

# Report

## In House Meeting with Delegation from China Institute of Contemporary International Relations

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**THE INSTITUTE OF STRATEGIC STUDIES,  
ISLAMABAD**

## **In House Meeting with Delegation from China Institute of Contemporary International Relations**

The Institute of Strategic Studies Islamabad hosted a four-member delegation from the China Institute of Contemporary International Relations (CICIR), for an In-House meeting at its premises on December 7, 2012. The Chinese delegation was led by Dr Hu Shisheng, Senior Research Fellow & Director, Institute for South & Southeast Asian and Oceania Studies, CICIR. Other members of the delegation included Dr Fu Xiaoqiang, Director, Centre for Counter-Terrorism Studies, CICIR; Mr Wang Shid, Assistant Research Fellow and Mr Hanliqun, Assistant Research Fellow.

The meeting was attended by the research staff of ISSI and the discussion was lead by the Director General Ambassador (Retd) Ashraf Jehangir Qazi. Reiterating the importance of Pakistan-China friendship, Ambassador Qazi expressed his gratitude to the Chinese team for being in Pakistan, and in particular, reinforcing their contact with the Institute of Strategic Studies. He spoke about the changes that Pakistan is going through and the upcoming elections in late March 2013. Talking about the transition in China, the election of the new leadership and the important policy statements made by the new leadership, Ambassador Qazi referred to the visit to the Institute by a delegation of the Communist Party of China which explained the nature of the changes and the importance of the main points of the policy statements, and that Pakistan-China relations remain constant and unchangeable despite all the changes that take place. He said that what is important for us in Pakistan is how China sees the changes in the broader Asia-Pacific region, for example, in Southeast Asia, in South Asia,

and the role of Pakistan and China, their friendship and cooperation and consultations in the South Asian region in this time of change. Putting a question to the delegation, Ambassador Qazi inquired about what Pakistan needs to do in order to fulfill the requirements of the strategic partnership between Pakistan and China in this world of change.

Dr. Hu Shisheng, expressed his gratitude to the Institute of Strategic Studies, Islamabad for continuing the academic exchanges between the ISSI and CICIR and termed them extremely useful. Talking about the new leadership in China, he stated that no matter how many changes take place, relations between China and Pakistan continue to grow and both states support each other at every level. Dr. Shisheng gave a comprehensive and insightful view of the challenges faced by China in the Asia-Pacific region. He stated that numerous developments have taken place and most of all, US presence in the Asia-Pacific region makes China feel the squeeze. There are four various reasons for the United States to reinforce their presence in the region and the most important reason is the economic reason and as can be seen, China and the United States contribute 44% to the world's economic growth. He quoted US government as having said that it is important to address the problems in the region. Secondly, he stated that the situation in the Asia-Pacific region is such that the Cold War alliance system has come into play and countries in the region want to reduce their dependence on the United States.

However, the United States wants to enhance the legacy of the Cold War through the alliance system. This is because the alliance system has been threatened as the Asian partners want to reduce their dependence on the

United States and this is something which endangers US supremacy in the region. This is why the US has enhanced military cooperation with Vietnam, Philippines, Indonesia, South Korea and Japan. This is because the United States does not want to be excluded from the regional integration. Similarly, if China and Japan undergo trade without using the US dollars, then the US is bound to be threatened, as China has done trade like this with ASEAN countries. China has also signed FTA's (Free Trade Agreements) with various countries. United States is pushing itself very hard to counterbalance these kinds of developments. Most importantly, the United States does not want the Asia-Pacific region to be controlled by any specific country, and it will feel extremely threatened if China controls the region. Similarly, China's integration with ASEAN is moving forward very rapidly and all these developments do not include the United States who definitely wants to be a part of these developments. In East Asian Pacific region, two communities have emerged. There is the Economic Community and the Security Community. The Security Community led by the US and is quite influential, and the Economic Community is led by China. These communities overlap in numerous ways and there is also mutual interdependence between the two communities. There is a very complicated balance between the two communities because of the mutual interdependence. The US wishes that territorial disputes are solved amicably with the cooperation of the two communities, in order to avoid war.

