

Capital suggestion

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By Dr Farrukh Saleem

"The Gwadar Port Project does not make much sense for China", says Professor Zha Daojiong, China's premier energy expert and a leading light at Peking University's School of International Studies. According to Dr Yang Jiemian, president of the prestigious and influential Shanghai Institutes for International Studies, China's Pakistan-policy is under active review.

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The 'Peking Man', the 500,000-year old fossil evidence of human presence in China, has transformed. Alas, Pakistanis are still in love with the Peking Man -- 'our friendship higher than the Himalayas and deeper than the Indian Ocean'. The Peking Man, in the meanwhile, has moved on. The new Peking Man is pragmatic and commonsensical, earthly and wise -- all those things and perhaps to a flaw.

China's foreign policy establishment now relies heavily on academics -- like Professor Zha Daojiong -- and members of the think-tank community, like Dr Yang Jiemian. Over the past decade, China has invested heavily into the development of think-tanks; human capital, plush research offices along with superior perks and privileges.

There is evidence that the old Peking Man was "able to control and use fire". There is evidence now that the new Peking Man has a singular goal -- to double, triple and quadruple China's \$4 trillion GDP by 2050. And, any country that can help China go where it wants to go is a friend -- or you are on your own (in FY 2008, total Foreign Direct Investment into Pakistan stood at \$5 billion and of that China invested a paltry \$13.7 million or 0.27 per cent of the total). Yes, China has over the past few years invested \$198 million into the Gwadar Port Project but there's evidence aplenty that China is in no mood to take America head-on and if America develops a serious interest in a particular region China backs off right away.

Yes, 722 soldiers of the People's Liberation Army were killed in the Sino-Indian War but that was 47 years ago (more than 3,000 Indian soldiers were killed in the Sino-Indian War of 1962). In 2000, President Narayanan visited China. In 2002, Premier Zhu Rongji was in India. In 2003, PM Vajpayee went to China. In 2004, India and China agreed to open up Jeleppla and Nathula trading posts. In 2005, Premier Wen Jiabao was in Bangalore. In 2006, ONGC Videsh Ltd and China National Petroleum Corporation signed an agreement to undertake joint bids. Sino-Indian trade now exceeds a mammoth \$52 billion a year (Pakistan-China bilateral trade is around \$7 billion a year).

Yes, America and China may in effect be long-term strategic adversaries but Sino-US trade now exceeds \$333 billion a year (1992: \$33 billion). Furthermore, almost all of \$1.9 trillion worth of China's foreign exchange reserves are dollar denominated. China, as a consequence, has an intrinsic interest in the health of the US dollar and by extension in the well-being of the US economy. Additionally, US companies have established more than 20,000 joint ventures in China while 100 of the top US-based multinationals have ongoing projects in China.

Yes, there's a strategic angle to Pakistan-China relationship. Pakistan, for instance, can become a geographical impediment to America's China-containment policy. China also uses Pakistan to cap India's geo-strategic ambitions. And then, China is very concerned -- and seeks Pakistan's help -- in containing the East Turkestan Islamic Movement (the militant organisation that wants to create an independent Islamic state out of China's Xinjiang region). For Pakistan, China is a major supplier of military hardware, nuclear reactors and a counter leverage to the US.

Shanghai and Beijing have very little 'Chinese' left in them -- both are concrete jungles with American-style webs of freeways, grade separations and interchanges. Shanghai is all about dollars and cents while Beijing is more political.

Where does Pakistan fit into this new game of dollars and cents? We are all about emotions and commotions, about pride and rage. The new Peking Man is pragmatic and realistic, astute and hard-boiled. We ought to trade some of our emotionalism in exchange for some of their pragmatism. The question is if they would be willing to do that.

The writer is the executive director of the Centre for Research and Security Studies (CRSS).
Email: farrukh15@ hotmail.com