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## China and Kashmir\*

by JABIN T. JACOB

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Perceptions about the People's Republic of China's position on Kashmir have long been associated with its "all-weather" friendship with Pakistan. However, the PRC's positions on Kashmir have never been consistently pro-Pakistan, instead changing from disinterest in the 1950s to open support for the Pakistani position in the subsequent decades to greater neutrality in the 1980s and since. While China has continued military support to Pakistan even during military conflicts and near-conflicts between India and Pakistan, its stance on Kashmir has shifted gradually in response to the prevailing domestic, regional, and international situations.

### Background

Following the partition of the state of Jammu and Kashmir in 1947, it was two years before the Communists put the Nationalists to flight and came to power in Beijing. The PRC's interest in Kashmir developed gradually following its take-over of Tibet in 1950 and its related claims in Aksai Chin in Ladakh on the Indian side of Jammu and Kashmir (J&K) and Hunza and the Shaksgam Valley in Pakistan Occupied Kashmir (POK).

Following the war with India in 1962, China began supporting "self-determination" in Kashmir and even provided material support via Pakistan for a brief period. Following the 1965 war between India and Pakistan, this assistance was ended even though political support continued until Deng Xiaoping shifted the policy towards one of greater neutrality in the late 1970s. Nevertheless, Pakistan continued to be important to China's strategic calculus in South Asia. Beijing consistently helped arm Pakistan with both conventional and nuclear weapons through much of the 1980s and 1990s and this military cooperation with Pakistan did not cease during either the Kargil crisis of 1999 or the year-long military

buildup along the Indo-Pak border in 2002 (called Operation Parakram in India). Even if the case may be made that such support to Pakistan has strengthened Pakistan's hands on the Kashmir dispute, it is difficult to draw a direct link between the twists and turns in the Kashmir situation and Chinese arms supplies to Pakistan. Further, China has for over two decades consistently called for a peaceful resolution of the Kashmir dispute, terming it a dispute "left over from history." Both during Kargil and Operation Parakram, China refused to endorse the Pakistani positions or to raise the issue at the United Nations. Coupled with rising trade and the continuing border dialogue between India and China, this has given rise to hopes in India that the Kashmir dispute will no longer be a card the Chinese will use against it.

### China and Pakistan Occupied Kashmir

The Karakoram Highway (KKH) connecting Gilgit and Kashgar has served as a vital strategic lifeline of Sino-Pakistan relations. While trade continues to be limited along the highway, the Chinese have pledged considerable amounts in aid to widen and repair the KKH and to connect it to Pakistan's existing highway network so as to improve connectivity with the Pakistani coast. Any altruistic intentions aside, maintaining the KKH in working condition right through the year is an important part of the Chinese strategy to reduce its dependence on oil supplies through the Malacca Straits and instead have them routed through alternative corridors such as via Gwadar. China must also be hoping to plug into additional road networks planned between Pakistan and Afghanistan and further onwards to Central Asia as part of enhancing its strategic reach in South and Central Asia and to keep an eye on developments there.

The Chinese have also invested in other infrastructure projects in different parts of the Northern Areas, including hydro-power projects, water-diversion channels and telecommunication facilities. Economic links between the Northern Areas and the Chinese province of Xinjiang are limited and depend almost entirely on the overland route. However, links between Xinjiang and other parts of Pakistan are picking up as trade delegations from the former visit the Pakistani cities of Islamabad, Rawalpindi, and Karachi regularly and Pakistani delegations visit Urumqi. The Habib Bank of Pakistan has an office in Beijing but is also owner of a 20 percent stake in the Urumqi City Commercial Bank (UCCB) that it acquired in February 2006.

One of the major concerns the Chinese have had in recent years in its relations with Pakistan has been the fear of Islamic fundamentalism originating in that country, which helped radicalize Uighur separatists in Xinjiang in the 1990s and which probably has at

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\*For the purposes of this paper, "Kashmir" refers to all of the different parts of the erstwhile kingdom of Jammu and Kashmir, namely Jammu, Kashmir, Ladakh, and Baltistan, unless specifically stated otherwise. The Indian side will continue to be referred to as Jammu and Kashmir (J&K) and comprises parts of all four with Baltistan represented in the main by Kargil, Drass and Turtuk. The Pakistani side will be referred to as Pakistan Occupied Kashmir (POK) and comprises the major portion of Baltistan, now referred to as the Northern Areas, and a separate administrative unit that goes under the name of Azad Jammu and Kashmir (AJK).

least partly contributed to China's changed stance on the Kashmir dispute. It has to be remembered that Chinese arms that were funneled into Afghanistan in the 1980s, via the KKH to be used against the Soviets, eventually found their way back into Xinjiang via the same route and were used by Uighur separatists. It was no surprise, therefore, that when the bilateral trade agreement China had signed with Pakistan in 1963 lapsed in 2000, the Chinese did not renew it for over three years. Border trade has also been affected by the increased number of check-posts and greater Chinese vigilance at the borders. Yet another Chinese concern has been the smuggling of narcotics through this border.

