

## **China's Policy towards Kashmir Dispute**

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### **Abstract**

China's policy towards Kashmir dispute between India and Pakistan remains an important chapter of Beijing's foreign policy towards both contending parties. Endorsing anyone's stance would inevitably mean Chinese support to one party, so China's officially declared neutrality appears a calculated strategy. However, Chinese strategic partnership with Pakistan and its military related exports to the latter reveal strategic preference of the former. China's presence and investments on multi-billion dollar projects in Azad Kashmir show that it intends to stay here for a longer period. In addition to strategic cooperation with Islamabad and investments in the AJK, its geopolitical competition with New Delhi imply that Beijing is likely to support maintenance of status-quo in years to come.

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### **Introduction**

Peoples Republic of China (PRC) has become a formidable actor in the South Asian region in the contemporary era and seeks to expand its sphere of reach in the neighbouring region. Since Deng Xiaoping's economic opening, China has adopted a neutral stance in different South Asian territorial disputes, including the Kashmir dispute, between India and Pakistan.<sup>1</sup>

The PRC's stance on Kashmir dispute has been subjected to change since the creation of the Peoples Republic in 1949. Its formal policy on the dispute first changed in the early 1960s, after a brief honeymoon in Sino-Indian relations in the 1950s, though China had even

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<sup>1</sup> 'Fantasy Frontier', 8 February 2012, *The Economist*, Retrieved from [http://www.economist.com/blogs/dailychart/2011/05/indian\\_Pakistani\\_and\\_Chinese\\_border\\_disputes](http://www.economist.com/blogs/dailychart/2011/05/indian_Pakistani_and_Chinese_border_disputes)

then avoided openly taking side with India.<sup>2</sup> However, the Sino-Indian border dispute in 1962 and the Pak-China border agreement in 1963 led to a shift in China's policy towards the dispute, which remained intact until Deng's policy of neutrality in the Kashmir dispute.

Irrespective of its formally declared position on the dispute, Beijing has remained one of the major supporters of Pakistan. China, since its border agreement with Pakistan, has emerged as Pakistan's 'all weathers friend' and its unconditional defence-related support to the latter has ultimately added to Pakistan's strength that has ultimately helped in its dispute with India over Kashmir.<sup>3</sup>

Beijing's policies towards the Kashmir dispute are complex to understand and difficult to be streamlined. This paper argues that China's security cooperation with Pakistan has developed Pakistan's military capabilities and demonstrated support in its confrontation with India especially over Kashmir and, in addition, Beijing has used the dispute as a diplomatic leverage over New Delhi. Finally, it argues that Beijing has successfully crafted its deterrence against India's potential support from anti-China states such as Japan, Vietnam and the US. However, the recent shifts in the Indian foreign policy depict that both India and China are likely to have geographical hostility in years to come. And China, in near future, is likely to continue its support for the status quo in the region and is likely to enhance Pakistan's military capabilities to keep it as a credible threat to India.

### **China's formally declared position on Kashmir**

China's declared position on the Kashmir issue has been one of the determining factors in its relations with India and Pakistan. During the honeymoon period in the Sino-Indian-Soviet relations in the 1950s, China avoided ceding blank cheque to India on the question of Kashmir. It did not endorse India's declared position on Kashmir perhaps due to its differences with the Indian position on Tibet and potential boundary controversy that led to a conflict between the two neighbours.

Beijing did not antagonize Pakistan and perhaps understood its security constraints. Thus, it did not change its stance even when the Sino-Indian relations started deteriorating over the questions of Tibet in 1959. In fact, it did avoid changing its stance completely amid the Sino-Indian border conflict in 1962. However, China's policy was redefined

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<sup>2</sup> T. Jabin Jacob, *China and Kashmir*. Retrieved from [http://www.ideals.illinois.edu/bitstream/handle/2142/15471/China\\_and\\_Kashmir.pdf?sequence=2](http://www.ideals.illinois.edu/bitstream/handle/2142/15471/China_and_Kashmir.pdf?sequence=2)

<sup>3</sup> John Garver, 'China's Kashmir Policies', *India Review*, 3:1 (2010).

for the first time in 1964 when it endorsed Pakistan's stance on the dispute.<sup>4</sup> New trends in Pak-China strategic partnership were probably a more important reason than the Sino-Indian rivalry for change in Chinese position.

