAN. India has consistently conveyed to the US the fact that sanctions had not worked in most cases and might not work in Myanmar as well and that therefore a policy change was required. Driven by this belief, India has been building bridges with Myanmar through trade, investment

and regular high-level visits by political and military delegations.³⁹

China: Too Big to be Overlooked

Notwithstanding the recent downward spiral in China's relations with Myanmar, it is still one of the most important countries for Myanmar in terms of foreign policy formulations. Myanmar too figures prominently in China's scheme of things for several politico-military and economic reasons. China views Myanmar as the gateway to Southeast Asia and beyond. Both countries are working towards enhancing the connectivity. According to the October 17, 2010 report of *Xinhua*, a state-run news agency in China, Myanmar has planned to construct a railroad that will link a deep-sea port, Kyaukphyu, in western Rakhine state with Kunming, southwest of China. The Kyaukphyu-Kunming railroad is targeted to be finished in 2015. The railroad will pass through Rakhine State, Magway Region, Mandalay Region and Shan State in Myanmar. The railroad project is divided into such sections as Kyaukphyu- Eann-Minbu, Minbu-Magway-Mandalay-Lashio-Muse and Muse-Jiegao trans-border railroad. After the project is implemented, Myanmar's Shan State and China's Yunnan province can be connected directly and the railroad will mainly facilitate the goods flow from China. Meanwhile, China has also planned to invest in a special industrial zone to be established in Kyaukphyu.⁴⁰ This is just one of the several projects going on in Myanmar which is aimed at greater connectivity and faster communication between China and Myanmar.

China: Myanmar's Principal Arms Supplier

Myanmar heavily relies on China for its arms procurement. In fact, in the past two decades, China has become the most important defence partner of Myanmar. Interestingly, only after restoration of ties, China started supplying arms to Myanmar. For instance, in 1989, the first military delegation from Myanmar arrived in Beijing to negotiate the arms procurement agreement. A deal was struck worth about US\$ 1.4 billion. Besides the supply of arms, China also agreed to train Myanmar's air force, military and army personnel.⁴¹ It is also believed that one of China's motives for arming Myanmar was to help safeguard the new trade routes through its potentially volatile neighbour.⁴² In the 1990s, Myanmar acquired weapons at a discount or through barter deals or interest-free loans. Military hardware delivered by China included 100 Type 69II medium battle tanks and more than 100 Type 63 light tanks (of

which only around 60 are thought to be serviceable); 250 Type 85 armoured personnel carriers, multiple-launch rocket systems, howitzers, anti-aircraft guns, HN-5 surface-to-air missiles, mortars, assault rifles, recoilless guns, rocket-propelled grenade launchers and heavy trucks; Chengdu F-7M Airguard jet fighters, FT-7 jet trainers, A-5M ground-attack aircraft and SAC Y-8D transport aircraft; and Hainan-class patrol bombs, Houxin-class guided-missiles fast-attack craft, mine-sweepers and small gunboats.⁴³ In 1994, Myanmar bought about US \$ 400 million worth of arms. October 1996 visit of army chief general Maung Aye's visit to Beijing resulted in further military and intelligence cooperation between the two countries. China's intention to seek closer strategic alignment and economic cooperation with Myanmar could be seen from the visit to Rangoon of a high power delegation of about 100 members led by Li Peng and his counterpart, General Than Shwe who agreed to reaffirm and further strengthen the closer relationship between the two countries.⁴⁴ As is evident from Table 4, between the years 2004 and 2007 China supplied Type-344 Fire control radar, and C-801/CSS-N-4 Sardine Anti-ship missile among other things. In 2011- 2012, China supplied one Aung Zeya Frigate and one FAC-49 1 Type also.

From Table 4 it is evident that over the years Myanmar's dependence on China for sophisticated arms procurement has only increased. This is particularly apparent in the past 10 years. Since the year 2001 Myanmar has purchased several Frigates and anti-ship missiles. Myanmar's dependence on China, at least for arms procurement is not likely to go down considering that the US is yet to get into a defence trade agreement with Myanmar. It is important to note that the finer details of terms of trade agreement between China and Myanmar are also not available in open sources, which limits the scope of analysis to considerable extent. Of late, Myanmar has purchased weapons from a number of countries including Russia, United Kingdom and North Korea as well in order to diversify the procurements. However, even today China stands at the top as Myanmar's principal partner for arms trade. So, against all odds, Myanmar still finds in China a big-ticket defence product supplier, a key investor country and a prime economic partner.

For China, on the other hand, Myanmar has been critically important for strategic and economic reasons. Myanmar shares more than 2,000 km border with China which border separates Southwest China from eastern Myanmar. As part of its strategy to develop impoverished landlocked regions of Southwest China, it has been using Myanmar as

TABLE 4: CHINESE ARMS TRANSFER TO MYANMAR (1988- 2012)

<i>supplier-China recipient (R)/ licensor (L)- Myanmar</i>	No. Ordered	Weapon designation	Weapon description	Year of order license	Year of deliveries	No delivered/	Comments
	3	JLG-43	Height-finding radar	1988	1989-1991	3	Possibly ex-Chinese
	3	JLP-40	Air search radar	1988	1989-1991	3	Possibly Ex-Chinese
	55	Type 63	Light tank	1989	1989-90	55	
	30	WZ-121/ Type-69	Tank	1989	1990	30	Type 69-II version
	100	YW-531H/Type-85	APC	1989	1990	100	
	2	F-6/farmer	Fighter aircraft	1990	1991-92	2	Probably FT- 6 Trainer version
	12	F-7M Airguard	Fighter aircraft	1990	1990-1991	12	Including 2 FT-7 version
	10	Hainan/Type-037	Patrol Craft	1990	1991-93	10	Myanmarese designation Yan Sit Aung
	200	HN-5A	Portable SAM	1990	1990-92	200	
	75	PL-2	SRAAM	1990	1990-91	75	For F-7M combat aircraft
	4	Type- 311	Fire control radar	1990	1990-1993	4	For use with 24 type- 74 37 mm AA guns; could be type- 702
	24	Type-74 37 mm	AA gun	1990	1990-1993	24	
	5	EFR-1	fire control radar	1991	2002-2003	5	For 5- Myanmar patrol craft produced in Myanmar
	5	Type-76 37 mm	Naval gun	1991	1998-02	5	For 5 Myanmar patrol craft produced in Myanmar
	4	Y-8	Transport aircraft	1991	1994	4	Y-8 D version

24	A-5C Fantan	FGA aircraft	1992	1997-98	24	
12	F-7M Airguard	Fighter aircraft	1992	1993	12	Including 2 FT-7 Version
1	JY-8A	Fire control radar	1992	1993	1	For use with Type-59 57 mm AA guns
225	PL-2	SRAAM	1992	1993-98	225	For F-7M and A-5C combat aircraft
12	F-7M Airguard	Fighter aircraft	1993	1998-1999	12	Including some FT-7 version
40	PL-2	SRAAM	1993	1998-1999	40	For F-7M combat aircraft, status uncertain
100	PL-5B	SRAAM	1993	1998-1999	100	For F-7M combat aircraft
50	Type-63	Light tank	1993	1993	50	
30	Type-63 107mm	Toad MRL	1993	1993	30	
50	WZ-121/Type-69	Tank	1993	1995	50	Type-69-II version
150	YW-531H/Type-85	APC	1993	1993	150	
50	C-801/CSS-N-4	Anti-ship missile	1994	1995-97	50	For Houxin (Maga) FAC
6	Houxin/Type-037/1G	FAC(M)	1994	1995-97	6	Myanmarese designation Maga
3	Type-344	Fire control radar	1996	2004-05	3	For 3 Myanmar FAC produced in Myanmar
12	K-8 Karakorum-8	Trainer/ combat ac	1997	1999	12	
8	AK-230 30mm	Naval gun	2001	2004-07	8	For 4 Myanmar FAC produced in Myanmar; supplier uncertain
30	C-801/CSS-N-4	Anti-ship missile	2001	2004-05	30	For Myanmar FAC;

25	Type-59 D	Tank	2002	2004	25	designation uncertain (could be C – 802))	
2	BT-6	Trainer aircraft	2005	2006	2	Probably ex Chinese Type-59 rebuilt to Type-59 D before delivery	
30	C-802/CSS-N-8	Anti ship missile	2006	2011	10	For Aung Zeya Frigates	
10	C-802/CSS-N-8	Anti ship missile	2009	2012	10	For FAC-491 Type FAC	
50	K-8 Karakorum-8	Trainer/Combat AC	2009	2011-2012	40	No could be 60 or 72; assembled in Myanmar	
10	ZFB-05	APC	2010	2011	10		
25	HY-2/SY-1A/CSS-N-2	Anti ship missile	2011	2012	25	Possibly ex-Chinese; for Type-053 (Jianghu-2) Frigates	
2	Type-53/ Jianghu	Frigate	2011	2012	2	Ex-chinese; Type-053 H1 (Jianghu-2) version	
License-Myanmar	3	Anawratha	Corvette	1997	2001-2005	3	
	2	Aung Zeya	Frigate	2006	2011	1	
	1	FAC-491 Type	FAC	2009	2012	1	

Source: SIPRI Arms Trade Register Database at www.sipri.org

the land-bridge. China also wants to revive its southwest Silk Route from Yunnan and Sichuan to Myanmar, Bangladesh and India as well. Access to Myanmar's ports helps China get access to the Indian Ocean, thereby not only providing additional trade outlets but also help realising The Two Oceans Objective. Hak Yin Li and Zheng, Yongnian opine that in terms of strategic interests, Myanmar's location at the north-western part of Indochina peninsula, close to the Bay of Bengal, makes it an emergency transport route for China if the Malacca strait were to be blocked. Myanmar also acts as a buffer against international intervention in China's backyard.⁴⁵

Being a littoral state in the Indian Ocean, Myanmar is strategically very important for both India and China which are striving hard to establish their foothold in the region. Hence, Myanmar is crucial for China in a way that Chinese access to Myanmar's ports, which arguably is related to its plans to establish blue water navy in coming years, has heightened India's security concerns. China has been focusing on its maritime prowess for the past more than two decades. It was in 1987 to be precise when China put forward its vision of making blue water navy in next 50 years. What seems as a major breakthrough in its policy is the 'forward sea defence policy' launched lately. The forward sea defence will have profound impact on the politics of Indian Ocean and no wonder India feels insecure, especially if it is coupled with China's so-called 'String of Pearls Strategy'. China has been getting militarily engaged with Myanmar with a long-term plan.

CONCLUSION

From the foregoing paragraphs, it is evident that owing to a wide range of reasons China- Myanmar relationship reached a plateau- a stage which came faster with the rapid pace of opening up of Myanmar to the world. One may argue that as the reform process in Myanmar strengthens and becomes more and more irreversible, salience of China in Myanmar's foreign policy design will go down. That, however, is subject to the conditions of Myanmar's engagement with the US and the rest of the world.

While China- Myanmar relation has always been a subject of debate, it is not easy to interpret their relations in a true sense. Undeniably, despite USA's increased presence and India's engagement, China still remains very influential and irreplaceable for Myanmar. These two

countries found long-lost friends in each other when they were in total isolation that goes for Myanmar more.⁴⁶ Despite the recent irritants in the relationship and increasing interactions of Myanmar with India and the US, China has not protested, as for instance, during Indian Prime Minister Manmohan Singh's Myanmar visit. China is likely to try and maintain good relations through frequent high and mid-level visits and regular consultations on economic aspects including defence trade, connectivity and the energy cooperation.

China would not like to see an unstable Myanmar, which is in its best interest. There are several reasons to substantiate that point. For one, instability will hamper its ongoing connectivity and energy cooperation projects. Moreover, instability in Myanmar will also affect China's plans to have access to the Indian Ocean through Myanmar- something it has been eyeing for a long time. For China, perhaps the best option is to make the most out of current situation- i.e. to keep working on critically important projects quietly, without making any noises or raising eyebrows about the attempts of the West to make inroads in Myanmar. China would also like to keep the stakes in bilateral relationship so high that Myanmar finds it difficult to overlook cooperation with China. However, China is and will wait and watch: while trying to keep the relationship going in good shape, it will keep an eye on the West's attempts. Thus China is likely to adopt a two-pronged strategy: making the most out of available situation and minimising the damage while following a policy of wait and watch.

For Myanmar and the Thein Sein government, there cannot be a moment better than the current phase. With the success of ongoing reform process, it has successfully pacified Aung San Suu Kyi. There is a hope that Aung San Suu Kyi and Thein Sein might go for a power sharing agreement in the future. The keen interest shown by the Western world and India is helping Myanmar seek a balanced approach in terms of its foreign relations, where every stakeholder is trying to maximise its benefits by cooperating with Myanmar in a peaceful way. Myanmar needs to evolve a calibrated policy vis-à-vis China, ASEAN, US and India so as to maximise the benefits of good relations with these major stakeholders.

REFERENCES

1. Sudha Ramchandran, 'Yangon still under Beijing's thumb'. *Asia Times*, February 11, 2005, http://www.atimes.com/atimes/Southeast_Asia/GB11Ae01.html
2. Stephanie Shannon and Nicholas Farrelly, 'Whither China's Myanmar

- Stranglehold?' *ISEAS Perspective*, no. 40, 2013, June 27, 2013.
3. *Ibid.*
 4. Jurgen Haacke, 'The nature and management of Myanmar's alignment with China: The SLORC/SPDC Years'. *Journal of Current Southeast Asian Affairs*, Vol. 30, No. 2. 2011, pp. 105-140.
 5. *Ibid.*
 6. *op. cit.*, No. 2.
 7. *op. cit.*, No. 4.
 8. Michael Leifer, *Foreign Relations of the New States*. Camberwell, Victoria, Longman. 1972. p 28-30. Cited in Jurgen Haacke, 'The nature and management of Myanmar's alignment with China: The SLORC/SPDC Years', *Journal of Current Southeast Asian Affairs*, Vol. 30, No. 2. 2011. pp. 105-140.
 9. David L. Steinberg and Hongwei Fan, *Modern China – Myanmar Relations dilemmas of mutual dependence*. Leifsgade, NIAS Press, 2012, p.131.
 10. Li, Hak Yin and Zheng, Yongnian, 'Re-interpreting China's Non-intervention Policy towards Myanmar: leverage, interest and intervention'. *Journal of Contemporary China*, Vol. 18, No. 61, 2011, pp.617 — 637.
 11. *op. cit.*, No. 9. p.156.
 12. Sudha Ramchandran, 'China presses Myanmar on stalled dam', *Asia Times Online*, February 7, 2012, http://www.atimes.com/atimes/Southeast_Asia/NB07Ae01.html
 13. 'Myanmar's surprising government: Dammed if they don't', *The Economist*, October 4, 2011.
 14. *op. cit.*, No. 12.
 15. *op. cit.*, No. 2.
 16. For details see <http://www.irrawaddy.org/archives/40818>
 17. For details see <http://www.worldbulletin.net/?aType=haber&ArticleID=113919>
 18. *op. cit.*, No. 9.
 19. Cited in Bertil Lintner, 'The Master plan for Myanmar', http://atimes.com/atimes/Southeast_Asia/NB10Ae01.html, The study, published in 2004 under the title 'A Study of Myanmar-U.S. Relations', was written by Lt. Col. Aung Kyaw Hla. Hla, according to Bertil Lintner, can either be a researcher at the Myanmar's Defence Services Academy or a codename used by a military think-tank.
 20. *op. cit.*, No. 9.
 21. Poon Kim Shee, 'The Political Economy of China-Myanmar Relations: Strategic and Economic Dimensions' *Annual Review of International Studies*, The International Studies Association of Ritsumeikan University, Ritsumeikan 2002. Vol. 1, pp. 33-53
 22. International Crisis Group, *China's Myanmar Dilemma*, 14 September 2009.
 23. Myanmar's Trade and its Potential, *Asian Development Bank*, paper, No. 325, January 2013.
 24. For details see <http://english.peopledaily.com.cn/90001/90776/90883/7139682.html>
 25. *Ibid.*
 26. For details see [http://www.asianewsnet.net/Myanmar-China-farm-exports-reach-US\\$225m-49164.html](http://www.asianewsnet.net/Myanmar-China-farm-exports-reach-US$225m-49164.html)
 27. *op. cit.*, 21.
 28. *op. cit.* No. 2.
 29. Myint-U, Thant, *Burma and the New Crossroads of Asia- Where China Meets India*. London, Faber and Faber Limited, 2011, p. 325.

-
30. *op. cit.*, No. 2.
 31. *Ibid.*
 32. *op. cit.*, No. 4.
 33. Maung Aung Myoe, *In the name of Pauk-Phaw: Myanmar's China Policy Since 1948*. Singapore, ISEAS, 2011, p. 1.
 34. 'Suu Kyi confirms bid for parliament seat'. *The Indian Express*, January 11, 2012, <http://www.indianexpress.com/news/briefly-world-suu-kyi-confirms-bid-for-parliament-seat/898284/>
 35. For full text see <http://www.state.gov/r/pa/prs/ps/2012/02/183608.htm>
 36. 'Myanmar Civil Society Delegation Visits Clinton'. *RTT News*, February 9, 2012, <http://www.rttnews.com/1816415/myanmar-civil-society-delegation-visits-clinton.aspx>
 37. 'Myanmar's Mons allowed to mark national day'. *Al Jazeera*, February 8, 2012, <http://www.aljazeera.com/news/asia-pacific/2012/02/201228145322572206.html>
 38. *op. cit.*, No. 21.
 39. *Ibid.*
 40. For details see <http://english.peopledaily.com.cn/90001/90776/90883/7168288.html>
 41. *op. cit.*, No. 21.
 42. *op. cit.*, No. 9.
 43. 'China's ambitions in Myanmar India Steps up countermoves'. *IISS Strategic Comments*, Vol. 6, Issue 6, July 2000
 44. *Ibid.*
 45. Li, Hak Yin and Zheng, Yongnian, 'Re-interpreting China's Non-intervention Policy towards Myanmar: leverage, interest and intervention'. *Journal of Contemporary China*, Vol. 18, No. 61, 2009, pp. 617 — 637.
 46. *op. cit.*, No. 9.

PAKISTAN-CHINA RELATIONS

A CASE STUDY OF ALL-WEATHER FRIENDSHIP

ASHISH SHUKLA

INTRODUCTION

There is hardly any doubt that the contemporary world recognises not only the hard currency of military power of the states but their economic foundation is also taken into account while calculating their respective power and influence in the international system. There are various schools of thought that explain the very nature of international system and the behaviour of the states as well. However, the most dominant among them is the realist school which provides the most powerful explanation for violent conflicts in the international system. Hans J. Morgenthau, one of the founding fathers of the realist school in 20th century, famously argued that "International politics, like all politics, is a struggle for power. Whatever the ultimate aims of international politics, power is always the immediate aim."¹ He further emphasised that "Struggle for power is universal in time and space and is an undeniable fact of experience. It cannot be denied that throughout historic time, regardless of social, economic, and political conditions, states have met each other in contests for power."²

For realists, state is the pre-eminent actor in world politics and international relations, basically a struggle for domination and security, are primarily relations between the sovereign states.³ They argue that anarchy, which exists beyond the borders of the state, is the basic feature of international politics where there is no overarching central authority⁴ and in such a situation state is solely responsible for its own security and well being.⁵ Now the question arises what should the states,

particularly small and weak, do if they are being threatened by a stronger adversary? Strategic realism, a variant of realism, which deals with foreign policy decision making provides a cue in this regard. According to the logic of strategic realists, when representatives of the states face some of the basic diplomatic and military issues, they are obliged to think strategically or instrumentally.⁶ Kenneth Waltz, a renowned neo-realist or structural realist, provides an in-depth and scientific analysis of the international political system and argues that the structure of the international system is more important than the actors, the representatives of the state who hold the authority to take a final decision, because it is the very structure which often compels the actors to behave in a certain manner. He even identifies three components of the structure of the international system namely—ordering principles, character of the units, and distribution of.⁷ It can be safely argued that the best option available to states in such situations, realists assume, is the balance of power. Thus, in order to ensure their survival and preserve their independence, weaker states should either join forces with other states or establish a formal alliance.

Pakistan, a born insecure state, is a fit example that has worked tirelessly to forge an alliance, first with the United States,⁸ Muslim nations of the world,⁹ and later with the People's Republic of China as well. The only logic behind such a strategy, given from 1947 till date, is the existential threat posed by a larger and stronger neighbor - India. Many in Pakistani establishment believe, even today, that India is not reconciled to the partition and wants to undo it. Former Pakistani President Mohammad Ayub Khan, in his political autobiography categorically accused India of having a hegemonic design. In his own words:

The Indian leaders made no secret of their designs. Mr. Acharya Kripalani, who was the President of the Indian National Congress in 1947, declared, 'Neither the Congress nor the nation has given up its claim of a united India.' Sardar V. B. Patel, the first Indian Home Minister and the 'strong man' of the Congress Party, announced at about the same time, 'Sooner than later, we shall again be united in common allegiance to our country.'¹⁰

There is no evidence at all that India, despite being the much powerful state, made any attempt to swallow its smaller neighbour by applying force. The statements of Acharya Kripalani and Sardar Patel, as mentioned by Ayub Khan, can best be explained as occasional emotional outbursts unsubstantiated by India's official policy and activities in the region. It is important to note that India and Pakistan have fought four

wars, including the Kargil in 1999, but all of them were imposed upon India by Pakistan itself. Prof. Ishtiaq Ahmed agrees that on at least three occasions, excluding 1971 war which resulted in the breakup of the two wings of Pakistan, it was Pakistan that initiated the war. He questions the very logic of "India Threat" openly and argues that "If we say that India is a threat to Pakistan's existence. Normally one would expect India more often than Pakistan initiating hostilities. So there is a puzzle [and Pakistan doesn't know] how to explain it."¹¹

In fact, after the partition of British India, Pakistan started its journey as an independent state with a fundamentally false assumption that India is the enemy no. 1 and poses an existential threat to the very survival of the country. In order to deal with this largely perceived threat, Pakistan embarked on a mission to enlist foreign support and get economic and military aid. It was the time when entire Europe was struggling to rebuild its war-torn economies and Washington was supposed to be the only likely source of help¹² for the newly established state in South Asia. Thus, it willingly became a part of US-led / sponsored military alliance system, but for a very different reason, and soon earned the distinction of being the "most allied ally of the United States." It is worth mentioning that, contrary to the popular belief, there was no convergence of interests between Pakistan and the United States.¹³ And that's the reason Pakistan later found its expectations unfulfilled by her Western partner. Her initial efforts to forge a Muslim bloc did not produce the desired results either.¹⁴ However, this has not been the case with its other important partner in Asia-The People's Republic of China.

It is worth mentioning that Pakistani leaders knew their country's geo-strategic location, especially of western Pakistan (present day Pakistan), very well and used this very strength from time to time to extract aid from one or other major power of the international system.¹⁵ Zulfikar Ali Bhutto, who is considered to be the architect of Pakistan's special relationship with China, in his speech in National Assembly of Pakistan on 24 July 1963 very emphatically stated that:

The fact is that the geo-political position of Pakistan is important to the world and to the global strategy of the great powers. We do not get aid and assistance because we beg for it. We get aid and assistance because Pakistan is a nation of a hundred million people with a geopolitical position of great importance. West Pakistan adjoins the Middle East, a region of vital concern to the world. East Pakistan is on the periphery of the sensitive areas of South East Asia. That being so, it is in the interest of certain powers to give aid to Pakistan.

Pakistan having committed itself to defence alliances with those powers, they are giving it aid. Thus there is mutuality of interests and reciprocity between Pakistan and those who give it assistance.¹⁶

Bhutto's assumption was quite right. Pakistan's geo-strategic location is her biggest strength. It is no secret that his reference to great powers, after US, included China too. Thus, Chinese policy of a good friendly relations with Pakistan can be analysed keeping latter's strategic location in mind. Both the countries have moved forward from the initial cold years to the present day commitment of a long term strategic partnership. The two most recent high profile visits highlight the very nature of the special relationship between both countries. In May 2013, on the occasion of the 62nd anniversary of Pakistan-China diplomatic relations, Li Keqiang, Premier of the State Council of the People's Republic of China, visited Pakistan and addressed the Pakistani Senate. During his speech, the Chinese Premier said:

China-Pakistan friendly exchanges are rooted in history. The ancient Silk Road connected us together. The formal establishment of China-Pakistan diplomatic ties in 1951 ushered our friendly relations into a new era. In the 62 years since then, the all-weather friendship and all-round cooperation between China and Pakistan have stood the test of the changing global environment and set a fine example for the growth of state-to-state relations...Over the past half century and more, China-Pakistan friendly relations have grown in strength from one generation to another, regardless of any change in the international environment or domestic politics. Ours is a brotherly friendship that has been tested by times of difficulty and forged by mutual trust. As an old Chinese saying goes, "Friendship between chess playmates lasts less than a day. Friendship between diners lasts less than a month. Friendship based on power and influence lasts less than a year. Only friendship based on shared values lasts a lifetime." What we have between China and Pakistan is a friendship based on shared values. It will not only last a lifetime, but also endure from generation to generation and last forever. However strong China may grow, we will always stand shoulder to shoulder with the Pakistani people as good neighbors, good friends, good partners and good brothers, come rain or shine. China will work with Pakistan to forge a stronger, deeper and more solid strategic partnership of cooperation.¹⁷

Pakistan's newly elected Prime Minister Nawaz Sharif, following the old line, apparently chose China as his first foreign destination and spent close to a week there. During his visit Sharif met President Xi Jinping, Premier Li Keqiang and other important leaders. He reaffirmed the strong commitment of his government to "promote and deepen" the bilateral

strategic cooperation between the two countries. He also reiterated that friendship with China enjoys a national consensus and was the cornerstone of Pakistan's foreign policy.¹⁸ In response, China also reaffirmed that its relationship with Pakistan was always a matter of highest priority in its foreign policy and made it ample clear that it would continue to strengthen this strategic partnership. Chinese leaders also assured Nawaz Sharif of their full support to Pakistan in her efforts to uphold its independence, sovereignty and territorial integrity.¹⁹ These two visits and the commitments made by the leaders of both the countries underline the strong bond of friendship between them. In order to understand this special relationship, it would be appropriate to look into the circumstances in which the relationship evolved and developed further through various phases of history.

