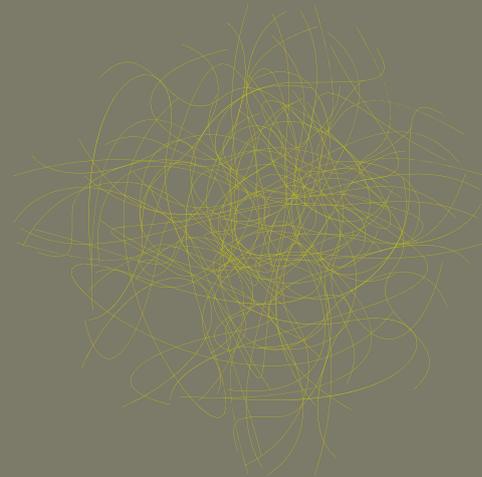


**Sources of Tension
in Afghanistan and
Pakistan: A Regional
Perspective**

**Perspectives
from the Region
in 2013:**

1. CHINA

May 2013



CIDOB Policy Research Project

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CIDOB STAP RP POLICY RESEARCH PROJECT THE "PERSPECTIVES FROM THE REGION IN 2013" SERIES

In line with the focus for 2013 under CIDOB's "Sources of Tension in Afghanistan and Pakistan: Regional Perspectives (STAP RP)" policy research project on the regional powers and their interests, this series is a product of field research visits to a number of the key regional powers identified in the 2012 Mapping Document <http://www.cidobafpakproject.com/> by the STAP RP project team.

Understanding the perspectives of the five main regional powers (India, Iran, China, Russia and Saudi Arabia) with an interest in outcomes in Afghanistan and Pakistan is a critical element in relation to this volatile region, which is currently in a state of flux as 2014 approaches. Identification of opportunities for dialogue, peace building, improved bilateral relationships and the development of regional organisations as mechanisms for dialogue, as well as examining how the regional powers see Afghanistan and Pakistan from a broader geopolitical and foreign policy perspective are key elements in enhancing this understanding.

This report is a product of round table and individual meetings held in China in April and May 2013. It is jointly authored by Emma Hooper, Francesc Badia i Dalmases, Gabriel Reyes Leguen (CIDOB); Raffaello Pantucci, and Edward Schwarck (RUSI). The support of the Shanghai Academy of Social Sciences and of Rafael Bueno from Casa Asia, Barcelona, was critical to the success of the research missions to Shanghai and Beijing respectively.

While many experts contributed to the findings presented, the final responsibility for the content is that of CIDOB alone.

PERSPECTIVES FROM CHINA

1. The Context: Implications of the US & NATO Withdrawal from Afghanistan

The following contextual issues were identified by interlocutors:

- Uncertainty remains about the level and type of US/NATO presence in Afghanistan post-2014 and under what type of agreement. Speculation was raised that a military goal would include holding population centres and lines of communication, noting an uncertain time line.
- Building capacity for governance in Afghanistan will require time, and will remain challenging given forthcoming aid cuts; a lack of firm financial contributions to support the state; growing US tensions with the Afghan leadership; increased US-Pakistan tensions; cross-border and green-on-blue attacks, all of which have negative impacts on the transition phase to 2014 and beyond.
- These challenges are compounded by: (i) the failure of talks between the Taliban and the Karzai government since 2011; (ii) the Taliban's suspicions around the negotiations with the US in Qatar in March 2012; (iii) what was termed "ethnic and regional conflicts" within the present Afghan government; and (iv) a low level of both efficiency and transparency.
- Continued insider attacks within Kabul contribute to hasten the departure of ISAF and NGOs. The departure of western forces is likely to push the economy towards a dependence on opium and thus enhance the power of the drug lords, a scenario that presents numerous political and security challenges.

In the view of those consulted, all of the above lead to an expectation of increased political turbulence after the US-NATO withdrawal. Notwithstanding, the cutting back of western armed forces was considered likely to continue, though the final state - and status - was uncertain.

Regional Implications of the Withdrawal

Four possible scenarios were identified:

- (i) "Messy but manageable", with a weak and divided state;
- (ii) Political reconciliation, with different regions being led by local power lords and the state under partial Taliban control. Divisions within the Northern Alliance would be likely; as would a struggle around the mix of central and local power structures; and the absence of a functioning national government;
- (iii) Civil war;
- (iv) The potential spill-over of instability northward into Central Asia.

Regional Challenges

Three main regional challenges were identified as:

- (i) Islamic extremism;
- (ii) Cross-border terror attacks especially severely along the Afghanistan-Pakistan border (FATA and Northern Waziristan in particular), which would increase security stress - including on China;
- (iii) Security in Pakistan.

It was suggested that the proxy politics of the region are a double-edged sword, involving complex social diversity and cross-border affinities all of which are used as leverage, and which could be exploited by neighbouring countries for their own advantage, as well as by Afghan groups themselves. The power-brokers include local and regional powers as well as the Central Asia republics, where security challenges were seen to include Islamic terror groups such as the Islamic Movement of Uzbekistan (IMU); drug trafficking between Europe, Russia and Central Asia; with proxies within the ethnic groups in Afghanistan which also impact Central Asia.

China's Political, Economic & Security Roles

(i) Political Role

According to interlocutors, China's foreign policy principle is that of non-interference. Whoever governs the country, China does not see it as their concern to interfere in the internal political dynamics of the country. This view was repeatedly expressed by discussants. However, there appears to be some progress within Chinese foreign policy thinking about gradually moving from 'non-interference' to 'constructive interference' – but as yet, there is no clear understanding of how this will be articulated. In any case, it was considered highly unlikely that China would send troops to protect its commercial interests in (Afghanistan or Pakistan), whatever the circumstances.

A number of references were made to the historical concept "Great Game" and the historical perspective. Any form of military intervention should, from a theoretical perspective, be "*fast in, fast out*". Yet, Afghanistan is seen by China as "*fast in, hard out*".

