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**INDIA AND CHINA: AN AGENDA FOR
COOPERATION ON AFGHANISTAN**

Srinjoy Bose

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ABOUT THE AUTHOR

Srinjoy Bose is a Prime Minister's Australia-Asia Endeavour Scholar at the Australian National University. He is presently working on his Doctoral thesis which investigates contentious state-society relations in Afghanistan, with particular emphasis on concepts of legitimacy, norms and law, and how they affect the ongoing state-building enterprise. Srinjoy's intellectual pursuits include state-society relations, state-building in post-conflict and weak states, post-conflict transition, war-termination, and, ethics in IR, in particular, concepts of justice and humanitarian intervention. He is a Political Science graduate from the University of Otago (Hons. First Class) and National University of Singapore (M.Soc.Sc), and was a researcher with the Institute of Peace and Conflict Studies (New Delhi).

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By The Institute of Chinese Studies,
8/17 Sri Ram Road
Civil Lines
Delhi 110 054, India
Ph.: +91-11-23938202; Fax: +91-11-23992166
Email: info@icsin.org
Website: www.icsin.org

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India and China: An Agenda for Cooperation on Afghanistan

Srinjoy Bose

Prime Minister's Endeavour Scholar,
Australian National University, Canberra, Australia
srinjoy.bose@anu.edu.au

**Institute of Chinese Studies
Delhi**

India and China: An Agenda for Cooperation on Afghanistan

Abstract:

This paper identifies and appreciates China's strategic interests in order to optimise China-India cooperation in Afghanistan in the framework of the Shanghai Cooperation Organization (SCO). In particular, the paper highlights the resources that India will need to bring to bear in order to facilitate India-China cooperation on Afghanistan.

Keywords: Afghanistan, aid, Central Asia, Sino-Indian cooperation, energy, extremism, SCO, Silk Road

PART A: CHINA'S STRATEGIC INTERESTS & RATIONALE

The SCO's ability to act as an intermediary through which regional cooperation can be driven on Afghanistan is unlikely, for the foreseeable future: longstanding historical differences, entrenched mistrust, and in some cases strategic rivalries in the broader South-West Asian region prevent the SCO from being able to craft a 'regional framework for cooperation'. And yet, as China increases its presence and influence in Central Asia, it is in its interest to work towards formulating a regional framework of cooperation (and improve bilateral cooperation with India) so as to stanch any detrimental fall-out of military withdrawal from Afghanistan on its assets in Central Asia. This paper evaluates how and where Central Asia offers benefits or avenues to further the Chinese national interest that necessitate a regional framework of cooperation on Afghanistan.

The Chinese Perspective: Why Pivot to Central Asia?

The major strategic obstacle in formulating a bi-lateral (or multi-lateral) cooperation agenda on Afghanistan is the view that Beijing's presence and interests in the Middle East outweigh their interests in Central Asia including, Afghanistan. The pivot to the Middle East is considered a priority in terms of Chinese military and economic (energy) interests, and is designed to replace American hegemony and influence - the gap that will be left behind eventually, following America's strategic refocus to the Pacific - in the Middle East. The Brookings institution has compared the Chinese pivot to Mao Zedong's war strategy: 'Where the enemy advances, we retreat. Where the enemy retreats, we advance' (Sun 2013). While this characterisation may be only partially accurate, the pivot comprises several agendas including, security, commerce, and energy independence: using existing land connections/routes on China's western border to optimise trade;¹ to use Middle East policy to patch over differences with the US.²

Despite the priority relations with Middle Eastern states, China is keen to diversify its interests and relations; this may help explain China's assertive economic and energy

¹ In the decade between 2003 and 2013, Chinese trade with South Asia and West Asia grew nearly thirty times while overall trade increased only seven fold.