THE BEGINNING

Around two years after Pakistan's existence, People's Republic of China came into being on 1st October 1949 when in an armed revolution, as it is called, Mao Zedong's Communist Party of China defeated Chiang Kai-shek's Kuomintang and took over. Mao Zedong, the Chairman of the Chinese Communist Party, proclaimed that China was ready to establish diplomatic relations "with any foreign government willing to observe the principle of equality, mutual benefit and mutual respect for sovereignty and territorial integrity."²⁰ Barely four months after, on 5th January 1950, Pakistan recognised China and became the third non-communist, second Commonwealth and first Muslim state to do so. Pakistan even supported China over the issue of the permanent Security Council seat. Muhammad Zafarullah Khan, the first Foreign Minister of Pakistan, also voiced Pakistan's support for the Communist China's claim of United Nations Security Council seat by stating that:

China is not applying for admission to the United Nations. It is a Member State, a permanent member of the Security Council, one of the Big Five. I do venture to submit that whether it is peace-loving or not peace-loving, whether it is willing or not willing to discharge the obligations in the Charter, it is entitled as of right to be represented in the United Nations like every other Member State, until it is – a contingency that might apply to every other State also - expelled in accordance with the provisions of the Charter.²¹

These views were also endorsed by Zulfikar Ali Bhutto who is widely known as the architect of Sino-Pakistan relations. Bhutto, on 11th October

1963, during his address to the Plenary Meeting of the United Nations General Assembly stated that:

Since the emergence of the People's Republic of China towards the end of 1949, Pakistan has had a correct and friendly relation with that country. We recognized the People's Republic of China in 1950, about the same time as India did, and also the United Kingdom. We voted for the admission of the People's Republic of China to the United Nations in 1950 and in the following years.²²

These initial moves by Pakistan paved the way for a formal diplomatic relations between the two countries. This was nothing sort of a sigh of relief for China which was not only beleaguered, at that time, but completely isolated too. In response to Pakistan's support, on 4th February 1950, Li Kenung, Vice Minister of Foreign Affairs of China, stated that "China has agreed to establish, as soon as possible, diplomatic relations between China and Pakistan on the basis of equality, mutual benefit and mutual respect for territory and sovereignty."²³ He also urged Pakistan to send a representative to Peking, so that the preliminary procedure for the establishment of diplomatic relations could be formalised.²⁴ Meanwhile, at United Nations, Pakistan voted for a resolution challenging the right of the Nationalist China's representation and demanded for the seating of the representative of the Communist Chinese Government.²⁵ In its clear support to China, Pakistan abstained twice from voting on crucial UN resolutions branding China as an aggressor in Korean War and imposing an embargo against China and North Korea.²⁶

On 24th April 1951, Mr. Ahmed Ali, Charged' Affairs, reached Beijing for negotiations and finally, on 21st May 1951, both the countries officially established their diplomatic relations.²⁷ It is noteworthy that although the official relations were established in 1951, but China came to Pakistan's assistance when trade between India and Pakistan halted in late 1949.²⁸ At this crucial stage, China agreed to buy cotton in exchange of coal.²⁹ Under this barter agreement, Pakistan, in 1949-50, exported cotton to China, worth US \$1.5 million, which in 1951-52 reached up to US \$4 million.³⁰ In 1953, a trade agreement was also signed between both the countries. For Pakistan, it was a great relief, as Americans were not responding to their repeated requests for economic and military aid.³¹ Chinese move was very calculated one, as they knew it very well that in future they might need Pakistan to counterbalance India. There were some other factors also that Beijing kept in mind while offering the hand of friendship to Pakistan. Chinese policymakers found Pakistan not only useful in providing a bridge to Muslim world but in strengthening diplomatic

ties and trade relations with Middle East and South-East Asia.³²

PAKISTAN'S JOINING OF THE WESTERN BLOC

As stated above, since very early, Pakistan was struggling hard, in order to satisfy her economic and military needs, to establish a formal alliance with the Western Bloc led by the United States. Farzana Shaikh, an eminent academician, notes that "As early as 1948, a series of US policy recommendations suggested that, from the perspective of US national security objectives, the most important South Asian nation was not India but Pakistan."³³ However, Washington, despite knowing Pakistan's importance in the region, was more interested to take India on board.³⁴ Having failed to secure Indian support in her ideological fight, the US asked Liaquat Ali Khan to come to the United States.³⁵ Liaquat chose to visit United States and ignored the invitation of USSR that had been sent to Pakistan before the US official invitation. During this visit, he made every attempt to convince Americans that Pakistan and its people were ready to walk together with the US on the anti-communist path.³⁶ Hamza Alvi claims that the situation became more favourable to Pakistan when, in March 1951, Muhammad Musaddeq, the Iranian Prime Minister, decided to nationalise Iranian oil which potentially threatened western oil interests in West Asia. It changed US thinking on Pakistan and Washington thought of devising a military strategy for West Asia,³⁷ based on military alliances with local client regimes. Pakistan was best placed in South Asia and thus US decided to make Pakistan her ally. It all started with the first consignment of armament in 1951³⁸ which was followed by the signing of Mutual Defence Assistance Agreement in May 1954. A few months later, in September 1954, Pakistan officially joined the South East Asia Treaty Organisation (SEATO) and then in February 1955 Central Treaty Organisation (CENTO).³⁹ Her decision to side with the western bloc yielded the much needed support in terms of training and supply of military hardware.⁴⁰

Chinese were somewhat anguished with Pakistan's move, though their relationship was not disrupted. During the Afro-Asian Conference in April 1955, popularly known as Bandung Conference, leaders from both the countries met each other. Pakistani Prime Minister Mohammad Ali Bogra assured his Chinese counterpart Chou En-Lai that Pakistan's alliance with the western bloc was not directed against China.⁴¹ He also stated that "if the United States should take aggressive action under the

military treaty or if the United States launched a global war, Pakistan would not be involved in it."⁴² This prompted Chinese Premier to say that "the Prime Minister of Pakistan told me that although Pakistan was party to a military treaty, Pakistan was not against China. Pakistan had no fear China [that] would commit aggression against her. We achieved a mutual understanding although we are still against military treaties."⁴³ This was followed by friendly exchange visits of high level in 1956. Hussein Shaheed Suhrawardi, the next Prime Minister of Pakistan, visited China in October 1956 which was reciprocated by Chou En-Lai's return visit to Pakistan in December of the same year. Joint communique issued by both the Prime Ministers underlined that though they have different political systems and own divergent views on certain international issues but the two countries had no conflicting interests and hence should increase their friendly ties.⁴⁴ Suhrawardy was such an enthusiast that he even made a prophecy in National Assembly, which later proved to be true, that "I feel perfectly certain that when the crucial time comes China will come to our assistance."⁴⁵

Many believe that the very first meeting between the leaders of both countries at Bandung and Suhrawardy's China visit made a profound impact on their relations. However, the fact of the matter is that Pakistan participated in Bandung Conference with an objective of serving western interests and Suhrawardy was a staunch pro-American. This is confirmed by none other than Zulfiqar Ali Bhutto who was of the view that:

A great deal has been made out of the rapport reached between China and Pakistan during the Bandung Conference in 1955. There is another background to that unavoidable meeting between the Prime Ministers of Pakistan and China attending the same conference than is disclosed by official claims. The truth is that like some other aligned nations, Pakistan attended the Bandung Conference more with the object of guarding Western interests than for promoting Afro-Asian solidarity. Much has also been made of Prime Minister Suhrawardy's visit to China in 1956. Neither the contact at the Bandung Conference nor the visit of Prime Minister Suhrawardy to China brought the two countries to a satisfactory understanding...Soon after his visit to China, Mr. Suhrawardy went to the United States and made some statements which were taken amiss by China.⁴⁶

If one closely tries to read between the lines, it can be argued that Pakistan was, at best, confused between Washington and Beijing. This confusion also reflected in the views and thinking of two prominent Pakistani leaders—Ayub Khan and Zulfiqar Ali Bhutto. Ayub was pro-American

and Bhutto wanted a close and friendly relationship with China. This was the reason Americans appreciated Ayub's decision of firing Bhutto as foreign minister in 1966.⁴⁷ What is important here is that Pakistan knew the utility of both countries for her own agenda of achieving some sort of parity with India. And that was the reason, on the one hand, she was in the western camp and on the other their leaders took great pains to explain to their Chinese friends that they were not against them. Since, Chinese had a different game plan, as far as Pakistan was concerned, the water never boiled to the extent of spoiling everything.

EMERGENCE OF SINO-INDIAN BORDER DISPUTE AND PAKISTANI POSITION

S.M. Burke claims that the disagreement over border between India and China came up as early as in July 1954, since when both the governments started exchanging notes over the border incidents but Nehru did not reveal it to public in the hope of resolving the issue diplomatically.⁴⁸ However, situation changed remarkably in August 1959 when the skirmishes between Indian and Chinese forces occurred at Longju in North-East Frontier Agency (NEFA), now Arunachal Pradesh⁴⁹ and Nehru publically admitted that China had built a road across the Indian territory. At this crucial juncture President Ayub Khan offered India a "Joint Defenc Agreement" against China. The offer did not go down well and India outrightly rejected it. Nehru still had hopes of resolving the dispute peacefully and, at this stage, he did not want India to be a part of any alliance with anyone against anyone. Chinese reaction to Ayub's offer was short-lived and relatively restrained.⁵⁰

The major clash between India and China occurred, after the Longju incident, at the Kongka Pass of Ladakh area which resulted in the death of several Indian guards following which Dr. Radhakrishnan, then Vice-President of India, had to cancel his upcoming visit to China.⁵¹ It was the boiling point from where there was no going back. On 20 October 1962, China resorted to a general offensive all along the boundary and termed the McMohan Line illegal.⁵² At this crucial juncture United States and United Kingdom rushed to support India, as they feared the communist domination in the region. President Kennedy, on 28 October 1962, wrote a letter to his Pakistani counterpart not only to explain his decision to help India out but also to request Pakistan to ease pressure on its eastern border. Pakistan protested against the US decision to help India militarily

and argued that this would alter the military balance in India's favour. Ayub Khan replied to Kennedy on 5 November 1962 and said:

For the last fifteen years, India has posed a major military threat to Pakistan. She has built up her forces, may I say, mainly with American and British equipment three to four times our strength and has openly declared that Pakistan is her enemy number one...Mr. President, what you now ask of us is to give an assurance to Mr. Nehru of a kind that will enable him to deploy his troops, at present concentrated against us, elsewhere. I am surprised that such a request is being made to us. After all, what we have been doing is nothing but to contain the threat that was continuously posed by India to us...The bulk of their Navy, barring a couple of small vessels, have been concentrated in Bombay harbour, ostensibly for refit but in reality to pose a threat to us. Under no stretch of imagination, Mr. President, can these moves be described as indications of peaceful intentions towards us by India. So, how can we, in a situation like this, be expected to show our friendship to them? No, Mr. President, the answer to this problem lies elsewhere. It lies in creating a situation whereby we are free from the Indian threat, and the Indians are free from any apprehensions about us. This can only be done if there is a settlement of the question of Kashmir.⁵³

With this, Pakistani President expressed his concern. To address Pakistani apprehensions, United States, on the one hand publicly assured Pakistan that the military aid given to India will not be used against Pakistan and on the other worked hard to arrange talks between the two arch-rivals in South Asia over the Kashmir issue. On the question of balance of power, the State Department came up with a release which more or less addressed the Pakistani fear of India's military buildup. The document states:

The Department of State released today the text of Exchange of Notes concerning the provision of defence assistance by the Government of the United States of America to the Government of India. In the Exchange of Notes it is stated that the assistance will be furnished for the purpose of defence against outright Chinese Communist aggression now facing India. The Government of the United States of America has similarly assured the Government of Pakistan that, if our assistance to India should be misused and directed against another in aggression, the United States would undertake immediately, in accordance with constitutional authority, appropriate action both within and without the United Nations to thwart such aggression. Needless to say in giving these assurances the United States is confident that neither of the countries which it is aiding harbors aggressive designs.⁵⁴

On the second front, Duncan Sandys, then Secretary of State for Commonwealth Relations in UK Government, and Averell Harriman, US Assistant Secretary of State for Far Eastern Affairs, worked hard to make direct talks between India and Pakistan happen. Their attempts

yielded much needed result and a joint statement, signed by President Ayub Khan and Prime Minister Jawaharlal Nehru, was issued on 29 November 1962 which stated that:

The President of Pakistan and the Prime Minister of India have agreed that a renewed effort should be made to resolve the outstanding differences between their two countries on Kashmir and other related matters so as to enable India and Pakistan to live side by side in peace and friendship. In consequence, they have decided to start discussions at an early date with the object of reaching an honourable and equitable settlement. These will be conducted initially at the ministerial level. At the appropriate stage direct talks will be held between Mr. Nehru and President Ayub.⁵⁵

Though the repeated US assurances and the joint statement with India prevented Pakistan from openly siding with the Chinese and opening another front against India, these failed to change the fundamental perception in Pakistan's attitude.

SINO-PAKISTAN BORDER AGREEMENT AND CONSOLIDATION OF FRIENDLY TIES

As mentioned earlier that during the growing tensions between China and India, Pakistan proposed the "Joint Defence of the Indian Sub-continent" which India did not accept. However, very soon, Ayub realised that Chinese actions were directed against India alone and Pakistan was not their target. Learning this, at the end of 1959, he came forward with a demarcation proposal. China, initially, did not pay heed to the proposal but by February 1962, when the possibilities of a border settlement with India became very weak, agreed to open negotiation. Talks between the representatives of both the countries began in May 1962 and by 26 December they reached to the logical conclusion. The joint communique declared that an agreement in principle on the demarcation of border between China and Pakistan had been reached.⁵⁶ This was later confirmed by Zulfiqar Ali Bhutto during his speech at the United Nations in which he stated that:

The People's Republic of China gave a favorable indication of its willingness to negotiate a boundary agreement. The preliminary formalities were completed in May, 1962, and the negotiations themselves commenced in Peking before China and India clashed in the NEFA and the Ladakh frontiers.⁵⁷

Sino-Indian war of 1962 proved to be a watershed in the history of Sino-Pakistan relationship. From now onwards both the states worked hard to

consolidate their friendly ties. During the war China illegally occupied Aksai Chin, a part of former princely state, and got a qualified recognition from Pakistan.⁵⁸ On 2 March 1962, during the Sino-Indian war, both the countries signed the border agreement and moved further to improve their relations. These were the acts of clear appeasement on the part of Pakistan,⁵⁹ through which it tried to win Chinese favour and support against India. The irony lies in the fact that legally Pakistan has had no jurisdiction on the territory, as the Maharaja Hari Singh of erstwhile princely State of Jammu and Kashmir had long back in October 1947 acceded to India. Chinese knew it very well but still entered into an agreement with Pakistan.⁶⁰ In a face saving move, both the parties inserted Article six in the agreement which made the entire agreement to appear provisional. The Article six says that:

The two parties have agreed that after the settlement of the Kashmir dispute between Pakistan and India, the sovereign authority concerned will reopen negotiations with the Government of the Peoples Republic of China. Provided that in the event of that sovereign authority being Pakistan, the provisions of this agreement and of that aforesaid Protocol shall be maintained in the formal Boundary Treaty to be signed between Pakistan and the People's Republic of China.⁶¹

The border agreement with Pakistan, made China an almost legal third party in the dispute over the State of Jammu and Kashmir.⁶² According to late Prime Minister Nehru, under the agreement, Pakistan, on the basis of certain Pakistani maps dated 1962, ceded to China ,on paper, an area of about 13,000 square miles.⁶³ However, in reality about 2,500 square miles of territory was surrendered to China on the ground. After the agreement, a steady increase in Sino-Pakistani activities was witnessed which led to a number of new initiatives including the improvement of communication and trade linkages, and granting Most Favoured Nation (MFN) to each other. Emboldened by the positive developments between China and Pakistan, Zulfikar Ali Bhutto, on 17 July 1963, stated in Pakistan's National Assembly that:

An attack by India on Pakistan would no longer confine the stakes to the independence and territorial integrity of Pakistan. An attack by India on Pakistan would also involve the security and territorial integrity of the largest state in Asia...Therefore, a defeated Pakistan or a subjugated Pakistan would not only mean annihilation for us but also pose a serious threat to other countries of Asia and particularly to the largest state of Asia.⁶⁴

The mention of the "largest state of Asia" was a clear reference to China.

With this statement, Bhutto tried to shoot two birds with an arrow. On the one hand, he made an attempt to secure Chinese commitment, in the event of a war with India, and on the other he tried to frighten India with a possibility of joint security pact with China. Next month, on 29 August 1963, both the countries signed a civil air agreement, the first agreement between China and a non-communist country, which provided both the country's airline the right to fly into the each other's air space. The civil air agreement culminated in April 1964 into the opening of an air service Karachi-Dacca-Canton-Shanghai.⁶⁵

Thus, in India, both China and Pakistan found a common enemy and this enmity became the cornerstone of their friendly relationship. Interests of both Pakistan and China converge at this point. They both need each other to neutralise India's conventional military strength⁶⁶ and bog it down in South Asia so that it could not challenge Chinese interests at the global stage. However, they failed miserably in their efforts, as India of today is recognised as a responsible global player. Ian Talbot argues that Sino-Indian war raised the prospect of an alliance with China⁶⁷ which was utilised by both the states against India. Prof. Ishtiaq Ahmed while speaking at Institute for Defence Studies and Analyses on 27 February 2013 observed that "Out of the 1962 Sino-Indian war comes the old formula of 'my enemy's enemy is my friend.'"⁶⁸ There are many who do not subscribe to this line of argument and reject the claim. The primary reason behind their rejection has been Ayub's offer of joint defence of the subcontinent. They blame India for a permanent enmity with Pakistan and claim that if Nehru had accepted that offer the situation would have been different. They raise an important question that if enmity with India was so dominating in Pakistani thinking then why Ayub came up with such a proposal? The answer is very simple. Nothing happened in Pakistan, those days, without an American nod. It was basically, the American influence due to which Ayub made that offer otherwise "bleeding India with thousand cuts" has always been Pakistan army's primary objective. Zulfikar Ali Bhutto, the then Foreign Minister, himself was not very happy with Ayub's policies. He expressed his dissatisfaction, in this regard, much later. Bhutto stated that:

Ayub Khan's external policies were as disastrous as his internal policies. The fallen dictator entrapped Pakistan in the tread-mill of his making. After assuming power in 1958 he left no doubt about his attachments. Ayub Khan maintained a one-sided foreign policy until the events of 1962 forced him to relent. Earlier in 1960, unnerved by the fiasco of the U-2 incident, Ayub Khan acquiesced to an

oil agreement with the Soviet Union. Still more disturbing was the boundary conflict that erupted between China and India in 1959. It led to the quest for a settlement of the frontiers with China. These limited overtures notwithstanding, the policy of alignment implacably remained. The Sino-Indian conflict of 1962, breaking into the bastion of the conventional foreign policy, became the true point of departure. When it came to developing relations with the United States, the former President was prepared to go to any length. He claimed to be the author of the policy of alignment and conceded extra-territorial rights to the United States in Peshawar. In 1961 he confidently assured the Congress that Pakistan was the only country in Asia where the presence of the United States Forces would be welcome. To satisfy the global interests of the United States, the former President was prepared to compromise the sovereignty of Pakistan for joint defense with India. When however it came to cultivating relations with other Great Powers, he was harrowed by the fear of being overwhelmed. The Sino-Indian conflict of 1962 was seen by Ayub Khan not as an opportunity for a bold departure from established policy but as a reason for strengthening it by arriving at a settlement with India. Why else would he have entered into puerile negotiations with India at the height of the Sino-Indian conflict? That was the initial blunder. He obliged the Western powers by permitting India to give her undivided attention to China. The negotiations were undertaken not to settle Kashmir but to give relief to India. If Ayub Khan did not choose to drive a wedge whilst India was militarily harassed by China, the least he could have done was to have kept out of the picture instead of assisting India by concealed and deceptive measures. By taking a wrong at the start, Pakistan lost a great opportunity. Pakistan's attitude towards China remained negative until the Sino-Indian conflict of 1962. If the significance of that conflict had been properly understood, and if President Ayub Khan had acted decisively, Pakistan might have avoided many subsequent catastrophes and, perhaps even vindicated its legitimate interests. The Government stopped into the void haltingly and with fear, primarily to bargain with the United States.⁶⁹

Pakistan exploited its friendship with China in every possible arena of economic engagement, military aid, training, development basic infrastructure and weaponisation. Although China didn't fire a single bullet for Pakistan, it provided no less support during latter's wars with India. It is an open secret that China helped Pakistan achieve the states of de facto nuclear power.

KARAKORAM HIGHWAY: THE SYMBOL OF STRATEGIC COOPERATION

After the boundary agreement, China and Pakistan agreed to jointly build a road connecting Pakistan Occupied Kashmir (POK) and Western China through Khunjerab pass. It was propagated as an economic project

with the stated aim of enhancing communication links, improving trade and economic relations between both the countries and developing regional trade linkages as well. However, its political and strategic significance was a hot and widely debated issue at that time. This is in common knowledge that the Chinese were more interested in the project than their Pakistani counterparts. The reason behind Chinese interest was the territorial vulnerability of its western part. Western flank of China, which includes Shaanxi, Qinghai, Sichuan, Yunnan, Guizhou, Ningxia, Xinjiang, Inner Mongolia, Gansu, Tibet and Chongqing, at that time was considered the weakest part of China.⁷⁰ For Chinese leadership, Karakoram Highway was primarily aimed, but not exclusively restricted, to strengthen the western part of the country.

The construction of a modern road started in 1964 and by 1969 was roughly completed and finally in 1978 it was declared open to third-country nationals as well.⁷¹ It is the highest paved international road in the world which connects Kashgar (Xinjiang Uighur region of China) with Gilgit-Baltistan (Pakistan Occupied territory of Indian State of Jammu & Kashmir). The highway is strategically located between Eurasian and Indian plates from where China, Tajikistan, Afghanistan and Pakistan come within 250 kms. of each other.⁷² The highway has undoubtedly strengthened their (Pakistan and China's) hold over the illegally occupied territories⁷³ of India and provided China an opportunity to send overt/covert military and other supplies to strengthen Pakistan against its arch-rival India. Chinese leadership, even, did not hide their desire of doing so. Li Xiannian, then Vice-Premier of China, could not resist himself and once openly stated that the highway "allows us to give military aid to Pakistan."⁷⁴ It is believed that during the Soviet invasion of Afghanistan in late 1970s, the highway was used to supply arms to the fighting Mujahideen. However, Yousaf and Adkin claim that China supplied hundreds of mules, but not a single bullet, through the friendship highway.⁷⁵

Former Pakistani President Pervez Musharraf, in his autobiography clearly mentions that, given the tough terrain, long back in 1970s the under-construction Karakoram Highway was called the "eighth wonder of the world."⁷⁶ His advent to power as President of Pakistan, after the fourth military coup in October 1999, coincided with China's "Open Up the West" or "Go West" strategy which was primarily aimed to reduce the fast growing socio-economic development gap between the weak western flank and a well-off but far away coastal provinces.⁷⁷ Leaders of

both the countries frequently refer “The Friendship Highway” during their official discussion and speeches to highlight its importance in their special relationship. On 12 May 2001, Chinese Premier Zhu Rongji, while making a speech of thanks at Musharraf’s dinner party, said that:

China and Pakistan are close neighbors. Two thousand years ago, the Silk Road served as a bridge for our friendly exchanges. Today we are closely linked up by the Karakoram Highway. For 50 years since the establishment of diplomatic relations, China-Pakistan friendship and cooperation have continued to develop thanks to our joint efforts.⁷⁸

As mentioned above, it was the time when China was working on a “Go West” policy and the mention of Karakoram Highway in Zhu Rongji’s speech, thus, makes a sense. Indeed, Chinese policy to address the growing disparity within China was soon to focus on the developing the wide-scale transportation infrastructure, on the one hand, to connect the country’s interior and coastal region and on the other linking the western China with the neighbouring countries. Since, the Karakoram was strategically located to serve the purpose and Pakistan was more than willing to project itself indispensable for China, both the countries decided to exploit all the potential benefits out of it. During Pervez Musharraf’s visit, in February 2006 to China, an agreement was signed in principle to upgrade the Karakoram Highway. Further, China’s State-owned Assets Supervision and Administration Commission (SASAC) and Pakistani Highway Administration signed a memorandum of understanding on 30 June 2006 to rebuild and upgrade the Karakoram Highway.

The memorandum emphasised that the width of the friendship highway would be expanded from 10 metres to 30 metres so that the transport capacity could be tripled and accommodate heavy-loaded cargo even in extreme weather conditions.⁷⁹ In order to initiate the renovation and up gradation project, another memo was signed, in early July 2006, between the Pakistani Highway Administration and the China Road and Bridge Corp. As per the memo, the state-owned construction firm, China Road and Bridge Corp, was to be in charge of the design and reconstruction of the highway. It was agreed that, the first stage would cover the re-building and upgrading of the 335 km between the Rajkot bridge and the Khunjerab mountain pass.⁸⁰ To speed up the work, a loan agreement was signed in the second week of October. Farrukh Javed, the then Chairman of National Highway Authority, confirmed the news and stated that the loan agreement with China, worth US\$327 million,

had been signed and the same would be utilised to upgrade the strategic highway.⁸¹ The rebuilding of the highway is underway and China is providing most of the funding as well as technical support for the project.

GWADAR: THE NEW ECONOMIC CORRIDOR

In early 2011, Shahid Javed Burki, an eminent Pakistani economist and former Vice President of the World Bank, wrote a piece in Dawn English daily newspaper claiming that during early 1990s Zhu Rongji, then mayor of Shanghai who later became the Premier of China, invited him to his office where a huge Chinese map was hanged on the wall.⁸² During the discussion Zhu said to Burki that:

I am showing you this map to underscore one thing...China is a landlocked on three sides. We are the only large country...compare us with other large land-mass countries such as the United States, Canada, India, Russia, South Africa and you will see that we have access to the sea only on one side, the east. We want to open our western landlocked provinces to the Arabian Sea...and the Persian Gulf. Pakistan could help us to do that.⁸³

As early as 1997, Pakistan for the first time expressed its desire to have another port, bigger than Karachi, built at Gwadar.⁸⁴ Then in 2000, Amirul Mulk Mengal, then Governor of Balochistan, discussed the issue with a Chinese delegation at Quetta and asked them to support the project. He even suggested to link Gwadar with Pakistani railways network at Dalbandian through Afghanistan to Central Asia.⁸⁵ To mark the 50th anniversary of the establishment of Sino-Pakistan relations, Chinese Premier Zhu Rongji visited Pakistan in May 2001 and urged both the countries to “boost cooperation in agriculture, infrastructure, information technology and other fields under the principle of reciprocity and mutual benefit for achieving common prosperity.”⁸⁶ Six major agreement and one MoU was signed during the visit and both the parties agreed to build a new, large deep-water port at Gwadar in Pakistan’s Balochistan province. Rongji was now much closer to materialise his idea that he had discussed with Burki in early 1990s. He termed the Gwadar port a “monumental project” to mark the five decades old friendship.⁸⁷

The following year Wu Bangguo led a 32 member delegation to Pakistan and participated in the opening ceremony⁸⁸ and assured Pakistan to extend all possible help to get the project completed in time. The construction of the first phase, building of three multipurpose ship berths and related port infrastructure, of the projected started on 22 March 2002

and successfully completed by November 2006. About 80 per cent of total funding (US\$198 million) was provided by China of which \$50 million was an outright grant, \$50 million a commercial credit, and \$98 million a Chinese state credit.⁸⁹ The port was inaugurated by former President Pervez Musharraf, on 20 March 2007, in the presence of Chinese Minister for Communication—Li Shen. Musharraf in his inauguration address said that:

It is the friendship between China and Pakistan that has made this dream of Gwadar Port a reality. We thank China and its Minister who has come all the way to grace this historic occasion. I am very glad to be standing at a place where 5-6 years back there was nothing except for sand and dust, no roads or buildings etc. However, today we see progress—infrastructure is being built, there are roads, buildings, power supply and a hotel has also been constructed which is equivalent to other hotels in Islamabad, Karachi and Lahore. I am proud because six years back we conceptualized improving Gwadar and first of all constructed Makran Coastal Highway costing Rs. 12-13 billion.⁹⁰

The port is now fully operational and it provides a deep-sea port, warehouses, and industrial facilities for over twenty countries. Its strategic location is of immense importance as it is situated just 180 nautical miles from Strait of Hormuz through which world's 40 per cent oil is shipped.⁹¹ Its location at the junction of South Asia, Central Asia and the Middle East increases its importance. In a significant move, on 30 January 2013, Pakistani cabinet approved the transfer of Gwadar port to China's state-owned company named China Overseas Port Holdings Limited.⁹² Earlier the port was being managed by the Port Singapore Authority (PSA). Until recently, around 50 per cent of China's crude oil used to come from the Middle East and oil from this very region and Africa was shipped via the Malacca Straits.⁹³ Now Gwadar port at hand, China no longer needs to excessively rely on vulnerable Straits as through this very port oil can be transported to western China either through rail, road or for that matter through pipelines. It provides China the much needed access to Persian Gulf and offers the opportunity to diversify its crude oil imports through the Arabian Sea as well. Besides, it reduces supply time and transportation cost as well.

