



Ear to Asia podcast

Title: What a deepening China-Pakistan alliance means for India

Description: How does Pakistan fit into Xi Jinping's geopolitical ambitions for China? And how do the deepening military and economic ties between China and Pakistan impact on that other vital player in the region: India? Political scientists Dr Pradeep Taneja and Dr Zahid Ahmed discuss the intertwined fates of these three nations with presenter Ali Moore.

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Ali Moore: Hello, I'm Ali Moore. This is Ear to Asia. In this episode, China's enduring relationship with Pakistan and what it means for India.

Pradeep Taneja: China does see the economic potential of India's growth story. But the question is whether China thinks that the strategic gains from having a military relationship with Pakistan are stronger than any potential economic gains from India.

Zahid Ahmed: I don't think China will be able to balance between India and Pakistan in the short run, but I think they have a vision. They have a long term vision that they have to have balanced relations with both countries, and the process will start, I think, very soon.

Ali Moore: Ear to Asia is the podcast from Asia Institute. The Asia research specialist, at the University of Melbourne.

The leaders of Pakistan often describe their relationship with China with gushing hyperbole. "Higher than the Himalayas, deeper than the oceans and sweeter than honey". The Chinese in turn refer to Pakistan as "iron brother Pakistan".

The bond within these two nations, seemingly, so incompatible in their political ideologies and views on Islam is an enduring one. So what benefits do China and Pakistan get from their close ties? How does Pakistan fit into Xi Jinping's geopolitical ambitions for China? And how do the deepening military and economic ties between China and Pakistan affect their other vital player in the region, India?

Political scientists Dr Pradeep Taneja, from the University of Melbourne's School of Social and Political Sciences and Dr Zahid Ahmed from the Alfred Deakin Institute at Deakin University, join us in the studio, to look at the nature of the China-Pakistan alliance and its implications for India.

Welcome to Ear to Asia, Pradeep and Zahid.



Pradeep Taneja: Thank you.

Zahid Ahmed: Thanks for inviting me.

Ali Moore: If we're talking about China and Pakistan and the impact of those two countries on India, you can't really get a better example of the geopolitical tensions involving those three countries than the recent crisis between India and Pakistan. It's a good place to start. In February this year, India launched airstrikes on militant camps in Pakistan in retaliation for an attack that killed 40 Indian troops in Kashmir a few weeks earlier.

The crisis was defused, but the reason we're starting our conversation here is because the leader of the terrorist group that was responsible for the initial attack has been protected by China, hasn't he? Pradeep, can you take up the story?

Pradeep Taneja: Yeah. Masood Azhar is the individual that you mentioned.

Ali Moore: And he's the leader of Jaish-e-Mohammed.

Pradeep Taneja: He's the leader of Jaish-e-Mohammed and Jaish-e-Mohammed claimed responsibility for the attack on the 14th of February in Pulwamar in Jammu and Kashmir. Indian government has tried for a long time in the Security Council to have this individual proscribed under the UN 1267 Committee, and three times in the past India has failed to get Masood Azhar banned by the United Nations.

The Jaish-e-Mohammed organization is already banned by the United Nations. But its leader, he is not covered by that. So India has tried in the past, three times, failed largely because of China.

Every time this issue has come up before the committee, China has put it's so called technical hold. In other words, China says, we need more information, we need more time. And in the end, it doesn't lead to any decision. This was the fourth time after the Pulwamar attack that again it went to the committee and on just the final day, China again put a technical hold.

But recently, there have been some indications from at least Chinese ambassador in New Delhi. Addressing an Indian gathering he said that, "Trust me, this issue will be resolved." so I'm looking forward to see how exactly this will be resolved.

Ali Moore: At the same time but obviously, hasn't been yet. So Zahid, why does China protect Masood Azhar?

Zahid Ahmed: It's an interesting question. But perhaps, I would first relate to Pradeep's point of view in relation to what Chinese ambassador there has recently said. Things have changed a lot with regard to China's position of protecting certain terrorist organizations or individuals in Pakistan.