Any candidate for receiving Chinese assistance should be an ally of China, such as Pakistan or North Korea. Political support should be mutually-beneficial, and Afghanistan does not meet any of these (Chinese) criteria. Creative, constructive engagement in Afghanistan is therefore the aim, rather than an intervention. Furthermore, China is keen to avoid creating enemies within power factions.

(ii) Economic Role

Whilst China has economic (public and private) interests in Afghanistan, especially in the mining sector, interlocutors emphasised that there is less political interest. Afghanistan ranks low on the priority list of the leadership. The concern about investments expressed by state-owned companies is less than that of the private, who are more anxious about losing investments.

Economic concerns notwithstanding, it was considered very unlikely that China would ever go to the lengths of sending troops to protect the country's economic interests. None the less, investment by Chinese enterprises¹ in projects in Afghanistan will need protection, and what happens in Afghanistan will have a direct impact on both the Westwards Development Strategy and the larger New Silk Road project.

China's investments in the economies of Central Asia, Africa and the Middle East, as well as in Afghanistan in energy, roads and other infrastructure require peace and stability in order to succeed. Afghanistan impacts particularly on China's Grand Western Development programme, including on the need for increased border trade with Kashgar. Consequently regional stability is a pre-requisite. Interlocutors highlighted the point that China has a limited direct international terrorism problem, with the bigger problem being that of instability in Afghanistan influencing neighbouring countries, and this having a consequent negative knock-on effect in Western China.

China's current contribution to Afghan reconstruction has so far been relatively modest: a training program for 300 police officers was offered in the wake of Politburo member Zhou Yongkang's visit, and from 2002-2010, China's aid to Afghanistan totalled around \$205.3 million. In 2011 and 2012 China offered a further \$23 million each year, with the second portion being offered through the Shanghai Cooperation Organization (SCO). Additionally, China has provided training for various Afghan technical personnel and officials with Foreign Minister Yang declaring in July 2010 they had trained some 781 Afghans so far, with a further 200 being trained that year. In May 2011, China and the United States jointly hosted a two-week training session for a group of some 15 young Afghan diplomats.

There is little appetite for providing large amounts of financial assistance for military support, which is considered unlikely to succeed due to low levels of transparency and efficiency. In addition, it was suggested that any such support would go to the central government, whereas the real operational capacity is seen as lying with the local militias. One interlocutor noted that "*military support alone does not work*". Political reconciliation among what was termed the "*real power holders*" in Afghanistan is seen as the only answer.

None the less, China is starting to plan an increasingly prominent role in the region, and some observers consider that it would like to be able to secure the region through promoting economic growth and influence.

(iii) Security Role

Should the Afghan government ask the UN for a peacekeeping force after 2014, China might be willing to be a part. However, stability is the first criteria in order for China to become more engaged.

The security of Chinese investments should be ensured by collective Afghan local and central government, and by ISAF. In terms of cooperation on security, China's view is that this should be a multi-layered approach, which should not be left to outsiders, but be undertaken by locals, "*mixing layers of local defence*" such as tribal allies, local police, and troops.

1. The distinction was made here between the state and enterprises regarded as (semi) private.

China has security concerns in relation to Afghanistan due to potential impacts on the Xinjiang province, but the security situation in Afghanistan is not seen as overly worrying, since Beijing believes it will slowly improve, allowing the latter to retain its emphasis on the social and economic arenas.

Whilst on the one hand, China is modernising its army, on the other, it is not trying to show it is flexing its muscles. China has not intervened abroad in the past and, it is said, will not do so in the near future unless someone challenges the status quo or provokes a confrontation. For some interlocutors, the border dispute with India and the potential conflict in South China Sea as well as sovereignty disputes about some islands are of greater concern than the evolution of the situation in Afghanistan or Pakistan *per se*. “China has risen and feels strong, so it may play a stronger role to prevent the ‘bullying’ it has suffered in the past”.

Stakeholders’ Conclusions on the Withdrawal

- The international community should support an Afghan-owned, Afghan-led peace process, and provide support to the economy in the long term.
- China is likely to continue applying its guiding principle of non-interference in the peace and reconciliation process, and develop further its foreign policy stance of “creative involvement”, through support to increasing the capacity of the Afghan government including for social, economic and financial reconstruction, via use of geo-political leverage to facilitate reconciliation.
- Afghanistan’s peace and stability is perceived as vital for the region. China could have a relevant role to play in the social, political and economic reconstruction of the country. China can and should create a role for itself in the economic field, but it should not try to dominate it: rather, it should remain open to all the essential international players (the US, EU, Russia) who should all be included.
- The US/NATO launched the intervention in Afghanistan, and dealing with the withdrawal and its aftermath is seen as remaining their primary responsibility. China, Russia, the SCO and neighbouring countries should share the second-tier responsibility (after the US). Both the US/NATO and the EU should do more. However there is a lack of optimism on a sustained US engagement in the future, including due to US budget problems in Congress and to the “intervention fatigue” factor.
- The SCO’s main target is counter-terrorism and its core role is in information and intelligence-sharing.
- The cooperation potential via the SCO is there, despite doubts over NATO’s intentions, the structure of the meetings and US doubts over China’s intentions in Central Asia. China has both military relations and a strong friendship with Pakistan, as the only non-NATO ally of the US. However, Pakistan is the only formal Chinese ally (apart from North Korea), and China would not take decisions on behalf of any country, including Pakistan.
- From the geo-political perspective, the core of the Afghanistan-Pakistan bond is Pakistan’s relationship with India. China does not see Pakistan’s security as a Chinese predicament, though it was suggested that Pakistan’s “reasonable security concerns” should be taken into consideration.

2. China & India in Relation to Afghanistan & Pakistan

Since 2012, there has been a rapprochement between China and India, with compatibility of interests in some areas related to the Afghan context. Among the challenges in this relationship that were identified by interlocutors are: (i) security; (ii) stability; (iii) strategic autonomy; and (iv) economic development.

Cooperation vs. Conflict

From the Chinese perspective, Beijing must push to overcome the old zero-sum game mindset in the region, to adopt a more “win-win” approach by pushing a positive dynamic in the bilateral relationship between India and Pakistan in particular.

