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Transcript

CHINA IN THE WORLD PODCAST

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Guest: **Dan Markey**

Episode 25: The Future of China-Pakistan
Relations

July 8, 2014

Haenle: You're listening to the Carnegie–Tsinghua “China in the World” podcast, a series of conversations with Chinese and international experts on China’s foreign policy, international role, and China's relations with the world, brought to you from the Carnegie–Tsinghua Center, located in Beijing. I am Paul Haenle, the director of the Carnegie–Tsinghua Center, and I’ll be your host.

Today, I’m delighted to be joined by Dan Markey, a senior fellow for the India, Pakistan, and South Asia at the Council for Foreign Relations, where he specializes in security and governance issues in South Asia. Dan is the author of numerous publications, including most recently a book on the future of the U.S.-Pakistan relationship, *No Exit from Pakistan: America’s Tortured Relationship with Islamabad*, which I’m looking forward to discussing a bit with Dan today. From 2003 to 2007, Dan held the South Asia portfolio on the Secretary of State’s policy planning staff at the U.S. Department of State. We’re thrilled to have you here with us today, Dan, to discuss Pakistan and its relations with China and the United States.

Markey: Great to be here. Thanks.

Haenle: Thank you. Dan, you mentioned today in your lecture here at the Carnegie–Tsinghua Center that 2014 will be a tremendous year of uncertainty for the region, but Pakistan’s trajectory is both the most important and the most uncertain. Can you explain why this is and what the implications are for both China, where we are here today, and the United States?

Markey: Sure. 2014 has huge uncertainties really across South Asia, starting with India’s elections, going to Afghanistan’s elections with the both political and military transitions there, and then also in Pakistan as well. Pakistan will be, in some ways, suffering the potential consequences of these uncertainties in its neighbors, but it also has these clear uncertainties about the direction that its own political and military leaders are taking its country. We can see this of late. We’ve seen in the headlines in Pakistan some problems cropping up between the civilian leaders, Nawaz Sharif, and the military. They’ve taken different forms. Some of them are manifested in a current drama over an attack on a prominent Pakistani journalist. He claims that this was done by the ISI, and there are clear civil-military ramifications of that. But it also is playing out in the trial of former President and General Musharraf and, then even more significantly I think, in the civilian handling of the negotiations with the Pakistani Taliban, where the military is at least privately and quietly suggesting that it thinks that the civilians are taking the wrong approach. The military would like to take a somewhat more aggressive approach. All of these are raising some really critical concerns about whether Pakistan’s civilians and military can get along, and this has been a problem that has been pervasive throughout much of Pakistan’s history. It’s not new. So this is just the latest chapter of that.

Now, if you pull back a little bit from there, you ask the question on how Pakistan’s trajectory affects the United States and China. I don’t anticipate that Pakistan will suffer a revolution in the near term, but I do think that it is suffering through what will likely be a long period of, basically, un-governability and crises. Both the United States and China will suffer from that because Pakistan continues to have problems with international terrorism, and the Chinese are obviously more concerned about Central Asians and so on than we are. We are worried about Al-Qaeda and remnants of that: their affiliates, their supporters, and so on. That will continue to be a problem. Pakistan continues to be nuclear-armed, and the potential for a Pakistan-India nuclear

contingency is quite real. Finally, more broadly, and I think this is something that Americans need to think about long-term, Pakistan is a big country. It is 200 million people, going up to 300 million by mid-century. Think about where it is located: next to India, next to China, next to the Arabian Sea, Central Asia. This is an important part of the world, and as China's power grows, this part of the world, I would anticipate, will become even more significant to the United States. So, Pakistan is not going to be as peripheral as it was in the past. Pakistan, I think, will be more central to our concerns in Asia, our relationship with China and India, and these broader concerns about international terrorism, nonproliferation, and so on. It's a big deal.

Haenle: You've written a book, *No Exit from Pakistan*. You explore in that the main trends of Pakistani society today that will shape the future. I assume some of what you just talked about is part of that. Are there other key drivers that we should think about, and what are those implications? How does that impact Pakistan's future?

Markey: Well, there are many things driving Pakistan's trajectory. There are things that have been holding Pakistan back in a way but also preserving a degree of stability, that is the dominance of the traditional elites. Pakistan's political leaders are kind of dynastic in their transfer of power. This is not a purely democratic society or meritocratic society. There are haves and have nots. There's also the Pakistani military, in many ways something that holds the country together but also represses the popular sentiments and has done so repeatedly over time. There are changing aspects. There's the problem of extremists, jihadists, terrorists and their supporters. That continues to be a very frightening challenge looking forward.

But the last piece, and one that doesn't get a lot of attention outside of Pakistan is what I call in the book "youthful idealists." You've got a rising class of young people. 60% of the society is under the age of 24. So, you are talking about an enormous number of young people, and this will be true for the next several decades. They are seeking reform. They are seeking change. They want to be a part of the global community. They want to be a part of the global economy. If they are given or exposed to those kinds of opportunities, particularly linking up with rising Asian economies to their east, then we can see some good news stories. If they are not, this is going to be a very bad news story because the numbers are so high, because the anger, alienation, and frustration will kick in, because the violent ideologies are already there. The weapons are there. Sophisticated terrorist groups are already there. You can see this spiraling in the wrong direction as well. So, those are some of the drivers behind Pakistan's direction.