My understanding after speaking to a lot of people in Pakistan is that this is perhaps one of the very last times China has given Pakistan any favor like this one. And why do they protect? It's because of their geo-strategic relationship with Pakistan. Which is not just recent, it's been already 70 years of relationship between both countries.

I think Pakistani prime minister on this occasion asked for a favor from China in this regard, because his government is very new dealing with a lot of other challenges at the domestic level. And he needs a bit of more time to deal with this issue.

I've spoken to people who are in the Pakistan parliament. I see the political will there, they want to deal with this mess. And of course, it's going to take time. It's not that easy, the government is not even one year old.

Ali Moore: Why is it not that easy? Given that the ... And we'll look at the history of the relationship with China in a minute. But in terms of this terrorist organization, as Pradeep said, the organization itself is already banned. What's so messy and complicated about also banning its leaders?

Zahid Ahmed: The organization is banned at the international level. But when you focus at the level of what's happening within Pakistan, I don't see them being banned in terms of reality, because you know their leader is there. Last time he was reported living in Karachi, visiting hospitals in Karachi and all that.

They had been enjoying a certain amount of freedom. There's historical evidence behind it. Since the '80s, the Pakistan armed forces and the government agencies, they worked very closely with many of these groups. It's not just the Taliban, but certain terrorist organizations that are based in Pakistan. Pakistan's foreign minister is on record saying that Masood lives in Pakistan and Jaish-e-Mohammed is based in Pakistan.

What I'm trying to say is that that's one reality. Pakistan's other reality is, in terms of the civil military relationship. Military still is a very, very key stakeholder when it comes to the foreign policy and when it comes to national security matters as well.

Within that is the issue of relationship with a lot of such groups and such individuals. It's not easy for any civilian government to bypass the military institutes to deal with these militants or terrorist organizations. They have to go through the military, and that's what Imran Khan has been trying to do.

He wants more time to have a dialog with the military and come to some kind of a national consensus in dealing with this.

This problem is very big. Even Pakistan itself has suffered a loss of close to 60000 lives only in past 10 to 12 years. I think the government knows it very well. That it can't just go like this when you want to open your doors to rest of the world in terms of tourism, in terms of investment, for example, Emiratis – [Sheikh] Mohammad [bin Zayid] was in Pakistan to sign many of the economic cooperation agreements. There are opportunities. But you can only exploit opportunities if there's security at home.

Pradeep Taneja: As far as the support of the Pakistani state to these groups is concerned, I think Zahid is right in terms of the number of people who have been killed in Pakistan in terrorist attacks. And that's a figure that the Pakistan authorities often site in the dealings with Western powers and India at the United Nations.

But there's also this tendency to make a distinction between a good terrorist and a bad terrorist. So those terrorist organizations and individuals who fight in Pakistan's frontier areas in Pakistan's periphery, they are the bad terrorists. But then those who engage in terrorist activities on the border with India or in Jammu and Kashmir, they are often protected because they're supposed to be serving certain strategic ends of the Pakistan's military establishment.

It is true that Pakistan has been itself a victim of terrorism. But at the same time, there's this Frankenstein, particularly in Southern Punjab which has been created, which operates largely against India and they're considered to be worthy of a protection from the Pakistani state.

I also wanted to say something about China's reasons. Zahid has very nicely explained Pakistan's recent [crosstalk 00:08:09].

Ali Moore: And the complexities for Pakistan.

Pradeep Taneja: And the complexity. But at the same time I think we shouldn't forget that China has its own reasons for going soft on some of these elements in Pakistan.

Ali Moore: So it's not just doing a favor.

Pradeep Taneja: Not just doing a favor to Pakistan, although there's an element of that. But there's also China's self interest in this. For example, there seems to be some sort of understanding between the Chinese government and militant extremist groups within Pakistan. Because remember, China has opened channels with not only the Pakistan military, of course, but also the Taliban, the militant organizations, the fundamentalists political parties in Pakistan.

And their main interest particularly in dealing with the fundamentalist elements or the militant elements, is to make sure that they work with China, they cooperate with China in preventing terrorist attacks on Chinese soil, across the border in Xinjiang.

So they work with these organizations because they know that they can actually make difficulties for China, so they protect them as part of a compact. Whereby, they will not carry out any attacks or will not help people, the Uighurs for example, who agitate against Chinese interests. There is a self interest that China has too.