The China-India relationship has experienced wild swings over the past sixty years. Currently, both countries are in dispute over territory on the Tibetan plateau, China’s forward presence in the Indian Ocean, US-India nuclear cooperation; and China’s deepening relations with Pakistan, Myanmar, Bangladesh and Sri Lanka. All of these factors feed into mutual perceptions in Afghanistan and define the parameters of cooperation.

There is, however, a strong convergence between both countries’ on their substantial economic stakes in Afghanistan, together with the recognition that a stable political environment is needed if these projects are maintained or expanded post-2014. These shared interests present opportunities for cooperation between Delhi and Beijing.

India is the largest regional donor to Afghanistan and has financed major infrastructure projects such as the Herat dam. A major Indian State-Owned Enterprise (SOE), SAIL-AFISCO, was granted a majority stake in the Hajigak mine, which contains an estimated 2 billion tons of iron ore. Indian companies have also shown interest in Afghanistan’s petroleum blocks and copper ore mines. China, meanwhile, has multi-billion dollar stakes in the region, including in the MCC Jiangxi Copper (owners of the Mesnak mine) and oil and gas reserves in the north east of Afghanistan.

Chinese and Indian firms in Afghanistan are uniquely placed to exert influence that some analysts suggested could be used to serve broader policy goals. Both Chinese and Indian interlocutors displayed awareness of the need to create jobs for locals on construction sites and that infrastructure development helps create stabilising links to other regions. It was suggested that corruption – recognised by both sides as a serious risk to political stability post-2014 – could be countered through the encouragement of best practice and contract transparency amongst Afghan official bodies and local partners by Chinese and Indian investors.

One area of particular concern amongst Indian analysts is the lack of direct transport links with Afghanistan. In terms of transnational trade, Pakistan currently allows the flow of Afghan goods to India, but bars trade in the other direction. This has been highlighted as a severe hindrance to greater Indian investment in Afghanistan. While China has no direct role to play in the India-Pakistan dispute, Beijing’s unwillingness to

censure Islamabad is reportedly sometimes seen in Delhi as a contributing factor to Pakistan's intransigence.

Furthermore, the TAPI and IPI gas pipelines, heralded by India as projects with great potential, continue to founder on fears of Pakistani interference in gas supply, or of attacks by Afghan/Pakistani militant groups.

Security

Both China and India are threatened by a possible deterioration of security in the region resulting from the political disintegration of Afghanistan post-2014. The real and perceived security threats are manifold and stem from different sources: whilst India considers the "Af-Pak" space to be the breeding ground for anti-India terrorist groups for over two decades, China faces an internal threat in the form of Uyghur militancy in Xinjiang. Some interlocutors suggested that China does not see a major threat from instability spreading overland to Xinjiang although there is no consensus about it. However, the economic impact of turmoil in Afghanistan and in the region may have an effect on China's efforts to develop its western regions under the auspices of the Develop the West policy.

Interlocutors suggested that a consensus existed between the Chinese and Indian sides, in that Afghanistan's future will be "*messy but manageable*". Politically, both sides believe that the constitutional order established in 2004 has begun to exert gravitational pull on actors, such as provincial warlords, who would previously have acted outside the political process.

There is broad agreement between Indian and Chinese analysts that the Taliban were "*on the back foot*"; they are not as cohesive as they are seen to be outside of Afghanistan, and they lack the brand strength they had in 2001. Their ability to compete financially with the West is severely diminished and they are struggling to replace their leadership in the wake of repeated US drone strikes. A gap is developing between those on the ground in Afghanistan and the senior ranks in Pakistan.

There is, however, a significant divergence between Chinese and Indian analysts on the potential for negotiating a relevant Taliban presence in the post-2014 political structure. Some would like to see a clear cut between moderate and extreme Taliban (described as "good" and "bad" Taliban), but nobody can really tell where the red line falls between the two.

Chinese interlocutors spoke of the need to capitalize on the Taliban's growing frailty to open negotiations on a power sharing agreement post-2014. However, it was argued that the Afghan government needed to hold firm on altering the constitution to accommodate Shari'a law, as this would lead to an irreversible institutionalization of the Taliban into Afghanistan's political system.

Indian interlocutors agreed that the Taliban were demonstrating greater pragmatism, but most were far more pessimistic over the potential for talks to bring any meaningful improvement. The Taliban's ongoing refusal

to denounce Al Qaeda and the persisting radicalism of extremist groups in Pakistan was cited as evidence of a deepening radicalisation amongst the Taliban and their affiliates.

Unsurprisingly, Indian interlocutors suggest the solution to reigning in militant groups in Afghanistan and Pakistan lies with Pakistan, which many saw as possessing virtually complete control over militant activities. It was argued, for example, that the Pakistani state had reigned in such groups when necessary, including Uyghur militants operating out of FATA. The West, and to some extent China, were seen as needing to take a tougher line on Pakistan, particularly through leveraging financial aid, to force Islamabad to reconsider its support for these groups.

3. China & Russia in Relation to Afghanistan & Pakistan

Discussions highlighted that, whilst Russia and China share similar interests and concerns over Afghanistan, their individual backgrounds differ mainly for historical reasons. Russia was the main and only dominating player in Afghanistan between the 1950s and the end of the 1980s and was therefore able to develop a close relationship and cooperate in different fields (economic, education and security among others) whilst China remained on the side lines. For historical reasons, Russians tend to have a much deeper understanding of Afghanistan than their Chinese counterparts. More analysts, experts and officials have first-hand experience in dealing with the country while China has very little experience. Russia has been focusing on Afghanistan for more than 200 years, since the 19th century, though the past 20 years have understandably been marred by the experience of the 1979-1989 war. Russia is described by Chinese interlocutors as suffering from an “*Afghanistan syndrome*”, though there is an equal recognition that they are going to have to engage with the country, given its geographical location.