After being elected as Pakistan's Prime Minister, for a record third time, Nawaz Sharif rushed to Beijing to strengthen the all-weather friendship. At the start of the meeting he said to his Chinese counterpart that "Let me tell you very cordially and very sincerely that what I am witnessing here on my visit to Beijing, it reminds me of the saying our

friendship is higher than the Himalayas and deeper than the deepest sea in the world, and sweeter than honey."⁹⁴ Later, both the leaders signed eight agreements including one on "Pakistan-China Economic Corridor."⁹⁵ They formally agreed to link Kashgar and Gwadar port first through a 2,000 km long road and later through rail-network.⁹⁶

There is little doubt that both the countries are seriously considering to exploit the full potential of Gwadar port to their benefit. Many believe that economics, not politics, is behind developing Gwadar while there are others who see it otherwise. Javed Malik, Nawaz Sharif's adviser, on 15 July 2013 wrote that "The state of art Port of Gwadar, being developed by the Chinese experts, has the potential to emerge as the major trade gateway that connects this region to the world. This will make Pakistan a hub of trade, commerce and economic activity."⁹⁷

Apart from having economic significance, Gwadar port has a strategic value as well. Analysts believe that the much publicised port is part of China's "string of pearl" strategy and can become China's naval base in the Indian Ocean from where it could monitor Indian and US naval activities.⁹⁸ However, given the shaky internal conditions in Pakistan, particularly Balochistan, it would be too early to comment on the prospect of Gwadar actually becoming the naval base of China.

CONCLUSION

Sino-Pakistan relations defy the widely held perception that there are no permanent friends/enemies in international relations. Two factors are responsible for this near permanent friendship; first, Pakistan's geo-strategic location and China's economic interests in the region; and second, the shared enmity with India. With the establishment of formal diplomatic relations in early 1950s both the countries proceeded carefully. Initially, it was Pakistan that offered goodwill gestures first by recognising the communist state and then supporting it on various occasions at the United Nations. For Chinese, it was a great relief at that time. There were some tension during the Cold War period when Pakistan became the most allied ally of the United States but both the countries managed the situation in a pretty well manner and the breaking point never came. Islamabad repeatedly assured Beijing that her alliance with Washington was not against China but India and Chinese understood the constraints faced by Pakistan. During the period of Sino-Indian tensions Pakistani leaders, especially then Foreign Minister

Zulfiqar Ali Bhutto, correctly read the events and their possible outcomes. Based on these strategic calculations, Pakistan moved forward to establish good friendly relations with China. It was a part of well thought out strategy under which Pakistan entered into a border agreement, during the Sino-Indian war, and ceded a part of illegally occupied territory of the Indian State of Jammu and Kashmir to China. Since then there was no going back and the relationship progressed on the classic formula of “my enemy’s enemy is my friend.” Karakoram Highway and Gwadar port can be described as the symbols of Sino-Pakistan friendship that on the one hand offer both the countries’ economic opportunities and on the other can be used for strategic purposes.

REFERENCES

1. Hans J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*. New York, Alfred A. Knopf, 1948. p. 13.
2. *Ibid.*, p. 17.
3. It doesn’t mean that other actors such as individuals, Non-Governmental Organisations, International Organisations, Pressure groups from within the state and across the state, are not present there. However, realists argue that these actors are either less important or unimportant. For details see, Robert Jackson and George Sorensen, *Introduction to International Relations: Theories and Approaches*. New York, Oxford University Press, 2003. p. 68.
4. Tim Dunne and Brian C. Schmidt, “Realism”. In John Baylis et al., *The Globalization of World Politics: An Introduction to International Relations*. New York, Oxford University Press, 2008.
5. Kanti Bajpai, “India and the World”. In Niraja Gopal Jayal and Pratap Bhanu Mehta (ed.), *The Oxford Companion to Politics in India*. New Delhi, Oxford University Press.
6. Robert Jackson and George Sorensen, *op cit.*, p. 81.
7. Kenneth N. Waltz, *Theory of International Politics*. Philippines, Addison-Wesley Publishing Company, 1979. pp. 88-101.
8. One can gauge Pakistan’s desperation with the fact that from day one Pakistani leaders were trying hard to establish a formal alliance with one of the two superpowers of that time—The United States. Although, officially such request were sent to Washington after 1947 but there is enough evidence to suggest that leaders of the Pakistan movement were in contact with the US officials for the purpose and showed willingness, even before Pakistan became reality on 14 August 1947, to join the anti-Soviet alliance. Mohammad Ali Jinnah, the father of Pakistan, during a meeting with Raymond A. Hare and Thomas E. Weil at his residence in Bombay (now Mumbai), tried to convince them that Pakistan would certainly follow anti-communist agenda and side with the Washington. For details see, M. S. Venkataramani, *The American Role in Pakistan, 1947-1958*. New Delhi, Radiant Publisher, 1982. p. 1.
9. Liaquat Ali Khan, the first Prime Minister of Pakistan, in 1951 stated that “If the

- Western democracies can enter into pacts to protect their way of life and if the Communist countries can form a bloc on the basis that they have an ideology, why cannot the Muslim peoples get together to protect themselves and show to the world that they have an ideology and a way of life which ensures peace and harmony in the world?" For details see, S. M. Burke, *Mainsprings of Indian and Pakistani Foreign Policie*. Minneapolis, University of Minnesota Press, 1974. pp. 116-117.
10. Mohammad Ayub Khan, *Friends Not Masters: A Political Autobiography*. London, Oxford University Press, 1967. pp. 115-116.
 11. Lecture delivered on "India-Pakistan Relations: An Imbroglio" at Institute for Defence Studies and Analyses, New Delhi, 27 February 2013.
 12. Ashish Shukla, *Impact of Pakistan-U.S. Counterterrorism Cooperation on Pakistani Society: 2001-2010*. New Delhi, Jawaharlal Nehru University, 2011. p. 1.
 13. Both Pakistan and United States came close for two different reasons. Islamabad's expectation was that in a future confrontation with India the alliance would come to defend Pakistan's unity and territorial integrity. However, Washington wanted to enlist Pakistani support, because of the geo-strategic location of the country in South Asia, against its ideological fight with the erstwhile Union of Soviet Socialist Republic (USSR) and never gave any clear indication that it would come to rescue Pakistan, if it gets into a war with India in future. For details see, Ashish Shukla *op cit.*, p. 2.
 14. S. M. Burke, *op cit.* p. 21.
 15. For details see, Ashish Shukla, "Pakistan's Quest for Strategic Depth: Regional Security Implications", *Himalayan and Central Asian Studies*, Vol. 15, No. 3, 2011. pp. 81-104.
 16. Zulfiqar Ali Bhutto, *Speeches-Interviews: 1948-1966*. Reproduced in pdf by Sani H. Panhwar, p. 203, available at www.bhutto.org
 17. Li Keqiang's speech at Pakistani Senate on 23 May 2013, available at <http://www.fmprc.gov.cn/eng/topics/lkqipsg/t1043526.shtml>, accessed on 22 July 2013.
 18. "Common Vision for Deepening China-Pakistan Strategic Cooperative Partnership in the New Era", 5 July 2013, available at <http://www.fmprc.gov.cn/eng/wjb/zzjg/yzs/xwlb/t1056958.shtml>, accessed on 22 July 2013.
 19. *Ibid.*
 20. *Keesings Contemporary Archives 1949-50*, p. 10190, cited in Nilofour Mahdi, "Sino-Pakistan Relations: Historical, Background. *Pakistan Horizon*, 1986, Vol. 39, No. 4, pp. 60-68.
 21. General Assembly Official Records, Fifth Session, 283rd Plenary Meeting, p. 97. Cited in Latif A. Sherwani, *Pakistan, China, America*. Karachi, Council of Pakistan Studies, 1980. p. 34.
 22. Zulfiqar Ali Bhutto, *Speeches Delivered Before the United Nations General Assembly and Its Committees: 1957-1965*, Reproduced in pdf by Sani H. Panhwar, p. 96, available at www.bhutto.org
 23. "Establishment of Diplomatic Relations between China and Pakistan", <http://www.fmprc.gov.cn/eng/wjb/zzjg/tyfls/tyfl/2631/t15496.htm>, accessed on 15 August 2013.
 24. *Ibid.*
 25. Nilofour Mahdi, 1986, *op cit.*
 26. *Ibid.*
 27. "Establishment of Diplomatic Relations between China and Pakistan," *op cit.*

28. Under the barter agreement between India and Pakistan, India used to supply coal to Pakistan in exchange of jute and cotton. However, the tension erupted, following the devaluation of British Pound, when India devalued its currency. Pakistan did not follow the suite and India stopped supplying coal to Pakistan in December 2010. For details, see Aparna Pande, *Explaining Pakistan's Foreign Policy: Escaping India*. Oxon, Routledge, 2011. p. 17.
29. *Ibid.*, p. 115.
30. Latif A. Sherwani, *op cit.*, p. 35.
31. It was the time when Americans were busy in convincing Nerhu to join anti-communist alliance. However, Nehru was determined to preserve India's independence and autonomy in foreign affairs and he chose not to be part of any bloc and follow the path of non-alignment.
32. Aparna Pande *op cit.*, p. 116.
33. Farzana Shaikh, *Making Sense of Pakistan*. New York, Columbia University Press, 2009. p. 192.
34. To this end President Harry S. Truman invited Pt. Jawaharlal Nehru to visit United States in October 1949. Nehru's visit failed to meet the US expectations as he neither endorsed US policy towards her communist foes, nor did he give a slightest indication of cooperation in this regard. For details see, M. S. Venkataramani, *op cit.*, pp. 92-93.
35. Initially, Liaquat Ali Khan was not invited to the United States. Americans invited Liaquat only after he received USSR's invitation. See, S.M. Burke *op cit.*, p. 127.
36. Americans were still considering India more important and they showed little interest in Liaquat. It is believed that was the reason, when Pakistani Prime Minister came to address the Senate, the quorum was not complete and the proceedings started half an hour late. However, the situation changed dramatically after Korean War and Japanese Peace Treaty. *Ibid.*
37. Hamza Alvi, "Pakistan-US Military Alliance". *Economic and Political Weekly*, Vol. 33, No. 25, 1998, pp. 1551-57.
38. Ishtiaq Ahmed, *The Pakistan Military in Politics: Origins, Evolution, Consequences*. New Delhi, Amaryllis, 2013. p. 3.
39. Pakistan didn't stop here and following the American line, during 1954 to 1961, voted against the China's entry into the United Nations.
40. Malik Zafar Iqbal, "An Appraisal of the Afghanistan-Pakistan Strategy to Counter Terrorism," *Parameters*, Vol. 16, No. 3, 2010. pp. 14-32.
41. S. M. Burke, "Sino-Pakistani Relations". *Orbis*, June 1964. pp. 391-404.
42. K. Arif, *China Pakistan Relations: 1947-1986*. Lahore, Vanguard Books Ltd., 1984. p. 9.
43. *Ibid.*
44. Willian J. Brands, "China's Relations with Pakistan: Durability amidst Discontinuity". *The China Quarterly*, No. 63, September 1965. pp. 463-89.
45. Cited in S. M. Burke, *op cit.*, p. 151.
46. Zulfiqar Ali Bhutto, *Pakistan and Alliances*, Reproduced in pdf by Sani H. Panhwar, p. 35. available at www.bhutto.org
47. Ishtiaq Ahmed, *The Pakistan Military in Politics: Origins, Evolution, Consequences*. New Delh, Amarylls, 2013.p. 152.
48. S. M. Burke, *op cit.*, p. 162.
49. S. K. Bhutani, "Sino-Indian War, 1962 and the Role of Great Powers," *Journal of Defence Studies* Vol. 6, No. 4, 2012. pp. 109-24.
50. William J. Brands, *op cit.*

51. S.K. Bhutani, *op cit.*
52. *Ibid.*
53. Ayub Khan, *op cit.*, pp. 141-43.
54. *Ibid.*, p. 148.
55. *Ibid.*, p. 149.
56. *Peking Review*, No. 1, 4 January 1963, p. 31, cited in Willian J. Brands, *op cit.*
57. Zulfiqar Ali Bhutto, *Speeches Delivered Before the United Nations General Assembly and Its Committees: 1957-1965*. Reproduced in pdf by Sani H. Panhawar, p. 96, available at www.bhutto.org
58. Hilary Synnott, "Regional Relationships: India, China, Saudi Arabia and the Gulf". *The Adelphi Papers*, Vol. 49, No. 406. 2010. pp. 129-158.
59. S. P. Seth, "China as a Factor in Indo-Pakistani Politics". *The World Today*, Vol. 25, No. 1, 1969, pp. 36-46.
60. Chinese were well aware of the Kashmir dispute and till 1962 maintained a neutral position and never approved Pakistan's demand of plebiscite. But during the 1962 war, for the first time, China officially declared its support for Islamabad's advocacy of a plebiscite in Kashmir. For details see, Hilary Synnott, *op cit.*
61. "China-Pakistan Boundary Agreement", *International Legal Materials*, Vol. 2, No. 3, 1963. pp. 541-42.
62. For details see, Alastair Lamb, "The Sino-Pak Boundary Agreement of 2 March 1963", *Australian Journal of International Affairs*, , Vol. 18, No. 3, 1964. pp. 299-312.
63. Jawaharlal Nehru's Speeches vol. 4 (September 1957-April 1963), p. 127, cited in S. P. Seth, "China as a Factor in Indo-Pakistani Politics". *The World Today*, Vol. 25, No. 1, 1969. pp. 36-46.
64. Zulifqar Ali Bhutto, *Important Speeches and Press Conferences of Zulfiqar Ali Bhutto*, Karachi, Government of Pakistan, 1966.p. 433.
65. Klaus H. Pringsheim, "China's Role in the Indo-Pakistani Conflict". *The China Quarterly*, 1965. pp. 170-75.
66. Anindyo J. Majumdar, "The Changing Imperatives", In Swaran Singh (ed.) *China-Pakistan Strategic Cooperation: Indian Perspective*. New Delhi, Manohar Publishers, 2007.
67. Ian Talbot, *Pakistan: A New History*. New Delhi, Amaryllis, 2012. p. 95.
68. Lecture delivered on "India-Pakistan Relations: An Imbroglio" at Institute for Defence Studies and Analyses, New Delhi, 27 February 2013.
69. Zulfiqar Ali Bhutto, *Pakistan and Alliances*, Reproduced in pdf by Sani H. Panhawar, pp. 2-36, available at www.bhutto.org
70. Ramtanu Maitra, "Pakistan in China's Long-Term Scheme of Things". *Akrosh*, Vol. 11, No. 38, 2008. pp. 30-50.
71. John W. Garver, "Development of China's Overland Transportation Links with Central, South, South-West and South Asia," *The China Quarterly* No. 185 ,March 2006. pp. 1-22.
72. "The World's Most Spectacular Roads: Karakoram Highway", available at <http://www.dangerousroads.org/pakistan/109-karakoram-highway-pakistan.html> accessed 1 September 2013.
73. P. L. Bhola, *The Spectrum of South Asian Relations*. Jaipur, RBSA Publishers, 2001. pp. 82-83.
74. Mahnaz Ispahani, *Roads and Rivals: The Political Uses of Access in the Borderlands of Asia*. New York, Cornell University Press, 198, p. 200.
75. Mohammad Yousaf and Mark Adkin, *Afghanistan—The Bear Trap: The Defeat of a*

- Superpower*, <http://www.combatreform.org/BATTLEsAfghanistanTheBearTrapDefeatofaSuperpowerMohammedYousaf.pdf>
76. Pervez Musharraf, *In the Line of Fire: A Memoir*. London, Simon & Schuster, 2006.p. 56.
 77. Mathias Hartpence, "The Economic Dimension of Sino-Pakistani Relations: An Overview". *Journal of Contemporary China*, Vol. 20, No. 71, 2011.pp. 581-599.
 78. "Speech of Thanks by Premier Zhu Rongji at Welcoming Dinner Hosted by Chief Executive Pervez Musharraf," available at <http://www.fmprc.gov.cn/eng/wjb/zjjg/yzs/gjlb/2757/2759/t16114.shtml>, MOFA, China, accessed on 22 July 2013.
 79. Ramtanu Maitra, *op cit*.
 80. "Memo Signed to Initiate Sino-Pakistan Highway Renovation," available at http://news3.xinhuanet.com/english/2006-07/08/content_4808530.htm accessed 1 September 2013.
 81. "Loan Agreement with China Signed to Rebuild Karakoram Highway," available at <http://www.namnewsnetwork.org/v3/read.php?id=MTI0OTU=> , accessed 1 September 2013.
 82. At this time, besides being mayor, Zhu Rongji was also the vice-premier in charge of the Chinese economy.
 83. Shahid Javed Burki, "For Closer Ties". *Dawn*, Karachi, 4 January 2011.
 84. Mary Burdman, "Pakistan's Gwadar Port is a Potential 'Great Project'," *EIR*, Vol. 28, No. 44, 2001. pp. 16-19.
 85. *Ibid*.
 86. Fazal-ur-Rahman, "Pakistan-China Trade and Investment Relations," available at http://www.issi.org.pk/publication-files/1299822989_45060000.pdf accessed, 1 September 2013.
 87. Mary Budman, 2001, *op cit*.
 88. "Chinese Vice-Premier Wu Bangguo Arrives in Pakistan", available at <http://www.accessmylibrary.com/article-1G1-85576692/chinese-vice-premier-wu.html> accessed 2 September 2013.
 88. John W. Garver, 2006, *op cit*.
 90. "President Musharraf's Address at the Inauguration of Gwadar Deep Seaport," available at <http://presidentmusharraf.wordpress.com/2008/01/07/gwadar-deep-seaport/> accessed 3 September 2013.
 91. RizwanZeb, "Pakistan-China Relations: Where They Go From Here," *UNISCI Discussion Papers*, No. 29, May 2012.
 92. "Gwadar Port Integral to China Maritime Expansion," available at <http://tribune.com.pk/story/508607/gwadar-port-integral-to-china-maritime-expansion/> accessed 3 September 2013.
 93. Sumita Kumar, "The China-Pakistan Strategic Relationship: Trade, Investment, Energy and Infrastructure". *Strategic Analysis* Vol. 31, No. 5, , 2007. pp. 757-90.
 94. "2,000 Km Road to Link Gwadar with Kashgar". *Dawn*, Karachi, 6 July 2013.
 95. *Ibid*.
 96. *Ibid*.
 97. "Nawaz Sharif's Landmark Visit to China," available at <http://www.pakistantoday.com.pk/2013/07/15/news/profit/nawaz-sharifs-landmark-visit-to-china/> accessed 3 September 2013.
 98. Ghulam Ali, "China's Strategic Interests in Pakistan's Port at Gwadar," available at <http://www.eastasiaforum.org/2013/03/24/chinas-strategic-interests-in-pakistans-port-at-gwadar/> accessed 3 September 2013.

AFGHANISTAN-CHINA RELATIONS, 1955-2012

MOHAMMAD MANSOOR EHSAN

INTRODUCTION

When Cheyang Jeyong the first ambassador of Han Dynasty traveled to north Afghanistan for a diplomatic mission¹ in 130 BC it marked the first diplomatic mission between Afghanistan and China. Basically, the relations between Afghanistan and China have been dominated broadly by the Silk Road as the trading caravans were crossing these regions. Nonetheless, the trade relations were not limited to commercial exchanges alone but had deep cultural dimension. However, with the improvement of sea transportation during the sixteenth century which caused the downfall of the Silk Road, the importance of Central Asia and Afghanistan for China diminished. This situation remained prevalent till the advent of the People Republic of China in 1949.

Afghanistan recognized the People's Republic of China in January 1950, and the diplomatic relations between the two countries started in January 1955. Though relations were limited to diplomatic correspondence during 1950s, Chinese leaders encouraged investment and improvement of their relations with Afghanistan since 1960s. However, after the invasion of Afghanistan by the Soviet Union in December 1979, China started taking part as a major actor in the Afghan war and as the key supplier of arms to the insurgents in the combined United States, Pakistan and Saudi Arabia effort to force the former Soviet Union to withdraw from Afghanistan. Despite the geopolitical importance of Afghanistan for China, there have always been some significant factors, such as ethnic composition, religious factors, economic aspects and great power politics which made Chinese political elites to pay attention to the political tensions in the region.

Xinjiang region of China can be considered as a special case, due to

its ethnic composition, predominantly Muslim population and geostrategic location. Therefore, Afghanistan as an Islamic country, which shares 76 kms border with the Xinjiang region of China is very important for the security of China,² especially in the western region, which is inhabited by the Uyghur Muslims, who form the majority ethnic group in Xinjiang and also have a large diaspora community in the Central Asian Republics, Afghanistan, Pakistan and the west. Due to strong religious and ethnic linkages with Afghanistan and the neighboring Central Asian Republics, China is very keen that the militant and extremist Islamic ideology, such as Talibanism is prevented from spilling over into Xinjiang.³

Meanwhile, the geo-economic significance of Afghanistan for China cannot be understated considering China's booming demand and dependence for energy and minerals resources. China's energy security depends upon ensuring supplies for reserves and the uninterrupted flow of energy at reasonable prices. Hence, considering the geo-economic, geo-strategic, ethnic-religious aspects and the great power politics in the region, Afghanistan has acquired a significant position for the Chinese political elites and policy makers. China is currently following a policy of patience towards Afghanistan and is simultaneously making imperceptible penetration into the country through growing economic relations and investment. According to some analysts, these overtures would place China in an influential position in Afghanistan after the Western military withdrawal from the country.

This paper seeks to review the political and diplomatic relations between Afghanistan and China since 1950. It is divided into four sections. The first section deals with the period from 1950-1979, that is, the beginning of diplomatic relations. While, the second section focuses on the antagonistic relations, which emerged due to the Soviet military invasion of Afghanistan and establishment of the Communist regime in 1979. The third era (1992 – 2001) deals with China's dual policy. Finally the present relations between Afghanistan and China since the establishment of the new democratic regime in 2001 upto present times, are discussed. This period comprises of cordial and cooperative relations including trade relations, investment, and participation of China in the rehabilitation and reconstruction of Afghanistan.

SINO-AFGHAN RELATIONS, 1950-1979

King Amanullah assumed the throne of Afghanistan at a time of

considerable religious and political turmoil in the region. He received wide support from the Muslim peoples of Central Asia during the third Afghan war against the British and struggle for Afghanistan's independence. As a result, the British were forced to recognize Afghanistan's right to an independent foreign policy. Amanullah was known to be influenced by Pan-Turkic Basmachi movement, and during the first year of his rule he is reported to have toyed with the idea of creating an Islamic Confederation, which would include Afghanistan, Xinjiang, Khiva and Kokand.⁴

Amanullah was interested in promoting Afghan influence in the Xinjiang region of China, where numerous Afghan merchants particularly from Badakhshan province had long resided under the British protection. But, following the British recognition of Afghanistan's right to an independent foreign policy through the 'Treaty of Peshawar' in 1919, the diplomatic protection of Afghan citizens in Xinjiang by British India was over. Now Amanullah decided to establish independent diplomatic relations between Kabul and Urumchi. As a result of diplomatic negotiations between the Chinese authority in Xinjiang and Afghanistan government, the Xinjiang governor Yang Tseng-hsinh sent a Chinese delegation led by Ching Lein Yong to Kabul in the summer of 1922 for negotiations. In response, Afghanistan's delegation headed by Mohammad Sharif Khan was dispatched to Yarkand on 30 August 1922.⁵ The Chinese authority regarded the Afghan mission as a trade delegation, but Mohammad Sharif Khan introduced himself as Afghan Consul General in Xinjiang. Moreover, he submitted a draft agreement to the Chinese authorities demanding full extraterritorial rights and other privileges for Afghan citizens in Xinjiang, which were rejected by Yang Tseng-hsin who did not agree to give the same privileges to Afghanistan as were already given to the Soviet Union in Kulja. As a result of bitter dispute between Mohammad Sharif Khan and the provincial authority he was asked to leave Xinjiang. But the Afghan delegates refused to leave Xinjiang. However, Mohammad Sharif Khan remained at Yarkand.⁶

As a consequence of Afghan presence, something of an Afghan cult began to develop at Yarkand and Chinese authority at Kashgar was disturbed to hear that some local Turkic speaking peoples were studying "Pashtu" language. Certainly links were established between the Afghans and Turkic nationalist circles in southern Xinjiang during this period. According to British and German diplomatic sources, in February 1927 a group of representatives came from Xinjiang to Kabul to secure the backing of the Afghan government for a Muslim up rising against the Chinese.

However, Afghanistan's domestic political challenges had involved King Amanullah during that time, and he could hold out no prospect of aid for the intended insurgents. But he apparently indicated his willingness to accept Muslim refugees from Xinjiang.⁷ Finally, Amir Amanullah's regime was overthrown in early 1929 and Afghanistan was caught up in its internal political turmoil. The unstable political situation inside Afghanistan did not let this country to play any active role in the politics of the region except that of a neutral, non-allied and defensive diplomacy with its neighbouring countries. However, Habibullah Khan Tarzi was dispatched to Nanjing as Afghanistan's ambassador. Meanwhile a treaty of friendly relations was signed between Afghanistan and China on 5 August 1944.⁸ But in practice no important event took place between the two countries till the recognition of People's Republic of China by Afghanistan government 1950, and the establishment of diplomatic relations between the two states on 20 January 1955.