Ali Moore: So if we can look at the actual relationship between China and Pakistan, and Zahid as you said, it goes back well before China became an economic superpower. In fact bilateral ties I think first started in the 1950s?

Zahid Ahmed: 1949 to be precise. But since China has become one of their leading economic powers in the world, which is looking for some kind of political influence, and not only in its neighborhood, but countries that are far off in Africa and Latin America as well.

Ali Moore: Staying with a little bit of history before we look at where we are today, the history between Pakistan and China and the relationship over those decades, what was the two countries getting from that relationship? Going back to the '50s the '60s and the '70s. What was Pakistan giving China? What was China giving Pakistan?

Zahid Ahmed: At the initial stage, I think it was more sort of a diplomatic sport from both sides. Both inherited territorial disputes with India. That was one common sort of agenda that both countries had. Although Pakistan was very much in the Western corridor back then, after signing these security alliances or treaties with the US.

But still when it came to the bilateral level, there was always this level of comfort between China and Pakistan. Although China didn't support directly, it supported morally when Pakistan had its 1965 war with India. And then the 1971 that led to the creation of Bangladesh from East Pakistan.

China didn't actually provide that kind of support which Iran provided. So Iran's support was much more substantial. But going back to the history, I think the narrative and how both countries defined each other's friendship, what kind of language they used. And you talked about "iron brother" and "all weather friendship" is another one. And these unity words go back to the very start of their relationship.

If you pick up speeches from 1950s on words, these are the very phrases used in there. And growing up in the '80s, I remember many of the Chinese movies were played on Pakistan TV channels, which was the only TV channel



in those days. You didn't have a much of a choice. But the relationship I think was always very warm. Although, in terms of practicality, you could see very little in terms of defense corporations and all of that. That has mainly happened-

Ali Moore: In more recent times. But I guess when you, Pradeep, when you look at the two countries. There is a really obvious geopolitical benefit to those two countries being on very good terms, isn't there?

Pradeep Taneja: There is clearly a strategic dimension to the China-Pakistan relationship. In fact, people-to-people contacts between China and Pakistan are relatively new. I was telling Zahid earlier that when I was a student in Beijing, I was among three Indian students in all of China and we used to do an experiment.

When we met Chinese people, they used to ask us where are you from, and I used to say I'm from Pakistan and my two colleagues would say they're from India. Just to see how the Chinese people react.

And often the reaction from the Chinese people was, to me, there was so China and Pakistan are good friends. But when I asked them about what do you know about Pakistan, they actually knew nothing about Pakistan. Whereas when they talked to my other two colleagues and they said they were from India, they in fact knew, they had watched more Indian movies, they knew about Indian writers, they were familiar with Indian literature.

As far as natural interest is concerned, people to people, in fact there was much more between the Chinese people and Indian people, than between China and Pakistan. But there was the strategic dimension, particularly after the 1962 India-China war. China decided that it needs to work much more closely with Pakistan.

Part of the reason was, of course, my enemy's enemy is my friend. That logic. But then gradually, the logic extended as India's economy began to grow. China feared that India could in fact join forces. India of course had close relationship with Soviet Union. Later on India's relationship after 9/11 has moved much closer to the US. China has also come to see Pakistan as an asset in terms of tying India down to South Asia.

Ali Moore: Keeping it bogged down intentions and its region.

Pradeep Taneja: To contain India's ambitions to South Asia.

Ali Moore: Let's look at now China and India for example, and I am assuming that China's support for globally recognized leader of a terrorist organization is somewhat of a reality check for the Modi government.



Pradeep Taneja: It is a reality check. And that's why I think even though India and China have been working fairly cooperatively since April last year when Modi met Xi Jinping.

Ali Moore: And did went to Xi Jinping's home town.

Pradeep Taneja: Exactly. In fact as Xi Jinping has pointed out, that Xi Jinping, China's leader has left Beijing only twice to meet a foreign leader. And both times it's been the prime minister of India, Modi.