Both China and Russia share concerns about the deterioration of security witnessed in the recent past, but have slightly different positions and approaches toward the Taliban. Whilst China’s position has been defined by less confrontational and more diplomatic - meaning that China is able to reach out to the Taliban side with greater ease - Russia’s stance is regarded by interlocutors as “*much tougher*”, due to its enmity with the Taliban forged during the fighting in Soviet times; and to its security concerns/interests in Central Asia where counternarcotics, counterterrorism, and border control remain priorities. China, in contrast, has a relatively limited history with Afghanistan and its terrorism concerns from East Turkestan groups are predominantly focused across the border in Pakistan, though the Taliban have in the past hosted ETIM groups.

Russia’s overall engagement with Afghanistan is one that has to be appreciated within the context of a Russian ‘Asia Pivot’ that has been underway for the past few years. As one Chinese interlocutor put it, Russia’s “*rush to Asia*” is something that has been going on for a few years and from some perspectives, it seems as though how Russia chooses to engage in Afghanistan may well help define what this interaction is going to look like. Others in Moscow, though, described as Europeanist liberals, might be more sceptical about this Asian “*rush*”.

As for multilateral efforts in the region, to a certain extent, China has been promoting a greater role for the SCO in Afghanistan: a move that Chinese analysts believe is also in Russia's interest. The SCO (perceived as a loose organisation) and the CSTO (perceived as a sort of Russian and Central Asian NATO) are believed to have different roles in dealing with the Afghan file, whilst the former has the capacity to play a long term role in development and reconstruction through economic cooperation, the latter is expected to play a more concrete and obvious role in the field of security as it is equipped with the necessary means (the Rapid Reaction Force and the planned joint air force) to tackle security challenges in the region. Whilst most Chinese analysts believe in that the SCO could - and should - play a greater role in the future, including in security (particularly antiterrorism) some point out its limited capacity as illustrated by the way it failed to react meaningfully to the 2010 crisis in Kyrgyzstan.

As for the threat posed by the Islamic Movement of Uzbekistan (IMU) in the region, there seems to be little consensus about the real nature, composition and objectives of the group, mainly due to the lack of reliable information. However most stakeholders agreed about its relationship with the Tehrik-e-Taliban Pakistan (TTP); the local/regional scope of the strategic ambitions of the two (as opposed to a strategy of global *jihād*); and the IMU's will to topple Karimov. Cells linked to the group have been found as far afield as in Russia and Europe, highlighting their potential to be an international menace.

All in all most analysts agreed that Afghanistan, described at some point as "*a strategic black hole*", will remain an important issue for both China and Russia, due to the important geostrategic role it plays in the region, as well as to the variety of threats that stem from its territory. However, it is unlikely that there will be a more direct involvement or active role of either China or Russia in Afghanistan, although analysts also suggested that a larger "*behind the scenes*" role cannot be discounted in either case.

Fundamentally, China and Russia do not have competitive feelings in Afghanistan: both share similar concerns about the country. NATO is an interesting point of slight divergence however: whilst neither China nor Russia appreciate having NATO forces within their strategic space, the Russian perspective is regarded by stakeholders as far more inflexible.

Whilst both China's and Russia's regional influence is expanding, some analysts have pointed out that the two countries "*do not compete on the same level*". Russia's hopes to build a CSTO-NATO alliance on anti-narcotics were considered to have failed. None the less, in view of interlocutors, "*China and Russia could do a lot in Afghanistan*".

4. China's Perspectives on Central Asia

Regarding China's broader approach to Central Asia, a great deal of its efforts to promote regional stability, security, law and order in the Muslim states of this region, as well as on the development of new technologies have been channelled through the SCO as stated above. Some Chinese analysts believe there is room for the SCO to engage further with NATO,

with the clarification that “*China is not anti-NATO*”. The focus post-2014 is likely to be on narcotics, corruption, and negotiations with the Taliban.

As for specific relations with some of the Central Asian Republics, Chinese analysts stress that China and Uzbekistan have a history of long-term cooperation and a joint consensus on regional and international issues; and that China also provided strong support for the Conference on Interaction and Confidence Building Measures in Asia (CICA) initiative by Kazakh President Nazarbayev. However, the governments China cooperates with are increasingly viewed as part of the problem, not as a solution; and its business practices are reportedly contributing to a negative image in a region where suspicion of China is already high – as are nationalist sentiments.²

A European perspective on China, Central Asia and Afghanistan presented in the course of discussions, noted the need for a new economic and security transition, which recognises that Central Asia is not a homogenous region, but rather, one whose only commonality is having formerly belonged to the USSR. Economically, foreign direct investment was seen as able to play a decisive stabilising role. Military insecurity in Afghanistan would likely affect Central Asia, which is not equipped or prepared to deal with it, particularly if there were to be an asymmetrical (vs. large scale force) conflict. In terms of the power vacuum which is likely to be left behind on the departure of US/NATO troops from Afghanistan, this perspective held that “*the SCO is not the NATO of the East*”. It was considered likely that Russia will in fact play a larger military role in the future, despite its clear reluctance to re-engage in Afghanistan.³ In a geopolitical environment of increasing insecurity, future scenarios in Afghanistan and Pakistan were considered to have a potential broader regional domino effect on Central Asia through a shift in the distribution of the security threat, which would present challenges to its new republics.

Stakeholders’ Views on Central Asian Challenges

The new Central Asian republics were seen as facing a number of challenges with regional dimensions:

- (i) National identity, internal stability, and border disputes;
- (ii) International terrorism post-2014 and Islamic fundamentalism;
- (iii) Drug smuggling, money laundering, kidnapping and ransom;
- (vi) Oil, gas, water and transit disputes;
- (v) The transitional challenges posed by the eventual end of the Karimov and Nazarbayev regimes.

It was considered that regional organisations such as the SCO, the CSTO and the new Organization of the Eurasian Law Enforcement Agencies with Military Status (TAKM) all share the common challenge of dealing with failed states, authoritarian regimes with aging presidents and an uncertain economic future.

