

Are we losing out Ch

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The frequency of top level visits, the friendliness expressed in statements and warmth the leaders of two governments show toward each other do not suggest that we are likely to lose China as our traditional ally. Also one must acknowledge that there is a great residue of goodwill that both the countries have accumulated over the past forty years that continues to provide solid bedrock to the growth and development of bilateral relations. Our strategic engagement that was shaped by regional and international setting nearly half a century back can escape redefinition in the changing world of the 21st century. From the standpoint of Pakistan's interest, China has been, and currently it is a very valuable partner in defense, transfer of technology, development of infrastructure, and building of mega projects.

The question that our foreign and domestic policy must address is how we can keep China on our side when its economy is becoming one of the largest in the world and its interests and concerns are fast becoming global, which in my view will require it to review its traditional alignments in the region. In some way it is already taking place in all its proximate regions, Central Asia, South-East Asia, Russia and South Asia.

China's reappraisal of its regional and global policies is driven by the logic of its new economy of industrial development and modernisation. China's old ideology has undergone fundamental changes from state controlled to a liberal market oriented that has facilitated a very rapid integration of its economy with the world capitalist order. The flow of vast foreign capital, transferring of manufacturing facilities by a wide array of multinational corporation, the quality of China's workforce and managerial skills have done wonders to the Chinese economy.

The old visitors to the country may perhaps not recognise the vast changed economic and now increasingly social landscape of China. Our policy must recognise this change, and also the fact China has fourth generation of leadership in different fields of the society and at all levels. The world outlook, the ethos, concerns and the values that drive the new breed of China's leaders are very different. They are not fixed in the past, nor are they dogmatic anymore. This is a pragmatic lot entirely focused on economic issue. In the new ideology, if there is any, China's road to national glory, a place in the world system, influence and status goes through economic transformation.

What China has done and how the transformation of China from a very slow growth country to one of the economic giants is likely to influence its structure of relationship with different countries present some important lessons and hard questions for Pakistan. Let me try to sharpen my argument by raising this question; will Pakistan embroiled in some serious problems of governance, political uncertainty, and inconsistent economic growth remain attractive to China in an age where economic partnerships are replacing old-fashioned security and strategic relationships?

First of all we as a society and our leaders of all varieties must acknowledge the structural changes that have taken place in the world and around us in the regions that would define of future security and economic well being. The changes are too obvious

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and very profound. China and India as two fast growing economies no longer consider their border dispute as a barrier in the way of economic cooperation, trade or investment. Just in few years, their bilateral trade has crossed \$12 billion and the density of their transactions that include exchange of scholars, scientists, students and visit of Chinese tourists to India is likely to grow manifold in the coming years. It is the liberalisation of the two economies and growth in recent years and the forces of globalisation that made these two countries forget the past and charter a new relationship. In contrast, the trade between China and Pakistan is about \$2.7 billion to which contribution of our exports is less than \$300 million.

We have a strategic interest in forging deep partnership with China both for our traditional security concerns as well as for economic modernisation of our country. China has geographical proximity and we have a long history of good relationship with it that we can use to move to the next stage of cooperative relationship. But before I suggest how we can do it, let me make two qualifications. First, geography and past history by themselves may not be independently a sufficient factor to determine the course of future relationship between the countries. At best they provide an excellent background to explore new avenues. It is the range, quality and depth of interests that moves countries closer to one another. We can take very limited mileage from the past. Therefore, the task is to identify new areas of common interests, mutual needs, and strengths and devise strategies about how to use our respective strengths to fulfill our needs.

At the risk of over emphasizing, I believe the state of our economy, how and in what areas it grows and at what rate will be very important factor in determining the quality of our relationship with China. A poor and economically weak Pakistan will remain a marginal player in the regional geopolitics of the future and a country of lesser relevance to modern China. That will make us rethink of our industrial and economic development strategy, the wider areas of science and technology, education and the political and policy framework within which Pakistan will modernise. Strong economy, stable constitutional politics, effective governmental institutions and better state capacities will help us develop faster and acquire better credentials and relevance for partnership with China or any other country for that matter. Unless we correct our assumptions about what makes a country strong and relevant to economy-driven

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partnerships, we will keep tumbling in the whirlpool of self-deceiving misperceptions. Economy and governance including the choice of institutional balance preoccupies the mind of every perceptive leader around the world. Because they know it is the structure economy that would build and sustain multifaceted relationship, power and influence in the market oriented world system. Our failures in building representative institutions and stable economy speak volumes about flawed political arrangements and economic strategy. In my view we cannot separate the two in Pakistani or in any other contexts. Flawed political arrangements may lead to poor economic consequences, and poor economy may lead to political crises and uprooting of democracy. We have enough evidence from our own political history.

Our China card may slip off our hands, if we do not skillfully exploit the existing possibilities and plan for the future in a way we become a growth partner with the emerging economy of China. Let me suggest at least three areas of high priority. First, we can build perhaps more enduring layer of relationship on the top of state to state ties by facilitating partnership between the private business corporations of the two countries. Chinese companies with growing economic and technological base are likely to go global and would explore opportunities of investment in Asia. Governments may help them do networking and create common forums for joint ventures. There are few Chinese companies operating in Pakistan but the size of their operations is limited. Greater profitability, reasonable cost of inputs, reliable local partners and consistency in economic policy will lure more of them into Pakistan if our economy gets to the stage of take off.

Second, people to people contact between China and Pakistan have remained limited to government sponsored programmes of writers, journalists, parliamentarians and recently students as well. They are very important initiatives and we need to build upon them by interfacing private and public educational institutions, professional associations and civil society groups of the two countries. Some of the quality private universities may market their products to the prospective Chinese students. The new middle class of China is looking for institutions in Asian as well as in western countries for quality education. We have excellent English medium school chains in the country and few world standard universities that can attract students from China. In the field of science and technology our students can explore the Chinese universities. Graduates of schools, colleges and universities become lifetime ambassadors of goodwill and understanding.

Finally, Pakistan has a great wealth of Buddhist heritage, magnificent archeological sites and the rugged beauty of the northern areas close to China. In recent years, with new wealth the flow of Chinese tourists to foreign countries has significantly increased. There are now tens of thousands of Chinese tourist visiting India each year. Being a close friend, a traditional ally and a security partner, we have never marketed ourselves as an attractive tourist destination. It is time to do it now. It will reinforce our efforts to deepen our relationship with new China.

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