First time when Modi went to China, Xi Jinping flew to Xi'an to meet Modi there. And then last year in April when Modi went to China, they agreed to meet in Wuhan. I think there's reason for it. While the realists in Beijing, in the foreign ministry, in the People's Liberation Army and within the Chinese Communist Party, the realists of course, value the relationship with Pakistan because they see it as important, as kind of a balancer against India's growing influence.

But Chinese politics has become much more diverse now. Although the Chinese Communist Party has a monopoly on power, But at the same time you have interest groups in China. For example, the state owned Chinese companies, some of them very big companies, banks and large railway corporations. They're worth hundreds of billions of dollars. And they themselves have become powerful interest groups in China.

Their leaders are also seen, at least, in the Chinese Communist Party because each of these state owned enterprises has a Chinese Communist Party secretary. And if you are the community party secretary of a large state owned enterprise, you carry a lot of weight.

When it comes to foreign policy decision making, you do have these very powerful interest groups. Whether it's the CEOs of state owned companies or the community party secretaries of state owned companies, but also private companies. People like Jack Ma for example, from Ali Baba. They had become very powerful interest groups who see India as a much more attractive country than Pakistan.

Ali Moore: A potentially vast market. Perhaps this is a turning point of sorts for the China-India relationship. But before we pursue that, there's another country that we do need to ask about. And that of course is the United States and Pakistan. Zahid, the US established very close financial and military relations with Pakistan during the Soviet occupation of Afghanistan and then of course, its own occupation of Afghanistan. Can you tell us a little about the relationship with the US then and the relationship with the US now?

Zahid Ahmed: The US - the relationship started soon after Pakistan became and independent state. And then there was the cold war and Pakistan's military



elites. If you look at top generals, they're the ones who have studied in the US. Who have worked side by side with the US military elites.

And they have always been actually comfortable in that sort of relationship. I think things went wrong in Afghanistan on many occasions, so there was not only the issue of drone strikes into Pakistan or how Osama Bin Laden was killed so close to the capital of the country.

Ali Moore: And of course that operation did not involve the Pakistani military, very clearly it was a US.

Zahid Ahmed: There are different versions of the story. Also there were cross border fightings in which a lot of Pakistani soldiers were killed in tribal areas. There were few key incidents that led to this relationship really hitting the rock bottom.

Still economically, Pakistan understands that United States is the biggest economy of the world. They're still having negotiations with the IMF. But in terms of security, the cooperation is very little or only in the case of Afghanistan, there is some kind of cooperation there.

But China has taken a lead when it comes to now security cooperation. If you measure Pakistan's security cooperation with any other country, China is on the top.

Ali Moore: So is China do you think quite deliberately filled a void that has been left by America, or is it more that this is the natural progression of China's long standing relationship with Pakistan?

Zahid Ahmed: It's the latter acutally. It's the natural progression. With the US things just went wrong. And at the time of now economic crisis, Pakistan approached two countries that was the US, for the IMF's sort of deal. And it approached China and of course it approached Saudi Arabia and the Emiratis for some kind of loans to come out of the economic crisis that Pakistan is going through.

The countries that normally address Pakistan's request was China, of course, the first of them. Then Saudi Arabia, then the United Arab Emirates. So the US under Trump is a whole different kind of country.

You know, foreign policy, America scholars even write about how American foreign policy is faced with numerous challenges. You look at how they have gone against many of these free trade treaties. For example, I think they're looking at their trade relations with India as well.



I don't think that anyone can very easily explain what is happening in the US. But from the Pakistan's side, I think they're still equally entrusted and economic relations with both the US and China.

Ali Moore: What do you think Pradeep, from China's point of view, would it not welcome a relatively absent US compared to how it has been in the past?

Pradeep Taneja: If you look at it from a Chinese point of view with the US influence in the region. Clearly China's strategic and mission is to be the dominant power in Asia. At least as far as this part of the world is concerned, what's traditionally been called the Asia-Pacific. China would like to, as far as possible, get rid of the US from this region. Dislodge, I think would be a proper word. Dislodge the US from this region.

Ali Moore: And that extends to Pakistan and India. The Indo-Pacific.

Pradeep Taneja: Exactly. China's interest is in dislodging the US from the region. From India's point of view of course, India doesn't want to see the region dominated by any single power. Not even the US. India is not happy with having any single power, particularly China dominating the region.