After Pak-China border agreement, China's stance on the Kashmir issue was similar to Pakistan's position that 'the people of Kashmir had right to self-determination, whether to join India or Pakistan, in accordance with the United Nations' resolutions'.<sup>5</sup> Throughout the decade, China remained supportive to Pakistan. For instance, during the Indo-Pak war in 1965, an article published in *People's Daily*, mouthpiece of the Chinese Communist Party (CCP), stated, 'The Chinese people deeply sympathize with the just struggle of the people of Kashmir for their right to self-determination'.<sup>6</sup> A week later an editorial in the same newspaper stated that 'the Chinese government and people resolutely support the Kashmir people's struggle for national self-determination and the Kashmir people will surely realize their desire for national self-determination'.<sup>7</sup> Although China did not endorse the Kashmiris' struggle as a war of liberation, it seconded Pakistan's position that entitled them to join either of India and Pakistan.<sup>8</sup>

Chinese position on the dispute remained consistent until Deng's rose to power in 1978. Deng, contrary to his predecessor Mao Zedong, focused on the economic opening of his country. After introducing his four point opening policy, he reduced tensions with India probably for successful sustenance of his economic policy. In this regard, then Indian Foreign Minister Atal Beharee Vajpayee's visit to China and his meeting with Deng proved another important reason for normalization between China and India. Vajpayee told Deng that China's position on Kashmir was an unnecessary irritant in their bilateral relationship. Deng declared

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<sup>4</sup> After a limited conflict between India and China and border agreement between China and Pakistan, China and Pakistan got a common enemy. Both states cooperated with each other in almost all dimensions of bilateral relations. In addition to this, Pakistan and China supported each other in their conflicts against India.

<sup>5</sup> John Garver, *op.cit.*, p.3.

<sup>6</sup> Renmin Ribao, *Survey of China Mainland Press*, 3535, 5 September 1965, Hong Kong, pp.33-34.

<sup>7</sup> Renmin Ribao, 'Indian Reactionaries are Plain Aggressors', *Survey of China Mainland Press*, 3538, (11 September 1965), pp.31-34.

<sup>8</sup> Van Peter Ness, *Revolution and Chinese Foreign Policy: Peking's Support for War of National Liberation* (Berkeley: University of California Press, 1971).

in 1980 that the Kashmir dispute was a bilateral issue left over from history between India and Pakistan and should be resolved peacefully.<sup>9</sup>

Change in Beijing's position on the Kashmir dispute was thus directed by Deng's desire to normalize relations with India. The Soviet-Afghan war also proved important in this context, because Beijing's support to Islamabad in its covert struggle against the former USSR reduced the importance of the Kashmir issue for some years. In response to change in Beijing's position, Pakistani establishment did not raise their concerns. Labelling the dispute as a sin of the colonial power was a clear indication on Deng's part that he denied the Indian aggression as the sole cause of the Kashmir dispute. In fact, his position inevitably depicted a tilt towards India notwithstanding claims of neutrality in the dispute.<sup>10</sup>

China's proposed solution that called on for bilateral negotiations weakened Pakistan's position which favoured international involvement, especially the UN. In this context, Chinese and Indian position were more or less same on the dispute resolution method, because India had long opined that the issue must be resolved through bilateral negotiations. However, Beijing managed to mention the potential role of the UN in resolution of this conflict but that also diminished with the passage of time.

Chinese authorities frequently revised their previously declared position on the dispute. Premier Li Peng, during his visit to Islamabad, stated that 'India and Pakistan should resolve their dispute on the basis of five principles of coexistence'.<sup>11</sup> In 2001, Premier Zhu Rongji also repeated the words of his successor. His position remained same even after the US invaded Afghanistan in 2001.<sup>12</sup> Later on, during the border confrontation between India and Pakistan, a spokesman for China's Ministry of Foreign Affairs (MFA) repeated China's position on Kashmir:

China's position on the issue of Kashmir has been clear cut.  
We have always maintained that the Kashmir issue is one

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<sup>9</sup> W. John Garver, *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century* (Seattle: University of Washington Press, 2001).

<sup>10</sup> Here tilt means supporting the position of any party. As far as the Kashmir dispute between India and Pakistan is concerned, Chinese leadership supported the Indian position pertaining to method of conflict resolution. Both India and China agreed that the issue should be resolved through bilateral negotiations.