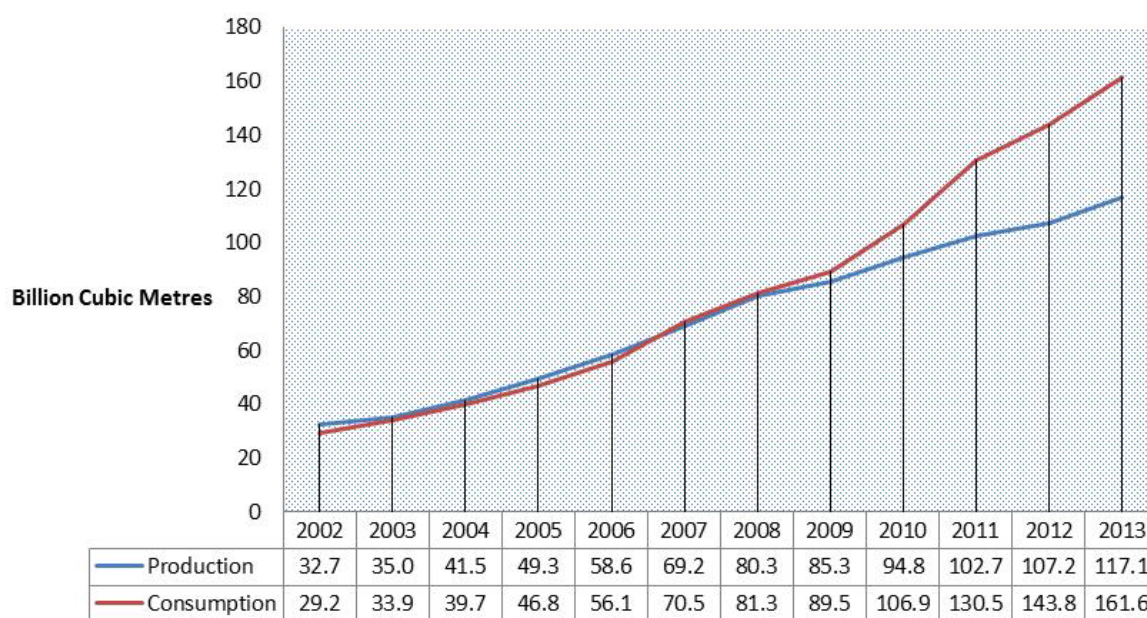
² The Gulf War, for example, had distracted the US enough from its poor relations with Beijing following the Tiananmen massacre in 1989. Again, following the jet collision incident in 2001 near Hainan Island in the South China Sea, the two countries repaired ties through joint anti-terrorism efforts.

policies in Central Asia. Scholar David Shambaugh implies in his book, *China Goes Global*, that China's greatest strength when it comes to foreign policy and commerce has been its willingness to go everywhere and do almost anything (see Shambaugh 2013). China does this best when topics like Asian history, nuclear weapons, and territorial disputes are left out of the equation. The result? In Eurasia, this diversification is captured by China's 'Marching Westwards' policy. Hence, in September 2013, Chinese President Xi Jinping visited several Central Asian countries, followed by a speech in which he evoked the caravans of the old Silk Road with fondness (Ministry of Foreign Affairs, People's Republic of China 2013). Whilst on the tour, Jinping opened a 700-mile gas pipeline with Kazakhstan (this will connect eventually with the massive Central Asia Gas Pipeline, CAGP).

Energy is central to China's Central Asia pivot

In 2013, natural gas supplied only five per cent of China's energy needs. It is worth noting, however, that the size of the Chinese gas market means that even with such a small fraction of energy demand being met by natural gas, China is already the third largest gas consumer in the world, and its natural gas consumption in 2013 was approximately 160 billion cubic metres (BCM). Figure 1 indicates the growing difference between Chinese domestic gas production and consumer demand - this has resulted in both increases in total imports and import dependency. Since China became an importer of Liquid Natural Gas (LNG) in 2006 and pipeline gas in 2010, both types of imports have grown steadily. In 2013, China's imports of pipeline gas and LNG were roughly even and equal to 27.4 BCM and 24.5 BCM, respectively, or 53 per cent and 47 per cent of aggregate imports (BP Statistical Review of World Energy 2014: 29).