Nevertheless, for all its concerns, it is likely that China will, for the foreseeable future, continue to consider Pakistan important for its primary role as a counter to India and because the KKH is likely to figure increasingly in China's plans for strategic outreach.

### **China and Jammu & Kashmir**

It is the memory of India's loss to China in the 1962 conflict, the Chinese occupation of Aksai Chin in Ladakh, and claims over Arunachal Pradesh in India's east that are the biggest spurs to India's anti-China lobby. It appears, however, that over time the strategic importance of Aksai Chin to the Chinese has declined vis-à-vis that of Arunachal. At one level, it might be argued that things can hardly change given that the Sino-Indian border dispute is unlikely to be resolved except in its entirety, but at another level, it needs to be seen whether simply waiting for the big steps towards resolution is enough. In this context, Ladakh perhaps provides the ideal location for experimenting with ways of carrying forward Sino-Indian relations and for exploring new approaches towards an eventual resolution of the boundary dispute.

Ladakh, which has historically had close links to Tibet and Xinjiang, lost these in 1962, and has over the years receded into the background of the Indian imagination. Leh, the Ladakhi capital, once served as the hub of the Silk Route trade into undivided India, but a combination of the British preference for Gilgit as the focus of Sino-Indian trade and later, of the Sino-Indian war led to Ladakh losing its former preeminence and turning heavily dependent on Indian central government subsidies and fair-weather tourism for economic sustenance.

The way forward for Ladakh hinges primarily on two factors: better infrastructure development and connectivity, and increased tourist inflow. On the first, the Indian government has begun to move with greater vigor of late but tourism is also affected by the anachronistic Inner Line permits that are still required for access to areas closer to the Line of Actual Control (LAC) and which continue to close

off huge chunks of Ladakh to anyone but scarce local populations and the Indian Army. While the Indian government is beginning to shed its previous inhibitions about building roads along the LAC, this has run into strenuous opposition from the Chinese, even as the latter have expanded and modernized infrastructure on their side of the LAC. This has stymied Indian efforts but it also needs to be asked if the Inner Line permits and exclusive use largely by Indian armed forces form part of the reason for Chinese protestations. Perhaps if the region were thrown open more freely to tourists, the Chinese would be able to object far less to Indian road-building efforts.

Foreign tourists are more important for the Ladakhi tourist economy at present than are Indian tourists, but this situation is likely to change were the Leh-Manasarovar pilgrim route reopened. This route connecting Ladakh with Mt. Kailash and Lake Manasarovar—holy sites for both Hindus and Buddhists—passes through disputed territory via the last Indian outpost of Demchok. So far the Chinese have been reluctant to give the go-ahead to the route, perhaps because of the limited economic gains for themselves—the Chinese do not want to lose tourism to Kailash-Manasarovar on their side that contributes to local economies all the way from Lhasa. Meanwhile, smuggling contributes to the local economy on both sides of the LAC with thermos flasks and blankets entering Ladakh from Tibet and Indian tea headed in the other direction.

A case could also be made for the reopening of border trade via the Karakoram Pass that provides Ladakh's opening to Xinjiang, even if the route presents greater difficulties for road-building than the Leh-Manasarovar one. This route, also one of the axes of the Silk Route, would pass through the Nubra Valley and the last Indian outpost of Daulat Beg Oldi onwards to Kashgar and would certainly prove an instant attraction for tourists.