<sup>11</sup> *Beijing Domestic Online Radio*, 16 November 1989.

<sup>12</sup> 'Yet another proof of enormity and depth of eternal Sino-Pak Friendship', *Jang*, 12 May 2001.

between India and Pakistan left over by history. China hopes that the two sides should seek new ways to appropriately solve the problem through peaceful exchanges and negotiations and refrain from military conflicts.<sup>13</sup>

During President Pervez Musharraf's visit to China in 2002, his Chinese counterpart expressed his support for bilateral negotiations-led resolution of the dispute. Jiang Zemin's views were expressed by the spokesman of the MFA:

As a friendly neighbour to both Pakistan and India, China sincerely hopes that both sides will bear overall peace and stability in South Asia in mind, show maximum constraint, and peacefully resolve the disputes through negotiations and dialogues. The Chinese side has made positive efforts through both bilateral and multi-lateral channels to urge for peace.<sup>14</sup>

Although Beijing has managed to maintain its three-decade long policy towards the Kashmir dispute throughout this decade, it has avoided ceding any substantial favour to India after the Indo-US nuclear deal. Rather, China has implicitly kept the issue alive, probably to maintain its diplomatic leverage with New Delhi without ceding blind support to Islamabad. However, as far as the official position of China is concerned, a MFA spokesman has recently stated that 'China hopes India and Pakistan will hold talks regarding the recent violence in Kashmir and solve their differences in a calm and proper manner'.<sup>15</sup>

### **Pakistan-China entente**

The history of the Pak-China cooperation stretches back to the late 1950s. It was the time when the Kashmir dispute was probably the most pivotal matter for Pakistan. As early as 1956, China's Ambassador to Pakistan, Geng Biao, carried out an in-depth study of the Kashmir dispute and briefed, Chinese Prime Minister, Chou Enlai, on the dispute prior to Pakistani premier's visit to China. Geng suggested a neutral stance on the issue to maintain good relations with both India and Pakistan. Chou Enlai, therefore, maintained a neutral position during the

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<sup>13</sup> Foreign Ministry spokesman's press conference, 30 May 2002. Retrieved from [www.fmprc.gov](http://www.fmprc.gov)

<sup>14</sup> 'PRC President Jiang Zemin hopes for peaceful settlement of India-Pakistan dispute', 2 August 2002, *Xinhua*. Retrieved from <http://www.china.org.cn/english/international/38566.htm>.

<sup>15</sup> China Urges Dialogue after India-Pakistan Kashmir Violence, 7 January 2013, *Xinhua*. Retrieved from [http://news.xinhuanet.com/english/china/2013-01/07/c\\_132086333.htm](http://news.xinhuanet.com/english/china/2013-01/07/c_132086333.htm)

visit of his Pakistani counterpart and, later on, he declined to visit the Indian Administrated Kashmir (IAK) notwithstanding premier Nehru's arrangement for his visit to the area.<sup>16</sup>

Despite growing warmness in the Sino-Indian relations in early 1950s, China did not endorse the Indian position on Kashmir. On the other hand, it did understand Pakistan's constraints in its alliance with the US despite the fact that China was highly against American imperialism in those years. China's cooperation with Pakistan waxed after the Sino-Indian border conflict and the Pak-China boundary agreement. Pak-China cooperation continued to increase even in times of Pakistan's confrontation with India on the question of Kashmir. In other words, the relations between the two countries grew during the periods comprising Sino-Indian, Sino-US, Sino-Soviet and Indo-Pak confrontations.

Furthermore, Pakistan was probably the only country in the region that did not face criticism from the Chinese revolutionaries despite its alliance with the US. Chinese revolutionaries, in spite of Pakistan's pro-West international position, consistently called it 'a friend' and discouraged emergence of revolutionary struggle in the latter. In addition, China supported Pakistan (politically) in its conflict with India in 1965. Beijing also assured its South Asian ally of its territorial integrity amid its war with India.<sup>17</sup> In addition to political support, Pakistan is probably an exceptional case with respect to China's nuclear cooperation with a non-Communist country. In fact, China reportedly transferred missile technology to Pakistan in the late 1980s.<sup>18</sup> However, this decade witnessed the beginning of an armed insurrection in the Indian Administered Kashmir.