Figure 1

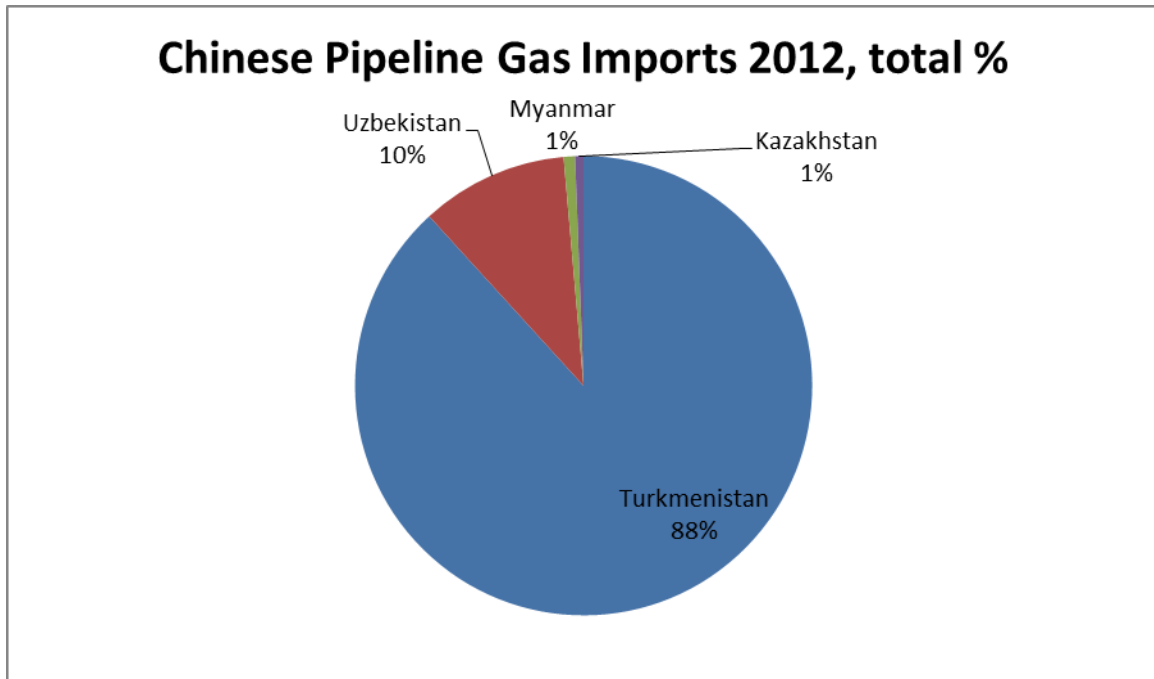


Source: BP Statistical Review of World Energy 2014

China has much to gain from investing in energy sources in Central Asia. Not only would it diversify China's energy requirements, but also increase Chinese influence in the region. In Central Asia, Beijing already buys a majority of Turkmen gas exports (via the CAGP) -

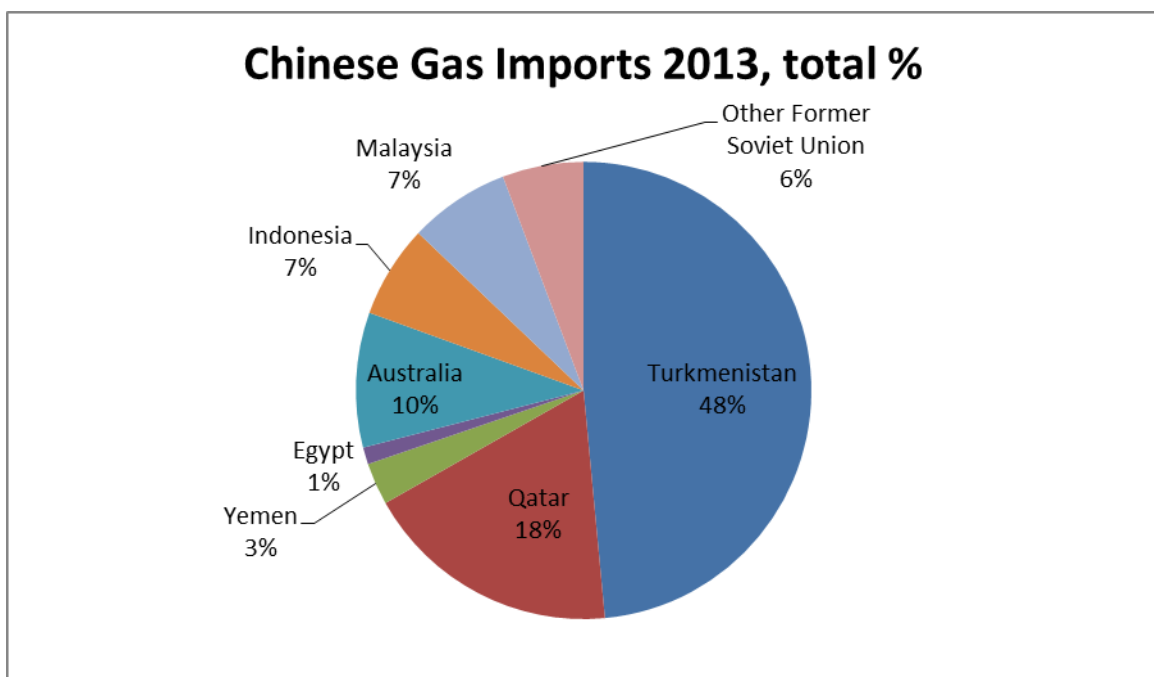
Figures 2 (pipeline gas) and 3 (total gas) indicate gas imports in 2012 and 2013, respectively.