India is in favor of a multipolar Asia, rather than an Asian region dominated by any single power. That becomes the kind of the main point of contention between India and China as far as Pakistan is concerned.

Because I think what's happened is that China has begun to see Pakistan as much more than an asset in trying to keep India tied down to South Asia. Because in India, scholars used to say that China's Pakistan policy is largely India centric.

I think now it's moved beyond being India centric because China realized that if China is going to be the dominant power in the region, it will have to be able to exert influence if not control the Indian Ocean. And having that access through Pakistan to the Indian Ocean, the port of Gwadar, which a number of people have highlighted, is of particular strategic significance to Pakistan. Much more than economic significance.

Because economically, I don't think it makes a big difference because Karachi Port already serves most of Pakistan's global trade. So economically it's not really important. But militarily, Gwadar will become a very important port.

Ali Moore: You're listening to Ear to Asia from Asia Institute at the University of Melbourne. I'm Ali Moore and I'm joined by political scientists, Dr Pradeep Taneja and Dr Zahid Ahmed. We're talking about China's enduring relationship with Pakistan and how it affects India.

Pradeep, you just mentioned of course, Gwadar port which is the linchpin of the Belt and Road strategy in Pakistan, specifically what China calls the China-Pakistan Economic Corridor.

This of course is part of this massive initiative by Xi Jinping. How important is it and how big is it in Pakistan?

Pradeep Taneja:

So China-Pakistan Economic Corridor, which is a flagship project of the broader Belt and Road Initiative. China-Pakistan Economic Corridor or CPEC is supposed to be worth about 62 billion dollars in terms of Chinese investments in loans. In fact a big chunk of it is loans rather than foreign direct investment by China.

So there's an economic interest. Obviously, the economic logic of the Belt and Road road applies in the case of the China-Pakistan Economic Corridor. Also Chinese companies are looking for essentially moving their excess capacity to other countries in Central Asia and South Asia.

So Pakistan fits in very nicely with that because Chinese companies who were building, who were opening a new power station in China every week, a decade ago. Now they're opening new power stations in Pakistan, they're building new pipelines and new railways. So a lot of the infrastructure work which was going on in China but now has become kind of redundant because China has built so much, there's an excess capacity which China can deploy in countries which are part of the Belt and Road. In Pakistan's case, the China-Pakistan Economic Corridor.

But there's I think a bigger logic which is strategic. Because given the overall size of the Pakistan economy, give the growth rate, the returns on this investment, particularly in the short term, aren't going to be very good.

For example, the power projects that Chinese companies are building in Pakistan. The power purchase agreements they've signed with the utilities in Pakistan, prices are very high. And it's unlikely that Pakistan utilities will actually turn a profit for these companies.

But the strategic logic from China's point of view is much stronger. Because strategic logic means having wide roads. So for example, the Karakoram Highway which used to be a very narrow road, is being widened as part of the China-Pakistan Economic Corridor.

And rail and road infrastructures being built, which will make it easier to connect China's Xinjiang province all the way up to the Indian Ocean port of Gwadar.

Ali Moore:

Indeed, it is a corridor.

Pradeep Taneja: Exactly. It is a corridor. Whether it makes economic sense or not, it makes strategic sense for China. And from India's point of view, obviously India's objections to the China-Pakistan Economic Corridor and the Belt and Road more broadly, are based on sovereignty concerns and other. But clearly, there is a strategic logic behind India's objection because India sees this as a threat to India.

Ali Moore: Zahid, do you agree that this is much more about strategic interests than necessarily economic interest?

Zahid Ahmed: The strategic dimensions are already visible. But I would maybe somewhat disagree because for example, if you look at what Indian media and the US media has been talking about in relation to Gwadar Port, that Chinese Navy may use it as a naval base.

The likelihood of that happening is very little because they don't need Gwadar for that. There's Pakistan naval base just very close to Gwadar. Why would they get the world's attention to the Gwadar Port being used for naval purposes?

Ali Moore: But there is an argument that they would want their own just like they've got Djibouti. This would be the second big overseas military base of the Chinese forces.