Chinese and Russian perspectives on Central Asia differ, as do intra-Central Asian country perspectives. On the one hand, Kazakhstan and

2. International Crisis Group, “China’s Central Asia Problem”, 27 February 2013

3. See for example “Afgantsy: The Russians in Afghanistan 1979-89” by Rodric Braithwaite.

Uzbekistan rely heavily on oil and gas export (also cotton in the case of Uzbekistan) and they need to industrialise, and consequently, need to shield themselves from cheap Chinese products. On the other hand, Tajikistan relies on Chinese imports; yet it also sends Tajik workers daily across the border to Russia. Whilst a direct terrorist spill-over post-2014 is unlikely, none the less, an increase in drug-smuggling, kidnapping and ransom (similar to Chechnya) and money laundering is considered by most to be highly likely.

When the large financial gains from the US/EU presence in Afghanistan end, discussants saw drugs as becoming the country's main source of income. Money-laundering is a major source of instability as is the porous border with Tajikistan. In Kazakhstan, in particular, which has large resources already being tapped by China, small drug-related organisations are likely to be a source of instability.

On the positive side, it was suggested that multiple centres of power would benefit from economic cooperation in the following ways:

- (i) Trans-regionally, through economic integration, and through FDI on infrastructure projects and internal reforms;
- (ii) Adoption of EU norms and standards would increase stability (in the longer term); and when combined with Chinese capital, arguably would present a win-win situation;
- (iii) Central Asia as the potential logistical nexus for Afghanistan and Pakistan.⁴

However it was also noted that in the short term, regional disputes are likely to prevent economic integration from taking place.

Xinjiang

Xinjiang plays a less central direct role in Chinese considerations towards Afghanistan than the one often speculated by some foreign analysts. There is some concern about the fact that Xinjiang is the border area that China shares with Afghanistan, but at the same time there have been very few reports of any violence or trouble coming across the border directly. In fact, the border with Xinjiang remains the only closed one for China. It is also very narrow and relatively easy to control.

As pointed out above, despite the great economic interests vested in Afghanistan, China's main concern and interest is security, and in particular the effects of an escalation of the conflict that could affect Xinjiang. The situation in the latter was regarded by some interlocutors as being a similar case to that of Tibet, even though "*the situation in Xinjiang is more serious than in Tibet*". Terrorism in Xinjiang province is a relatively new issue for China, and its roots in political unrest are recognised. The Xinjiang issue can also be seen from an "East Turkistan" perspective.

One interlocutor pointed out, a "*Northern Ireland approach*" is feasible in Xinjiang. It has seen many terrorist attacks in recent years (especially two years ago), and it is generally believed that activists in Pakistan have a certain influence (as many of the activists received training in Pakistan-based camps). The local authorities initially blamed the attacks on Pakistan, claim-

4. This point is somewhat counterintuitive, as it is difficult to imagine how Central Asian countries could play that "nexus" role - not having a direct border with Pakistan.

ing that the leaders were trained there, but then changed their strategy and recognised they were domestic separatists, which illustrated the necessity to tackle the problem internally and use common sense rather than making accusations. On the other hand, Beijing sees a serious necessity to keep working with the Pakistani army, even though -as a Chinese expert said- "*you cannot take an easy look at the Pakistani army*". But, it would appear that China knows what exactly is going on and, as there are already well established mechanisms of cooperation between the two countries, the key is to work within that framework to solve the problems.

Expressed differently, it is more the case that Afghanistan looms large in the background of Chinese considerations about Xinjiang. If things in Afghanistan turn sour, then there is a strong sense that this will have major repercussions for the broader region and for Central Asia and Pakistan in particular. Given the importance of this broader region for Xinjiang's long-term prosperity, the potential exists that a negative turn in Afghanistan leading to the country once again becoming a centre of regional instability would cause major problems to the longer-term government strategy of developing Xinjiang.

5. The Trilateral Relationship: China, Pakistan & Afghanistan

(i) China & Pakistan

Pakistan has been China's only reliable ally for the past 40 years, other than North Korea. And "*China protects its friends*". The sovereignty and territorial integrity of Pakistan is in China's interest, and it would make efforts to maintain that. Should there be any separation of territory (i.e. by the "*so-called Balochistan independence movement*", as one interlocutor termed it), China would oppose it (including because that would set a negative precedent for China's own domestic concerns).

China's Strategic Partnership Treaty with Pakistan, which is very similar to a military alliance, includes an article of common protection if foreign aggression should occur. The drivers of this close alliance are:

- (i) To counterbalance disputes with India;
- (ii) Pakistan's status as the only nuclear country in the Muslim world;
- (iii) Pakistan's position as a close ally of both the US and China, which creates common ground;
- (vi) The fact that the Partnership provides an arena for the Americans and the Chinese to work together on issues such as counter-terrorism; and because it is an Indian Ocean country (hence the strategic relevance of the Karachi port of Gwadar).

(It was noted by one interlocutor that "*there is a conspiracy theory in Beijing about the Americans trying to undermine China through its alliance with Pakistan, but [this is] currently endorsed by only a few*".)

There is also another very powerful reason (but put forward by an interlocutor as little-known) why China is so interested in keeping a close alliance with Pakistan and keeping the Military Assistance: the navy. As China

works toward building a modernised navy, it is experiencing a number of difficulties, not least language (English), and understanding the logics of the real nature of a naval warfare. The Pakistani naval officers having been trained by the British Royal Navy represent a source of knowledge and understanding and thus are perceived as a means towards the internationalisation of the Chinese navy.

China's view of Pakistan is therefore that of what was termed a "core relationship": that of good neighbours, partners, brothers and friends, and a strategic ally that "is too important to lose... (which also)... cannot be allowed to fail (as a state)". Internal conflict in Pakistan is regarded as not being in China's interests, and China would "do what it can to protect (them)". A stable and strong Pakistan is consequently seen as firmly in China's interests. Furthermore, this relationship is currently not seen from within the framework of a Sino-Indo-Pakistan context, but rather, as a bilateral China-Pakistan issue.