### **China's Interests in the Kashmir Dispute**

Its current professed neutrality apart, China retains a continuing interest in the resolution of the dispute for several reasons. First, the status of the over 2,000 square miles of territory ceded by Pakistan to China under the Sino-Pakistan Frontier Agreement of 1963 would come up for renegotiation under the terms of the Agreement if India and Pakistan resolved their dispute over Kashmir and India became the sovereign power over the ceded area. Second, in the event of a resolution and India regaining control over the Northern Areas, this would cut all land connections between China and Pakistan and put traffic through the KKH also under Indian control. This would imply losses or at least a degree of wariness for China on several strategic fronts, including its plans of routing energy supplies from West Asia

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through Gwadar. Third, even if resolution of the Kashmir dispute comes in the form of an acceptance of the current status quo, but with soft borders or “irrelevant” borders as is now being mooted, India will certainly demand greater access to the Northern Areas (and indeed, the rest of Pakistan), beginning with economic access, which could challenge Chinese plans in the region. But fourth, and more positively, resolution—even if on the basis of status quo—can actually lead to greater possibilities for economic interactions between India and China, as outlined above, and certainly these could prove more profitable from the Chinese point of view than those with Pakistan. Further, there could conceivably be added impetus for the resolution of the Sino-Indian boundary dispute as well.

It remains to be seen whether resolution or stalemate on the basis of status quo will be the case. In the meantime, there have been calls for Chinese involvement in the Kashmir dispute from Kashmiris on both sides of the divide. Abdul Majeed Mallick, the former Chief Justice of the High Court of Azad Kashmir and leader of the Jammu and Kashmir Liberation League, has claimed that the Chinese ambassador to Pakistan had promised him that China would return Aksai Chin if Kashmir were to become independent. Similarly, in 2006 during the World Social Forum in Karachi, Indian Kashmiri leader and Hurriyat Chairman Mirwaiz Umer Farooq called for China to be made a party to the resolution of the Kashmir dispute, since it not only occupies a part of Kashmir, but is also one of the major powers in the region. The Pakistani Foreign Office, however, ruled out any role for China, saying that only India and Pakistan were parties to the dispute according to the relevant UN resolutions. During his visit to Pakistan in November 2006, Chinese President Hu Jintao too did not refer to any Chinese role in the resolution of the Kashmir dispute, saying only that his country supported Pakistan and India resolving the issue through dialogue. However, in December 2006, Umer Farooq repeated his call for China’s involvement and indicated that his group was thinking of visiting Beijing in this regard.

### Prospects for the Future

It is important to further explore the points made above regarding greater interaction in the economic sphere among the three countries and in particular between India and China, not just in the interest of a resolution of the Kashmir dispute but in the interests of better relations among all three countries.

China aims to have stability in its neighborhood and increased market penetration in South Asia, and for both reasons stability in Kashmir and peace between India and Pakistan are essential. China’s Western Development Strategy (WDS) for its interior provinces including Tibet and Xinjiang

make it imperative that there is peace and stability on the borders of these provinces as they aim to increase their external trade and serve as major hubs for trade with China’s western neighbors.

China has hitherto been viewed in the countries of South Asia largely either in terms of the strategic potential it provided vis-à-vis another country or in terms of the threat that it posed. This latter was the case, it must be remembered, even with Pakistan in the 1950s and led then-Pakistani President Ayub Khan to propose to India a joint defense of the subcontinent against the communist threat. As relations with India deteriorated, Pakistan subsequently changed its position to viewing China as a hedge and an ally against India. It is time that such short-term positions give way to more sustainable grounds for the Sino-Pakistan partnership. And economics provides the way forward, especially for the Northern Areas, which remain among the most neglected regions under Pakistani governance.

Similarly, in the case of India, some three decades after the diplomatic ice with China was first broken and more than a decade since the border agreements of 1993 and 1996, there really has not been any great progress on the resolution of the boundary dispute. It is time that the two countries explored and pushed the limits of economic cooperation. While border trade between the two countries has been slow in picking up at Nathu La on the Sikkim-Tibet frontier in India’s east, this has as much to do with infrastructural bottlenecks as with the lack of political will in New Delhi to push things faster. In the context of the possible linkages through Ladakh outlined above, it might, however, be Beijing that is the more reluctant party.

What both India and Pakistan need to realize is that China is at that stage of its economic rise where it is looking for greater contacts with markets towards its south to balance its dependence on the American and European markets. Furthermore, linkages with Western markets are not sufficient for the development of either Tibet or Xinjiang, whose economies need sustained and sustainable links with markets in India and Pakistan to really take off. The two South Asian neighbors thus have the opportunity today to move beyond conflict and use the China “card” to mutual benefit for a change. In each of the several scenarios outlined above, it is Kashmir that lies right at the center of the map and it is about time that the region is allowed to shed its troubled history and take on a new garb as a hub of peace and economic development.

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