Zahid Ahmed: I don't think so because Pakistan navy will be very much happy to give them the naval base which is close to that. That's the reality.

For Pakistan, which is very weak militarily comparing to India, as Chinese navy is going to use any of the bases there, that makes a lot of sense. That sends a message to India. So in terms of reality, I don't think they'll have much of a problem in that.

The problems I think will be greater in terms of these loans. The economic side of this whole Belt and Road initiative in Pakistan. Because if the Pakistani economy as Pradeep says, is not able to repay China in the short run. I think China is going to be patient for five to six years or 10 years or so. But after that, they would expect some kind of return from their investment in Pakistan. That's when I see problems surfacing.

Ali Moore: And of course, we've seen what's happened in Sri Lanka where in deed the Chinese have taken over the port because Sri Lanka couldn't keep up with the debt payments. What about the support within Pakistan for the Belt and Road? From the people - their view of the Chinese investment, and also from government, and opposition and regional governments as well?

Zahid Ahmed: I was just having a chat with, you know, Pradeep before coming here. We talked about a lot of these issues. I was just in Pakistan last month. Every

time I go there, I see that the space for being critical of China's investment, with China's role in Pakistan is diminishing.

There's very little criticism or productive criticism I would say of the Chinese investment there. Of course, there are minority groups that have been talking critically in terms of China-Pakistan economic cooperation. For example, in Balochistan, which is the least populated province of the country. But biggest in terms of size.

And Gwadar is placed there. And Pakistan is faced with insurgency there for a long time. Those people have natural concerns in relation to disturbances in demographics for example. If more and more outsiders come and they take up these jobs and the Gwadar Port, especially from within Pakistan. But that's not happening because most of the people of the workforce there is Chinese to begin with.

Ali Moore: Pretty protected by the Pakistani military.

Zahid Ahmed: Of course, Pakistan has established two regiments comprised of 5000 soldiers each. Most of them are from the special services group and they take care of the Chinese people. For China, the communications with all these groups including Baloch insurgents and people from the right and extreme left, is to ensure that their own people are also protected in Pakistan.

There are thousands and thousands who are coming every week to Pakistan. There is no exact figure, because sometimes they come on Monday and leave on Friday. So it's hard to have an exact sort of estimate of how many Chinese are there in Pakistan at a single point of time.

But there are so many tourist coming in. Last year alone there were half a million tourists from China to Pakistan and mainly because they are provided security. Western tourists are not given this much security. For the Chinese people, there is a special protocol.

Ali Moore: You see no serious questioning of the Chinese investment?

Zahid Ahmed: Absolutely not.

Ali Moore: Pradeep?

Pradeep Taneja: This in fact has been my sort of quest. I've been trying to find Pakistani scholars who have taken a critical view of the China-Pakistan Economic Corridor. You do see newspaper reports, there are some Pakistani media outlets, for example, the Dawn newspaper, which does publish critical reports and investigative reports on China-Pakistan Economic Corridor. But as Zahid said, the space for criticism in Pakistan, off a project that the



Pakistan military is so closely linked with, the China-Pakistan Economic Corridor, has shrunk. In other words, you cannot really thrive professionally by being a critic of China-Pakistan Economic Corridor within Pakistan.

In fact, I have seen more Chinese scholars who are critical of China-Pakistan Economic Corridor than Pakistani scholars who are critical of it.

Ali Moore: There's another aspect to the support too. Which is the exports of weapons. China has supplied Pakistan with weapons for a long time. But the numbers now are quite extraordinary.

Pradeep Taneja: In fact, China has emerged as a major exporter of weapons now as you know. And 60% of military exports from China, go to Pakistan. Pakistan has emerged as the largest buyer of Chinese weapons.

Ali Moore: And why is that in China's interest? Given the often unstable nature of Pakistani politics?

Pradeep Taneja: One of the reasons is similar to why the United States sells to weapons to its allies. So for example, between the Australian armed forces and the American armed forces, you also have a lot of American weapons in the Australian armed forces. And that's interoperability. That if you have the same weapons, if you work with similar weapons, then it's much easier to operate in a conflict situation.