SINO-AFGHAN RELATIONS: THE BEGINNINGS, 1950– 1979

Although, Afghanistan officially proclaimed the recognition of People's Republic of China on 13 January 1950, the establishment of the diplomatic relations between the two states took place by a mutual declaration in Kabul and Beijing later on 20 January 1955. According to the agreement, Afghanistan and People's Republic of China agreed to exchange their ambassadors for improving their diplomatic relations. Whereas Ding Kuoyo was assigned as the first ambassador of People's Republic of China to Afghanistan on 5 July 1955, Abdul Samad was appointed as the first ambassador of Afghanistan to China on 2 November 1955.⁹

China's Premier Zhou Enlai and Vice Premier He Long visited Afghanistan on 19 January 1957, at the invitation of Prime Minister Dawoud on 7 January of that year. It was the first ever visit by the Chinese leadership to Afghanistan in the history of Afghanistan-China relations. The Chinese Premiers' visit to Afghanistan enhanced mutual understanding between the two countries and laid solid foundation for development of friendly relations between China and Afghanistan. Soon after Prime Minister Mohammad Dawoud visited China at the invitation of China on 19 May 1957. During this visit he held meetings with Chairman Mao Zedong, Vice Chairman Zhu De and Liu Shaoqi, Chairman of the Standing Committee of the National People's Congress of China.¹⁰

Since the establishment of Sino-Afghan diplomatic relations,

Afghanistan had always been trying to improve cordial relations with China. The permanent representative of Afghanistan Abdul Rahman Pazhwak insisted on the membership of China in the United Nations on 30 October 1962. Afghanistan preferred to stay neutral about the Xinjiang issue, and in the foreign policy of Afghanistan it is treated as China's domestic issue.¹¹ Nonetheless, the relations between Afghanistan and China during the period of 1955-1960, were limited to only some diplomatic correspondence, mutual proclamations, and small cultural exchanges, including official meetings and participation of Chinese artists, musicians and players annually in Afghanistan's independence day. For instance the Chinese musicians performed on Afghanistan's independent day in July 1957. Besides, Chinese football team and a group of Chinese artists traveled to Kabul for performance in August and September 1957. Similarly at the invitation of the Chinese ambassador and the Chinese director of Exhibitions, a group of Afghan officials including Prime Minister Mohammad Dawoud, Shah Mahmoud Ghazi, member of cabinet, the head of two houses, high ranking officials and diplomatic representatives traveled to China to visit some Chinese museums and exhibition on 25 August 1956.¹²

The "China-Afghanistan Friendship Association" was created with the participation of seventeen national institutions of China in Peking on 15 August 1963. The participants from "Chinese Association of Cultural Relations with Foreign Nations" along with sixteen other unions drafted the constitution of The China-Afghan Friendship Association and forty-three members of the Association were selected during the initial meeting. The main aim of creation of the Union was to improve friendly relations, including cultural exchange and economic ties between China and Afghanistan. Chan Ka Yee, the Deputy Minister of Health of China was selected as the chief of the Association. Professor Shao Yee and Yusof Shamangi were selected as deputies of the Union and Shia Fang was the executive secretary of the China-Afghanistan Friendship Association.

The Treaty of Non-aggression based on Five Principles of Peaceful Coexistence was signed between Afghanistan and China on 28 August 1960. It was a major event between these two neighboring countries ever since the establishment of diplomatic relations. The treaty was signed with due regard to the main principles of United Nation Charter and spirit of the Bandung Conference,¹³ along with an exchange of notes, which terminated the treaty of friendship between Afghanistan and Taiwan¹⁴

signed in Ankara 2 March 1944. The non-aggression treaty of 1960 included the following five articles:

Article (1): Both Countries (Afghanistan and China) mutually respect each other's territorial integrity and sovereignty;

Article (2): Both states will keep and improve and good and friendly relations among themselves. And both states declare to figure out their disputes through peaceful means without joining any arms;

Article (3): Both states declare not to interfere in each other's internal affairs, neither join any of military pacts, which is against another;

Article (4): Both states declare for improvement of economical and cultural relations based on mutual respect and benefits;

Article (5): The present treaty requires the legal process, and the original copies will be exchange in Peking soon. The treaty will be applicable practically after the exchanged of the original copies, and it is valid for ten years. If any of the counterparts wants to terminate the treaty, then another party should be informed a year before.¹⁵

The Agreement on the Exchange of Goods and Payments was signed between Afghanistan and China on 26 August 1960 in Kabul, to facilitate the smooth trade relations and mutual benefit between the two countries.¹⁶ On 24 March 1965 Afghanistan and China signed the annexed protocol of the boundary treaty,¹⁷ and two other agreements including cultural, economic and technical agreements in Kabul. Based on this cultural agreement, the two countries launched some cultural exchanges, including scholarships, fellowships, exchanges of cultural boards and artists on an annual basis. As part of the economic and technical agreement, China agreed to pay ten million pounds sterling as nonprofit long-term loan to Afghanistan.¹⁸

Following a joint press release on 2 March 1963, Afghanistan and China started diplomatic negotiations for official determination of the boundary line between the two states between 17 July and 1 August 1963. During these negotiations, both sides agreed to initiate the draft treaty on the determination of boundaries between Afghanistan and China. Finally, the boundary treaty between the two countries was signed on 33 November 1963.¹⁹

During the 1960s and early 1970s, a number of agreements were signed between Afghanistan and China, for instance:

- The agreement for construction of a textile factory was signed between China and Afghanistan on 4 June 1966.

- The Cultural Exchange Protocol for the year 1966 was signed between Afghanistan and China on 24 May 1966 in Kabul.
- The Protocol of Technical and Economic Assistance was signed between Afghanistan and China in Peking on 29 July 1966.
- The agreements for providing of construction machinery, technical support of the Chinese specialists for the Parwan Irrigation Projects, aviculture, cocoon and pisciculture were signed between Afghanistan and China on 17 March 1968.
- The Trade and Payment Agreement was signed between the two countries in Peking on 26 December 1970.
- The Air Transport Agreement, which included sixteen articles, was signed between Afghanistan and China on 26 July 1972 in Kabul.

The establishment of democratic regime in Afghanistan which was the result of a coup by Mohammad Dawood on 17 July 1973, caused concern in China about the Kabul regime. Mohammad Dawood's coup was indirectly supported by the Soviet Union and a large number of pro-Soviet personnel had already acquired the key government positions, who later on planned the coup against Dawood in April 1978. Beijing recognized Afghanistan's new regime on 27 July 1973 as requested by Afghanistan government. Though China continued to provide some technical and economic assistance to Afghanistan the tension was increasing gradually.²⁰ Mohammad Dawood was dreaming to create a Great Khorasan. And there was talk of exchange of words between Reza Shah, the king of Iran and Mohammad Dawood in this regard. According to this doctrine Xinjiang would be recognized as part of Great Khorasan, which meant that it would be taken out of China's rule.

SINO-AFGHAN ANTAGONISTIC RELATIONS, 1979-1992

The period of 1979 – 1992 is a considerable time in the history of Sino-Afghan relations. After the overthrow of Mohammad Dawood and political change in Kabul on 27 April 1978, hostility started between Afghanistan and Beijing. Initially Beijing announced its recognition of the Democratic Republic of Afghanistan on 8 May 1978,²¹ and the first anniversary of Sour Democratic Revolution was celebrated at China International Club on 28 April 1979. Besides, Hafizullah Amin sent a telegram to Beijing to congratulate China on its thirtieth anniversary on

30 September 1979. Meanwhile, a few trade contracts and technical agreements took place during 1979. The trade contract for purchase of five thousand tons of cotton by China valued at 7,275,000 US dollars was signed between Afghanistan and China on 15 July 1979.²² Besides, agreement for the construction of the second phase of the Parwan Irrigation Project was signed between the two countries on 28 November 1979. However, shortly after the direct invasion of Afghanistan by the Soviet Union on 24 December 1979, Beijing charged Kabul of pro-Sovietism in the Sino-Soviet rivalry. China tried hard to persuade Soviet Union to withdraw from Afghanistan. So much so, Lie Ping, Chinese Prime Minister, announced at the Seventh National Congress of China that, "Since long time back the international community has been insisting that the Soviet Union should end its invasion, and withdraw its military troops from Afghanistan soon. However, the Soviet Union should return Afghanistan back to non-alliance..."²³

China was a major actor in the Afghan civil war and a key supplier of small arms to the insurgents in the combined effort of United States and Pakistan to force the Soviet withdrawal from Afghanistan. China is equally responsible along with the Soviet Union, the United States, Pakistan, and Saudi Arabia in destroying the Afghan state, flooding it with weapons.²⁴ Kabul charged Beijing of training and supplying arms to Afghan guerrillas and allying with Afghan enemies. In an interview with *Gulabzoi*, the Minister of Interior of the Democratic Republic of Afghanistan stated:

Since the April Revolution the forces of imperialism and Beijing, which are acting together, have been waging an "undeclared war" against sovereign Afghanistan. For the conduct of this war no less than 50 bases and at least 20 special centers have been established in Pakistan, where Beijing and U. S "advisers" are forming anti-Afghanistan counter revolutionary bands...²⁵

After the Soviet invasion of Afghanistan by the Soviet Union, Beijing became an ally of US and Pakistan. However, in January 1980, just days after the Soviet invasion of Afghanistan, the U. S Defense Secretary Harold Brown visited China to obtain an agreement to permit flights of US planes over the Chinese territory for carrying arms destined for the resistance forces in Afghanistan. Beijing also agreed to supply Sam-7s and RPG anti tank rockets. Meanwhile, Beijing's Minister of Foreign Affairs Huang Hua visited Pakistan, which turned to be the main basis for organizing armed attacks on Afghanistan. Thus Beijing created a huge block against the Soviet military presence in Afghanistan.²⁶

The *Daily Telegraph* (London) reported on 5 January 1980 that:

China is flying large supplies of arms and ammunition to an insurgent movement in Afghanistan. The diplomatic report says, supplies have arrived from across China's common frontiers and via the Karakoram Highway into Pakistan. Diplomats believe a major build up of Chinese involvement behind the insurgents is under way...²⁷

Times of India (India) also reported on 4 January 1980 that:

China is currently reported to be supplying to Pakistan military equipment, small arms for rebel groups fighting inside Afghanistan, automatic rifles, grenade launchers and air defense missiles. China is also reported to be flying cargo planes into Pakistan on a regular basis.²⁸

The Chinese were mostly shipping arms to the Afghan insurgents through the Karakoram Highway, which connects Pakistan to Xinjiang region of China, as well as through the Wakhan Corridor, which connects Xinjiang to Badakhshan province of Afghanistan. In addition, the Chinese were encouraging the Uyghurs of Xinjiang in the name of *Jihad*, to participate in the war against the Soviets in Afghanistan. Many of these Uyghurs fought against the Soviets in Afghanistan with the financial and armed support from China and influenced by the Arab extremist insurgents. However, these very Uyghur extremists soon after the defeat and withdrawal of Soviets from Afghanistan became a serious threat to China's security itself.

The war in Afghanistan during the period 1979-1989, had multi faceted dimensions, with the involvement of many regional and distant players who were seeking different goals. China as an emerging power could not stay neutral either. China and Russia with long and disputed border has always had some issue of contest through centuries. However, the relative strength or weakness of China and Russia determined their positions in the satellite states of Central Asia at any given period of time.²⁹ The Soviet defeat in Afghanistan and later on the disintegration of Soviet Union was a great achievement for China. The political and economic vacuum, which emerged soon after the disintegration, gave a golden opportunity to China to penetrate into Central Asia. The region which not only has huge resources of oil and gas, which could satisfy China's energy demand, has proved to be a high potential consumer market for Chinese products too.

After the disintegration of the Soviet Union and the emergence of the new Central Asian states with huge resources of energy at the

neighborhood of China, Beijing paid its full attention towards these new independent states. Establishment of diplomatic and economic relations with Central Asian states emerged as a priority of Beijing's foreign policy. However, Afghanistan, which had been considered as an important issue in China's foreign policy due to the Soviet presence during 1980s, lost its importance in the eyes of Chinese leaders.

Najibullah's regime did try to establish good relations with PRC in 1991, to benefit from China's mediation between Afghanistan and Pakistan, as well as, to bring *Mujahideen* groups on the table for a political and peaceful settlement of Afghanistan war.³⁰ But it was too late for Kabul. Beijing had already realized that the Kabul regime couldn't sustain without foreign aid, especially after the disintegration of Soviet Union. Following the termination of Moscow's financial and military support, Najibullah's regime was bound to be a failure. Beijing was interested in the establishment of pro-Pakistan government in Afghanistan, to check India's influence.

SINO-AFGHAN RELATIONS: DUAL POLICY, 1992 – 2001

Soviet defeat and military withdrawal from Afghanistan left no justification for Beijing's involvement in Afghanistan affairs any longer. Beijing basically wanted to keep any rival power away from Afghanistan, that could challenge China's interest in the region. On the other hand, the civil war and insecurity allowed China to choose neutral position regarding Afghanistan. China's relations with *Mujahideen* regime in Kabul were smooth and Beijing had a strategic retreat from Afghan issue. Though Afghanistan entered a severe civil war in which local powers were involved, China was not concerned about it because there was no rival to Beijing to contradict its national and international interests. Radical *Mujahideen* were also involved in their own rivalries and competition for political power.

The relations between Afghanistan and China remained limited to diplomatic correspondence during 1992-1996, though President Burhanudeen Rabani expected Beijing to support Kabul regime and convince Pakistan to end support to the opposition groups especially Gulbuddin Hekmatyar.³¹ But Beijing preferred to stay aloof and let Pakistan which is China's foremost ally in South Asia to have an open hand for chasing its strategic depth in Afghanistan.

But soon after 1996, China found that insecurity and political

instability in Afghanistan could easily affect the security of the region including China's security especially in the Xinjiang region, which is dominated by Uyghur Muslim separatists.³² With the emergence of Taliban as a radical Islamist group in Afghanistan, the Beijing authorities became alarmed over the spread of Islamic fundamentalism that could challenge China's security especially in Xinjiang. Beijing knew that the Taliban movement has universal slogans for Islamic world including Xinjiang. Beijing was looking for Pakistan to mediate between Kabul and Beijing to discuss such issues. Pakistan supported the "friendly" Taliban regime in Kabul to prevent Indian influence in Afghanistan and also to secure for Pakistan safe transit to the Central Asian states. An adversarial regime in Afghanistan is perceived to be depriving Pakistan of its strategic depth and which could also affect Pakistan's security by making it contend with two simultaneous threats. Hence, ensuring Pakistan's security has been an imperative for China due to India's increasing power in the region.³³

The first contact between China and Taliban authority, which was facilitated by Pakistan, persuaded five Chinese senior diplomats to travel to Kabul for talks with the Taliban top leaders in February 1999.³⁴ All these diplomatic endeavors were due to China's concern about the Uyghur separatist movement in Xinjiang. China sought to nip them by engaging their sponsor in Afghanistan. As a consequence, the Chinese agreed to provide the Taliban with arms and spares for its ageing equipment. Apparently the two sides agreed to institutionalize military to military contacts. In return, the Taliban made it clear that they would not allow Afghan territory to be used against China.³⁵

SINO-AFGHAN COOPERATION, 2001 – 2012

Great Power Politics and China's role

Afghanistan's geographic location has made it a much-coveted strategic pivot in the current Great Game. There are significantly more stakeholders in the New Great Game such as United States, Russia, China, Europe, Japan, India, Iran and Pakistan in Afghanistan. The competition has led to two main blocks, one led by the United States (NATO) and the other by China (Shanghai Cooperation Organization) vying for influence in the region with seemingly dissimilar interests.

The attack on the World Trade Center on 9/11 followed by United States and its European allies presence in Afghanistan, caused concern to

China, Russia and also Iran. The improvement of Shanghai Cooperation Organisation (SCO) into an “Intergovernmental Multi Security Organization” could be considered as a reaction of China and Russia against the United States presence in the region. China’s constant economic growth and energy demands have made Beijing to revise its foreign policies regarding the regional states. With regard to Afghanistan – its geopolitics, geo-economics and demographic characteristics have acquired an important place in China’s modern foreign policy. Afghanistan’s mineral and energy reserves, its location as a transit hub in the region, challenge of narcotic trafficking, Islamic extremism and terrorism, and Afghanistan’s porous and continuous borders with three Central Asian states and China, have persuaded Beijing to take a broader role in Afghanistan’s reconstruction and security issues.

Some analysts believe that China is likely to engage with Afghanistan without taking a military role in the country. China has carried out development projects in Afghanistan and is unlikely to fund the country’s army and police. But others argue that Beijing’s strategy could change due to the American retreat from Afghanistan in 2014. For instance in June 2012, China and Afghanistan decided to increase their ties to the level of a strategic and cooperative partnership at the regional conference in Beijing. As part of the agreement with the Afghanistan government, China agreed to train around 300 Afghan police officers for the next four years.³⁶

In June 2012 Afghanistan was invited to the SCO meeting as a guest and was granted Observer status. Iran, Mongolia, India and Pakistan are already Observer members, but Pakistan is seeking full membership. China wants to play a bigger role in Afghanistan, in conjunction with Russia. The six members of the Shanghai Cooperation Organization discussed the security issues in Beijing, including the future of Afghanistan after most foreign troops leave in 2014. Attending the summit, the Afghan leader, Hamid Karzai, said he was expecting to agree to a new strategic partnership with Chinese leaders.³⁷ As the deadline for foreign combat troops to leave Afghanistan gets closer, the possibility of growing instability is a serious concern for its neighbours and major regional powers like China and Russia.

China and Russia seek to gain advantage after the decline of American influence in Afghanistan. As United States troops prepare to leave Afghanistan in 2014, a major regional shift is underway. China and Russia are seeking to expand their influence in Afghanistan.³⁸ Hence,

with the prospect of a decline in US influence in the region, both countries are trying to reach out to Pakistan and Afghanistan in a bid to improve economic ties and to secure their southern borders against the spread of Islamic fundamentalism.

Islamic Fundamentalism and China's Security

Following the US-led coalition attack in Afghanistan and dismantling of the Taliban power, the extremist Islamic guerrilla fronts sprouted in the region outside the borders of Afghanistan, from the northwest Pakistan to Kashmir and Xinjiang. International radical Islamists led by Al Qaeda and fugitive Taliban militias were looking for a secure base somewhere out of the reach of the threat. Perhaps their Uyghur sympathizers could be the second option for them after local tribal Pashtuns in Pakistan and Kashmiris in India. Therefore, Xinjiang became the source of tension for the national interests and security of China. This period also witnessed many reports of terrorist activities inside Xinjiang. Unlike the government of Afghanistan, it was China, which faced the threats of extremism and separatism. China was looking to suppress separatism on the one hand, and on the other hand Afghanistan was looking forward to Beijing, to support the survival of new democratic regime by the annihilation of the danger of radicalism in the western province of China.³⁹

Afghanistan politicians recognized, that Xinjiang under the strong leadership of China is to Afghanistan's benefit. Whereas, the emergence of autonomous Xinjiang could be imagined as the second Waziristan for Afghanistan, which has been known as the source of Islamic extremism, terrorism, suicide bombings, and political instability in Afghanistan.

Whereas both China and Russia will be happy to see US troops leaving Afghanistan, but they are equally worried about the Taliban and other extremist groups penetrating Xinjiang province in southern China and the Central Asian republics. Afghanistan remains the crucial focus for anti-terrorist campaigns, due to the following reasons:

- Afghanistan has been the main battlefield for the war on terrorism after 9/11. Hence, if the war in Afghanistan cannot achieve victory, terrorist groups in Central Asia and Xinjiang province of China will get strong and rearrange their terrorist activities from Afghanistan against China and Central Asian states.
- The leading core of Al-Qaeda is still very active between Afghanistan and Pakistan, and most of the Uyghur extremists and

the extremist groups of Central Asia have grown up in *Jihad* in Afghanistan.

- The production and trafficking of narcotics in Afghanistan have provided the extremist groups in Xinjiang and Central Asia with significant funds that support their terrorist activities.⁴⁰

There are more than ten East Turkistan independence organizations of different sizes in Central Asia, some of which were founded by Islamic extremists, such as, the *East Turkistan Islamic Movement* that has been declared a terrorist organization by the United Nations in recent years. Xinjiang separatists keep contact with Afghanistan, Pakistan and Central Asian religious extremist forces and frequently targeting Chinese citizens and seriously threatening the security of western China. Beijing is deeply concerned over the long-running crisis in Afghanistan and Pakistan, fearing that it may lead to the strengthening of Islamic fundamentalism all over the region.⁴¹ China's concern over the religious extremist groups in Central Asian countries, persuaded Chinese leaders to join different pacts with these states for maintaining security and combating religious extremist forces efficiently in its western region (Xinjiang).

China has signed agreement with Kazakhstan on joint action to combat terrorism. Its anti-terrorism aid for Central Asian countries, cooperation under the Shanghai Cooperation Organization, which makes the member states to sign documents on anti-terrorist cooperation, has established a new outlook on security. Laying the legal basis for joint anti-terrorist actions; improving the multilateral anti-terrorists cooperation systems; holding military exercises for joint anti-terrorist actions; and recent China-Afghanistan Security and Economic Agreement,⁴² which was signed during Zhou Yongkang's visit in September 2012 to Kabul, are some examples of China's efforts for suppressing religious extremism in the region.⁴³

CHINA'S ECONOMIC GROWTH AND THE INCREASE OF ENERGY DEMAND

China has almost a quarter of the world's population and is the second largest economic giant in the world. With its growing need for resources, Afghanistan is a land of opportunity for investment. However, China remained disengaged in Afghanistan until Karzai's government opened up its resources to foreign investors. China is likely to emerge as a large investor in the country, and Beijing's interest in Afghanistan is likely to increase. Afghanistan's substantial reserves have certainly not gone

unnoticed by China. China's access to foreign resources is necessary for its continued economic growth. Although the Afghan economy accounts for just 0.1 per cent of China's overall trade portfolio, still the possibility of cheap resources on its border is of significant interest to Beijing.

Since 2001, China has gradually increased its activities in Afghanistan. The growing interest was particularly manifested with Beijing's giant \$3.5 billion investment in Afghanistan's Aynak field one of the world's largest unexploited mineral reserves as on November 2007. It has been the largest foreign direct investment in the history of Afghanistan so far.⁴⁴ Once completed, this project will allow China to be the largest direct economic stake holder in Afghanistan and will facilitate investments in Afghanistan's extensive iron, aluminum, and marble deposits. Under the terms of the deal, China is obliged, by its contract with the Afghan Government, to build a 400-megawatt coal-fired power plant, 400-megawatt power station is under construction in Bamiyan province which will supply electricity to the mine and a third of the electricity needed by local residents, a freight railway running from Xinjiang through Tajikistan to Afghanistan.⁴⁵

China exempted Afghanistan⁴⁶ from repayment of ten million pound sterling of its loan. As promised China granted \$75,000,000 out of \$150,000,000 financial aid to Afghanistan during Berlin Conference, 2002 and 2004.⁴⁷ China completed some projects such as reconstruction of Parwan irrigation system, schools, medical clinics and *Jamhouryat* hospitals in Kabul. In addition, Afghanistan and China signed a number of security and economic agreements during a visit by the Chinese officials including Zhou Yongkang in September 2012. China's domestic security chief was the senior most Chinese official to have visited Afghanistan 50 years ago, when Shen Chang Huan, the Deputy Prime Minister who was also the China's foreign minister, had traveled to Kabul to sign some agreements, including, the annexed protocol of the boundary treaty which was signed between Afghanistan and China on 22 November 1963, as well as, the agreements on cultural and economic and technical cooperation.⁴⁸

China has gained potential access to millions of barrels of oil after it won approval for oil exploration and extraction in Afghanistan. The country's cabinet approved a deal to allow China National Petroleum Corporation (CNPC) to develop oil blocks in the Amu Darya Basin. The deal comes as China is looking to expand its oil resources in wake of growing domestic demand.⁴⁹

There are plenty of factors suggesting that China is set to increase

its investment in Afghanistan in the near future. Afghanistan has unexplored reserves of oil and natural gas in the northern part of the country. The oil reserves were recently upgraded 18 times by a U. S. geological survey, estimates indicating the amount of 1,596 million barrels. Afghanistan's natural gas reserves were upgraded 3 times, standing at a mean of 15, 687 trillion cubic feet. Meanwhile, the region has large iron ore deposits, gold reserves in the north and copper fields exist in Jawkhar, Darband and Aynak.⁵⁰

President Hamid Karzai's visit to China in the summer of 2010, led to the establishment of the China-Afghanistan comprehensive cooperative partnership. This included economic cooperation, technical training and preferential tariffs for Afghan exports. China's President Hu Jintao, during Karzai's visit, called for greater cooperation in mining, hydroelectric agriculture, infrastructure and irrigation projects. In addition to economic aid and bilateral trade, the Sino-Afghan economic committee identified sectors such as natural resources, road construction, electricity, and agriculture as holding good prospects of cooperation.

China has been exceptionally active in the region since 2001, building roads connecting Xinjiang to Kyrgyzstan and Tajikistan, and then with Afghanistan via the American-built bridge over the Panj River, as well as the Karakoram highway that links China to the Arabian Sea, and the Khyber Pass. The transportation link through the Karakoram mountain range is predominantly significant, particularly since the corridor provides the China direct land access to Pakistan and may be extended in the future to offer a network to the Indian Ocean.⁵¹

This is strategically important, as in the north, the border between Pakistan and Afghanistan runs alongside the ridges of the Hindu Kush, where Wakhan Corridor links Pakistan with Tajikistan and China. The untouched rich mining resources of Afghanistan have attracted the attention of investors from all nations around the world, but most evidently China. Nevertheless, the US presence in Afghanistan is regarded by the Chinese as a means for peacekeeping in the region but presents a dilemma for Beijing. Afghanistan's long-term prospects for becoming militarily secure, politically stable, and economically prosperous will depend on the strengthening of links with its neighbors. China's new presence in Afghanistan since 2001 is in many ways more a revival of 'Silk Road' than the 'Great Game'. China is likely to emerge as a large investor in the country, and Beijing's interest in Afghanistan is likely to increase. Furthermore, it is possible that after 2014, Afghanistan

may turn towards the major regional powers. From all viewpoints, China is poised to win in Afghanistan, due to its economic interest and domestic security issues in Xinjiang.⁵²

CONCLUSION

The few last decades of war and political instability in Afghanistan have proved that religious extremism, terrorism and drug production could not be a national issue any more. These challenges influence the world security, especially the security of the region. China shares 76 km border with Afghanistan, which connects the Xinjiang province of China with Afghanistan. Xinjiang is dominated by Uyghur Muslims, who claim separate state on the basis of their separate ethnic identity religion since 1933. The strong religious and ethnic linkages of Xinjiang's Uyghurs with the natives of Afghanistan and the neighboring Central Asian Republics turn this region into a big security challenge for China.