The rise of armed rebellion in the IAK provided Pakistan with an opportunity to promote this movement. Throughout this period, Pakistan and India came on the verge of a war three times. And on all the three occasions, China did not sanction Pakistan neither did it try to officially outmaneuver Pakistan.

Throughout the 1990s, China continued its strategic cooperation with Pakistan. Chinese Defence Minister, Qin Jiwei, visited Pakistan in February 1990 and expressed his country's support to Pakistan. During

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<sup>16</sup> Prashant Kumar Singh, 'Revisiting China's Kashmir Policy', *Institute for Defence Studies and Analyses*, 1 November 2010.

<sup>17</sup> John Garver, *op.cit.*, p.189.

<sup>18</sup> Ka. Zeng, *Trade Threats, Bargaining, Retaliation, and American Coercive Diplomacy* (Ann Arbor: The University of Michigan Press, 2004), pp.73-75.

his press conference in Islamabad, he stated, 'the Chinese government will never change its policy [of] supporting the Pakistan government, people, and armed forces in safeguarding their state sovereignty and territorial integrity, no matter how the international situation changes'.<sup>19</sup> Secondly, China also continued military cooperation with Pakistan during the Kargil War between India and Pakistan in 1999.

The Kargil episode was another attempt of Pakistan to seize strategic opportunity in IAK with the use of military means. The Pakistani (military) leadership probably thought that the overt nuclearization of the region (1998) and international community's fear of the imminent nuclear exchange between the warring parties would ultimately result in international mediation. Although Pakistan could not manage international support throughout the war, its military cooperation with China continued. General Pervez Musharraf, the architect of the war, visited China in 1999 and met with the People's Liberation Army (PLA) Chief of Staff, General Fu Quanyou. In his statement, General Fu stated, 'the military ties between China and Pakistan are a vital part of the bilateral relations between the two countries and an important part of the Sino-Pakistan comprehensive cooperative partnership'.<sup>20</sup>

Pakistan and India, after 1990 and 1999, were again facing each other on their mutual borders in 2002 after a terrorist attack on the Indian Parliament in December 2001. During a decade, it was for the third time when both countries were on the brink of war because India mobilized its forces to its western border immediately after the attack. And Pakistan also responded in the same way until the end of the crisis after one year. President Musharraf visited Beijing and met with the Chinese leadership where he termed China as a 'time tested' and 'all-weather' friend.<sup>21</sup> However, these years are marked by a sudden shift in the South Asian politics. The United States and its allies invaded safe havens of transnational terrorists (Afghanistan) and, as a result, Pakistan felt compelled to cease support of militants in the IAK. After Pakistan's change in its regional policy, the Sino-Pak alliance entered into the phase of technological cooperation.

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<sup>19</sup> 'Defence Minister says Friendship Solid', *Xinhua*, 22 February 1990.

<sup>20</sup> 'Fu Quanyou Holds Talk with Pakistani Military Officer', *Xinhua*, 15 May 1999.

<sup>21</sup> 'Chi Haotian Meets Pakistani President', *Xinhua*, 21 December 2001. Retrieved from <http://english.enorth.com.cn/system/2001/12/24/000225256.html>

### **Pak-China strategic partnership after 9/11**

China did not suspend its military cooperation with Pakistan during the three events of Indo-Pak confrontation. The course of military cooperation continued between the two countries; Beijing knew that despite its neutrality in the dispute between India and Pakistan, Pakistan's intention was to use Chinese weaponry against India. China not only helped Pakistan to enhance its military capabilities but even provided the production license of its military technology.<sup>22</sup>

The unimpeded Chinese defence equipment export to Pakistan, after 1999 and 2002, was meant to address Pakistan's vulnerabilities vis-à-vis the Indian defence posture. For instance, New Delhi ordered deployment of its naval fleet near Karachi during the Kargil conflict that ultimately made Pakistan realise its weakness, because Karachi was the most important port of the country. After the conflict, the Pakistani decision makers decided to go for a new project, Gwadar, in Balochistan with the help of China. China provided a major portion of finance and rendered its expertise in technical matters.<sup>23</sup>

In 2001, Pakistan operationalised a Pak-China joint venture, Al-Khalid tank.<sup>24</sup> Both states also continued work on the production of another joint venture, JF-17 Thunder, which was formally inducted in Pakistan's air fleet in 2007.<sup>25</sup> In addition to support for the army and air force, China also exported Pakistan F-22P frigates which became operational in 2008.<sup>26</sup> The Chinese and the Pakistani armed forces worked together in almost all fields including intelligence sharing. Pakistan's Inter-Services Intelligence Agency (ISI) arrested several

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<sup>22</sup> Al Khalid tank and JF-17 are joint ventures of Pakistan and China, so Pakistan can produce these tanks and fighter jets under license of joint production.