Pakistan is thus an ally, and it will remain so, for political reasons including that of China's border dispute with India. In the view of some interlocutors, "China sees Pakistan mainly as an ally to counter Indian influence. It is more a matter of containment rather than open confrontation with India", and China will work with Pakistan accordingly. Again, as for Afghanistan, China's policy of respect for sovereignty applies to Pakistan as well, so should there be a regime change in Islamabad, Beijing will respect it, unless it were to cause too much trouble with Xinjiang province and the Uyghur.

As a key ally, Pakistan's loyal support for China at the UN and other multilateral fora was stressed, together with the view that Pakistan could be a bridge for China with the Muslim world, as "the only Muslim country with nuclear capacity". China views Pakistan's economic situation as "worrying". It would like to help Pakistan re-start its economic development, but at the same time, the lack of international support, the long term nature of needs and the fact that China does not have "a long term project" in Pakistan, were also pointed out as some of the main challenges in the short to medium term. The need to improve "the deteriorating social situation" and the fact that engagement politically has been limited to the (formerly) ruling party, the PPP, also present problems for China because it lacks leverage to influence the domestic Pakistani situation in a context of its decline. An interlocutor suggested that whilst China preferred to deal with the military (i.e. General Musharraf), it also recognises that a civilian government will be the prevailing form of government pushing China to insist on a constitutional approach in Pakistan: "The fact that we like him a lot does not mean we support him to be President again... Now is not a good time for the military to come back". However, it continues to regard the military as a reliable player whilst recognising that "now is not the time" for a military government, though "perhaps in five years time", because "is there anyone but the military that can unite Pakistan, given its continued crisis of identity?"

There has reportedly been a long debate in China recently in terms of its policy towards Pakistan: on the one hand, it relies on the loyalty of a friend (Pakistan) at the international level, but it also knows there is a danger of losing it and indeed, is aware of the danger of state collapse.

An interlocutor noted a prevailing conspiracy theory that the US is trying to “*take Pakistan away from China*”. Time will therefore be required to allay Chinese suspicions of US measures in Pakistan (that are seen as negative to China); yet there is also a lack of new policy initiatives in this regard on the Chinese side.

Economically, China considers that Pakistan has the opportunity to restart its stalled economic development through Gwadar in Balochistan, which in the Chinese view is a reason to support “*stability*” (i.e. the current status quo) in the province.

In the Chinese view, Pakistan will play an important role post-2014 in relation to Afghanistan. From the Chinese perspective, the international community should respect what the latter two countries’ respective governments decide, as well as their stated policies. Under this view, international coordination and post-war reconstruction should be carried out within the UN framework, and all regional countries should create a favourable environment for the development of both Afghanistan and Pakistan. In this regard, the SCO should play a more important role. None the less, in the view of an international observer: “*China is conscious that there is a mismatch between its economic power and its relevance as an international actor.... . It is clear that China has to (and will) take more responsibility, including in Pakistan, and it is preparing itself to do so by investing in building the necessary capacity*”.

(ii) China & Afghanistan

For Afghanistan, Pakistan is the road to the Indian Ocean, and for Pakistan, Afghanistan is the gateway to Central Asia. Hence they are geographically mutually important.

For China, Afghanistan is a strategic locality, linking China with Central Asia. Therefore Afghanistan’s stability is critically important for China. Furthermore, whilst China has its own economic interests in Afghanistan including minerals, it also has anti-terrorism interests. China’s current political stance on Afghanistan was summarised by one interlocutor as “*protect what you have, avoid danger*”. This was encapsulated in a new policy (approved in early 2013) of:

- (i) Non-interference in political reconciliation in Afghanistan, including through maintaining or generating political leverage; and
- (ii) Trade engagement. (It was pointed out that China is currently the largest foreign investor in Afghanistan).

In terms of elements in Afghanistan’s domestic politics with implications for China, a major factor was singled out: the exclusion of the Taliban from politics. A post-2014 state will bring new stakeholders into the process and the building of new political systems. One interlocutor saw the key to the problem as lying firmly in the hands of the Pakistani and Afghan people (as opposed to their governments) but reiterated that neighbouring countries should take measures to promote Afghan stability. If good relationships can be built between Afghanistan and Pakistan around common interests, this could in turn positively affect economic issues.

For some interlocutors, the issue of the Durand Line was regarded as an important obstacle to improved cooperation in Afghanistan-Pakistan relations. Kabul does not accept the Durand Line of border demarcation. In Pakistan, Afghan refugees continue to place a domestic, environmental and social burden on the country; and cross-border attacks by the Haqqani network (perceived by some interlocutors as being backed by Pakistan) are a source of destabilisation. Other interlocutors considered that the US is likely to remain in Afghanistan in the short term and therefore new political coalitions are required which encompass a range of Afghan political interests. According to this view, the Taliban are a political reality, and a force to be reckoned with in any solution for the country, despite the difficulties inherent in this. Some saw a Taliban-dominated political environment as being a low probability, noting that, if this were to occur, it would "cause problems" for China, but "not such big ones, as Afghanistan is a large country". Under this view, the main problem in Afghanistan is that of foreign interference: without it, Afghanistan was considered by interlocutors to be capable of solving its own problems.

In terms of China's relationship with the Taliban, reportedly the latter are seeking China's recognition as legitimate stakeholders in the political future of Afghanistan: "*whilst they are feared because of their ideology, their attitude to China is alright. What is more important is a change in the Taliban attitude towards regional countries as well as ideology.*" Under this view, if the Taliban came back to power in Kabul, they would not be the Taliban of the 90s, and the new "*second generation Taliban*" would learn to integrate into the region, though it was also noted that intra-Taliban problems remain. Whilst a Taliban takeover in Afghanistan would certainly be cause for concern, "*it would not mean the end of the world for China*".

Overall, the post-withdrawal scenario was regarded as being more optimistic from the US perspective than from the European one. But the perception is that the extremist forces have been undermined and the Afghan government has the capacity to manage the situation, even though there might still be some military raids to be carried out, some militant attacks against the withdrawing forces will still occur, and some problems with the "Durand line" would still persist. The view expressed was that stability would prevail in the long run and that it is in the interests of the three major actors at stake (Afghanistan, Pakistan and India), just as it is for China.