On the other hand, the international community's intervention led by United States in 2001 provided the opportunity for Afghanistan to open up its energy, minerals and raw materials for foreign investment. The untouched rich mining resources of Afghanistan have attracted the attention of investors from all nations around the world, but most evidently China. Chinese traditional view regarding Afghanistan being peripheral to Beijing's foreign policy, has changed. Though, China has taken free ride of the U. S. and its allies who are mostly involved with military issues and security in Afghanistan since 2001, a number of challenges persuade Beijing to take a broader role in Afghanistan after the US and NATO withdrawal in 2014, firstly, Afghanistan should not turn again into a safe haven for terrorists and Islamic extremist groups; secondly, drug production and trafficking in Afghanistan should be ceased, since most of the Islamic extremist groups and terrorist networks in the region feed from the money which comes from drug trafficking. The enhancement of terrorism, Islamic extremism and drug production in Afghanistan can challenge China's economic interests inside Afghanistan, but it can also influence China's security especially in the western province of Xinjiang, which is dominated by the Uyghur separatists who have broad links with the Islamic extremist groups in Afghanistan, Pakistan and Central Asia.

REFERENCES

1. Ghulam Mohammad Sukhanyar, *Fifty Years Relations between Afghanistan and China: 20 Jan 1955 – 20 Jan 2005*. Center for Strategic Studies, Ministry of Foreign Affairs, Kabul, Afghanistan, Aazim Publications, 2006. p. 8.
2. The international boundary between Afghanistan and China extends for 76 miles along the water divide between the Aksu River to the west and the Karachukur Su to the east. The boundary traverses a high ridge of the Mustagh Range (elevations range between 16,000 and 18,500 feet) to the west of the Taghdumbash Pamir. The extremely isolated frontier serves as a wild and mountainous buffer between Central and Southern Asia. Though the boundary between the Wakhan Corridor and Russia was carefully delimited and eventually demarcated, the boundary with China remained an unlimited, "conventional" line on maps. The Chinese in early 20th century, however, advanced claims on much of the Pamir region including most of the Afghan corridor, but finally the boundary agreement between Afghanistan and China was signed on 22 November 1963. See International Boundary Study, *Afghanistan – China Boundary*. No. 89. 1 May 1969, [Online: web] Accessed Oct. 2012 URL: <http://www.law.fsu.edu/library/collection/limitsinseas/ibs089.pdf>
3. Elizabeth Van Wie Davis, *Terrorism and the Beijing Olympic: Uyghur Discontent*. *China Brief* Vol. 8, Issue 8, 16 April 2008. Jamestown Foundation, [Online: web] Access Oct 2012 URL: http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=4851&tx_ttnews%5BbackPid%5D=168&no_cache=1
4. Andrew D. W. Forbes., *Warlords and Muslims in Chinese Central Asia: A Political History of Xinjiang, 1911 – 1949*. Cambridge, Cambridge University Press, 1986. p. 69
5. Ghulam Mohammad Sukhanyar, *op.cit.*
6. *Ibid.*
7. Andrew D. W. Forbes., *op.cit.*
8. Ghulam Mohammad Sukhanyar, *op.cit.*
9. *Ibid.*, p. 10.
10. Premier Zhou Enlai along with number of high ranking Chinese officials, during their stay in Kabul in January 1957, visited the Medical School of Kabul University. He donated some Chinese made medical equipment including X-Ray machine. For the first time China provided scholarship for Afghan students to study history, linguistics and Chinese language in China. Abdul Razaq Zahir, the lecturer at Kabul University, traveled to Peking for teaching Pashtu language as well as cooperate with Radio Peking on 6 September 1963. *Ibid.*, pp. 18, 19, 33, 43, 111.
11. *Ibid.*, pp. 105-107.
12. *Ibid.*, pp. 12-85.
13. The Bandung Conference, which was known as Asian-African Conference, was a meeting of Asian and African states, which took place on 18-24 April 1955 in Bandung, Indonesia. Twenty-nine countries participated at Bandung Conference. The aims were to promote Afro-Asian economic and cultural cooperation and to oppose colonialism or neocolonialism by either the United States or the Soviet Union during Cold War. The Bandung Conference was a significant step toward the crystallization of the Non-Aligned Movement. The Conference declared ten points for the promotion of world peace and cooperation

as follows: Respect for fundamental human rights and for the purposes and principle of the charter of the United Nations; Respect for the sovereignty and territorial integrity of all nations; Recognition of the equality of all races and of the equality of all nations large and small; Abstention from intervention or interference in the internal affairs of another country; Respect for the right of each nation to defend itself, singly or collectively, in conformity with the charter of the United Nations; (a) Abstention from the use of arrangement of collective defense to serve any particular interests of the big power, (b) Abstention by any country from exerting pressures on other countries; refraining from acts or threats of aggression or the use of force against the territorial integrity or political independence of any country; settlement of all international disputes by peaceful means, such as negotiation, conciliation, arbitration or judicial settlement as well as other peaceful means of the parties own choice, in conformity with the charter of the United Nations; Promotion of mutual interests and cooperation; Respect for justice and international obligations. See N.D. Jayaprakash, *People's Democracy*, Weekly organ of the Communist Party of India (Marxist), Vol.29, No.23, 5 June 2005, Online: http://pd.cpmi.org/2005/0605/06052005_bandung%20conf.htm

14. Ram Rahul, *Struggle for Central Asia*. New Delhi, Vikas Publication House, 1982. p. 34.
15. See *The Non-aggression treaty between the Kingdom of Afghanistan and People Republic of China (26 September 1960)*. The treaty had been signed by Mohammad Nahim, the Deputy Prime Minister and also the Minister of Foreign Affairs of the Kingdom of Afghanistan and Shen Chang-huan the Deputy Prime Minister and also the Minister of Foreign Affairs of People Republic of China on 26 August 1960, in Kabul.
16. See *The Agreement on the Exchange of Goods and Payments between the Kingdom of Afghanistan and the Peoples Republic of China (26 August 1960)*, consisting of fifteen articles, was signed by Ghulam Mohammad Shirzad, the Minister of Commerce of Afghanistan and Hao Ting, the Ambassador of China in Kabul and also the Special Envoy of People's Republic of China in Afghanistan.
17. *The Annexed Protocol of the Boundary Treaty (22 November 1963)*, was signed by Dr. Abdul Zahir the Deputy Prime Minister and Shen Chang Huan, the Deputy Prime Minister and also the Minister of Foreign Affairs of China in Kabul.
18. *The agreement on cultural cooperation between the Kingdom of Afghanistan and People's Republic of China (24 March 1965)*, was signed by Dr. Mohammad Anas, the Minister of Education and Shen Chang Huan the Deputy Prime Minister and also the Minister of Foreign Affairs of China in Kabul. *The agreement on Financial and Technical Cooperation Between Kingdom of Afghanistan and the People's Republic of China (22 November 1963)*, was signed by Sayd Qasim Reshtya, Afghan Minister of Finance and Shen Chang Huan, the Deputy Prime Minister and also the Minister of Foreign Affairs of China in Kabul.
19. Ghulam Mohammad Sukhanyar, *op.cit.*, pp. 99-116.
20. *Ibid.*, pp. 221-253.
21. *Ibid.*, p. 254.
22. *Ibid.*, pp. 254, 255.
23. *Ibid.*, p. 255.
24. Sujit Dutta, *China's Emerging Power and Military Role: Implications for South Asia*. In Jonathan D. Pollack and Richard H. Yang (eds.) *In China's Shadow: Regional Perspectives on Chinese Foreign Policy and Military Development*. Washington D.

- C, RAND, 1998. pp. 101, 102.
25. Y. Volkov, K. Gevorkyan, I. Mikhailenko, A. Polosky and V. Svetozarov, *The Truth about Afghanistan: Documents, Facts, Eyewitness Reports*. Moscow, Novosti Press Agency Publication House, 1980. p. 66.
 26. John G. Merriam, *Arms Shipments to the Afghan Resistance*. In Grant M. Farr and John G. Merriam (eds.), *Afghan Resistance: The Politics of Survival*. Boulder and London: Westview Press, 1987. p. 74.
 27. Y. Volkov and others, *op.cit.* p. 68.
 28. *Ibid.*
 29. Ram Rahul, *Struggle for Central Asia*, 1982, p.16.
 30. President Najibullah wrote a letter to Yang Shankun, the president of PRC on 4 April 1991 stating that after the withdrawal of Soviet Union, Pakistan has started direct military invasion, through its military forces, as well as Pakistan's support for the anti-Kabul militias. Najibullah asked the PRC to intermeditate as an influential regional power for settlement of Afghanistan's disputes through peaceful means and make Pakistan end its intervention in Afghanistan affairs. Ghulam Mohammad Sukhanyar, *op.cit.*, pp. 258, 259
 31. *Ibid.*, pp. 273-289.
 32. Sujit Dutta, *op.cit.*, p. 100.
 33. Tariq Mahmud Ashraf, "Afghanistan in Chinese Strategy Toward South and Central Asia", *China Brief*, Vol. 8, Issue 10, 13 May 2008, by Jamestown Foundation, [Online: web] Access November 2012. URL: http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=4915&tx_ttnews%5BbackPid%5D=168&no_cache=1; also see, Sujit Dutta *op.cit.*, p. 100.
 34. Harvinder Sabota, *China's Taliban Connection*, [Online: web] Accessed in October 2012. URL: <http://membres.multimania.fr/tthreat/article16.htm>
 35. Tara Shankar, (February 1999), *Taliban-China deal puzzles diplomats*, [Online: web] Accessed October 2012. URL: <http://www.rediff.com/news/1999/feb/12tali.htm>
 36. BBC News China, (23 September 2012), *China and Afghanistan Sign Economic and Security Deals*. [Online: web]. Accessed October 2012, URL: <http://www.bbc.co.uk/news/world-asia-china-19693005>.
 37. Hamid Karzai's speech at Shanghai Cooperation Organization annual meeting, BBC News World, (6 June 2012), *Afghan-China Ties to Strengthen*, [Online: web]. Access October 2012, URL: <http://www.bbc.co.uk/news/world-18336982>
 38. BBC News China, (23 September 2012), *China and Afghanistan Sign Economic and Security Deals*, [Online: web]. Accessed October 2012.
 39. Hamid Karzai during his trip to China on 23 January 2002 discussed with the Chinese Prime Minister Zhu Rongji the problem of regional terrorism and its threat for both China and Afghanistan. Chinese Prime Minister also shared his concern about the presence of underground terrorist groups including the *East Turkistan Islamic Movement* who have been trained in the border region and are engaged in terrorist activities and disturbing the internal security of China especially in Xinjiang region. Both sides agreed for a joint struggle against all kinds of terrorism in the region. Meanwhile, during the meeting between Dr. Abdullah Abdullah, the Foreign Minister of Afghanistan and Deputy Foreign Minister of PRC, China expressed Beijing's concern about the four underground terrorist groups in Xinjiang region, which have connection with the Taliban and Al-Qaida activists in Afghanistan. The PRC Deputy Prime Minister asked

- Afghanistan to suppress these terrorist groups inside Afghanistan territory. See Ghulam Mohammad Sukhanyar, *op.cit.*, pp. 290-293, 303.
40. Guang Pan, *The Role of a Multilateral Anti-Terror Mechanism in Central Asia*. In Charles Hawkins and Robert Love (eds.), *Chinese Strategies on Central Asia: The New Great Game*. New Delhi, Manas Publication, 2012, p. 133.
 41. Xiaoyang Dong and Chang Su, *Strategic Adjustment and Counter Measures against Extremist Forces of Central Asian Countries after 9/11*. In Charles Hawkins and Robert Love (eds.), *Chinese Strategies on Central Asia: The New Great Game*. New Delhi, Manas Publication, 2012. p. 83.
 42. BBC News China, (23 September 2012), *China and Afghanistan Sign Economic and Security Deals*, [Online: web]. Accessed October 2012.
 43. Xiaoyang Dong and Chang Su, *op.cit.*, pp. 83- 87.
 44. Charles Wallace, "China, Not U. S., Likely to Benefit from Afghanistan's Mineral Riches", *Daily Finance*, June 2010, [Online: web]. Accessed Oct 2012, URL: <http://www.dailyfinance.com/2010/06/14/china-us-afghanistan-mineral-mining/>
 45. Najibullah Rahimi, China Poised to Wind Afghanistan. *People's Daily*, (29 November 2012), [Online: web]. Access Dec 2012, URL: <http://english.peopledaily.com.cn/102774/8039778.html>
 46. The Chinese Ambassador proclaimed the exemption of Afghanistan from ten million pounds sterling loan during press conference on 27 March 2004. According to a contract the loan was given to Afghanistan in 1966, and it was supposed to be returned back till 2002. See Ghulam Mohammad Sukhanyar, *op.cit.*, pp. 307, 308.
 47. *Ibid.*, p. 306.
 48. *Ibid.*, pp. 145, 151.
 49. BBC News Business, (December 27, 2011), *China gets approval for Afghanistan oil exploration bid*, [Online: web]. Accessed in November 2012, URL: <http://www.bbc.co.uk/news/business-16336453>
 50. Nicklaus Norling, "The Emerging China – Afghanistan Relationship", *Central Asian Caucasus Institute Analyst*. May 2008, [Online: web]. Accessed Oct 2012. URL: <http://www.cacianalyst.org/?q=node/4858>
 51. Najibullah Rahimi, "China Poised to Wind Afghanistan". *People's Daily*, 29 November 2012.
 52. *Ibid.*

MEDIEVAL TIBET IN PERSO-ISLAMIC SOURCES

SAID REZA 'HUSEINI'*

No civilization during the course of its development has ever been free from the influence of another civilization. That is to say that no civilization developed in isolation. Geographical barriers or an unfriendly topography could not obstruct man's passion for exploration and development. Tibet, though isolated largely due to its harsh terrain, became an important region of these cultural exchanges influencing its neighbours and in turn being influenced by them.

Also known as the 'Roof of the World', Tibet has an average altitude of 4,500 meters. Tibet's unique geographical features made it the crossroads of Asia, getting Middle Eastern influence from the west, the Indian and Chinese influence from the south and east respectively and the Mongolian influence from the north-east. Yet, Tibet managed to retain its own distinct culture. Geographically, the Kunlun Shan and Altan Shan ranges in the north separate Tibet from Taklamakan desert in the

* I would like to thank Thupten Tsewang the director of Grukul Programme funded by the Foundation of H.H. the Dalai Lama who facilitated my stay at Namgayal Monastery, Dharamsala and made me to meet H.H. the Dalai Lama and also with using the Tibetan Library and Archive. I also thank Dr. Ankita Haldar who generously helped me from the beginning of research on Tibet. I recall with gratitude the assistance rendered to me by Plano Tsering, the Librarian and Tenzin Ghoesang, Assistant Librarian during my work in the Tibetan Archive. I am grateful to Dr. Jonathan Lee who helped me to understand the issue better with his comments on sources and also editing the text. I also would like to thank my advisor and friend Dr. Najaf Haider at JNU for reviewing this paper and his valuable comments. I am greatly indebted to Saima Waziri who inspired me with my academic life and also helped me with her comments and editing of this paper. I would like to thank Professor K. Warikoo for warmly receiving this paper and his precise review and important comments. I will always remain indebted to the generous support of my old friend John Brown who helped me start my academic life.

west. The Karakoram forms the barrier between Tibet on one side and Kashmir, Ladakh and Zaskar on the other. The Himalayas, ranging from east to west form the southern edge of the Tibet Plateau, separating it from India. The perennially snow covered mountains and cold weather of Tibet is a great gift for north India but a tough foe for its invaders. The cold climate, combined with sparse vegetation and population led to the nomadic life for the residents of Tibetan plateau but these very same nomads were aware of passages which would connect them with the outside world. Herodotus, deriving his information about Tibet from the Persians, wrote:¹

They are distinguished above the rest for their bravery and those who are employed in searching for gold... In the vicinity of this district there is a vast desert of sand.

Herodotus account distinguished Tibet from its neighbours. He explains Tibetan's nature, lifestyle and gold as its known resource.

Unlike the ancient times, medieval Tibet's chief and finest product - musk (which was exported) occupied a notable position in the geographical and historical literature of its neighboring regions, particularly in Perso-Arabic sources. The Muslim-Arab geographers were aware of a kind of gazelle that existed in Tibet which they called *Farat-al-Mushk*. Despite never having seen Tibet or this deer, they were very familiar with fine Tibetan products which were reported to be extremely rare and precious commodities which merchants carried to the kings for sale or as gift. Herodotus did not mention musk but spoke of gold while the Perso-Islamic sources put emphasis on musk and not so much on gold, suggesting a shift from gold to musk production which apparently was not known to the Greeks or was discovered later.

Formally invaded by the Chinese Communist army in 1957, Tibet had already been occupied by the Chinese colonists and recognized as part of China. The exodus of the Tibetans which mainly settled in India not only made Tibet known to the world due to its survived unique Buddhist culture but also broke its historical isolation. Today Tibetans are known for their Buddhism and not for its gold or musk and that's because of its solid religious leadership which almost influenced all aspects of Tibetan's life. Yet, historically Tibet is not properly known due to lack of history writing in Tibet. This neglect encouraged the Chinese Communist Party to refer Tibet as a part of *Zhuang Guo*.² This paper is a retrospective view on Tibet from the Perso-Islamic perspective,

the sources of which reject the Chinese claim of *Zhuang Guo* and also show why Tibet was well known to its neighbours. It is also an attempt to analyse why the Muslim historians assumed Tibetans as Arab Yemeni descendants.

Tibet is recorded as TABBAT (تبت) in all Perso-Islamic sources from 9th to 18th century. Tabbat means severed in Arabic language and there is a *sura* with this title in the Qura'n which implies the same meaning.³ The Muslim geographers divided the world into several climates (Iqlim) and Tibet was located in the fourth *Iqlim*.⁴ Ahmad ibn Wazih Ya'qubi in *Kitab al-Buldan* (278 A.H/891 A.D) situated Tibet in Balkh's eastern border connected through the Wakhan valley.⁵

In his description of Hindustan, Abu Ishaq Ibrahim Istakhri in *Masalik wa al-Mamalik* (340/951) located Tibet beyond Qannuj. In his words: [The land of Hind (India) from the Kirman's territory to the land of Mansura and Barha and all these are part of Sindh and it continues till Qannuj and then it reaches to the land of Tibet].⁶ He placed China to east of Tibet and portrayed it as a separate country. The Tibetan language was stated to be different from that of the Chinese and the Turks and its ruler was independent and settled at Khamdan. Unlike Istakhri, other sources recorded Khamdan as a Chinese political capital and Khanfu (Canton) as its trading centre.⁷ He added that it is said (*emphasis added*) that he was a Yamani by origin. He mentioned that Tibet was close to Wakhan and then added that: [Plenty of musk is transported from Tibet through Wakhan's way].⁸

Istakhri in his description about Trans-Oxiana (*Mawara al-Nahar*) says that the musk was brought there from Tibet and Kharkhiz and then carried over to the Islamic lands. Istakhri certainly made a mistake when he explained about the Bahar Qulzam⁹ (the Red Sea) by stretching it to south of Tibet. He mentions that: [This Sea stretches to the east till Indian coasts and then continues till shores of Tibet and reaches Sin (China)].¹⁰

Interestingly, this description matches the extant maps of the early Arab geographers. In *Surat al-Arz* compiled by al-Khwarazmi (early 9th century), Tibet is shown as a separate land between *al-Hind* (India) and *Balad al-Sin* (the land of China). But he correctly assumed that the Ganges river originated from Tibet (See maps). What they were unaware of was that Tibet was a land-locked country and that between the Bay of Bengal and Tibet lived several independent tribes which were not part of Tibet.

Their descriptions revealed two things. Firstly, Tibet was a separate country from China and stretched from Wakhan valley to north of

Qannuaj and would reach Chinese border in the east. Its main product was musk and was brought to Khurasan (the north of modern Iran with most of modern Afghanistan) and Trans-Oxiana (countries of Central Asia) and then distributed. Secondly, they believed that Tibet had a coastal south. However, both Istakhari and Al-Khwarazmi were not clear about where exactly the sea would reach Tibet which makes their statement flawed.

Written in 10th century, the anonymous author of *Hudud al-Alam* gives valuable information about the geographical, socio-political, economic and religious features of Tibet. It is likely that he got his information from traders and war prisoners and never saw Tibet.. Calling the inhabitants of Khatlan (in present day Tajikistan) warriors, he recorded:

The inhabitants of Tibet are uncivilized people living in mountains and deserts. China is in its East and bounded to India from the South. On its west is the territory of Mawara al-Nahar and to some extent it shares borders with Khallakh (خلخ) a Turkish tribal area). From the North, it reaches to the land of Khallakh and the Tughuzghuz (تغزغز). This region is prosperous, populous but is poor in resources and its inhabitants are all idol-worshippers.¹¹ It has warm and cold areas and all commodities are transported to Tibet from Hindustan and its products exported to the Muslim cities. There are gold mines and musk is produced there. It has black fox, squirrel, sable, ermine and khutu.¹² It is not a wealthy land and its ruler is called Tabbat-Khaqan (تبت خاقان) but he has a large army under his command.¹³

Our author separates Tibet from China and describes it as a vast and independent country, dividing it into five regions - Rank Rang, Tabbati Buluri, Nazvan, Barkhaman and Lhasa. The vast Rank Rang, in the south-east was the poorest region and shared a border with China and India. Its residents lived in tents and their wealth was their herds. The Tabbat-Khaqan imposed tax (*sarkazit*) on them as there was no fertile land to provide the land revenue. Tabbati Buluri, half the size of the Rank Rang was a mercantile centre as its inhabitants were mainly engaged in trade, even importing salt from Kashmir which came from Rajputana. The ruler of Bulur, which was close to Kashmir, claimed to be the son of the sun and refused to wake up before sunrise considering it improper to rise before his father.¹⁴ Abu Raiyhan al-Biruni located Bulur between Kashmir and Badakhshan.¹⁵ Nazvan was wealthier and our author specifically named a tribe called Miul-Miul but does not explain their importance. Like Tabbati Buluri, Barkhaman was a trading centre. Lhasa was a

religious centre and there were numerous temples there. Lhasa contained a Muslim minority - probably the merchants - signifying the religious tolerance of Tibet even then. *Hudud al-Alam* also informs us of Tibet controlling eleven cities which were earlier under Chinese rule, indicating the superiority of Tibetan military-power in the 10th century.

The similarity between Tibetan, Chinese and Manichaean scripts convinced Abu al-Faraj Muhammad ibn Ishaq ibn al-Nadim author of *al-Fihrist* (c. 10th century) to say that (the Tibetans write with Chinese and Manichaean, whereas the Khazars write in Hebrew). He was not aware of difference between these scripts but what is important is that he distinguishes Tibetans from the Turkish tribes by having their own script.¹⁶ Al-Biruni, in his *Tahqiq mal al-Hind* (907-1030), portrays Tibetans facially, culturally and linguistically as different. He wrote about its red soil while Indian soil was black.

Abu Sa'id Abd al-Hayy Gardizi in *Zayn al-Akhbar* (mid 11th century) recorded about the fabulous land of Tibet with fragrant soil and musk deer. He wrote of its snow-covered mountains and terrains suitable for pastures; meanwhile he did not deny that the land was infertile and thus unsuitable for cultivation.¹⁷

Yaqut al-Hamawai's description of Tibet in his *Al-Mu'jam al-Buldan* (623/1225) was very similar to that of Ya'qubi and the author of *Hudud al-Alam*. Deriving his information from Al-Biruni's work, he put Tibet between China, India and the Turkish land. Abi al-Fida in his *Taqwim al-Buldan* wrote "Tibet is located in the north of Qannuaj with a long distance in between". Like Abi al-Fida, Muhammad ibn Ahmad Tusi in *Ajayeb al-Makhlukat* separated China from Tibet but stated that the Tibetan ruler paid tribute to the Chinese emperor. Zakariya ibn Muhammad ibn Muhammad Qazwini in his book *Athar al-Ibilad wa Akhbar al-Ibaad* has the map showing Tibet as an independent country.¹⁸ He described both the sedentary and the nomadic ways of life, towns and villages and its plentiful pastures and rivers. The nomads were mainly Turks. He writes of how Tibet's environment kept its inhabitants happy, for they had lesser sorrows as compared to other nations. They had distinct dance styles and forms of entertainments. He speaks of them as a kind race, the kindness which manifested itself even in their treatment of animals.¹⁹

Persian myths held that Tibet and China were given to Tur by his father Feraidun and this myth was popular when Firdausi compiled his *Shahnama*, which also contains the myth.²⁰ Tibet was the eastern border of the Islamic world and of the Abbasid Caliphate and Tibetan armor

was well-known in Baghdad.²¹ Our sources in general, assumed that the Tibetans were Arab-Yamani in race and all explained its reason to be Yamani's expedition to Tibet while the accuracy of their narration has not been critically studied nor has been compared with the Tibetan account. This story changed in course of time without being questioned. Gardizi's narrative of Yamani's expedition to Tibet and their governance there was a variation of earlier Arabic accounts.

Abu Hanifa Ahmad ibn. Dawud Dinawari (died c. 895/902) in *Akhbar al-Tiwal* mentioned that the Yamani King Abu Malik died on his way to *Zulamat* (the darkness). The Yamani aristocrats appointed his son who was known for his bravery as Tuba Aqran (اقرن تبع). Abu Malik's son led his army towards China to avenge his father's death. Passing through the ruins of Samarqand, he ordered the city to be rebuilt. On crossing the desert and reaching Tibet, he found it to be a vast land with lush pastures. He then built a city there and left behind thirty thousand soldiers. Dinawari ends his narration by saying that till his time the descendants of these Arabs were there.²² We don't know based on what observation or source he said it. Yaqut Hamawai, having access to earlier geographical accounts wrote about Tibet in his book and recorded the same story about the Yamani conquest of Tibet without acknowledging his source. But its importance is that he recorded a poem by Debal ibn Ali al-Khuzai (148-220 A.H/765- 835A.D) which was an answer to the Arab poet Kumait al-Asadi (60-126/679-743). Proud of his Persian origins, al-Khuzai talked of Persians being everywhere - from Central Asia to China and Tibet, confirming the presence of Persian merchants in Tibet.²³

TIBET AND THE MYTHS OF ALEXANDER, ZU'L QARNAIN AND YAMANI

It is likely that, this story is a misunderstanding of Alexander's expedition to Central Asia. Generally, Alexander has been interpreted by the Muslim historians as *Zu'l-Qarnain* (having two horns) mentioned in the Qur'an who reached *Zulamat* and safely returned.²⁴ Although the Qur'anic *Zu'l Qarnain* is not necessarily Alexander the Great but this interpretation was common among the Muslim historians for centuries and recently has interpreted as Persian King Cyrus the Great.²⁵ About Alexander, there are two contradictory views; the Greek and Syriac sources which translated into Arabic later, depicted him as conqueror of the East and a great king with extraordinary achievements. In contrast, the pre-Islamic Persian sources (mostly in Pahlavi compiled during the Sassanians) are

contemptuous of Alexander and called him *gujastak Alexander* (accursed Alexander).²⁶ So, how Alexander changed to the ideal king and was interpreted as the Qur'anic *Zu'l-Qarnain* and how the Yamani myths incorporated him to their own legends? Moreover, how Persian and Yamani encounter has created the base for such inaccurate narration which was repeated by the Muslim Historians for centuries?