<sup>23</sup> 'Gwader, Pakistan-the Most Important City You've never heard of', *New York Post*, 17 October 2010. Retrieved from <http://nypost.com/2010/10/17/gwader-pakistan-the-most-important-city-youve-never-heard-of/>

<sup>24</sup> Al Khalid MBT-2000 / Type 2000 Main Battle Tank. (n.d.). *Global Security.Org*. Retrieved from <http://www.globalsecurity.org/military/world/pakistan/mbt-2000.html>

<sup>25</sup> Pakistan & China's JF-17 Fighter Program, *Defence Industry Daily*, 26 January 2014. Retrieved from <http://www.defenseindustrydaily.com/stuck-in-sichuan-pakistani-jf17-program-grounded-02984/>

<sup>26</sup> 'China Delivers Warship to Pakistan: Navy', *Defence Talk*, 31 July 2009. Retrieved from <http://www.defencetalk.com/china-delivers-warship-to-pakistan-navy-20796>

suspected Uyghur extremists working against China's interests.<sup>27</sup> Armed forces from the both countries joined each other to conduct a joint anti-terrorism drill in 2010. In 2011, Pakistan showed interest in purchasing air to air SD 10 missiles from China for its JF-17 thunder fleet, and handed over management of the Gwadar port to a state-run Chinese company (2013) after taking it back from Singapore's PSA International.<sup>28</sup> The Gwadar port may become an important tool to enhance China's naval capability in the region.

The case of Gwadar is noteworthy, especially in the context of China's aspirations to have a blue-water-navy, American rebalancing in the Asia-Pacific region and the growing Indo-US and the Indo-Japan strategic partnerships. In the wake of the Indian greater involvement in the Indo-Pacific region, China is likely to have a strong position to keep its permanent presence in the Indian Ocean.<sup>29</sup> Chinese presence in the region would not only be beneficial for China but would also ensure a credible support to Pakistan's naval defence.

### **Sino-Indian geopolitical competition**

China-India relations have never been exemplary notwithstanding Premier Nehru's reluctance to initiate a conflict in response to China's forceful annexation of Tibet in 1950.<sup>30</sup> Contrary to Nehru's empathy, the People's Republic of China (PRC) aligned itself with Pakistan. Indian long-standing effort to neutralise China, particularly in context of the Pak-China security cooperation, is unlikely to produce desired results in years to come.

China and India do not share a long history of peaceful relationship. After the Sino-Indian border war in 1962, Chola incident in 1967 and border skirmishes in 1987, the leadership of both countries tried to improve relations through emphasizing trade and the importance of peaceful course of the relationship.<sup>31</sup> However, China expressed its resentment in 1998 when the Indian Defence Minister George Fernandes

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<sup>27</sup> Muhammad Shoaib, 'Sino-Pak Relations in Post 9/11 Era', *Studies on Pakistan*, October 2013, Foreign Policy Research Centre.

<sup>28</sup> 'Decision to hand over Gwadar Port to China Worries India', *Dawn*, 7 February 2013.

<sup>29</sup> Muhammad Shoaib, *op.cit.*

<sup>30</sup> B.M. Jain, 'India China Relations: Issues and Emerging Trends', *The Round Table*, 93:274 (2004), p.254.

<sup>31</sup> Sheikh Mohammad Arif, 'A History of Sino-Indian Relations: From Conflict to Cooperation', *International Journal of Political Science and Development*, 1:4 (December 2013), p.132.

termed China as India's number one threat.<sup>32</sup> Not only China opposed the Indian overt nuclearization, but probably also realised that The Indian Minister was right at that time. A decade after, India is not only a strategic partner of the US, but has also emerged as a party in the South China Sea conflict (SCS) in favour of the US, rebalancing the Asia-Pacific region.