Figure 2



Source: BP Statistical Review of World Energy 2013

Figure 3



Source: BP Statistical Review of World Energy 2014

Considerable investment is also being made in Turkmenistan to build a domestic east-west gas pipeline, which, should be concluded by 2016. Similarly, both Uzbekistan and Kazakhstan have benefited from subsequent expansions of the CAGP, which, supply gas to China. The International Energy Agency estimates that if the Chinese footprint in Central Asia continues at the current pace, Beijing will be importing half of the region's gas by 2020. China, apart from being the major economic partner for all the Central Asian countries, is taking over the most strategic energy branches as well.

Thanks to progressive expansions to the CAGP, China has emerged as a pragmatic partner for Tajikistan and Kyrgyzstan, too. The above-named countries have signed a deal on a gas pipeline - anticipated to be operational by 2016 - and calculate that it will attract additional investment of US\$3 billion. In addition, Beijing has invested more than US\$100 million in the Tajik mining sector (Fu 2014). Kyrgyzstan similarly benefits from cooperation with the Chinese. A planned US\$1.4 billion investment in the Kyrgyz strand of the CAGP was announced last year. Income from the pipeline is expected to range from US\$35 million starting in 2017 to up to US\$70 million (International Monetary Fund 2013). It is supplemented by ongoing electric grid projects, which, aim at upgrading the Kyrgyz domestic network.

Crucially, Afghanistan has a big part to play in China's energy calculations. In the past, several trans-Afghan oil and gas pipeline projects have been contemplated including the planned US\$8 billion TAPI pipeline project (Turkmenistan, Afghanistan, Pakistan, India), which would transport Turkmen natural gas across Afghanistan in what is described as a 'crucial transit corridor'. According to a 2002 Kremlin report,

Afghanistan is spoken of as a transit country for oil and gas. However, only very few people know that Soviet specialists discovered huge gas reserves there in the 1960s and built the first gas pipeline in the country to supply gas to Uzbekistan. At that time, the Soviet Union used to receive 2.5 bn cubic metres of Afghan gas annually (Chossudovsky 2010).

In a deal finalised in December 2011, China's China National Petroleum Company (CNPC) became the first foreign company since 2001 to tap into Afghanistan's oil and gas reserves. While Chinese officials estimated the deal to be worth US\$700 million, some say China could earn up to ten times that sum (Peter 2011; Dalrymple 2014). Speaking about the deal with China to extract oil from the north-eastern provinces of Sari Pul and Faryab, Abdul Rahim Hashami, the CEO of the New Afghan Petroleum Company says,

I don't think any Afghan companies have the business background or experience related to this.... The only thing that I can hope, is that Afghans are in some way a part of it, as partners or used in one way or another so Afghans can be a part of the project (Hashami, quoted in Peter 2011).

The most recent Sino-Afghan agreements strengthen China's foothold in Afghanistan, and this could benefit the economic development of Afghanistan. With few viable industries, reduction in foreign aid and the prospect of capital flight looming large, China may well be able to assist in restoring Afghanistan's economic independence and stability.