After the conquest of 7th century, Persia came under the political domination of the Muslim Arabs and gradually changed to an Islamic land when it became part of the Abbasid Caliphate. Apart from importing Islamic religion into Persia, the Arabo-Islamic historiographical methodology was adopted by the Muslim-Persian historian and became standard method of history writing in Islamized Persia.²⁷ Simultaneously, the Qur'anic information was interpreted first by the Arab scholars and then later by their Persian fellows. When the Qur'an speaks about *Zu'l-Qarnain*, it means that this was a known but disputed character among the intellectuals in Hijaz. But the Qur'an does not mention any name except a title for this character and his deeds. This obscurity is the reason of various interpretations. Meanwhile, Alexander was known because of Greek and Syriac information which was available to the Arabs by this time.²⁸ One main reason for popularizing Alexander's myth was misinterpretation of Qur'anic information regarding *Zu'l-Qarnain* due to similarity of the two character's achievements and the hegemony of the former.²⁹ So, Alexander was misinterpreted as *Zu'l-Qarnain* and was described as a wisened man in Islamized Persian mind. In fact, the related Qur'anic narration became the forerunner for its further popularization in the Islamic world and overcame its adversarial Persian narration. This depiction was adopted and refined by the medieval historians and the poets. Further, it became a title for the medieval Persian and Turkish kings to be proud of.³⁰ So the version of Alexander's story was brought by the Arabs to Persia and refined there and modified to a philosopher and ideal king and later exported to India by the Central Asians which we see in the work of Amir Khusrau (*Aynayi Iskandari*) or Alauddin Khalji's title (*sikandari thani*).³¹ Eventually, the historical Alexander was transformed by Islamic historians and poets into a character of myth, legend and mystery. Some local rulers even attempted to be shown like him by court's poets but certainly by the monarch's will. They compared the king with Alexander for political ends. The story of Yamani Tuba is one instance of this manipulation of myths for political ends.

Alexander's expedition to China and Tibet are accepted by all

Muslim historians. For instance al-Masudi's *al-Tanbih wa al-Ashraf* (344/955) describes as follows: "Alexander went towards China and Tibet and there the rulers obeyed him and paid him tribute. He subjugated the local rulers and left regiments there and in Tibet".

Al-Masudi's report clarifies that historians like Dinawari confused the Alexandrian conquest with the mythical Yamani expedition to Tibet and China which in no case happened. The Muslim historians exaggerated about Alexander's conquest in the east while in reality he did not go beyond Badakhshan valley.³² To clarify the title 'Tuba', Al-Masudi also says that it was a title for any Yamani ruler who could conquer Shahar³³ and Hazramut. But al-Masudi himself made a mistake stating that Tuba Abu Karb (Dinawari mentions Abu Malik instead) fought the Sassanian King Qubad and conquered Iraq, which is not confirmed by any sources. The Sassanians had problem with the Arab tribes on their south-west borders and minor conflicts happened but not in the scale al-Masudi mentioned.³⁴ Strangely, in his other book *Muruj al-Zahab wa Maadin al-Jawhar* in a chapter on Yamani kings, al-Masudi does not speak about legendry expedition of Tuba to Tibet.³⁵ This shows that such myth was not acceptable to all historians.

Yaqut believed that the Tibetans were Arab in origin; they were hard working and good horsemen, which gave them an edge over their neighbours. Yaqut argues that in the course of time these Yamani's physiology and language changed and became more like the Turks; they adopted many Turkish elopements including the title for their king who were now called as Khaqan and not Tuba. Not only Yaqut but no Muslim historians provide us with any evidence to prove their statement on Tibetans being Yamani descendants. In Yaqut's time, Turkistan was ruled by the Tibetans after much conflict with the Chinese, later plundered and razed by the Mongols. Tibetans predicted that it would be won back by them.³⁶

Gardizi, who unlike Dinawari and Yaqut, does not mention his source wrote of a certain Thabit (ثابت) from Hemair (حمير) tribe which served the Yamani rulers, who was informed by his mother about Tuba's expedition to Tibet. Inspired by his mother's story, Thabit moved out towards Tibet with an army and found Tibet as his mother had said. But after his victory, he was taken into complete darkness by Satanic forces to a mountain, where he remained for twenty days. There on the mountain, Satan, in the form of an old man appeared to him ordering Thabit to obey and worship him. Thabit followed his orders and

murdered seven generals in his army. On being asked to explain these actions, Satan promised him that he would become the sovereign. On his way back to his regiment Thabit saw a man collecting fire-wood. On asking the man about the state of his army, Thabit was told a conflict had arisen among his generals in his absence. Satan told the wood collector that Thabit was taken by the angels to the heaven and there God blessed him and gave him armor. Subsequently, the news of his arrival spread out in the regiment and Thabit followed what the Satan had said and eventually became the Khaqan.³⁷ Unlike any other historian, Gardizi says that Thabit's behavior was perpetuated in Tibetan culture.³⁸ But he gives no sources for his claim and this assertion is based on rumor.

Sulaiman Sirafi in *Akhbar al- Sin wa al-Hind* - (c.10th century A.D) says that the Chinese men kept their hair long as sign of wisdom, as to them losing hair was equal to spoil the brain.³⁹ As this source is almost contemporary to that of Gardizi, one can assume that Gardizi was not aware of the Chinese influence in Tibet and that he did not know that the Tibetans were Buddhists or and the Buddha was depicted with long hair with ushnisha symbolizing more brain and wisdom.

Gardizi's story reflects a common notion which prevailed about Tibet in the Muslim world. Had these scholars actually travelled to Tibet, they would have never mistaken the Tibetans as descendants of Arabs. Yaqut inclined to explain the confusion between name of Tibet and the Yamani Tuba (تبع). According to him Tubat was derived from Arabic Thubbat (ثبت) and the Persians (*ajam*) called it Tubat (تبت) as their language does not have letter *tha* (ثاء) which was the name of a man from Hemair tribe.⁴⁰

Al-Tabari's *Tarikh al-Rosol wa al-Muluk* (c.10th century A.D) explains how this misunderstanding happened. He puts the encounter between the Persians and the Yamanis much earlier to the time of Persian mythical king Kaykavus. Tabari refers to Hisham ibn Umar al-Kalbi (died on 204 A.H) who narrates that Kaykavus was imprisoned in Yaman and Rustam rescued him. To al-Kalbi this was the first encounter between the two nations.⁴¹ No historical accounts support al-Kalbi's narration. Tha'labi (ثعالبي) in his book *Ghurur Akhbar Muluk al-Foros wa Siyarahom* (c.10th century A.D) repeated the same story while his contemporary epic writer Firdausi mentioned that Kaykavus did not go to Yemen but went to Mazandaran (in north of today's Iran) which is logical. Tha'labi's narration is inaccurate because he simply did not distinguish that the area he explained would not match Yemen's nature but an area like

Mazandaran. Moreover both Tabari and Tha'labi failed to explain the relation between these two remotes areas Bactria and Yemen to fight for. To Tha'labi, Sudaba (in Pahlavi Sutapak) is daughter of Yemeni ruler Zu'l Aar while she is a Persian character in *Shahnama* which is the most reliable source on pre-Islamic Persian epic. So, it is clear that both Tabari and Tha'labi misinterpreted the myths. Indeed, 10th century was the time of rise of Ghaznavids to power; the Turks who ended the Persian Samanid rule on Khurasan. Therefore, the Turko-Persian adversary was an old issue, which was reflected by Firdausi in his work. In such context there was no place for the Yemeni story.

But Tabari's account is still helpful. He mentions that some Arab tribes settled in Hira and Anbar (in today's Iraq) and became buffer between Persia and Arabia. On other occasion the Arabs of Bahrain marched towards south of Mesopotamia but were defeated by the Persians and scattered between Hira and Anbar.⁴³ Tabari mentions Kaab ibn Jamil Tughlabi's poem in which Tuba (تبع) went till Hira and met the Yamani tribe but left them in Hira and returned to Yemen. This means that the Yamani did not go beyond Hira. Tabari adds that these Arabs remained nomads and later served the Persian kings. He says in the battle between the tribal leader Khuzayma al-Abrash (in al-Masudi's account he is Juzayma and was Roman governor of Hira) and other Arab tribes the Yamani fought other Arabs at Hira and not the Persians.⁴⁴ Tabari's account also helps us to understand how Gardizi misunderstood the myths. According to Tabari, Khuzayma's sister Raqash married Uday ibn Nasar and the result of this marriage was a son named Amru ibn Uday. In his young age, Amru was taken by 'the devil'. He disappeared for long time. Later he appeared having long hair and nails. He met a small group on the bank of a river and introduced him to them. Recognizing that he is the lost son of Uday, the group took him to Khuzayma where later he occupied the throne.⁴⁵ In both narrations of Gardizi and Tabari, the antagonist was taken by 'the devil' and both had long hair and both became the king. But Tabari's narration happened at Hira while Gardizi put it in Tibet.⁴⁶ It is possible that Gardizi had access to Tha'labi's book but still we do not know what his source on Thabit's story is. We know that the Arabs believed in genii and they used amulets to prevent their harm. Several mysterious disappearances of young men are recorded which included religious characters. It is said that Halima (Prophet Muhammad's maid) used to keep a nickels with prophet in his childhood to protect him from the devil's eyes.⁴⁷ Ibn Hisham reports that this disappearance happened

to Prophet Muhammad also.⁴⁸ With all this clarification, Tabari followed his predecessors saying that Hassan ibn Tuba was sent to Sindh and Shamir Zu'l Janaha (who has two wings) was dispatched to Samarkand. They both met in China. He says that Yamanis believed that they died in China but some of them returned to Yemen with war booty.⁴⁹

If we review the history of expansion of Islam during first Caliphs and later in Umayyad's period, we find two characters who reached Sindh and Central Asia; Muhammad ibn Qasim and Qutayba ibn Muslim al-Bahili. The former is known to be the first Arab general who reached Sindh and the later is known to have fought the Turks in Central Asia.⁵⁰ None of them were Yamanis neither they reached China. On the other hand, no Arab general reached Central Asia except in the time of Caliph Uthman and no Arab general ever reached Tibet. Still, the Muslims did not fight the Chinese directly but had the Tibetans as enemy lying beyond Badakhshan valley where the trading routes were passing. But yet no encounter is reported. As the expedition against Rukhaj (ancient Arakhozia and today's Qandahar region) was mostly directed from Sistan and the Arab-Muslim soldiers crossed Persian Gulf to reach there, it is possible that the Yamani tribes were among these soldiers and this can be the first time that the Yamanis reached Sind and fought in Kabul.⁵¹ In addition to Yamani's internal situation, Tabari says that they suffered from inter-tribal conflicts. Therefore, this was a factor of disunity among them which makes the expedition to Persia or Tibet impossible. In contrast, the Arabs were rich in poetries and had high imagination and were known for their eloquence. In a poem, Amru ibn Tubaan (عمرو ابن تبةان) praised himself as king of the east for killing the Hemair nobles while he did not have power beyond Sana (صنعاً).⁵² This exaggeration was common in the east. Juzjani reports that the local Ghurid ruler Alauddin Husain compared himself with Alexander while he destroyed one of the most flourishing cities of the eastern Islamic lands, Ghazni.⁵³ What makes the Yamani myths more fragile is that Yemen was conquered by the Sassanians and was a tributary to Persia till emergence of Islam as dominant political power.⁵⁴

Ibn Khaldun was the only Muslim historian who found the Yamani mythical expedition to Tibet irrational. He criticizes his predecessors for being slack in establishing its authenticity or proving it wrong. He said that this expedition to Tibet was impossible due to two reasons. Firstly, fighting against the nations of the east and the Turks while Persia and Byzantine were on the way to Tibet was not an easy task. Moreover, no

historian mentioned that the Yamani Tubabea (تبابعه) conquered Persia or Byzantine. Secondly, crossing these two countries meant a long-distance journey, which would require huge resources and a large army. This was impossible for Yemen to supply. Therefore, he concluded that version to be a myth and not a historical fact.⁵⁵ What this analysis gives us is that the Yamani never went beyond Hira and if they went it was only part of Islamic expansion of 7th century but they exaggerated their ruler's achievements and mixed it with Alexander's myth to show themselves higher than other nations. Moreover, this shows how the later Muslim historians just repeated their predecessors' information and added to it without any criticism.⁵⁶ Apart from this, it shows that Tibet was well known to the Muslims and this was largely due to the trade and not any military conquest. Moreover, the Persians ruled over Yemen and lived there and this certainly brought some cultural exchanges and better acquaintance of each other, which got mixed with local Yamani myths.

However, we do know that there were Muslims in Tibet by the ninth century. The author of the *Hudud al-Alam* records that there was a village in Tibet inhabited by Muslims who controlled the trading routes and demanded custom duties from caravans.⁵⁷ A number of Tibetans traders also lived in Trans-Oxiana. The *Hudud al-Alam* reported the presence of Tibetans at Khamrad (unidentified) and Samarqandaq (Samarkand). The latter was a trading centre, where along with the Tibetans, Hindus, Muslim Wakhis (people of Wakhan valley) also worked. The *Hudud al-Alam* also mentions about a mosque (*Mazgit*) in Lhasa suggesting that the Muslims were there in the 9th century and were probably the merchants.⁵⁸ This means that the local authorities recognized them and respected their religion. The Muslim population is reported by the later sources as well. The presence of Sufism in 17th century is traceable in Tibet. During this time Sufis had the opportunity to enter Tibet under the famous Naqshbandiya Shaikh, Afaq Khoja and his cordial relations with the 5th Dalai Lama, which are also recorded. In 1678 Afaq Khoja was helped by the Dalai Lama against Ismail Khan and captured Kashgharia.⁵⁹

The fact that the sources are silent about communal violence suggests that the Muslims and Buddhists lived in harmony. The later sources indicate that the Muslims of Tibet were mostly Kashmiri in origin, who were given land for a mosque and a cemetery near Potala Temple by the Dalai Lama. The Tibetan name for Kashmir was *Khachal*. The Tibetans called Muslims *Khache* and used the title of *Gya Khache* or

Hopaling Khache for the Muslims of Chinese origins.⁶⁰

The rise of Muslim power in 14th century in Kashmir not only added another ideology to the area but deeply influenced it. After Islam was established in Kashmir, a *jihad* was declared against Tibet in the 14th century. Very few Muslim kings wanted to go forward with this. The expedition of Muhammad ibn Bakhtyar Khalji whose aim was to reach Turkistan through Tibet was a failure. He did not reach beyond Assam. This indicates that it was a common belief that Turkistan and Tibet were situated just beyond the mountains in north of Bengal. Bakhtyar's expedition could not be for *jihad* or seeking wealth as both motivations were available in India for him. Another attempt was made in the reign of Sikandar (rule 1394-1416) and Baltistan was the first target.⁶¹ Sultan Zain- ul- Abedin (1420-1470) led a personal expedition against Tibet in the name of *jihad*. This was continued by the later rulers. Adham Khan, the eldest son of Zain-ul -Abedin sacked Baltistan in 1451, after which Sultan Hasan Shah followed his path. Only the Mongols could stop the Muslim attacks for a short time. Qublai Khan (in Tibetan: *Sechen Gyalpo*) invaded Eastern Tibet but he soon developed an interest in the Buddhist faith. The successive campaigns of Mirza Haidar Dughlat (ruled 1532-1551 AD) put his eyes on Lhasa. His threat continued till the time of Sonam Gyatso (1543-1588) too. Mirza Haidar marched towards Lhasa, which he called, 'Ursang the city of idol temples' but the arduous mountains, cold weather and snow destroyed his army and he realized the serious damage. He turned while he was only eight days march from Askg-bog near Ursang without any gains.⁶² Militarily, Mirza Haidar's expedition was a failure but he collected detailed information about Tibet. By his time Tibet was known in two parts; the little Tibet which covered Ladakh and Baltistan and became tributary to the Mughals and the great Tibet which was the main Tibetan land and remained independent.⁶³

WONDERS OF TIBET

Almost all Muslim sources on Tibet recorded various wonders of this country apart from its finest commodity, the musk. Amongst its wonders the *Ber al-Aswat* (Well of Voices) is mentioned particularly. According to the sources, visitors could hear languages such as Turkish, Hindi, Arabic and Persian coming from that well. Husaini in *Malumat al-Afaq* (c. 18th century A.D) and Khwandamir's *Habib al-Siyar* (c.16th century A.D) adds to this anecdote by claiming that the voices stopped during

rain and continued after it. This implies that merchants from different regions may have met around the well for the purpose of barter and exchange. Naturally, when it rained, no one would visit the well.⁶⁴ The location of the 'Well of Voices' is not mentioned but it reveals the ethnic composition of the merchants who visited Tibet.

Another recorded wonder was a mountain, from which if anyone shouted it would bring destruction in the form of floods which swept away everything. Apparently, most of these wonders were not believed by the Tibetans themselves. Tusi in *Ajaeb al-Makhlūqat* mentioned a Tibetan king (not identifying him), who having heard of a mountain surrounded by a lake which poured out water if anyone lit a fire on it, visited it to view the wonder personally. Tusi writes that the king visited the site and saw the flood. The king then believed what he heard further about Tibet. One can assume that the mythical wonders were more common among the outsiders rather than the Tibetans. Another recorded wonder was a type of flower which turned yellow when anyone smelled it.⁶⁵

Tibet was portrayed as a country full of joy and happiness, which were experienced by everyone who visited it. For Yaqut, its fresh air, water and green pastures accounted for this atmosphere.⁶⁶ The author of *Hudud al-Alam* narrates a local superstition of the inhabitants of Rank Rang which contained a number of gold mines where nuggets as big as a sheep's head were mined. The belief was that a person who took this gold to his house invited death and wasn't safe unless he returned it to the mine.⁶⁷ Presumably, propagandizing such rumor could help exploitation of gold without having any rival in the field.

More than anything else, Tibet was known for its finest product musk (*mushk*) in the same way China was known for its silk and India for its textiles and spices. Obtained from the musk deer, which were plentiful in Tibet, musk was accumulated, refined and then exported. Musk was transported to the emporiums of Khurasan and *Mawara al-Nahar* and then distributed westwards across the Muslim world. The main demand for this perfume was from the Persian aristocrats who held musk in their esteem because of its sweet-smell. It was carried to the Arab region by the Persians and then transported to the Mediterranean markets. The properties of musk quickly became shrouded with myths and associated with miracles. Ya'qubi gives us a detailed description of its different varieties, refining process, packing and export. Later works adopted this description with minor changes

indicating that the Tibetan method of musk production remained largely unchanged for centuries or possibly the later authors simply repeated what Ya'qubi mentioned earlier. Ya'qubi derives his information from an older source; the *Habib al-Arus wa Rayhan al-Nufus* of Muhammad ibn Ahmad ibn Khalil ibn Saeed al-Tamimi (could not clear the date). According to Tamimi, "There are verities of Musk and Tibetan Musk is the best. It comes from a place called Zu-Samt (unidentified), a two-month journey from Tibet. They take it to Tibet and from there export it to Khurasan". Ya'qubi also draws on the work of Ahmad ibn Abi Yaqub, according to whom: "The mines of musk are in Tibet's land. They build small pillars like minaret as tall as a Ziraa (from the middle finger to the elbow equivalent to 50-60 cm.). The antelope with its bladder full of musk and blood feels itchy and comes to scratch itself against these small pillars, where its bladder falls. Its exporters reach there just in time to collect the bladder without any problem. They are charged 1/10 when they bring it to Tibet".⁶⁸

Sulaiman a merchant from Siraf⁶⁹ confirms this information when he met a trader from Samarkand who carried a bag of musk to Khanfu (Canton) for sale. This suggests that musk came only in small amounts but was in great demand among the Muslim traders. Moreover Ya'qubi adds that the home of this deer was between China and Tibet and each side got its own share which means that no party would trespass other's side.⁷⁰ Yaqut's account agrees generally with Ya'qubi's account of the process but he does not agree with the idea that the bladder falls off. Rather it is the discomfort of the deer resulting from the blood in its bladder (*nafcha*). When the blood turned black inside the bladder, it created an abscess and the deer felt an urgent need to scratch. When they rub themselves to the stone, the black blood bile spilled out and the deer feels relieved. Then the collectors come and collect them. This is the best quality musk.⁷¹ The collected product was taxed and was an important source of income for the government in addition to the tax imposed on the merchants.

Both Sulaiman Sirafi and Ya'qubi felt that the secret behind the high quality of the Tibetan musk lay in the deer's diet and pedigree. The musk deer is said to graze on a plant called *kadhamas* or *kandhamsa* (Arabic, *Sunbul-al-Tayb*) which grew in Tibet or Kashmir.⁷² Tusi refers to this plant as 'Hindka'. He also writes that the musk deer moved from Tibet to Kashmir in order to graze on the *sunbul* and *bahman* plants and then returns; a seasonal movement which provided seasonal jobs for the locals in Kashmir. By the time the deer reach Tibet, their bodies start to produce

the black blood bile or musk. This was kept in cloth bags sealed to reduce its smell as it caused nose-bleeds. The smell of the musk was very strong until 'it was brought out from the infidel's land and reached Kashgar where it heard the Azan (Islamic call for prayer) and become less pungent'.⁷³ The reality was that the musk's smell was reduced due to the long distances travelled between Tibet and Khurasan or Kashgar. However, musk production was not always so benign. Yaqut, Tusi and Khwand Mir, who rely on the now lost work by Abul-Muyad Balkhi, *Ajaeb al-Buldan*, all recorded that the Chinese and Tibetans often trapped or cut out the bladders of the deer after killing them, though this method was not the common way of acquiring the perfume.⁷⁴

Tibetan musk had Chinese, Indian, Soghdian and Turkish competitors. Chinese musk was carried to Khanfu (Canton) where it was sold to the foreign merchants whilst Daybul was the Indian port that exported Indian musk. The sources, however, indicate that Tibetan musk was the best variety as the Tibetans did not dilute or mix the perfume with other substances which the Chinese used to do. The Chinese musk exported from Khanfu was often spoilt because of moisture and humidity. Sulaiman Sirafi suggested that if the Chinese would keep their musk in ceramic containers and exported to the 'Arab lands' (emphasis added) then it would be as good as the Tibetan variety. This suggests there was much competition between Arab and the Persian merchants over this valuable commodity.⁷⁵

Tibetan musk was mainly carried on men's shoulders to Khurasan and Trans-Oxiana due to the uneasy roads. Ya'qubi's information indicates that the Khurasani and Soghdian merchants exercised monopoly on the musk trade.⁷⁶

TIBET IN PERSIAN LITERATURE

Many poems, proverbs and anecdotes preserved in Persian literature testify to the high value of Tibetan musk in Persia. References to musk appear more frequently in Persian poetry composed during 10th-13th centuries prior to the Mongol invasion and are considerably less in post-Mongol literature. This may indicate a decrease in its use or importation after the Mongol ravages. Frequent mention of musk in early Persian poetry and Turkic literature is a testimony to the widespread use of this perfume. Since there are few pre-Samanid Persian poems (give dates) we do not know what early Persian poets thought about the Tibetan musk. Hence,

we look at it in the preserved texts mostly dating to 10th-13th centuries.

In Persian literature from 10th century onwards Tibetan musk is a metaphor for the morning wind (*badi saba*) and the beloved's breath (*dami yar*). Nasir Khusrau (1004-1088) in his collection of poems refers to it:

بینی این باد کی گوئی دم یار استی

یاش بر تبت و خرخیز گذار استی؟

*Do you feel this wind? It is like the beloved's breath,
or crossed the land of Tibet and Kharkhiz.*⁷⁷

[Nasir Khusrau, *Diwani Ashaar* (collection of poems)]

According to Farukhi Sisitani (d. 1037 A.D), the wind carried the musk from Tibet and scattered it all over the world:

باد گوئی نافه های تبتستان بردرید

باغ گوئی کاروان شوشتر آواره کرد

*"Thou, the wind torn the bladders of Tibetan antelopes and scattered them
around,*

*Thou, the garden wandered the caravan came from Shushtar.*⁷⁸

[Farukhi Sistani, *Diwani Ashaar*]

The sweet smell of the beloved's hair (*zolfi nigar*), makes the head of the lover full as the musk fulfil the land of Tibet.

ز آنکه تا زلفین او بوئیدم و دیدم رخس

مغز من تبت شدست و دیدگانم شوشتر

*When I smelled my beloved's hair and saw her face,
My mind became Tibet and my eyes became Shushtar.*⁷⁹

[Unsuri (d. 139/1040 A.D) *Diwani Ashaar*]

Shushtar (in south west of present day Iran) was well known for its fine and coloured cloths and here the poet uses it as a metaphor to show how the lover's eyes see the different colours of his beloved's face, hair and clothes. This couplet by Qatari Tabrizi (d.1072 A.D) testifies to the wide usage of Tibetan musk as a metaphor in the Persian world.

با مشک زلفکانش و با دیبه رخانش

گاهی به تبتم و گاهی به شوشترم

*With her fragranced hair and her beautiful face,
I feel that I am in Tibet for sometimes and in Shushtar for a while.⁸⁰*

[Qatarani Tabrizi, *Diwani Ashaar*]

To some other poets, the fragrance of the Tibetan musk is not from itself but it was a reflection of the beloved's hair. In Rashid al-Din Vatvat's words (d.1083 AD) this was his beloved's hair which fragranced the Tibetan musk.

مشک تبتی رنگ موی تو گرفت
خوشبوی بدان گشت کی بوی تو گرفت
*The Tibetan Musk took its colour from your hair,
It became a perfume because it got your smell.⁸¹*

[Rashid al-Din Vatvat, *Diwani Ashaar*]

The smell of Tibetan musk is compared to Jesus' breath (dami Isa) as Jesus is said to have resuscitated the dead and here the musk performs the same functions:

دم عیسی است کی بوی گل تر می آرد
وز بهشت است نسیمی کی سحر می آرد
یا نه زان است نسیم سحر از سوی تبت
کآهوئی آه دل سوخته برمی آرد؟

*It is the breath of Jesus which carries the perfume of fresh flower,
It is from heaven that the morning wind comes from.
Is it not the morning wind which blows from Tibet,
A burning heart sight of musk deer?⁸²*

[Farid al-Din Attar (d.1221 AD).....]