China has become India's largest trading partner but this partnership goes in China's favour, which remains another cause of worry for India. Simultaneously, Beijing's growing involvement in Azad Jammu and Kashmir (AJK) also worries the decision makers in New Delhi.<sup>33</sup> China has consistently maintained its role in the AJK since ratification of the Trans-Karakoram Tract. Its major economic activity in AJK, since 1963, is Karakoram Highway that provides a link between both countries.<sup>34</sup> In addition to this road, the AJK has witnessed growing Chinese economic investment in the region in recent times.

One of the most important Chinese projects in the AJK is construction of dams. Not only has Beijing accommodated Islamabad after its request to finance the projects, but also strengthened its own position in the region to secure its Muslim-majority autonomous region, Xinjiang. China is expected to finance three major hydropower projects in the AJK: Kohala Power Project (KHP), Neelum Jhelum Hydropower Project (NJHP)<sup>35</sup> and Diamer Bhasha Dam.<sup>36</sup> These three multibillion-dollar projects can end Pakistan's loadshedding predicament. Chinese companies have also been working on several other projects in the region that inevitably worry India, which claims the rest of the Jammu and Kashmir region. In addition to the hydropower projects, the Pakistani and Chinese leadership has also expressed willingness to develop a railway link between the both countries through the AJK.<sup>37</sup> In this case, China will have a direct railway link to the Gwader Port.

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<sup>32</sup> R.W. Hu, 'India's Nuclear Bomb and Future of Sino-Indian Relation', *East Asia*, p.40.

<sup>33</sup> Priyanka Singh, 'China and Pakistan-occupied Kashmir (PoK) in 2012: A Review', *China Year Book 2012*, Institute of Defence Studies and Analyses, 2012, p.112.

<sup>34</sup> *Ibid.*, p.111.

<sup>35</sup> Zafar Bhutta, 'Neelum Jhelum Project: Pakistan Looks to New Chinese Leadership for Fund', *The Express Tribune*, 17 November 2012.

<sup>36</sup> Khaleeq Kiani, 'China Group Interested in AJK Power Projects', *Dawn*, 7 May 2012.

<sup>37</sup> Jermy Page, 'Pakistan Looks to China to Big Energy and Infrastructure Projects: Islamabad Expected to Sign \$20 Billion of Projects with Chinese during presidential Visit', *The Wall Street Journal*, 18 February 2014.

India has also recognised this dilemma, and has raised its objection on these developments in the AJK. In 2012, Defence Minister A. K. Antony stated in Lok Sabha that 'the government is aware of the infrastructure development of China at the border and their (Chinese) undertaking infrastructure projects in the AJK. The government has conveyed its concerns to China about its activities in the AJK and asked them to cease such activities'.<sup>38</sup> In addition to this, former Indian Army Chief General Bikram Singh also hinted about the presence of the Chinese soldiers in the AJK, which China rejected and labelled as 'groundless'.<sup>39</sup>

Although the Chinese and Indian leadership has frequently labelled the boundary dispute between the two countries 'a tiny part' of their mutual relationship, current situation predicts the other way around. The former has become assertive in pursuit of its foreign policy goals, and has managed to maintain its role in South Asia despite its engagement in SCS and ECS conflicts. And the latter has actively pursued its new policy: conventional arms build-up and strategic partnership with the US and Japan.<sup>40</sup>

India has become the largest arms importer in the twenty first century, notwithstanding the country's conventional arms superiority over its arch-rival Pakistan. India's new developments in its strategic posture are taking place on the Indo-China border that remains the longest disputed border in the world. India has deployed first offensive strike corps for the eastern sector of the disputed border in 2013 following its previous deployment of two mountain infantry divisions in 2009. In addition to force deployment, New Delhi is on its way to develop long-range ballistic missiles with a potential range of 5000 kilometres and bring its first indigenous nuclear submarine and aircraft

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Retrieved from <http://online.wsj.com/news/articles/SB10001424052702304675504579390700188948402>

<sup>38</sup> Rajat Pandit, 'Stop All Ventures in PoK, India Tells China', *The Times of India*, 14 September 2012. Retrieved from [http://articles.economictimes.indiatimes.com/2012-09-04/news/33582332\\_1\\_actual-control-beijing-islamabad-chinese-defence-minister](http://articles.economictimes.indiatimes.com/2012-09-04/news/33582332_1_actual-control-beijing-islamabad-chinese-defence-minister)