Security, too, is central to China's Central Asia pivot

The ongoing conflict in Afghanistan, religious extremism, and drug trafficking are viewed with concern by SCO members. Originally founded as the Shanghai Five in 1996 (that developed into the SCO by 2001), the SCO's mission centred on Eurasian security and

border defence. The alliance's role has expanded over the years, particularly in the realm of threats that stem in part from Afghanistan, such as terrorism and drug trafficking. Moreover, the recent election crises and the possibility of violence have rekindled fears of a civil war and the prospect of Taliban return to power. According to Zhang Xinfeng, the Director of the SCO's Regional Anti-Terror Structure or RATS, 'SCO members are facing complicated threats from [the south of] Afghanistan' and NATO withdrawal 'leaves behind uncertainty in the security situation of the country' (Peng 2014).

Despite these concerns, the SCO seems to have a lot of work to do as next year's US/NATO withdrawal from Afghanistan looms. And while the issue has been discussed at summit level meetings in the past, it remains entirely unclear what the SCO could actually do in Afghanistan.³ Inaction has been a flaw of the organisation since its inception, wrote one analyst in a piece for the Carnegie Moscow Center:

The SCO has so far demonstrated no tangible achievements. Its decisions on economic cooperation, anti-terrorist efforts, and situation in Afghanistan have remained on paper. Reading analytical materials on the SCO reveals countless plans and projects, but provides no information on how these projects have specifically been carried out (Malashenko 2013).

These shortcomings are highlighted when one notes that the SCO does not have a standing military force, unlike the Russian-led Collective Security Treaty Organization (CSTO), which has a rapid-reaction force. At present, the SCO does not have the equipment and infrastructure to actually respond to crisis in Afghanistan. Moreover, according to the Russian envoy to the SCO, Kirill Barsky, 'The SCO is not prepared to assume the responsibility of ensuring security in Afghanistan itself' (*RIA Novosti* 2014). The Russian official said the SCO sees its key task as effective cooperation between its member countries as well as the fight against terrorism and drug trafficking in Central Asia.

The Indian Perspective: Bid for SCO Membership

India has historically enjoyed cordial relations with Kabul, barring the period of Taliban rule (1996-2001): India sponsored Afghanistan's membership in the South Asian Association for Regional Cooperation in 2006, and it signed a strategic partnership with Afghanistan in 2011. Today, India seeks to showcase its inputs in Afghanistan's security and economic welfare as invaluable, particularly in the context of US/NATO withdrawal. India must impress upon the Chinese that India's membership in the SCO will bear fruit for the region (including Afghanistan) and help ease traditional India-China suspicions; India must argue that it brings much value to a possible cooperative framework/policy and identify resources that it can bring to bear. In December 2013, Indian Foreign Secretary, Sujatha Singh, stressed that the SCO could also play a useful role in promoting trade connectivity in the region and countering terrorism. The kind of intervention she envisaged for the SCO in Afghanistan is in common projects (Diksit 2013)⁴ - given that the SCO operates on a unanimous consensus basis - and financial commitments.

³ The SCO's anti-terror agency, RATS, was established a decade ago and since then it has passed several resolutions and cooperation mechanisms on maintaining regional security and combating terrorism. Some experts have noted that several joint military exercises among SCO member-states (based on diplomatic negotiation mechanisms) are held to enhance the anti-terror ability. Should India be successful in its SCO bid, and should the political and military situation on the ground in Afghanistan deteriorate following NATO withdrawal, China and India may have RATS at their disposal via which to provide support to the Afghan state and administration.

⁴ Common projects may include one or more of the following: training of security officials and professionals; contributing to the Afghanistan Security Forces Fund (ASFF) to provide the ANSF with equipment, supplies, services, and training; contributing to the Law and Order trust Fund (LOTFA) to help mobilise resources for the support of Afghanistan National Police (ANP) - cover police salaries, pursue police reform, etc.

India, however, also has an interest in joining the SCO, which goes beyond its immediate engagement with Afghanistan. First, as Indian scholar K. M. Seethi has pointed out, India's interest in expanding trans-regional ties with SCO has a historical-cultural context. Interactions between India and Central Asia manifested through the movement of peoples, goods, and ideas, including Buddhism (Seethi 2013). In recent decades, India has been seeking to add economic ties to these political and cultural links. In 2013, India's trade with Central Asia was a paltry US\$500 million (Kothari 2014).⁵ New Delhi is aware that it must overcome obstacles like limited land connectivity and the comparatively modest size of Central Asian markets. Subsequently, at the June 2012 Heart of Central Asia summit, then Indian Minister of State for External Affairs, E. Ahamed, called for intensified diplomatic efforts and a multi-level approach entailing political, security, economic, and cultural connections: the 'Connect Central Asia' (CCA) policy (Ministry of External Affairs, Government of India 2012).