Musk was also used in burial rituals also and was used to perfume the shroud and coffin or thrown into the grave as Khaqani (d.1190 AD) describes it in his poem on Abu Mansur Hafara's death

بر تربتش کی تبت و چین شد چوبگذری
از بوی نافه عطسه مشکین زند مَشام
*If you visit his grave which became like Tibet and China in smell,
You will sneeze from the smell of musk spread out everywhere.⁸³*

[Khaqani, *Diwani Ashaar*]

The dust from Prophet's grave is regarded as a holy relic and its fragrance is seen to exceed even the fragrance of Tibetan musk:

جز به بیاع جهان ندهم کز آن چون سنگ مشک
صد شتر بار تبت از بیع جان آورده ام

*I won't give from this stone of musk unless to the seller of the world,
I brought hundred loads of camels of Tibetan musk by selling my life.*⁸⁴

[Khaqani, *Diwani Ashaar*]

The links between musk and prophets are probably derived from the use of musk in pre-Islamic rituals in fire temples which continued to be functioned in Islamic shrines to the present day.

Tibet became a proverb for being the land of happiness while Ahwaz (in south-west Iran) is juxtaposed with it as the land of fever and sorrow:

شهر اهواز از تب کسی جدا نشود
به تبت اندر غمگین ندید کسی دیار

*"The city of Ahwaz is not free from the fever,
No one has seen a sorrow-free land like Tibet".*⁸⁵

[Jorjani (933-995) from *Jami al-Hikmatain*]

If there was not Tibetan deer where the world would get its sweet smell? The first post-Islamic Persian poetess asked:

صبا نأفه مشک تبت نداشت
جهان بوی مشک از چه معنا گرفت

*If the wind would not carry the perfume of Tibet
Then how the world would get its fragrance?*⁸⁶

[Rabia Balkhi (10th century AD) from *Dehkhuda...*]

Nasir Khusrau is contemptuous of those who sell the Tibetan musk cheap but that has meaning beyond this apparent contempt. Here musk is used a metaphor to say that the humans should know the values of what he has.

مشک تبتی به پشک مفروش
مستان بدل شکر تبرزین

*Don't sell the Tibetan Musk so cheap
Don't take rock-salt in return.*⁸⁷

[Nasir Khusrau, *Qasida No. 175*]

We do not know how the musk was used; it could be used to fragrance body and the clothes. But it is clear from these poems that women rubbed in into their hair and that it could still be used in burial ceremonies.

We do not know if the musk was first refined and how this was done. Certainly, it was kept with great care in expensive containers. The poems also indicate its use for both domestic and ritual purposes. Manuchihi (lived in 11th century AD) in his poem refers to the musk burning like incense (*bukhur*) and also its use during *Mihragan*, the ancient Iranian autumn festival dedicated to Mithra the celebration of which was still known during the time of the Ghaznavids (962-1186). Confirming this statement the Ghaznavid historian Bayhaqi (d.1007 AD), reported of burning musk before Sultan Masud's throne in 429/1039 in Ghazna.⁸⁸

صلصلكان مشك تبت سوختند
زردگل شمع بر افروختند

*They burnt Tibetan musk in small vessels,
They then lit the yellow, flower-like candles.*⁸⁹

[Manuchihi, *Diwani Ashaar*]

CONCLUSION

To sum up, the medieval history of Tibet is poorly known due to lack of adequate sources. Most of the available sources on Tibet are written by Chinese official writers or Muslims which give little about Tibet's history or its historical geography. Tibetan culture is preserved strongly due to its religion and it is visible in the form of temples, religious texts, temple art and architecture. The heavy presence of religion and the domination of the Lamaist institution in all aspects of Tibetan life left no place for development of any systematic historical documentation.

Muslim information on Tibet was scant and was derived from contact with traders and the occasional Christian and Buddhist pilgrims. We do not hear of any Muslim individual adventurers who recorded their own observation about Tibet and instead the repetition of news spread out through traders. The scanty information more reflects Tibet's isolation from the rest of the world both ideologically, geographically and politically. But what is proxy to this isolation is that Tibet was primarily seen by Muslims as the source of musk, which

was the most desirable of all perfumes and presumably extremely costly.

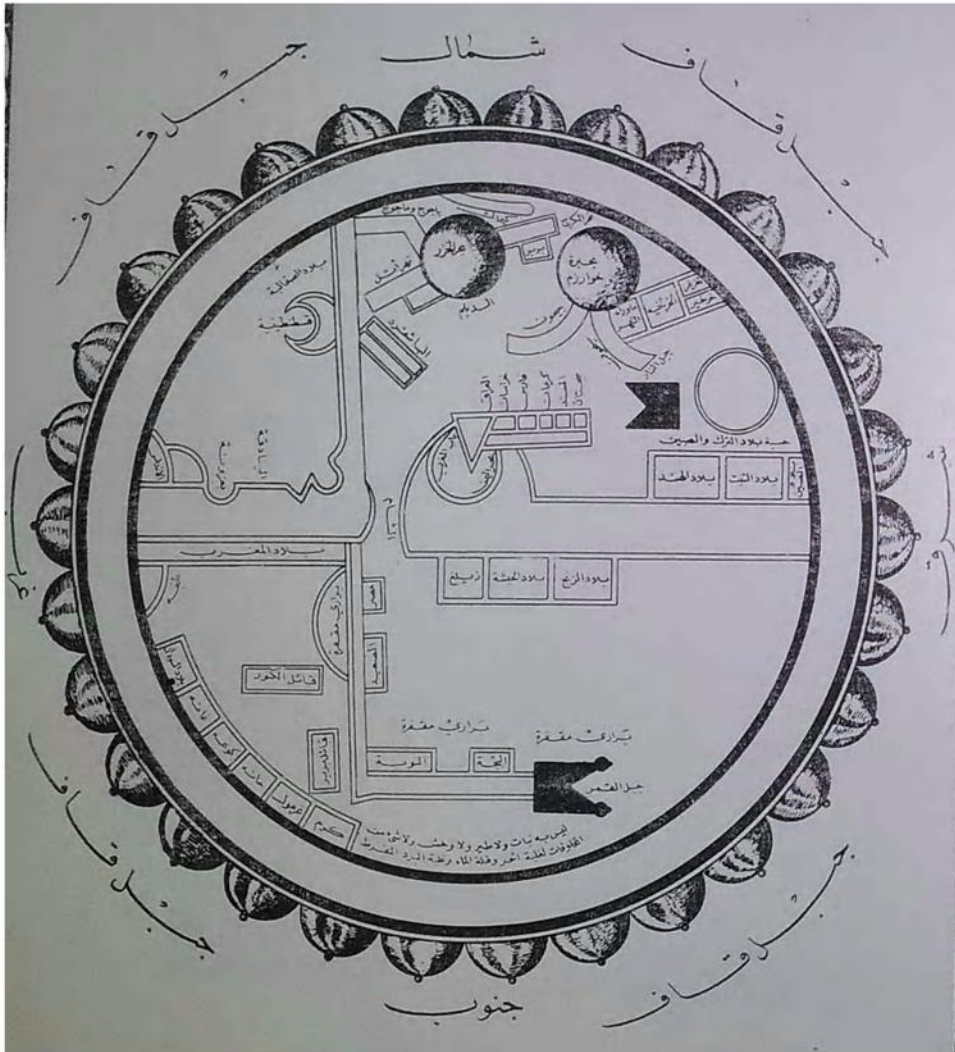
The Perso-Arabic sources are mostly repetitive of older sources and in many cases are rhetorical and ambiguous. They lavishly speak about Tibet without providing us with authentic information to illustrate a clear picture of Tibetan society.

The Muslim sources mainly considered on two issues; the polemic issue of conquest of Tibet by Yamani and this is the time that Tibet was discussed among the Muslim intellectuals but only from the allegedly Yamani's aspect. Secondly, it is the wonders of Tibet and its deer musk which had profound impact on the Persian Literature. Consideration on these two issues and apparent satisfaction did not let the Muslims to explore Tibetan social-economic, history, culture or its Buddhist religion and practices. This unfamiliarity with Tibet beyond its musk deer or wonders continued till the time of the Mughals. The only exception is Mirza Haidar Dughlat who expanded the issue little further. Had it not been for the trade in musk, early Muslim knowledge about Tibet which is based mainly on myth and rumour, would have been much more limited than it was. Linking the Yamani Tuba' and Tibet was the preoccupation of many early Muslim historians and the myth was accepted at face value. One possible reason for this was confusion between the expedition of Tuba and Alexander the Great, but this misunderstanding led to historians recording whatever little they knew about Tibet.

What is important that the Muslim sources depict Tibet as an independent country between India and China with its own ruler who once led a formidable army which rivalled both the Chinese and the Arab-Muslims of Central Asia. Tibet's fine product, musk, occupied a special place in the Muslim markets and penetrated the Persian imagination through its poetry. Our sources help us to see Tibet from the Muslims writer's eyes. Perfume production, its high demand and intensive competition over monopolizing its trade between Persians, Chinese and Arabs certainly would let the Tibetan traders to move out to the neighbouring regions and also attracted merchants towards it.

If the ancient history of Tibet is known to us mainly through Chinese sources, its medieval history is indebted to the Muslims historians and geographers although these sources do not provide precise detail on Tibetan internal issues. They do provide valuable information about trade

as well as perceptions about Tibet which were prevalent during the pre-Mongol period. As Jonathan Lee puts it, "Tibet was also the place of legend and myth, a kind of Muslim Shangri-La, a place of strangeness and remoteness".⁹⁰ The information provided by the Muslim sources once again rejects the Chinese claim on Tibet being its historical part.



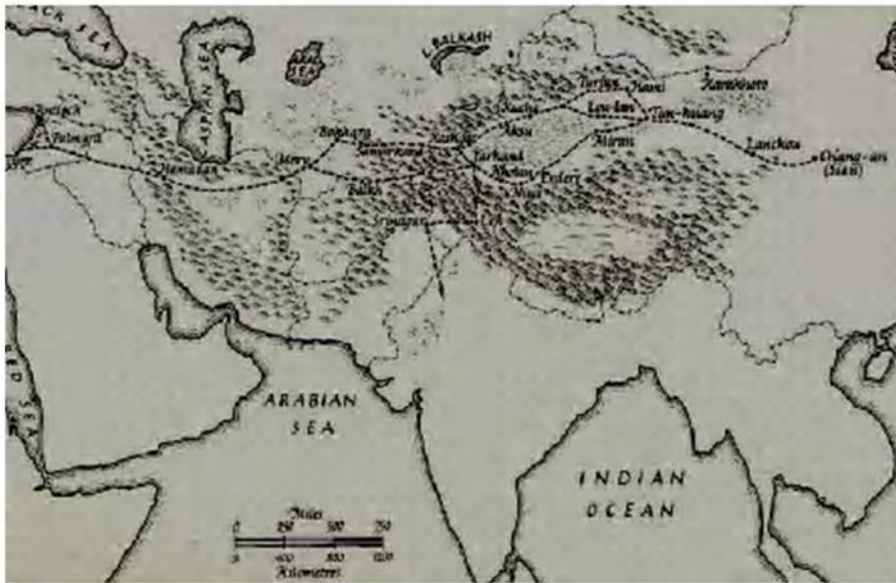
WORLD MAP BY IBN AL-WARDI (D. 749.1348)



WORLD MAP BY ISTAKHRI PROVIDED IN 340/951



TIBET ON THE MAP OF ASIA



TRADE ROUTES AND ISOLATION OF TIBET

BIBLIOGRAPHY

- Adamiyyat, Manuchihr. *Sharaf Nama*. (A Persian poetry work composed by Nizami Ganjawi). Tehran, Intisharati Atelyayi Honar, 1371/1993.
- Afshar, Iraj. (eds), *Masalik wa al-Mamalik*. (An Arabic primary source on geography compiled by Abu Ishaq Ibrahim Istakhri and Translated into Persian by Muhammad ibn. Asad ibn. Abdullah Tustari). Tehran, Bahman Publication house, 1373/1995.
- Ali, A.Y. (trans), *The Holy Quran*. New Delhi, Royal Publishers and Distributors, 2009.
- Al-Sayed Majdi Fathi (ed), *Syrat al-Rasul*. (An Arabic primary source on Biography of Prophet Muhammad compiled by Abdul Malik ibn Hisham). Cairo, Dar al-Turath be Bantana, al-Azhar University, 1416/1996.
- Ayati, Abdul Muhammad. (trans), *Taqwim al-Buldan*. (An Arabic primary source on Geography compiled by Abi al-Fida). Tehran, Bonyadi Farhangi Iran, 1349/1971.
- Ayati. Muhammad Ibrahim (trans), *Kitab al-Buldan*. (An Arabic primary source on geography compiled by Ahmad ibn Wazih Yaqubi). Tehran, Bongahi Tarjuma wa Nashr Kitab, 1343/1965.
- Azad, Abul Kalam .Parizi M.B. (trans), *Kurushi Kabir Zil-Qarnain*. Tehran, Nashri Ilm, 1385/ 2007.
- Azarnush, Azartash., (trans), *Futuh al-Buldan*. (An Arabic primary source compiled by Ahmad ibn. Yahya al-Bilazari). Tehran, Bonyadi Farhangi Iran, 1346/1968.
- Bahar, Malik al-Shuara (ed), *Tarikhi Sistan*. (A Persian primary source on history of Sistan compiled by an anonymous author in c.10th century). Kabul, Bayhaghi Press, 1366/1988.
- Barthold, W.W.. Sardadvar, Hamze (trans), *Historical Geography of Iran (Tazkiraye Goghraphyae Tarikhi Iran)*. Tehran, 1386/2008.
- Bosworth, C. E. Anusha, Hasan (trans). *The Ghaznavids*. Tehran, Intisharati Amir Kabir,

- 1381/2001.
- Chandra, Satish. *Medieval India: from Sultanate to the Mughals*. New Delhi Har-Anand Publication, 2011.
- Damghani, Mahmud Mahdi. (trans), *Akhbar al-Tiwal*. (An Arabic primary source on history compiled by Abu Hanifa Ahmad ibn. Dawood Dinawari). Tehran, Nashri Nai, 1364/1986.
- Dihlavi, Amir Hasan. Jahan, Nargis (ed), *Diwani Ashaar*. New Delhi, Hisrat Mohan Foundation, 2004.
- DIIR, *A 60 Commentary on the Chinese Government Publication*. (A Collection of Historical Archive of Tibet). Dharamsala, 2008.
- Fazaeli, Muhammad (trans), *Ghurur Akhbar Muluk al-Foros wa Siyarahom*. (An Arabic primary source on Universal History compiled by Abdul Malik ibn Muhammad Tha'labi). Tehran, Nashri Noghra, 1368/1980
- Firdausi, Abul Qasim. *Shalmama*. Tehran, Brochim Library and Publication House, 1313/1934.
- Flugel, Gustav (eds), *Kitab al-Fihrist*. (An Arabic primary source compiled by Muahmmad ibn Ishaq ibn al-Nadim). Leipzig, 1872.
- Gaborieau, M. (ed), *Tibet Journal*. (A Publication for the Study of Tibet, Autumn,1995). Vol. xx. no.3.
- Gerami, Bahram. "Perfumery Plant Materials as reflected in Early Persian Poetry", *Journal of the Royal Asiatic Society*. Third series. Vol. 23.Part.1. (January 2013).
- Ghaffari Fard, Abbas Quli. (ed), *Tarikhii Rashidi*. (A Persian Primary Source on History compiled by Mirza Muhammad Haidar Dughlat). Tehran, Mirathi Maktub, 1383/2005. p. 607.
- Gharachanlu, Husain. (trans), *Akhbar al-Sin wa al-Hind*. (An Arabic primary source on physical geography of China and India compiled by Sulamina Tajir Sirafi and expanded by Abu Zaid Hasn Sirafi). Tehran, Intisharati Asatir, 2002.
- Gonabadi, Mohammad Parvin. (trans), *Muqaddamah*. (An Arabic primary source on history compiled by Ibn. Khaldun). Tehran, Bongahi Tarjuma wa Nashr. 1359/1981.
- Habibi, A.H. (ed), *Tabaqat-i- Nasiri*. (A primary Persian Source compiled by Minhaj Siraj Juzjani). Kabul, Anjumani Tarikh, 1342/1963.
- Habibi, A.H. (ed), *Zayn al-Akhar*. (A primary Persian Source compiled by Abu Sai'd Abdul Hayy Zahak Gardizi). Tehran, Donyaee Kitab, 1363/ 1985.
- Hamawi, Yaqt ibn. Abdaullah. *Mujam al-Buldan*. (An Arabic primary source on geography). Beirut, Dar Al Kutub al- Ilmiyah, 1398 AH/1978 AD. Vol.1.
- Hashim, Muhammad (ed), *Tuzuki Jahangiri*. (A Persian autobiography written by emperor Jahangir).Tehran, Intisharati Bonyadi Farhangi Iran, 1359/1981.
- Husaini, Sayed Amin al-Din,. *Malumat al-Afaq*. Kanpur? Munshi Naval Kishur Publication, 1287A.H.p. 106
- Jackson, Peter. *The Delhi Sultanate: A Political and Military History*. London, Cambridge University Press, 1999. pp.12-13.
- Kaiwani, Majd al-Din."Iskandar Zul-Qarnain". *Fulklori Irani*. Autumn, no.3.1387. pp. 402-403.
- Kashghari, Mahmud. *Diwan Lughat al-Turk*. Istanbul, Amera, 1333 A.H.3. p. 117
- Khalidi , Tarif. *Arabic historical thought in the classical period*. Cambridge University Press. 1938.
- Le Strange, Gay, *The Lands of the Eastern Caliphate: Mesopotamia, Persia, and Central Asia from the Moslem Conquest to the Time of Timur*. Cambridge University Press, 1905.
- Malsov, Yuri and Jafari Raziya (eds), *Surat al-Arz*. (An Arabic primary source on

- Geography compiled by Al-Khawarazmi). Dushanbe and Sri Negar, 1985.
- McKay, A. (ed), *The History of Tibet*. London, Routledge Curzon, 2003.
- Minavi, Mujtaba. (eds.). *Divani Nasir Khusrau*. Tehran, Intisharati Danishgahi Tehran, 1353/ 1975.
- Moein Muhammad (ed), *Lughat Name Dehkhuda* Tehran, Intisharati Danishgahi Tehran, 1366/ 1988.
- Moien, Mohammad. (ed), *Habib al-Siyyar fi Akhbar Afrad al-Bashar*. (A Persian primary source on History compiled by Khwand Mir). Tehran, Khayyam Press, 1353/ 1975. Vol.4.
- Monzawi, Alinaqi (trans), *Ahsan al-Taqa'im fi Marefat al-Aqalim*. (An Arabic primary source on world geography compiled by Abu Abdullah Muhammad ibn Ahmad al-Maqdasi). Tehran, Shirkate mualifan wa mutarjiman Iran, 1361/1983. Vol. 1.
- Muzaffaryan, Manuchihr. (ed), *Diwani Attar Nishapuri*. Tehran, Muassessae Chap wa Intisharati Elmi, 1362/1984.
- Nafisi, Saeed. (ed), *Diwani Rashid al-Din Vatvat*. Tehran, Intisharati Barani, 1339/ 1961.
- Nakhjavani, Muhammad. (ed), *Abu Mansur Qatran Tabrizi*. Tabriz, 1333/1955.
- Nawayee, Abdul Husain. (ed), *Matla al-Saadain wa Majma al-Bahrain*. (A Persian primary source on history compiled by Kamal al-Din Abdurazzaq Samarqandi). Tehran, Pazhuhishgahi Ulum Insani wa Mutaliaati Farhangi, 1383/2005.
- Payanda, Abul Qasim (trans), *Muruj al-Zahab wa Maadin al-Jauhar*. (An Arabic primary source on Universal History compiled by Abul Hasan Ali ibn Husian al-Masudi). Tehran, Intisharati Ilmi wa farhangi, 1378/2000.
- Payanda, Abul Qasim. (trans), *Tarikh al-Rosol wa al-Muluk*. (An Arabic primary source on universal History compiled by Muhammad ibn Jarir al-Tabari). Tehran, Intisharat Asatir, 1375/1997.
- Payande, Abul Qasim. (Trans), *Al- Tanbih wa al-Asharaaf*. (An Arabic primary source on history compiled by Abul Hasan Ali ibn Husain al-Masudi). Tehran, Iteshaarati Ilmi wa Farhangi, 1365/1987.
- Puri, N. *Buddhism in Central Asia*. New Delhi, Motilal Banarsidass, 1987.
- Razawi, Muddaris (ed), *Tarikhi Bukhara*. (A primary Persian source on History of Bukhara compiled by Abubakr Muhammad ibn Jafar Narshakhi and summarized by Abu Nasar Qabawi). Tehran, Saadat Publication, 1317/1939.
- Sajjadi, Zya al-Din (ed), *Diwani Ashaari Afzal al-Din Badil Khaqani Shervani*. Tehran, Intisharati Zuwar, 1318/1940.
- Salim, Abdul Aziz. Baqer Sadrinya (trans), *Tarikh Arab al-Jahili (Tarikhi Arab Ghabl az Islam)*. Tehran, Intisharati Ilmi wa Farhangi, 1383/2005.
- Satler, D. Klimburge-. *The Kingdom of Bamiyan, Buddhist Art and Culture in Hindu Kush*. Rome, Naples, 1989.
- Sayaghi, Muhammad Dabir (ed), *Diwani Hakim Farrukhi Sistani*. Tehran, Intisharati Zuwwar, 1371/1993.
- Sayaghi, Muhammad Dabir (ed), *Diwani Unsori Balkhi*. Tehran, 1363/1985.
- Sayaghi, Muhammad Dabir ed), *Diwani Manuchihr Damghani*. Tehran, Intisharati Zuwwar, 1474/1968.
- Sayaghi, Muhammad Dabir. (ed), *Lughati Foros*. (A Persian dictionary attributed to Asadi Tusi). Tehran, Tahuri, 1356/1977.
- Sayeduv, Jamal Mir. Mughadamayi (ed) , *Aynayi Iskandari*. (A Persian primary source composed by Amir Khusrau). Moscow, 1977.
- Shah. Mir Husain (trans), *Hudud al-Alam min al-Mashriq el al-Maghrif*. (A Persian primary source on geography compiled by an anonymous author from Juzjan.

- With a preface by Minorsky). Kabul, 1242/ 1964.
- Shamisa, Sirus. *Sayre Rubaee*. Tehran, Ferdaus Publication, 1374/1996.
- Shoar, Jafar. (eds), *Senni Muluk al-Arz wa al-Anbiya*. (An Arabic primary source compiled by Hamza ibn. Hasan al- Isfahani). Tehran, Bonyad Farhangi Iran, 1346.
- Sima, S. Manuchehr. (trans), *Tahqiq Ma Lil Hind*. (An Arabic primary source on India compiled by Abu Raiyhan al-Biruni). Tehran, Muassisayi Mutaliaat wa Tahqiqati Farhangi, 1358/2007.
- Sotuda. Manucher (eds), *Ajaeb al-Makhlukat*. (A Persian primary source complied by Muhammad ibn. Ahmad ibn. Ahmad Tusi). Tehran, Intehsrati Elmi wa Farhangi, 1382/2004.
- Steingass, Francis., *A comprehensive Persian-English Dictionary*. New Delhi, Munshiram Manoharlal Publishers, 2008.
- Susa, Ahmad. *Al-Iraq fi Khawarit al-Qadima* (Iraq in old maps). Baghdad, 1959.
- Targhi, Muhammad Tavakoli. "Contested Memories of Pre-Islamic Iran". *The Medieval History Journal* (1999). Vol. 2.
- Tibeti, Abubakr Amiral-ddin. Sharma, P (trans), *Tibet and Tibetan Muslims*. Dharamsala, Library of Tibetan Works and Archives, 2004.
- Wustefeld, Ferdinand. (ed), *Athar al-Ibilad wa Akhbar al-Ibaad*. (An Arabic primary source on historical geography of world compiled by Zakariya ibn Muhammad ibn Muhammad Qazwini) .Gottingen, 1848.

REFERENCES

1. McKay, A. (ed.), *The History of Tibet*. (London, Routledge Curzon, 2003). p.16.; What Herodotus had reported remained intact till 16th century when Mirza Haidar Dughlat mentioned that desert where the people extract gold from the sand in the desert. Ghaffari Fard, Abbas Quli. (ed), *Tarikhi Rashidi*. (A Persian Primary Source on History compiled by Mirza Muhammad Haidar Dughlat). Tehran, Mirathi Maktub, 1383/2005. p. 607.
2. *DIIR, A 60 Commentary on the Chinese Government Publication*. (A Collection of Historical Archive of Tibet). Dharamsala, 2008. p.1.
3. Ali, A.Y. (trans), *The Holy Quran*. New Delhi, Royal Publishers and Distributors, 2009.
4. Yaqt ibn. Abdaullah Hamawi, *Mujam al-Buldan*. (An Arabic primary source on geography). Beirut. Dar Al Kutub al-Ilmiyah, 1398 AH/1978 AD. Vol.1.p.30.
5. Ayati. Muhammad Ibrahim (trans), *Kitab al-Buldan*. (An Arabic primary source on geography compiled by Ahmad ibn Wazih Ya'qubi). Tehran, Bongahi Tarjuma wa Nashr Kitab, 1343/1965). pp.60-61.
6. *Iraj. Afshar* (eds), *Masalik wa al-Mamalik*. (An Arabic primary source on geography compiled by Abu Ishaq Ibrahim Istakhri and translated into Persian by Muhammad ibn. Asad ibn. Abdullah Tustari). Tehran, Bahman Publication house, 1373/1995).p.13.
7. Khamdan was later recorded as part of China. Sulaiman Sirafi reported it as Chinese city (pp.100, 106). Ibn al-Nadim also recorded Khamdan as a political centre in China and Khanfu (Canton) as its trading centre. He put Ban Su on the west of China where Tibet located beyond this city. He estimated the distance between Tibet to Khurasan about 3000 farsakh. (*al-Fihrist*. p.350) This indicates either Khamdan lost to Chinese in 10th century or Istakhri did not know it was a Chinese city and not the Tibetan capital because Tibet by this time was under the

sovereignty of the Lamas who had both religious and political power and lived in Potala Palace in Lhasa. Possibly, Istakhri did not know what the Tibetans themselves called their king in their language so he simply generalized the Turkish title of Khaqan for the Tibetans too. The words Khaqan is not Tibetan but Turkish. Tibetans called King as *rgyal po* and practically they did not have a king in their medieval history but a religious leader who ruled over them. For Khaqan see Muhammad ibn Ani Yaqub Ishaq ibn Nadim, *Al-Fihrist*. Beirut, Dar al-Kutub al-Elmiyya, 1422 A.H. p. 521. Mahmud Kashghari, *Diwan Lughat al-Turk*. Istanbul, Amera, 1333 A.H.vol. 3, p. 117.