While talking about China's domestic growth and development, Dr. Shisheng said that the rapid development of China is causing unbalanced growth and there is a lot of disparity between East China and Western

China. The rapid growth is causing a number of challenges and the development taking place has to be made sustainable for China. There has to be the right kind of balance as there is the challenge of imbalance between human development and environmental challenges. China's rapid growth has led to the emergence of these challenges. There are also internal and external challenges for China. Internal challenge is leading to disparity and unbalanced kind of development in China. The disparity between urban and rural, disparity between east and west and the disparity between economic and social development is leading to numerous problems. The challenges for China are how to make this development more sustainable and useful. In order to achieve the desired development goals, China needs to change the modality of its economic development. Moreover, these challenges also require China to upgrade capacity in social management, social construction and other such areas. These are stated to be the greatest challenges by the CCP. The social management and construction is becoming more and more urgent for the new leaders.

China also faces problems in Xingjian and Tibet, where there are minorities and social crises management is a great challenge for the Chinese government.

As far as China's external challenges are concerned, it may be seen that China faces the biggest challenge, which is of adaptation between China and non-China. The world financial crises helped quicken the pace for China to become the number two economy of the world and this economic status in itself poses many new challenges as China is not ready to play the role of a number two economy as yet. The United States is not ready to accept

China as the number two economy and even China's neighbors are not ready to accept China's new role. This kind of transformation makes the situation complicated; however, mutual adaptation is not going very good. China wishes to shift from being a land power to being a land cum sea power in the region. The challenge is also how to make the outside world accept China's new status as the number two power in the world. The relationship between number one and number two is always very complicated. By 2030, China's GDP will occupy 33% of the world's global GDP. China's development has also led to US strategic anxiety. Another challenge for China is how to pacify its neighbors concerns in this regard. It will take some time for the new leadership to address these concerns.

Dwelling on Pakistan-China relations, Dr Shisheng stated that China has excellent bilateral relations with Pakistan and China wishes to see Pakistan progress and develop in a more balanced way. China wants economic zones to be developed in the region and Pakistan is a very important country in this regard. Similarly, China wishes to have good relations with the Muslim world and Pakistan can play a very important role in this regard. The strategic importance of Pakistan has always been there and will always remain important in the future. China and Pakistan have cultural, social, educational and economic ties. However, economic relations really lag behind, whereas conversely, China-India trade relations have progressed tremendously in the past few years. The problem is that Chinese businessmen do not want to invest in Pakistan due to security concerns and a lack of infrastructure availability. This needs to be addressed so that economic relations between the two countries can progress. China is a

beneficiary of globalism and its relations with developing economies continue to be very competitive.

While answering questions about the potential of Pakistan-China relations, Mr. Wang Shid said that Pakistan means a lot to China and acknowledged the fact that Pakistan has suffered tremendously as a consequence of the 'War on Terror' and has played a significant role in fighting terror. The Chinese delegation members also highlighted the numerous problems Pakistan faces and how they remain an impediment to Pakistan's growth and stability. The power shortages and security problems are the main hurdle in Pakistan's growth and China is willing to invest in these areas. While clarifying the Chinese delegation's perceptions about the security situation in Pakistan being a hurdle in the way of Chinese investment, members of the ISSI team clarified that, it is not security, but in fact the lack of infrastructure and power shortages in Pakistan which keep Chinese investors away. Giving the example of Bangladesh, the Chinese delegation pointed that Bangladesh has developed its industrial infrastructure in numerous ways and this has lead to foreign investment in the country. They also expressed China's desire to help with capacity building in Pakistan and hoped that close cooperation in various important sectors as well as academic exchanges will continue to take place between the two brotherly countries.

*Prepared by*

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