Political & Strategic Interests

China's primary interest in Afghanistan was identified as security, both in relation to the preservation of its economic interests and the strategic position of the latter.

Some Western analysts have advocated a more active role of China in Afghanistan, but their Chinese colleagues believe it should not - and even could not - play a leading role for a range of reasons: hard security as well as the safeguard of the Afghan Government are seen as the main task of the US and its western allies currently deployed in the ground; but also because other powers in the region (Iran, India, Pakistan, Uzbekistan, Kaza-

khstan, Russia, Turkey) should also be taken into consideration and have their say on the Afghan file. The transition period might be painful, and could derive in an internal conflict that "[we] *will not call a civil war*".⁵

In the view of one interlocutor, the two main drivers of policy towards Afghanistan are consequently:

- (i) Its interest in natural resources ; and
- (ii) The implications of Afghanistan for broader regional stability.

This goes beyond the internal Uyghur threat alone, to encompass Central Asia, as well as the growing Chinese concern about an increasingly fragile Pakistan.

Politically, the country's location in the heart of Asia is of strategic importance for China. As a neighbour of Afghanistan, China is implicated in its solutions, including because it "*wants a harmonious environment for economic development*". Economically, mineral resources and oil and gas are key sectors for China. Whilst the Aynak copper mine faces huge exploitation-related problems, it was suggested by several interlocutors that some progress has been made towards resolving them. Therefore, whilst resource opportunities are good, the question of accessing them successfully remains an issue.

However, a dissenting view was also presented on the relative importance of investments in Afghanistan. There is one position which says that China's economic interests in Afghanistan are not that critical as some analysts like to state, and would not trigger any hard action from the Chinese side. According to one highly recognised expert, the copper mining issue "*...is a joke*", with a reported US\$3.5 bn. investment with "*nothing to show for it*". As much as the copper is a strategic resource, for the time being, the (Aynak) mine is useless, there is no electrical power there and the route to China is impractical for heavy trucks. All in all, this view considered the effort involved was simply not worth it. The story of this mine, the same analyst continued, goes back to the time the Chinese government was strongly encouraging the companies to invest abroad, for which they would receive generous credits. The analyst added "*in fact, nobody cares if the investment it is profitable or not as long as you can divert the money into real estate back in China*". Today, the copper from that mine is "*not profitable*". However, another interlocutor was more sceptical about this explanation, attributing it to an attempt to divert attention from copper, noting that even if there is no way to take those resources back to China today, this would be of little concern, because China's resource strategy is a long term one, which is likely to yield benefits in the medium to large term, once infrastructure is better developed and new technology is available.

Strategically, China's Western Development Strategy sees Afghanistan as a potential corridor to the Middle East and Iran, via a direct land bridge; as is the energy corridor for the pipeline from Turkmenistan/Kazakhstan to the Xinjiang Autonomous Region. Alternative pipelines are currently being discussed traversing the northern part of Afghanistan, possibly through Tajikistan and into China. Regional economic integration and markets are other important economic considerations for China. None the less, in terms of the relationship with Pakistan vis à vis that of

5. Beijing reportedly also does not call "civil war" what is currently happening in Syria.

Afghanistan, although the two are common neighbours with China, “Pakistan is much more important for China than Afghanistan” and China “does not want to let Afghanistan continue to destabilise Pakistan”.

Consequently, what China would like to see in Afghanistan is a secure state with a moderate civilian regime, capable of preventing the East Turkestan Islamic Movement (ETIM) from using Afghanistan as a base. A sustainable economy in Afghanistan is seen as a pre-requisite for political stability. This would include the wiping-out of the narcotics economy as a source of social destabilisation including in neighbouring countries. There is what is regarded as a “win-win” economic cooperation between Afghanistan and China over raw material extraction, needed to support China’s sustainable economic development. Geopolitically, China would like to see a regime in Kabul that is neutral and China-friendly. China does not want “an enemy in the region”; neither does it want to see permanent US military bases there, though it does want some US troops to remain, at least in the short term.

Central Asia, Pakistan, Afghanistan & China

The broader regional relationship between China, Central Asia, Afghanistan and Pakistan and the potentially negative repercussions of a negative fall-out from Afghanistan is one of the top priorities for Chinese policymakers when it comes to the region.

From Beijing’s perspective, stability in the region is something that is predicated on a stable Afghanistan that does not become an exporter of violence and instability. Recognizing the importance of these regional dynamics, China has made progress on establishing bilateral, trilateral and multilateral structures through which to engage with Afghanistan. It has worked with the US on diplomat training programs for Afghanistan, it is developing a dialogue with India on Afghanistan, it has helped sponsor a trilateral Afghanistan-Pakistan-China discussion, and it has pushed for Afghanistan to receive a more formal role within the SCO as an Observer State. Demonstrating the depth of China’s diplomacy, however, it used the opportunity of Afghanistan acceding to a more stable position within the SCO to also sign a bilateral strategic partnership agreement with the country, thereby highlighting its interests in Afghanistan’s future. All in all, China sees its relationship with Afghanistan as part of a broader regional picture, something that returns to the primacy of Xinjiang in China’s regional considerations. From Beijing’s perspective, the key element is to understand how to develop Xinjiang and to ensure it is part of a prosperous neighbourhood, something that will only succeed if Afghanistan and its surrounding neighbourhood are stable.

Stakeholders’ Conclusions on the China-Afghanistan-Pakistan Trilateral Relationship

- In terms of solving the problems between Afghanistan and Pakistan, first, in the views presented by interlocutors, it is essential for these to be de-linked. “Af-Pak” is not a term that resonates in the region: neither does it do so in China.