Second, New Delhi aspires to achieve a foothold in regions where China is the predominant stakeholder and seeks to gain economically, politically, and strategically in some cases where there is a degree of convergence between itself, China and the SCO member states.⁶ In economic terms, the projected SCO Free Trade Area, to be in place by 2020 to economically integrate all members of the SCO (*Gov.cn* 2011), is also very appealing to New Delhi. Towards such end, the new Indian administration of Prime Minister Narendra Modi is making overtures to China. Modi spoke at length with Chinese Prime Minister Li Keqiang when Li telephoned to offer his congratulations following the former's election victory (Krishnan 2014a); both leaders agreed on the importance of strengthening bilateral ties. Modi also informed India's new ambassador to China that it is his 'historic mission' to improve Sino-Indian relations (Krishnan 2014b).

In the broader context of SCO accession and cooperation in Afghanistan, China, too, has evolved its strategy towards India. For instance, China attempted an early foreign policy reset with India following Modi's electoral victory; in June 2014, whilst on an official visit to India, Chinese Foreign Minister Wang Yi - in his capacity as President Xi Jinping's Special Envoy to India - referred to Modi as an 'old friend' of China, and stated that his election injected 'new vitality into an ancient civilization'. Corroborating Wang's comments, another Chinese Foreign Ministry spokesperson commented that the visit signified a new and positive age in Sino-India relations (Panda 2014a).

Given China's political leadership role within the SCO (and Central Asian states' dependency on revenues generated from energy sale), it would be in India's interest to avoid competition for energy. Recall that in 2009 India and China wrestled over US\$2.9 billion loan from the Asian Development Bank (ADB) to fund Indian infrastructure projects in the disputed state of Arunachal Pradesh. At the ADB, the US and Japan could, and did, play arbiter to disputes; in the SCO (and even BRICS bank) (Runde 2014) such mechanisms will be absent and China will likely exercise greater leverage due to its political standing and economic strength. More recently, India lost out to Chinese competition in Kazakhstan. Despite existing MoUs - to jointly pursue oil and gas exploration and production opportunities in third countries - signed between India and China's state-run CNPC (ONGC 2012), China has been able to thwart Indian energy interests. The challenge for India, then, will be to convince China that Central Asia is *not* a region for destructive competition. India can highlight: a) the example of the Turkmenistan-Afghanistan-Pakistan-India natural gas link (expected to be finalized in the near future) as an area of

⁵ In 2010, Kazakhstan was India's largest bilateral trading partner (US\$210 million) in Central Asia, followed by Uzbekistan (US\$73.43 million), Turkmenistan (US\$37.91 million), Tajikistan (US\$34.06 million), and Kyrgyzstan (US\$25.21 million).

⁶ Interview with former Indian diplomat, New Delhi, 2013.

cooperation between SCO members, and thereby China; and/or b) the benefits of a Free Trade Agreement (similar in scope, perhaps, to the China-Pakistan FTA).

PART B: COOPERATION?

Improved India-China Economic Relations is Good for Afghanistan

Chinese Aid and Investment

So far (2002-2013), China's aid commitment to on-budget Afghan reconstruction has been quite weak at around US\$252 million (Ministry of Finance, Islamic Republic of Afghanistan 2010: 96).⁷ Off-budget, between 2002 and 2013, China contributed towards the following:

China undertook [or will have undertaken] 7 complete plant projects (including the Jamhuriat Hospital and Parwan Irrigation Project); 15 batches of materials and equipment; 4 bunches of emergency humanitarian donations; trained over 600 Afghan officials and professionals; wrote off the debt of £9.6 million (Ministry of Finance, Islamic Republic of Afghanistan 2010: 54).

