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# Pakistan's Relations with China and the US: Increasing Misgivings on all Sides

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## Introduction

The vision of a *naya* (new) Pakistan enunciated by Prime Minister Imran Khan, Chairman of the Pakistan Tehreek-e-Insaf (PTI) Party, faces seemingly insurmountable challenges. The new government has inherited poor relations with India, continuing conflict along the Af-Pak border, intractable internal security challenges, a failing economy, with a huge external debt and a steady souring of relations with the US. It also faces the possibility of a dent in its relations with China.

By accommodating and promoting the geo-strategic interests of China and the United States in Southern Asia over several decades, Pakistan made itself virtually indispensable to both. However, the Trump Administration is unwilling to countenance the Pakistan Army's doublespeak and has drastically curtailed military aid. And, in a bearhug which the Pakistanis did not see coming, China has entangled the country in a web of debt through the China-Pakistan Economic Corridor (CPEC).<sup>1</sup> China intends to make the CPEC the flagship project of its ambitious 'Belt and Road Initiative' (BRI) for the geo-political and economic domination of Asia.

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## Pakistan-China Relations and CPEC

The China-Pakistan relationship, called an “all-weather friendship”, has been variously described as “higher than the mountains, deeper than the oceans, stronger than steel and sweeter than honey”. China has provided nuclear warhead technology and ballistic missiles to Pakistan. The two countries also have a close relationship in jointly manufacturing military hardware, including fighter aircraft and main battle tanks. Pakistan’s support has been a major factor in China’s quest for the strategic encirclement of India. The relations between the two have deepened further with the CPEC beginning to take shape even though apprehensions are emerging regarding the feasibility and likely benefits from the project.

Passing through disputed territory in Gilgit-Baltistan and Pakistan occupied Kashmir (PoK), the US\$ 62 billion CPEC project will link Xinjiang province of China with Gwadar port on the Makran coast west of Karachi. However, doubts have been expressed regarding the economic viability of using Gwadar as a warm water port by mainland China. Funds for this ambitious project will be provided by China both through the Asian Infrastructure Investment Bank (AIIB) and by way of direct government-to-government soft loans.

To help it to recover its capital investment in the Gwadar port complex, for example, China will get 91 per cent share of the revenue from the operations of the port and the terminal, and 85 per cent of the revenue generated by the free zone.<sup>2</sup> Under this arrangement, though the port is expected to handle one million tonnes of cargo annually, the impression in Pakistan is that the benefits will accrue mainly to the Chinese. Also, there are misgivings within Pakistan regarding the debt trap that the huge investment in the CPEC will result in. The Pakistani elite are no doubt watching the disaster that the developments in Hambantota port and international airport have been for Sri Lanka. (China has taken over *de facto* possession of the port and the airport at Hambantota as Sri Lanka is unable to repay its debt.)

## **Resentment Against CPEC in Balochistan**

Balochistan is Pakistan's largest province, but has the lowest population (13 million) and is the least developed. For over six decades, Pakistan has extensively exploited the rich mineral resources of Balochistan. The Government of Pakistan does not pay Balochistan any royalty or give it what it considers its due share of the revenues generated from the mines.<sup>3</sup> Due to the lack of transmission lines, electric supply to Balochistan is the lowest of all the provinces.

China is also extremely concerned about the safety and security of its workers engaged in construction work in the CPEC projects. Baloch independence movements have made it clear several times that they will not abandon their people's future in the name of development projects or even democracy. Chinese workers have also been targeted.<sup>4</sup> Three Chinese workers were injured in an attack in Balochistan on August 11, 2018.

Though Pakistan is raising a Special Security Division comprising approximately 15,000 personnel to provide security for the CPEC against terrorist attacks, the construction of a dam by the Chinese in Gilgit-Baltistan has shown that eventually People's Liberation Army (PLA) soldiers are inducted for this purpose.<sup>5</sup> The presence of PLA personnel in Pakistan in large numbers will further vitiate the security environment in South Asia.

## **Pressure on Pakistan to Act Against the Taliban**

US and Pakistani interests coincided during the war against Communism and Pakistan was invited to join both the Central Treaty Organisation (CENTO) and Southeast Asia Treaty Organisation (SEATO). Pakistan was instrumental in facilitating the initial approach in America's policy to open up to China. The US has been a major supplier of modern weapons and military equipment to Pakistan, including the F-16 fighter aircraft. These were provided ostensibly for counter-insurgency operations and to

support the Pakistan Army to maintain stability against a *jibadi* takeover of the country. In the last decades, military aid was also given to encourage Pakistan to act against the Afghan Taliban. However, Pakistan failed to act decisively.