8. Istakhri. p.291
9. For the Bahar Qulzam, Yaqut Hamawi says that this sea goes around the Arabian Peninsula and clearly speaks about Aden gulf as its mouth.
10. Istakhri. pp. 10-12, 309, 320
11. Muslims called the Buddhists and the Hindus as 'idol worshippers', as the deities are personified in the form of human figures.
12. According to Steingass, Khutu was the horn of a Chinese bovine animal; the horn of a rhinoceros; the tooth or bone of a viper; a Chinese bird, of whose bones they made handles of knives, which, when dipped into any vic- tuals suspected to be poisoned, are said to have the virtue of detecting it immediately. F. Steingass, *A Comprehensive Persian-English Dictionary* gives original date (reprinted by New Delhi, Munshiram Manoharlal Publishers, 2008).
13. Shah, Mir Husain, (trans), *Hudud al-Alam min al-Mashriq el al-Maghrib*. (A Persian primary source on geography compiled by an anonymous author from Juzjan). With a preface by Minorsky. Kabul,1342/1964. pp.25-80-81,319.
14. *Hudud al-Alam*, p.399.
15. Sediqi Sima, Manuchehr (trans), *Tahqiq Ma Lil Hind*. (An Arabic primary source on India compiled by Abu Raiyhan al-Biruni). Tehran, Muassisayi Mutaliaat wa Tahqiqati Farhangi, 1358/2007. p. 161; Barthold W.W., Sardadvar, Hamze. (trans), *Historical Geography of Iran or Tazkiraye Goghraphyae Tarikhi Iran*. Tehran, 1386/2008. pp. 92-93.
16. *Al-Fihrist*.p.20.
17. *Zayn al-Akhbar*. p. 380.
18. Ayati, Abdul Muhammad. (trans), *Taqwim al-Buldan*. (An Arabic primary source on Geography compiled by Abi al-Fida.) Tehran, Bonyadi Farhangi Iran, 1349/1971.p.403; Sotuda. Manucher (ed.), *Ajaeb al-Makhluqat*. (A Persian primary source compiled by Muhammad ibn. Ahmadibn. Ahmad Tusi). Tehran, Intehsrati Elmi wa Farhangi, 1382/2004.p.242; Wustenfeld, Ferdinand. (ed), *Athar al-Ibilad wa Akhbar al-Ibaad*. (An Arabic primary source on historical geography of world compiled by Zakariya ibn Muhammad ibn Muhammad Qazwini) .Gottingen, 1848. p.76.
19. Our sources have consensus on Tibet being the land of happiness and if any non-Tibetan would enter Tibet he would get happy and laugh. Nizami in his *Sikandar nama* mentioned that Alexander reached China through Tibet. His army started laughing when they reached Tibet. Adamiyyat, Manuchihr. *Sharaf Nama* (A Persian poetry work composed by Nizami Ganjawi). Tehran, Intisharati Atelyayi Honar, 1371/1993.Chapt.42 on Alexander's expedition to China. ; Yaqut. vol, 1. pp. 702-704.
20. Shoar, Jafar. (eds), *Senni Muluk al-Arz wa al-Anbiya*. (An Arabic primary source compiled by Hamza ibn. Hasan al-Isfahani). Tehran, Bonyad Farhangi Iran, 1346. p.33; Firdausi, Abul Qasim. *Shahnama*. Tehran, Brochim Library and Publication

- House, 1313/1934). p.77; Gardizi. Chapter 7, p. 71
21. Azartash. Azarnush, (trans), *Futuh al-Buldan*. (An Arabic primary source compiled by Ahmad ibn. Yahya al-Bilazari). Tehran, Bonyadi Farhangi Iran, 1346/1968. p. 205.
22. Damghani, Mahmud Mahdi. (trans), *Akhhbar al-Tiwal*. (An Arabic primary source on history compiled by Abu Hanifa Ahmad ibn. Dawood Dinawari). Tehran, Nashri Nai, 1364/1986.pp.52-53.
23. For original poem see Yaqut Hamawi. Vol.1. pp.10-11. the poem is:
 وَ هُم كَثِيرًا الْكُتَابُ بِيَابِ سُرٍّ وَ بِيَابِ الصِّينِ كَاتُوا الْكُتُبَيْنَا
 وَ هُم سَمَرًا قَنِينًا سَمَرْتُنَا وَ هُم غَرَسُوا هَذَانِكَ الْقَيْبَيْنَا
24. *Zu'l-Qarnain* is an Arabic term meaning the one with two horns. There are different interpretations of this term. Some Muslim scholars said that these two horns symbolized his conquests in East and West. Others said that he was a prophet and the king. Two characters are known with this peculiarity: The Achaemenid king Kurush (Syrus the Great) and Macedonian king Alexander the Great. The former is shown with two horns on a stone carved-relief in Pasargade, Iran and Alexander was shown with two horns on his coins. Both of them were great conquerors. Kurush conquered Asia Minor and Central Asia but Alexander mounted through the East and did not fight in west of his territory. The Greek writers praised Kurush as a kind and ideal king, nation's father and a genius commander. The Holy Quran praised *Zu'l-Qarnain* as a wise man and God's worshipper and follower of his orders. Quran says that *Zu'l-Qarnain* constructed a barrier from metals in the far east between the two mountains to stem the advance of Yajuj and Majuj (Gogs and Magogs). While the Greek sources praised Alexander for being an extraordinary general but also reported his destruction of the Greek city-state and conquest of Persian territory with destruction and massacres. But later in medieval Islamic sources, Alexander took the title of *Zu'l-Qarnain* and his achievements. Recently, Abul Kalam Azad concluded that the Qura'nic *Zu'l-Qarnain* can't be Alexander but the Achaemenid King Kurush.
25. Azad, Abul Kalam. M Bastani Parizi (trans), *Kurushi Kabir Zu'l-Qarnain*. Tehran, Nashri Ilm, 1385/ 2007.
26. Kaiwani, Majd al-Din. "Iskandar Zu'l-Qarnain". *Fulklori Irani*. Autumn, no.3.1387. pp. 402-403.
27. Muhammad Tavakoli-Targhi, "Contested Memories of Pre-Islamic Iran". *The Medieval History Journal*, Vol. 2, 1999, p. 245. ; For Arabo-Islamic historiography please see Khalidi, Tarif, *Arabic historical thought in the classical period*. Cambridge University Press, 1938.
28. Thaalabi has taken his narration from a book called *Dastani Iskandar* which was an Arabic translation on Alexander's life. See Thaalabi. pp.268-272.
29. Quran, *Sura Sura al-Kahf*, 83-93 speaks about *Zu'l-Qarnain* as follows: "they asked thee concerning Dhu al Qarnayn (scripted as it is in text) Say, " I will rehearse to you something of his story (v.83). Verily We established his power on earth, and We gave him the ways and the means to all ends (v.84). One (such) way he followed (v.85). Until, when he reached the setting of the sun, he found it set in a spring of murky water: near it he found a People: We said: O *Dhu al Qarnayn!* (thou hast authority), either to punish them, or to treat them with, kindness" (v.86). He said: "Whoever doth wrong, him shall we punish; then shall he be sent back to his Lord; and He will punish him with a punishment unheard-of (before) (v.87). "But whoever believes, and works righteous he

shall have a goodly reward, and easy will be his task as we order it by our command" (v.88). Then followed (another) way (v.89). Until, when he came the rising of the sun, he found it rising on a people for whom We had provided no covering protection against the sun (v.90). (He left them) as they were: We completely understood what was before him (v.91). Then followed (another) way (v.92). Until, when he reached (a tract) between two mountains, he found, beneath them, a people who scarcely understood a word". The next verses speak about people's complaints of insecurity due to Gog and Magog's attacks and *Zul-Qarnain* constructing an iron barrier between them. The historical accounts don't attribute any barrier construction to Alexander, so this clearly indicates that *Zul-Qarnain* is different from Alexander. Ali, A.Y. (trans), 'The Holy Qur'an'. New Delhi, Royal Publishers and Distributors, 2009.

By mistake this character has been interpreted as Alexander while *Zu'l-Qarnain* is agreed to be the Achaemenid King Kurush (Syrus the Great). For this argument see Azad, Abul Kalam, M Bastani Parizi (trans), *Kurushi Kabir Zu'l-Qarnain*. Tehran, Nashri Ilm, 1385/ 2007.

30. Historians like Gardizi believed that Alexander was *Zu'l-Qarnain*. See *Zayn al-Akhbar*. pp.602-05. To Juzjani, Alexander (Sikandar in Persian sources) was a great monarch who was a world conqueror. Juzjani believed that prophets Khizir and Ilyas were Sikandar's ministers and the armies of light and darkness were under his command. He mentioned that Sikandar had campaigned in the west and then came to east and conquered India and China (*Hind u Chin*). A.H. Habibi (ed), *Tabaqat-i- Nasiri*. (A primary Persian Source compiled by Minhaj Siraj Juzjani). Kabul, Anjumani Tarikh, 1342/1963.vol.1.pp.149-150; Thaalabi has a chapter on Iskandar and has no doubt that Iskandar is the Qur'anic *Zu'l-Qarnian*. He gives list of people who compared themselves with Alexander. Thaalabi. pp. 275-77.
31. Amir Khusrau composed *Aynayi Iskandari* in poetry in 699/1300 and dedicated to Sultan Alaaddin Khalji. It explains the life and adventures of Alexander. See Jamal Mir Sayeduv. Mughadamayi (ed), *Aynayi Iskandari*. (A Persian primary source composed by Amir Khusrau). Moscow, 1977. ; Dihlavi, Amir Hasan. Nargis Jahan (ed), *Diwani Ashaar*. New Delhi, Hisrat Mohan Foundation, 2004.p.742.
32. Ai-Khanum can be the last point in Bactria where Alexander reached. See Said Reza, "Role of the Ai Khanum City in Antiquity and its Present Situation". Presented in International Conference of *Greece Beyond Greece*, March 2009, Jawaharlal Nehru University, New Delhi.
33. This Shahar should not be confused with Suhar, the well-known mercantile port of Oman. Al-Maqdasi describes Suhar as a city on the shore of Oman. He said that Shahar was a fishing place for large fishes which were exported to Aden and Oman and then from there to Basra in the Persian Gulf. Alinaqi Monzawi (trans), *Ahsan al-Taqaqim fi Marefat al-Aqalim*. (An Arabic primary source on world geography compiled by Abu Abdullah Muhammad ibn Ahmad al-Maqdasi). Tehran, Shirkate mualifan wa mutarjimane Iran, 1361/ 1983.Vol.1, pp.126-131.; Both Maqdasi and Yaqut mentioned that Shahar had frankincense (*kundur*) which was brought to Yemen which Suhar did not have it. Yaqut Hamawi.vol,1.p.81; for use of frankincense in religious rituals see Bahram Gerami, "Perfumery Plant Materials as reflected in Early Persian Poetry", *Journal of the Royal Asiatic Society*. Third series. Vol, 23. Part. 1. January 2013. p. 44.
34. Payande, Abul Qasim. (Trans), *Al-Tanbih wa al-Asharaaf*. (An Arabic primary source on history compiled by Abul Hasan Ali ibn Husain al-Masudi). Tehran, Iteshaarati Ilmi wa Farhangi, 1365/1987. p. 472. In his other book, al-Masudi

- says that Abu Malik supported by the Romans against Persia. See *Muruj al-Zahab wa Maadin al-Jawhar*. pp. 254-56. We also know that the Sassanians had control over Yemen and that was to limit the Roman's authority over trade through Red Sea to Indian Ocean apart from other political aims.
35. Al-Masudi, *Muruj al-Zahab wa maden al-Jawhar*. p. 437
 36. Yaqt. Vol. 1. p. 704; It should be mentioned that, in 662 A.D a rebellion broke out among the western Turks and Chinese army suffered humiliation at the hand of Tibetans who after their conquest of the Kuk-Nor region (663 A.D), rapidly rose to be formidable rivals of the Chinese power in Central Asia. Tibet emerged as the master of 'four garrisons' and both routes of silk transit came under Tibetan control till 692 A.D. The Chinese re-conquered the 'four garrisons' as a result of the tough Chinese diplomacy due to which Tibet had to retreat from its position temporarily. See B.N. Puri, *Buddhism in Central Asia*. New Delhi, Motilal Banarsidass, 1987. p. 49; Soon, the Emperor Hsien-Tsung decided to break the Tibetan power. He sent an army led by General Kao-Hsien-Chih in 747 A.D. After marching over the Pamirs and Hindu Kush from Kashghar, the Chinese army suffered a crushing defeat in 751 A.D, from which they never recovered. According to Klimburg, the Chinese conducted a daring campaign across the Karakorum into Bulur ostensibly in defence of Kashmir against the Tibetans but were undoubtedly motivated by the desire to protect their trade and military colonies in adjacent Turkestan. See Klimburg-Satler, D., *The Kingdom of Bamiyan: Buddhist Art and Culture in Hindu Kush*. Rome, Naples, 1989. p. 28. This military operation shows two aspects. First, the strategic importance of western Tibet and secondly, they affirm the sovereignty of Tibet in this area. After this, the Tibetan power concentrated at Ho and Lung corresponding to the present province of Kan-Su and extreme west of An-Shi, Pei-Ting was interrupted in A.D 791. The protectorate of Pei-Ting was taken by Tibetans and we do not hear about An-Shi or 'Four Garrisons' of Central Asia any more. It was with disappearance of the whole of Eastern Turkestan from 8th century A.D that we see Tibetans as the tougher foe for the Arabs in upper Oxus River. See B.N. Puri, *Buddhism in Central Asia*. pp. 49-50.
 37. Gardizi. pp. 380-81.
 38. *Ibid.*, p.381.
 39. Gharachanlu, Husain. (trans), *Akhbar al-Sin wa al-Hind*. (An Arabic primary source on physical geography of China and India compiled by Sulamina Tajir Sirafi and expanded by Abu Zaid Hasn Sirafi). Tehran, Intisharati Asatir, 2002.p.122.
 40. Yaqt. vol.1. p.27.
 41. Tabari, vol.2.427-8; Abdul Aziz Salim says that al-Kalbi's narrations are mostly contradictory and are not reliable. We can't accept Salim's statement on al-Kalbi generally as al-Kalbi's book on Arab's idolatry is the oldest text preserved and is highly important. But what al-Kalbi says about the Persian myths is not reliable. Salim, Abdul Aziz. Sadrinya Baqer (trans), *Tarikh Arab al-Jahili (Tarikhi Arab Ghabl az Islam)*. Tehran, Intisharati Ilmi wa Farhangi, 1383/2005. pp.174-75.
 42. Fazailli, Muhammad. (trans), *ghurar akhbar muluk al-foros wa siyarahom*. (An Arabic primary source on History compiled by Abdul Malik iabn Muhammad Thaalabi). Tehran, Nashri Noghra, 1368/1990. pp.105-109.
 43. Tabari. vol. 2. p. 530.
 44. *Ibid.*, pp. 531-32
 45. *Ibid.*, p. 535-36
 46. The same story is given by al-Masudi in *Muruj al-Zahab wa Maadin al-Jauhar*. pp.

- 454-56.
47. *Tarikhi Sisitan*, p.66.
48. Al-Sayed, Majdi Fathi. (ed), *Syrat al-Rasul*. (An Arabic primary source on Biogriophy of Prophet Muhammad compiled by Abdul Malik ibn Hisham). Cairo, Dar al-Turath be Bantana, al-Azhar University, 1416/1996. Vol. 1. pp. 213-216.
49. *Tabari*, vol. 2. pp. 547-623.
50. Qutayba's expedition is recorded not only by Arab Historians but by Persians like Abubakr Narshakhi in *Tarikhi Bukhara in detail*. See Razawi, Muddaris. (ed), *Tarikhi Bukhara*. (A primary Persian source on History of Bukhara compiled by Abubakr Muhammad ibn Jafar Narshakhi and summarized by Abu Nasar Qabawi). Tehran, Saadat Publication, 1317/1939. pp. 52-62.
51. For Arab Expedition in Sistan and Rukhajsee Bahar, Malik al-Shuara. (ed), *Tarikhi Sistan*. (A Persian primary source on history of Sistan compiled by an anonymous author in c.10th century). Kabul, Bayhaghi Press, 1366/1988 .
52. *Tabari*. vol. 2. p. 656
53. *Juzjani*. Vo. 1. p. 344 . in his words:
همه عالم بگيرم چون سکندر به هر شهري شهی ديگر نشان
54. *Tabari* p.699; *Juzjani*, vol.1.p. 188.
55. Gonabadi, Mohammad Parvin. (trans), *Muqaddamah*. (An Arabic primary source on history compiled by Ibn. Khaldun). Tehran, Bongahi Tarjuma wa Nashr. 1359/1981.p.20.
56. Shamir the reviver of the Hemair dynasty might have conquered south of Yemen till Hazarmout and suppressed the Tahama tribes and this act could be exaggerated by the Yamanis and through them reached the Arab historians and propagated further.
57. *Hudud al-Alam*. p.399.
58. *Ibid.*, p.399.
59. Gaborieau M. (ed), *Tibet Journal*. (A Publication for the Study of Tibet, Autumn,1995). Vol. xx. no. 3. p. 104.
60. Abubakr Amiral-ddin Tibeti, *Tibet and Tibetan Muslims*. Translated by P. Sharma, Dharamsala, Library of Tibetan Works and Archives, 2004. p.4.
61. Satish Chandra, *Medieval India: from Sultanate to the Mughals*. New Delhi, Har-Anand Publication, 2011. vol.1, p.43; Jackson, Peter. *The Delhi Sultanate: A Political and Military History*. London, Cambridge University Press, 1999. pp.12-13; Abubakr Amiral-ddin Tibeti.p.23.
62. *Tarikhi Rashidi*. pp. 611-12 ; Gaborieau.p.98.
63. Emperor Jahangir calls the ruler of littile Tibet as 'Zamindari Tabat' in his *Tuzuki Jahangiri* and as one of his tributary. See Hashim, Muhammad. (ed), *Tuzuki Jahangiri*. (A Persian autobiography written by Emperor Jahangir). Tehran, Intisharati Bonyadi Farhangi Iran, 1359/1981.
64. Sayed Amin al-Din Husaini, *Malumat al-Afaq*. Kanpur, Munshi Naval Kishur Publication, 1287A.H, p. 106; Mohammad Moien (ed), *Habib al-Siyar fi Akhbar Afrad al-Bashar*. (A Persian primary source on History compiled by Khwand Mir.) Tehran, Khayyam Press, 1353/1975. Vol.4. p.674.
65. Sotuda. Manucher (eds), *Ajaeb al-Makhlukat*. (A Persian primary source compiled by Muhammad ibn. Ahmad ibn. Ahmad Tusi). Tehran, Intehsrati Elmi wa Farhangi, 1382/2004. pp. 86,114 ,129; *Habib al-Siyar*, vol. 4. p. 675.
66. *Yaqut*. vol. 1. p.7
67. *Hudud al-Alam*. p.81.
68. *Yaqubi*. pp.147-48

69. The port of Siraf located in the north of Persian Gulf (in today's Iran) and with Basra port was the two most important sea ports in the Persian Gulf and traded with ports of India, China, Aden and ports of north east of Africa.
70. Sulaiman Sirafi. pp. 119-121.
71. Yaqut. vol. 1. p. 704
72. *Sunbul al-Tayb* is a species of spikenard. Yaqubi. p. 148
73. Tusi. p. 599
74. Yaqut. vol. 1. p. 704; Tusi. p. 599; Khwand Mir, *Habib al-Siyar*. vol. 4. p. 695.
75. Sulaiman Sirafi, p.120.
76. Yaqubi, p. 148
77. Minavi, Mujtaba. (ed), *Diwani Nasir Khusrau*. Tehran, Intisharati Danishgahi Tehran, 1353/ 1975.p. 325.
78. Dabir Sayaghi, Muhammad (ed), *Diwani Hakim Farrukhi Sistani*. Tehran, Intisharati Zuwwar, 1371/1993. p.427.
79. Dabir Sayaghi, Muhammad (ed), *Diwani Unsori Balkhi*. Tehran, 1363/1985.p.93.
80. Nakhjavani, Muhammad (ed), *Abu Mansur Qataram Tabrizi*. Tabriz, 1333/ 1955. p.111.
81. Saeed Nafisi (ed), *Diwani Rashid al-Din Vatvat*. Tehran, Intisharati Barani, 1339/ 1961.p.614.
The same metaphor used in 13th century poems of Shaikh Ruzbahan Shirazi:
گل را همه ساله یاد روی تو بود
مشک تبتی به بوی موی تو بود
*The flower reminds me your [beautiful] face,
The Tibetan musk has the smell of your hair*
See: Sirus Shamisa, *Sayre Rubae*. Tehran, Ferdaus Publication, 1374/1996.p.145.
82. Muzaffaryan, Manuchihr. (ed), *Diwani Attar Nishapuri*. Tehran, Muassessae Chap wa Intisharati Elmi, 1362/1984. Qasida No. 15.
83. Sajjadi, Zya al-Din. (ed), *Diwani Ashaari Afzal al-Din Badil Khaqani Shervani*. Tehran, Intisharati Zuwar, 1318/1940. p. 303.
84. Khaqani said this poem when he brought back dust from Madina where the Prophet Muhammad is buried. See Khaqani. no.237.
85. Ahmad ibn Hasan Jorjani from *Jami al-Hikmatain*. *Dehkhuda*.p. 22
86. From Sharaf namayi Moniri in *Lughat Name Dehkhuda*, (ed.) Moeen, Muhammad. Tehran, Intisharati Danishgahi Tehran, 1366/ 1988.
87. Nasir Khusrau, Qasida no. 175.
88. Bosworth, C. E. Anusha, Hasan (trans). *The Ghaznavids*. Tehran, Intisharati Amir Kabir, 1381/2001. p. 134.
89. Manuchihr in praise of Abu Harb Bakhtiyar. Qasida. No. 69 in praise of Sultan Masoud and Mehragan celebration.
90. Personal communication with Jonathan Lee.

HIMALAYAN AND CENTRAL ASIAN STUDIES is a quarterly Journal published by the Himalayan Research and Cultural Foundation, which is a non-governmental, non-profit research, cultural and development facilitative organisation. The Journal is devoted to the study of various issues pertaining to the Himalayan and trans-Himalayan region in South and Central Asia or parts thereof, connected with its environment, resources, history, art and culture, language and literature, demography, social structures, communication, tourism, regional development, governance, human rights, geopolitics etc.

While the principal concern of the Journal is on its focal area, i.e., from Afghanistan to Myanmar including the Central Asian states of Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, China, Mongolia, Nepal, Bhutan and the Indian Himalayan States of Jammu and Kashmir, Himachal Pradesh, Sikkim, Uttarakhand and North East states; papers with a broad sweep addressing environmental, social, cultural, economic, geopolitical and human rights issues are also welcomed.

The objective is to make a scientific appraisal of the issues confronting the Himalayan and adjoining region in South and Central Asia or parts thereof, and to make specific policy oriented studies and need based recommendations as the means to promote the human, educational and economic advancement of the peoples of the region besides preserving and enriching their ethno-cultural, literary and historical heritage. Promotion of human rights, social justice, peace, harmony and national integration are the other key areas in which the Himalayan Research and Cultural Foundation has been active.

**CONTRIBUTIONS FOR PUBLICATION AND ANY ENQUIRIES
SHOULD BE ADDRESSED TO :**

Prof. K. WARIKOO

Editor and Secretary General

Himalayan Research and Cultural Foundation

B-6/86, Safdarjung Enclave

New Delhi - 110029 (India)

Tel. : 0091-11-26742763, 0091-11-41651969

Fax : 0091-11-26742843

E-mail: kwarikoo@gmail.com

Website: www.himalayanresearch.org

Books for review should be sent to the same address.

Registered with the Registrar of Newspapers R.No. 67256/97

HRCF PUBLICATIONS

Afghanistan Factor in Central and South Asian Politics
Edited by K. Warikoo (New Delhi, 1994. 73pp.)

Society and Culture in the Himalayas
Edited by K. Warikoo (New Delhi, 1995. 316pp.)

Central Asia : Emerging New Order
Edited by K. Warikoo (New Delhi, 1995. 352pp.)

Jammu, Kashmir and Ladakh : Linguistic Predicament
Edited by P. N. Pushp and K. Warikoo (New Delhi, 1996. 224pp.)

Artisan of the Paradise : A Study of Art and Artisans of Kashmir
By D.N. Dhar (New Delhi, 1999. 230pp.)

Gujjars of Jammu and Kashmir
Edited by K. Warikoo (Bhopal, 2001. 317pp.)

Bamiyan: Challenge to World Heritage
Edited by K. Warikoo (New Delhi, 2002. xviii, 313pp. 61plates)

The Afghanistan Crisis : Issues and Perspectives
Edited by K. Warikoo (New Delhi, 2002. xxvi, 523pp.)

Mongolia-India Relations
By O. Nyamdavaa (New Delhi, 2003. 228pp.)

Child Labour Rehabilitation in India
Edited by B. Zutshi and M. Dutta (New Delhi, 2003. 257pp.)

Mongolia-China Relations
By Sharad K. Soni (New Delhi, 2006. xix, 328pp.)

Afghanistan: The Challenge
Edited by K. Warikoo (New Delhi, 2007, 377pp.)

Drugs Production and Trafficking in Afghanistan
By Deepali Gaur Singh (New Delhi, 2007, 380pp.)

Afghanistan: Challenges and Opportunities (Set of 3 vols.)
Edited by K. Warikoo (New Delhi, 2007)

L. Berzenczey, Adventures in Central Asia: A Hungarian in the Great Game
Edited by P.J. Marczell (New Delhi, 2007)

Cultural Heritage of Jammu and Kashmir
Edited by K. Warikoo (New Delhi, 2009, 338pp.)

Cultural Heritage of Kashmiri Pandits
Edited by S.S. Toshkhani and K. Warikoo (New Delhi, 2009, xxviii, 363pp.)

Mongolia in the 21st Century
Edited by K. Warikoo and S.K. Soni (New Delhi, 2010, ix, 374pp.)

Central Asia and South Asia: Energy Cooperation and Transport Linkages
Edited by K. Warikoo (New Delhi, 2011, 293pp.)



HIMALAYAN RESEARCH AND CULTURAL FOUNDATION

B-6/86, Safdarjung Enclave, New Delhi-110029 (India)

Tele : 0091-11-26742763, 0091-11-41651969, Fax : 0091-11-26742843

E-mail: kwarikoo@gmail.com Website: www.himalayanresearch.org