<sup>39</sup> 'India's Remarks on PLA Troops in PoK Groundless: China', *Rediff News*, 20 September 2012. Retrieved from <http://www.rediff.com/news/report/india-s-remarks-on-pla-troops-in-pok-groundless-china/20120920.htm>

<sup>40</sup> Harsh V. Pant, 'India and Japan Building Links to China Rising China', *The Nation*, 4 February 2014. Retrieved from <http://www.nationmultimedia.com/opinion/India-and-Japan-building-links-to-china-rising-Chi-30225921.html>

carrier to sea despite the fact that it remains the only Asian navy that already operates two aircraft carriers.<sup>41</sup>

The Indo-US relationship has entered a new phase since 2005. At that time, defence related trade between India and the US was limited to the American export of radars and jet engines. However, in 2011, India was the largest importer of the US arms. In addition to arms trade, both countries have conducted around fifty joint military exercises in the previous year. In addition to the US, India has also redefined patterns of its policy towards Japan, a US ally in the Pacific region. India and Japan have conducted several joint military exercises and have also discussed prospects for nuclear cooperation. In the wake of growing strategic partnership between Tokyo and Delhi, the Indian choice for the Japanese premier, Shinzo Abe, as a guest for its Republic Day does not seem unreasonable.<sup>42</sup>

In addition to strengthening strategic cooperation with the US and Japan, India has also found shared interests with other East Asian states. Delhi has frequently supported ‘freedom of navigation’ in addition to taking part in multilateral naval exercises in the region.<sup>43</sup> Above all, it is also exploring energy resources in the Vietnamese waters that are also claimed by China as part of its Exclusive Economic Zone (EEZ). Keeping the divergence imperatives in view, geopolitical competition is likely to continue in near future notwithstanding the growing economic interdependence between the two Asian giants.

## Conclusion

Although China officially declares neutrality in the Kashmir dispute, it will keep supporting Pakistan particularly in military related technology though it remains clear that India is likely to remain Pakistan’s main source of threat in years to come. In addition to balancing against India, Pakistan provides China a safe option to overcome its Malacca dilemma. Secondly, Pakistan is likely to remain the most pro-China country in the world. China, therefore, is likely to continue support to Pakistan because

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<sup>41</sup> ‘India and China: the End of Cold Peace’, *The National Interest*, 10 February 2014. Retrieved from <http://nationalinterest.org/commentary/india-china-the-end-cold-peace-9853>

<sup>42</sup> Taylor Washburn, ‘India and Japan Draw Closer: Risks and Rewards’, *The National Interest*, 9 February 2014. Retrieved from <http://nationalinterest.org/commentary/india-japan-draw-closer-risks-rewards-9898>

<sup>43</sup> Lisa Curtis, ‘Obama’s India Visit should affirm New Delhi’s Global Role’, *The Heritage Foundation*, 3 November 2010. Retrieved from <http://www.heritage.org/research/reports/2010/11/obamas-india-visit-should-affirm-new-delhis-global-role>

it has potential to play a substantial role in expansion of Chinese sphere of influence.

In this context, China's massive investments in the AJK appear natural and inevitable. Pakistan is currently facing worst loadshedding problem that has affected the country's main sources of capital. Chinese investments in hydropower projects in the region are likely to end Pakistan's persistent problem. In addition to this, China will perhaps find its footing in the AJK beneficial because the Chinese presence in the region will help it to control its volatile Xinjiang region. Secondly, Chinese presence in the AJK is likely to generate more jobs for the locals who have frequently complained about lack of jobs. Given the situation, Pakistan will have more to lose than to earn in case of end of Chinese ventures in the region.

Competition between India and China seems inevitable despite the realist assumption that there is no permanent enemy or friend in foreign policy. The modern history lacks examples of two great powers as neighbours but having warm relations and a higher degree of trust particularly when both are in transformation phase. In response to the Pak-China alliance, India has also started considering its options for strategic partnership with other great powers which also have concerns over growing assertiveness of China in several regional conflicts. On the one hand, balancing against China may serve as a cause of understanding between India and its allies, on the other hand, developing new concepts such as maritime silk road, constructing ports in Arabian sea and Indian Ocean, supporting Pakistan and maintaining heavy presence of troops on its borders with India are likely to keep China weary of India in the near future. Thus, status quo in Kashmir is likely to persist because both states are likely to remain reluctant in ceding any substantial favour to each other.