As had been widely anticipated, President Trump put Pakistan on notice for encouraging terrorist organisations to destabilise neighbouring countries. He blamed Pakistan for harbouring “safe havens for terrorist organisations, the Taliban, and other groups that pose a threat to the region and beyond.” Trump told Pakistan that it has “much to gain” from partnering with the US, but also warned the country that “it has much to lose by continuing to harbour criminals and terrorists.” The US has provided security assistance worth approximately US\$ 33 billion to Pakistan since 2002. In the budget for 2018, this has been reduced to US\$ 150 million. Most recently, the US has drastically cut the participation of Pakistani officers in training programmes. Also, the US has warned the International Monetary Fund (IMF) not to approve a new bailout package Pakistan as the new loans will be used to repay the Chinese debt.

Estrangement with the US is likely to further propel Pakistan into the Chinese arms. Russia too is waiting in the wings to exploit the emerging situation to its advantage. It has begun to provide military equipment to Pakistan and has even offered to train Pakistani officers to fill the gap created by the restrictions imposed by the Pentagon. Iran, which too is facing tougher US sanctions, has invited Pakistan to join hands for the development of Chabahar port to provide a new route to Afghanistan and the Central Asian Republics – a project in it has which a major stake.

### **Collective Security**

In China's plans for the CPEC and hegemony in Asia, Gwadar is an important foothold that is part of its ‘string of pearls’ strategy for the Indo-Pacific. If Gwadar port is converted into a naval base some time in the future, it will enable the PLA Navy to maintain a permanent

presence in the Arabian Sea and the Gulf of Oman. Both China and Pakistan view the development of Gwadar port as a ‘win-win’ situation.<sup>6</sup>

However, the new challenge posed by China in the Indo-Pacific is unlikely to go uncontested. The US has renamed the Pacific Command as the Indo-Pacific Command. In November 2017, senior officials of Australia, India, Japan and the US, meeting on the sidelines of the East Asia Summit in the Philippines, agreed that a “free, open, prosperous and inclusive Indo-Pacific region serves the long-term interests of all countries in the region and of the world at large”.<sup>7</sup> This development led to speculation that the idea of a Quadrilateral Security Dialogue (also called the QUAD) is being revived after a hiatus of ten years. Though India does not at present favour a formal security arrangement, the QUAD’s discussions for cooperative security are likely to eventually lead to strategic realignment for peace and stability in the Indo-Pacific.

## Notes

1. See “CPEC: China-Pakistan Economic Corridor”, <http://cpec.gov.pk/messages/3>. Accessed on April 20, 2019.
2. “Pakistan’s Gwadar Port Leased to Chinese Company for 40 Years,” *The Indian Express*, April 17, 2017, <https://indianexpress.com/article/world/pakistan-gwadar-port-leased-to-chinese-company-for-40-years-4621432/>. Accessed on April 20, 2019.
3. “Pakistan Generals Vs Baloch Sardars in Burning Pakistan,” Naziaiftikhar’s Blog, January 26, 2011, <https://naziaiftikhar.wordpress.com/2011/01/26/pakistani-generals-vs-baloch-sardars-in-burning-pakistan/>. Accessed on April 20, 2019.
4. “China Workers Killed in Pakistan,” *BBC News*, February 15, 2006, [http://news.bbc.co.uk/1/hi/world/south\\_asia/4716820.stm](http://news.bbc.co.uk/1/hi/world/south_asia/4716820.stm). Accessed on April 20, 2019.
5. “China’s Gwadar Port Nears Completion,” *The Maritime Executive*, April 17, 2016, <https://maritime-executive.com/article/chinas-gwadar-port-nears-completion>. Accessed on April 20, 2019.
6. n. 1.
7. Ministry of External Affairs, Government of India, “India-Australia-Japan-U.S. Consultations on Indo-Pacific (November 12, 2017),” November 12, 2017, [https://mea.gov.in/press-releases.htm?dtl/29110/IndiaAustraliaJapanUS\\_Consultations\\_on\\_IndoPacific\\_November\\_12\\_2017](https://mea.gov.in/press-releases.htm?dtl/29110/IndiaAustraliaJapanUS_Consultations_on_IndoPacific_November_12_2017). Accessed on April 20, 2019.