

President Zardari in China: Cementing Old Ties

Shahid Javed Burki ¹

Abstract

President Asif Ali Zardari's recent visit to China represents a continuation of the relationship between Pakistan and China that was started by Zulfikar Ali Bhutto, his father-in-law. Zardari, however, has been pursuing China more aggressively than both Zulfikar Bhutto and Benazir Bhutto. He has focused much more on economics and has now taken the initiative to factor in Afghanistan in what might become a trilateral relationship.

Introduction

The Pakistani President Asif Ali Zardari concluded his fifth visit to China since assuming office less than two years ago. He was in China during 6-11 July 2010 and visited Beijing and Shanghai during the period. This was his first state visit as Pakistan's president. The visit came at a time when Pakistan faces a difficult economic situation and China is engaged in the process of redefining its economic objectives.

Under China's leadership, Asia or most parts of the continent, is catching up with the more advanced countries in the global economy. Sometime soon, China will overtake Japan as the second largest economy in the world after the United States (US). China's rise will be different for Asia as compared to the earlier rise of Japan. While Japan had anchored its economy in the West, China was focusing to a much greater extent on leading the rest of Asia

¹ Shahid Javed Burki is Visiting Senior Research Fellow at the Institute of South Asian Studies, an autonomous research institute at National University of Singapore. He was former Vice-President of the World Bank and former Finance Minister of Pakistan. He can be contacted at sjburki@yahoo.com. The views reflected in this paper are those of the author and not the institute.

towards development and modernisation². This raises the question whether the discussions the Pakistani team had with China's senior leaders recognised the importance of the massive structural change occurring in China. These changes will be of great consequence for the future of the Chinese economy, its position in the global economic system and its relations with the countries in its immediate neighbourhood. The nature of Pakistan's response to China's evolving situation in the global system, given the long relationship between the two countries, is an important question for Asia.

The Visit's Symbolism

President Zardari was escorted to the Great Hall of the People in Beijing by his two daughters. The leading English-language Chinese newspaper, *China Daily*, covered the Pakistani President's visit extensively. It carried his picture alongside President Hu Jintao on the first page of the newspaper and quoted the Pakistani president telling the Chinese leader that his daughters wanted 'very much to see you in person' and hoping the meeting will inspire the younger Pakistani generation to continue its 'all-weather and time-tested friendship with its Asian neighbour.'³ By bringing his children along for the visit, Zardari was giving a clear signal to the Chinese leadership. He was carrying on the effort initiated by his father-in-law, Prime Minister Zulfikar Ali Bhutto, in the late fifties and early sixties. Bhutto was then foreign minister in the cabinet headed by General Muhammad Ayub Khan, Pakistan's first military president. Under Bhutto's stewardship, Pakistan established a close working relationship with the Chinese. China was then an isolated country partly because of its ideological preferences and partly because of the *cordon sanitaire* thrown around the country by the US.

Warm relations between China and Pakistan had survived many leadership changes in the two countries. By bringing his children along to the meeting, Zardari wished to convey to the Chinese leaders and Chinese people that he was preparing the next generation to carry on the work initiated by the earlier generations. 'The only way I could do justice to the memory of my late wife and my late father-in-law was to make sure that my first state visit as president was to China', he told President Hu Jintao at the beginning of his meeting with the Chinese leader. 'I'm hoping to take the China-Pakistan friendship further along. It is a duty that history has bestowed upon me.' In his response, President Hu acknowledged the legacy of the Bhutto family in developing China-Pakistan friendship. 'Ali Bhutto and Benazir Bhutto made prominent contributions to the initiation and development of China-Pakistan friendship which the Chinese people will never forget', he said. 'China attaches great importance to the China-

² Shahid Javed Burki, 'Asia in the "Catch-up" Game Part I', ISAS Working Paper 106, 9 April 2010 and 'Asia in the "Catch-up" Game Part II', ISAS Working Paper 107, 10 May 2010.

³ Xiao Yang, 'Children lead the way into the meeting', *China Daily* (7 July 2010), p.1.

Pakistan relationship and has always made the development of the relationship China's diplomatic priority.'⁴

It was reported that since the Pakistani President assumed office in August 2008, the two countries had concluded 60 agreements, opening up a number of new avenues for Chinese investment in Pakistan. The Hu-Zardari meeting on 7 July 2010 lasted for almost two hours and witnessed the signing of six deals in the fields of law, housing, agriculture and media cooperation. These were all new areas of collaboration between the two countries. The visit and the associated meetings also covered some traditional areas of involvement of the two countries particularly Pakistan's energy resources.