China of course never says this but that's the logic. Whereas Americans actually say publicly. From China's point of view, one can see why that would be a motivation. But the other thing is that Pakistan in the face of sanctions from the US and other Western countries, you know. Particularly after 9/11 and particularly in the last five years, Pakistan has begun to see China as a much more trustworthy, much more reliable supplier of military weapons than the United States.

There's no congress in China who would say, "Don't sell weapons to Pakistan." Nobody is objecting to sales of weapons. Pakistan and China have jointly developed, largely Chinese technology in the fighter aircraft, J17, which is being produced in Pakistan. And in fact there are even speculation that they might even export it to other countries from Pakistan.

So there's growing sort of military cooperation between Pakistan and China. Pakistan provides a testing round for Chinese weapons. If Pakistan is buying them, then China would be able to sell them to other countries also. Pakistan in a way has become the first significant buyer of Chinese military hardware.



Ali Moore: This is perhaps a way too simplistic question. But, who do you think gets the most out of the China-Pakistan relationship? Pradeep, what's your assessment of winners?

Pradeep Taneja: I think Pakistan has relied on economic assistance from three main sources. US was a major supporter of Pakistan, particularly during the cold war and all the way up to 9/11. Saudi Arabia has been another major funder of Pakistan. China has emerged in more recent times as a significant economic backer. And in fact now, there seems to be competition between China and Saudi Arabia.

Because in the face of China's 62 billion dollars loans and investment in the China-Pakistan Economic Corridor, recently when the Saudi Crown Prince, MBS, or Mohammed Bin Salman, when he visited Pakistan, India and China on the same trip, he committed 20 billion US dollars worth of investment in Pakistan.

And that was a big story. That resulted as part of a visit by Imran Khan, the Pakistani prime minister, to Saudi Arabia and of course to China. In many ways, China has now found that there is actually, Saudi Arabia which is a competitor. Because from a Saudi perspective also, remember Saudi Arabia is a close ally of the United States.

From the Saudi perspective, Pakistan falling into China's camp, is not in their interest either. We're going to see this Saudi Arabia kind of becoming a proxy for the United States and trying to counter Chinese influence in Pakistan.

Zahid Ahmed: It's interesting you're saying this because when Mohammed Bin Salman visited Pakistan, the investment that he has committed, most of that goes into Gwadar. It's very complimentary to China as overall Belt and Road initiative. I think Saudis are also playing very smartly.

Often, there have been hiccups between the Saudis and the United States as well. There was the 9/11 report and all of that. And Saudis understand where they need China as well. They're playing smartly in terms of the geo-economic and geo-strategic aspects of the middle East that they're going through the war in Yemen and the Middle East.

I think Pakistan has got this big package as a gift for keeping quiet after the assassination of a Saudi journalist, Jamal Khashoggi. Pakistan kept quiet mainly because of its relationship with Saudi Arabia. At any single point, there are 10000 Pakistani soldiers in Saudi Arabia devoted to the security there.

There are big international military alliances actually headed by a former Pakistani army chief. There are close to a million Pakistani workers there.



The Pakistani diaspora there. And Pakistan's nuclear weapon is called an Islamic nuclear weapon. Because most of these rich muslim countries invested into making that happen. Making Pakistan a nuclear country.

But going back to China, I think Saudi Arabia is very happy with China taking the lead in investment in Pakistan. And Saudis are actually benefiting from that opportunity. Because there's someone else who has actually kick started a lot of these projects, Gwadar is now up and running. These have just come at a right time to exploit all the benefits from that.

Ali Moore: Let's go back to the point that we talked about at the very beginning. Which was I suppose, China potentially running out of patience, if you like and what that means for future relations with India.

Pradeep, do you think that next time China is asked if indeed they are asked again to veto any banning of a leader of a terrorist organization, they may not have the same approach? Do you think that their relations and how they perceive India is changing? It is of course a massive market. Is it considered as a potential partner in the Belt and Road?

Pradeep Taneja: As for the Belt and Road initiative is concerned, India has made it very clear, very plain. In fact India after the last Chinese Belt and Road summit, the president Xi Jinping hosted in Beijing, India was the first country to come out with a very clear statement of why India was opposed to Belt and Road.