- China would not want to see any military operation occur that could affect Pakistan's sovereignty and independence. In the short and medium term, this means that China would support any decision by the Afghan people in terms of the shape of the country's future government. *"From the US perspective, it is more a question of 'anyone but the Taliban'. From the Chinese perspective it is 'no matter who governs' as long as it is not a spoiler. One man's terrorist is another man's freedom fighter, depending on who wins"*.
- Although China has developed a series of trilateral fora in the past three years (whether with Russia, India or Pakistan in different formats), Chinese analysts point out it is not part of a comprehensive and calculated diplomatic strategy that would form one single and complementary approach to the Afghan file: Beijing privileges bilateral relations over trilateral forums and is likely to continue along this line in the near future.

Potential Ways Forward to Achieve China's Aims

The following suggestions were put forward:

- (i) **Economically:** Economic cooperation on Aynak and the Amu Darya can create job opportunities for (former) Taliban foot soldiers, which could address the problem of youth unemployment. China could help the Afghan government improve its Ministry of Human Resources through training programmes, and the police-training programme is seen as a start in this regard. There are no pre-conditions for China's assistance to Afghanistan.
- (ii) **Regionally,** since the beginning of 2013, China has been increasingly active. China, Russia and India have cooperated in a trilateral meeting on Afghanistan in March; in April China and Pakistan held bilateral talks on Afghanistan, whereby both agreed on an Afghan-owned, Afghan-led reconciliation process. A first round of trilateral talks was held in April between China, Russia and Pakistan, on Afghanistan. Bilateral talks have also taken place between China and India. However, interlocutors noted that China currently lacking the ability to deal with converting bilateral into trilateral relations successfully – hence the logical stronger focus on bilateral exchanges. Yet, it was also noted that *"China supports Pakistan. In a trilateral relationship, China should keep the balance between Pakistan and Afghanistan. Disputes between them exist, but the stability and prosperity of Afghanistan is important, both for China and for Pakistan. China should therefore promote mutual trust"*.

6. OVERALL CONCLUSIONS⁶

1. There is an interesting convergence with conclusions from recent discussions in the Gulf (Qatar) on Iran and Saudi Arabia (the outputs from which were reflected in CIDOB's recently-published papers on Iran and Saudi Arabia),⁷ that it is in fact Pakistan – including as a Muslim nuclear state - far more than Afghanistan, that is a source of concern for both China and the Gulf States, their respective interests in Afghanistan notwithstanding. **This is likely to be formative in shaping the policy of the regional powers post-2014.**

6. These Conclusions are the authors' own, drawn from the analysis presented by interlocutors and the surrounding discussions held.

7. See http://www.cidob.org/en/publications/stap_rp/policy_research_papers/exploring_iran_saudi_arabia_s_interests_in_afghanistan_pakistan_stakeholders_or_spoilers_a_zero_sum_game_part_1_saudi_arabia; and http://www.cidob.org/en/publications/stap_rp/policy_research_papers/exploring_iran_saudi_arabia_s_interests_in_afghanistan_pakistan_stakeholders_or_spoilers_a_zero_sum_game_part_2_iran

2. Economically, Pakistan can provide an energy corridor for China to the Gulf and Central Asia. **Its role is therefore very important, including that of Gwadar as a future energy hub.** Whilst China has strategic concerns over its investments in the country, these are regarded more as a political and security risk rather than an economic assessment. In contrast, for Afghanistan, China's view is that *"it is just companies doing business, not an issue involving the state"*.
3. Regarding the potential role of regional fora, given the views presented above, that the SCO is unlikely to challenge the CSTO or engage with Moscow, **it is consequently the non-security threats in Central Asia that are the main challenge for China.**
4. European perceptions of the Central Asian "threat" centre primarily on drugs (as do those of two other key regional stakeholders, Russia and Iran). Together, Europe and China could play a larger role in financing and infrastructure development, using the EU's experience of norms and regulations. **Provided that Central Asian mistrust of Europe can be overcome and addressed (together with the question of the role of NGOs), Europe would be in a position to take on a more active role in the region whilst promoting enhanced cooperation.**

Experts Consulted

Dr. Alessandro Arduino, Centro de Alti Studi de la Cina Contemporanea (CASCC), Torino

Dr. Rafael Bueno, Director of Politics, Casa Asia, Barcelona

Professor Du Bing, South Asian Studies, Institute of South and Southeast Asian Studies, China Institutes of Contemporary International Relations (CICIR), Beijing

Professor Han Hua, Director, Center for Arms Control and Disarmament, School of International Studies, Peking University

Professor Jiang Duan, Deputy Secretary-General, Chinese People's Institute of Foreign Affairs, Beijing

Professor Li Lifan, Deputy Director, Centre for Russian and Eurasian Studies, SASS

Professor Li Chufang, Institute of History, Chinese Academy for Social Sciences (CASS)

Dr. Li Qingyan, China Institute for International Studies (CIIS)

Dr. Li Yihai, Director, International Programme Office, Shanghai Academy of Social Sciences (SASS)

Dr. Li Weixin, Chinese Academy of Social Sciences (CASS)

Professor Lou Chunhao, Assistant Research Professor, Institute of South and Southeast Asian Studies, China Institutes of Contemporary International Relations (CICIR), Beijing

Professor Liu Ming, Director, Institute of International Relations, SASS

Kristian Netland, Second Secretary, Political Affairs, Royal Norwegian Embassy, Beijing

Raffaello Pantucci, RUSI, London

Professor Wang Jian, Deputy Director, Institute of History, SASS

Dr. Wang Shida, Institute of South, Southeast Asian and Oceanic Studies, China Institutes of Contemporary International Relations (CICIR)

Edward Schwarck, RUSI, London

Dr. Wang Weihua, Shanghai Institute for International Studies (SIIS)

Professor Wang Xu, Asst. Director, Centre for South Asian Studies, Beijing University

Professor Ye Hailin, Editorial Director, South Asia Studies, National Institute for International Strategy, Chinese Academy of Social Sciences (CASS)

Professor Zhao Huasheng, Director, Centre for Central Asian Studies, Fudan University

Dr. Zhang Yifeng, Institute of International Relations, SASS

Dr. Zheng Runyu, Centre for Russian Studies, School for Advanced International and Area Studies, East China Normal University (ECNU)

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