Focus on Energy

The Pakistani President told Chinese business leaders in Beijing that 'Pakistan was facing an acute power shortage and intended to add tens of thousands of megawatts of power to its national grid in the next 25 years through combined hydro, coal, gas nuclear and renewable energy resources.' The Chinese response was encouraging. According to *China Daily*, 'an executive of China's Three Gorges Corporation which runs the huge hydro power dam in central China, it was agreed to invest more than \$100 billion in two hydro-power projects in Pakistan.'⁵

The question of China's support for developing nuclear power in Pakistan also came up. This issue had acquired some significance following questions raised by the American administration about the understanding China and Pakistan had reached earlier in the area of nuclear power development. China National Nuclear Corporation had signed an agreement with the Government of Pakistan in February 2010 for financing construction of two new reactors. Washington was concerned whether the promised assistance by China to add to the nuclear capacity already built at Chasma in Punjab met with Beijing's international obligations. Beijing gave repeated assurances to the international community that its current and future nuclear commerce would be in total compliance with its commitment to the Nuclear Non-proliferation Treaty. This assurance was repeated to the Indian National Security Adviser Shiv Shankar Menon, who left Beijing the day the Pakistani President arrived in the Chinese capital. Menon spent several days in China during which he met Prime Minister Wen Jiabao. He said before leaving China that he had discussed China's assistance to Pakistan in the nuclear area. 'They told us that what they are doing will be in accordance with their international obligations. We will wait and see where this is going', he said while talking to the press before leaving for India.⁶

⁴ Xiao Yang, 'Zardari visit cements all-weather friendship', *China Daily* (9 July 2010), p.4.

⁵ *Ibid.*

⁶ *Ibid.*

Ye Hailin of the Chinese Academy of Social Sciences spoke about the controversy and said that the decade-long Chasma project was legal and had nothing to do with other countries. He said that China has always been supervised by the International Atomic Energy Agency and future nuclear cooperation with Pakistan will depend on the demand of that country for using nuclear power to meet its large energy shortfall. 'Our cooperation is not a show, not a demonstration. It is decided by our need.'

The expression of concern by New Delhi and Washington about the cooperation between Beijing and Islamabad was surprising since they themselves had concluded a deal which was clearly outside the Non-Proliferation Treaty (NPT) framework. The Americans had used considerable political muscle to get the international community to accept their agreement with India.

Afghanistan-China-Pakistan: A Developing Trilateral Relationship

President Zardari's visit to Beijing came two months after the visit to the Chinese capital by the Afghan president, Hamid Karzai⁷. Although the rapidly changing situation in Afghanistan was not recognised in the formal statements made by the two leaders, the approach the two capitals should adopt as America approaches the July 2011 pull-back deadline in Afghanistan was covered in the dialogue⁸. China's interest in Afghanistan is changing as the rapid escalation in its economic activity makes it increasingly dependent on imported industrial raw material. Recent discoveries in Afghanistan of large quantities of minerals of interest to China have persuaded Beijing to seek an active role without getting involved in the conflicts within that country. 'China's interest in Afghanistan remained marginal until Karzai's government opened up its energy, mineral and raw materials to foreign investment.'⁹ Beijing has already secured a large contract to exploit copper at Aynak, outbidding the US firm, Phelps Dodge. Pakistan also has large unexploited mineral deposits located in the restive province of Balochistan. China is already working in the copper field at Sandak in that province. It appears therefore that China will aim to develop a trilateral relationship involving itself with its two western neighbours – Afghanistan and Pakistan – in order to help it access mineral and energy resources. This strategy will involve not only the development of these resources for its use but also their transportation through Afghanistan and Pakistan to the centers of industrial production in China.

⁷ The Afghan president visited Beijing for three days beginning 23 March 2010. See 'Karzai's Balancing Act: Bringing "China" In?', Shanthie Mariet D'Souza, ISAS Insights 98, 7 May 2010 for greater details.

⁸ The author was in Beijing when President Zardari visited the Chinese capital. He discussed China-Pakistan relations with the officials from both sides.

⁹ Shanthie Mariet D'Souza, *op. cit.*, p. 3.

Conclusion

From the perspective of Pakistan's current economic needs, the Zardari visit was clearly a success. It was also timely given the rapidly evolving situation in Afghanistan and its own troubles given the rise of Islamic extremism in the country. Whether the President's visit will put Pakistan in a position from which the country can draw benefit from the changing situation in China, while protecting its interests in Afghanistan will become clearer when more details of the discussions become available.

oooOOOooo