Haenle: Fascinating. As you know, Pakistan was one of the first countries to recognize the People's Republic of China in 1950, and the two countries have had a very close relationship since then. In the past, the China-Pakistan political relationship has been much stronger than the economic relationship, and now it appears that leaderships on both sides, Pakistan and China, are attempting to bridge that gap. They are constructing the China-Pakistan Economic Corridor. This is something that was first proposed by Premier Li Keqiang during his trip to Pakistan last year in May. The corridor is supposed to serve as a driver for connectivity between South Asia and East Asia. The hope is that this will increase economic integration between China and the countries to its west. In your view, in what ways has China become more active in terms of its investment in Pakistan, Afghanistan, and other countries in the region? What kinds of trends do you see with respect to China?

Markey: China has been pretty active in Pakistan for some time now. I'm told that at any given time, there is something like 10,000 Chinese hard at work building things, engineering projects and otherwise, inside of Pakistan.

Haenle: I remember being north on the Karakorum highway, up towards the border with China, and seeing some Chinese construction workers out there. It seems to be wherever you go, there are Chinese workers.

Markey: That's right, and they were involved in the celebrated Gwadar Port, so far the port to nowhere, but we'll see if that changes. When you talk to Pakistanis, particularly in the civilian administrative roles, they will claim from experience that they have had increasingly close ties with Chinese counterparts. If you talk to Pakistanis on the defense side, you'll see defense trade, contractor types, defense sales, that sort of thing being increasingly important. But it has been important for decades. Some of this is continuity; some of it is change. The question is whether these grand new plans that we are hearing announced by both sides are going to amount to something fundamentally new or different. China has made a number of promises to Pakistan over the years. Not all of them have actually materialized. Some of that will depend on Pakistan's own stability. If Pakistan cannot secure Chinese workers who come or Chinese projects that are built, then China will shy away from this. Right now, that's a serious concern. Internal levels of insecurity in Pakistan are quite real. But really this is one of the few big hopes for Pakistan. If they can't seize on this kind of opportunity, the kind of infrastructure development that China can bring to bear, then they're really in bad shape. So, I think from a U.S. perspective, we really have to hope that this expansion of Chinese influence actually works so it's something we can root for.

Haenle: When President Xi went to central Asia in the Fall and promoted this concept of a Silk Road through central Asia to help China with its energy and resources, it's really part of an effort, almost a charm offensive, on the Chinese side to say that China's growth, continued economic development will be good for countries on its periphery. How does Pakistan fit into that equation? Is it part of it, and do Pakistanis see this as something they can benefit from as well?

Markey: Well, some Pakistanis believe that they have the potential to serve as a kind of transit hub from energy-rich Central Asian states, not so much just to China, but also potentially to India. This is a pretty open-minded perspective, given the politics of India-Pakistan relations, but that would be a real opportunity for the Pakistanis. They just need to somehow get past the political barriers that have been there. I think that their hope, in many cases, is a kind of naïve one that China will come in and save Pakistan from its economic failings of the past. I don't see that as being realistic. So, the question is whether the Pakistanis are able and willing to put something on the table that turns these kinds of infrastructure developments into something real. That really does have to link them to India. So, it's maybe a China-Pakistan story at the outset, drawing in Central Asia over time, connecting it with that, but the real success story would be having to create a transit hub that links up to India as well.

Haenle: I know you're busy and have a busy agenda while you're here in Beijing. Let me ask you one final question, and it involves U.S.-China relations. President Xi Jinping has put forward this new concept that the United States and China ought to embark on a "new type of great power relationship." The two sides are trying to figure out what this would look like. On the U.S. side,

there is a real effort to say that if we're going to do something like that, we need to be able to enhance areas of cooperation where we have mutual interests. When you look at South Asia and the uncertainties and challenges in South Asia, are there opportunities where you think the United States and China could work together in taking their relationship to the next level? Are there areas where we could work on together to make progress, resolving some of the issues facing the region in a collaborative way, whether they are security, financial, developmental, environmental, energy, or otherwise?

Markey: Well, I was just in Afghanistan a few weeks ago, and the very strong message that I got there was, including from some of the U.S. officials and U.S. military, was that the more that China can be involved in Afghanistan, probably the better off we will be. That's a fairly narrow approach that is development projects, infrastructure projects, also even just China actually following through on its plans with a major copper mine, would all send a positive message inside of Afghanistan. I think there's a broader observation here that when the United States and China have been on the same page with respect to India and Pakistan, we've actually seen the greatest periods of positive movement in the India-Pakistan relationship. So, as long as we can stay on side with the Chinese, then we put positive pressure on the Indians, the Chinese can put positive pressure on the Pakistanis. Together that creates a kind of very conducive, structural environment for India-Pakistan reconciliation, which we would benefit from. In a somewhat narrower way, if we see another India-Pakistan crisis, then having a stronger relationship with China prior to that crisis, for the United States, would be very helpful in helping to resolve that. So there's both a kind of immediate and narrow perspective, and then there's the broader one where a closer working relationship with China would really pay dividends for us.

Haenle: Well, thank you, Dan, for spending time with us today. Thank you for doing an event and talking to Chinese experts, Chinese students, and those from business and academia. That's it for this edition of Carnegie-Tsinghua's "China in the World" podcast. If you'd like to read more about Dan's event at the Carnegie-Tsinghua Center today, a summary of all our events and dialogues are available at the Carnegie-Tsinghua website at www.carnegietsinghua.org. Thanks for listening, and be sure to tune in next time!