And I think there is an understanding in China now that trying to get India to sign up to the Belt and Road Initiative is a lost cause. And let's focus on bilateral economic cooperation and [crosstalk 00:35:27].

Ali Moore: Because they are part of the Asian Infrastructure and Investment bank. Which was a China initiative.

Pradeep Taneja: Exactly. India's approaches as far as Belt and Road Initiative is concerned, it's not a multilateral initiative. And India had of course raised objections about the sovereignty issues, the fact that China-Pakistan Economic Corridor passes through the Jammu and Kashmir region. Particularly the Pakistan administered part of Jammu and Kashmir region.

India has said that because the line of control between India and Pakistan has not been settled into an international boundary, and therefore it's a disputed territory and third party should not be building anything in disputed territory. For example, on China, India border, eastern front, in Arunachal Pradesh, every time the Indian government applies for a loan from the Asian development bank or the World Bank, for any infrastructure project in Arunachal Pradesh, China objects to it because China says it's a disputed territory and we should not be supporting any funding for project funded by international organization.

And similarly, India says that the Kashmir region is a disputed territory and therefore China should not be interfering in it. But China has gone ahead and done that. India is not going to be a signatory to the BRI. In fact, president Xi Jinping is hosting the next BRI summit very soon in the next couple of months, and India is not going to attend that summit.

Ali Moore: Do you think though in summary that the three countries are going to learn to accommodate each other even more so that they have in the past, as opposed to seeing escalation of tensions with each country recognizing the imperative of peace, I guess. But also the potential benefits of friendship, as opposed to the alternative?

Pradeep Taneja: First, China, Pakistan, India, relationship is concerned, China does see the economic potential of India's growth story. India is like China 20 years ago. India is now the rising economic power. And given that the latent potential for growth in India is now quite substantial. Chinese companies and Chinese sort of rational economic thinkers are looking at India and saying that we need to have good, stable relationship with India.

But the question is, is it possible to have a good, stable relationship with India while using the same tactics that China has used in the past as far China-Pakistan relationship is concerned? That is going to be the big million dollar question for China.

You can't have both. You cannot use Pakistan, particularly say for example, if Gwadar was to become a naval port for China, India will have to seriously think about its own naval strategy in the Indian Ocean. So for China the question is whether China thinks that the strategic gains from having a military relationship with Pakistan are stronger than any potential economic gains from India.

Ali Moore: Is that the million dollar question?

Zahid Ahmed: Absolutely, it is. I think in terms of where it's headed in the future also. You have to see that Belt and Road Initiative is at the very beginning. A lot of that is going to unfold. Not only in terms of information that we have about all these projects, but also where it will be headed and how successful China will be in overall benefits from the project.

I don't think China will be able to balance between India and Pakistan in the short run, but I think they have a vision. They have a long term vision that they have to have balanced relations with both countries, and the process will start, I think, very soon.

From maybe the next time when the UN Security Council sits and talk about Masood Azhar and some terrorist groups in Pakistan. Pakistan has already been given some signs from Beijing, signals of where the things are headed. I



think next time around, and we'll see when the next UN Security Council session is held and when they talk about Pakistan again.

But I think that Islamabad knows that it has to change, and China, with all these investments, has an upper hand in Pakistan. In many ways, it can still take some decisions that go against Pakistan but it will still be having the same kind of relationship with Pakistan.

It's not going to break or hurt by China's any decision at the UN Security Council level because both parties, they are mentally prepared for what is about to come.

Ali Moore: Well in deed, what is about to come is absolutely fascinating, isn't it? Extraordinarily interesting part of the world. An enormous thank you to Zahid and to you Pradeep for your insights and your thoughts. Thank you.

Pradeep Taneja: Thank you, Ali.

Zahid Ahmed: Thank you, Ali.

Ali Moore: Our guests have been political scientists. Dr Pradeep Taneja, from the school of social and political sciences, at the University of Melbourne and Dr Zahir Ahmed from the Alfred Deakin Institute at Deakin University. Ear to Asia is brought to you by Asia Institute. You can find more information about this and all our other episodes at the Asia Institute website.

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