Chinese investment on the other hand, particularly in the mining and minerals sector, is seen as a potential foundation for Afghanistan to rebuild an independent economy (Ghiasy and Sekander 2014). China has a US\$700 million agreement to drill for oil in the Amu Darya Basin and a US\$3-3.5 billion deal to develop the Aynak copper mining project (Dalrymple 2014). In terms of trade, China has provided zero tariff treatment of about 60 per cent, 4762 categories of products originating in Afghanistan for exporting to China since 1 July 2010. But (Afghan) insiders say security concerns, not investment, are the primary driver of China's new focus.⁸

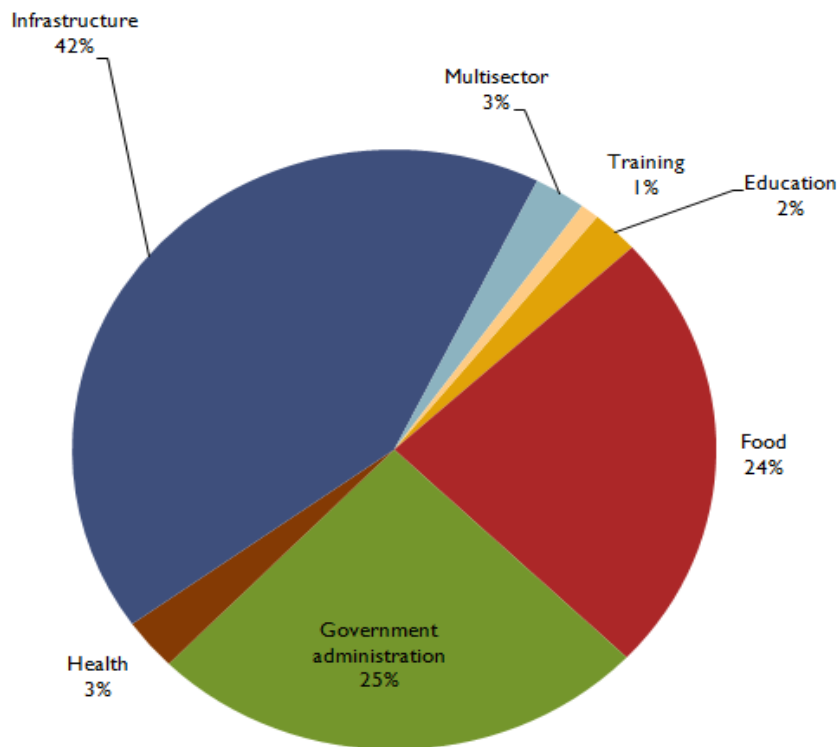
Indian Aid and Investment

The bulk of Indian assistance to Afghanistan has come in the form of aid, particularly in infrastructure. India has undertaken several construction projects such as the strategic Zaranj-Delaram highway, which connects Afghanistan with the Iranian port of Chabahar. India has also constructed a 200 km long transmission line from Pul-e-Khumri to Kabul and a substation at Chitkala. The former Indian Prime Minister, Manmohan Singh, paid a two-day visit to Afghanistan in 2011, where in an address to a joint session of the Afghan parliament he promised an additional US\$500 million in aid for developing infrastructure. At least US\$2 billion in aid has already been pledged by India, which makes it the fifth largest donor to Afghanistan (Ministry of External Affairs, Government of India 2013: iii). Figure 4 provides a sectoral breakdown of India's development cooperation with Afghanistan.

⁷ Between 2002 and 2011, China committed US\$139 million of which only US\$58 million was disbursed.

⁸ Interviews with serving and former Afghan diplomats, Canberra and Kabul, 2013/2014. This point was seemingly corroborated by Mushahid Hussain, head of the Defense Committee of the Pakistani Senate and chairman of the Pakistan China Institute, in a recent interview with *Radio Free Europe*.

Figure 4



Source: Mullen 2013.

In terms of investment, Indian companies have invested US\$1.8-2 billion in Afghanistan, which has awarded the mining rights to its largest iron ore deposit in Hajigak to a consortium of Indian state-run and private companies. The total planned Indian investment is worth US\$6.6 billion (Price 2013: 7).

The Geo-economy of Minerals

In the summer of 2010, US and Afghan officials trumpeted survey findings that they claimed showed the nation was sitting on US\$1 trillion of untapped copper, iron, and lithium deposits (Risen 2010). A nation where 97 per cent of the nation's GDP, excluding opium production, is dependent on foreign aid, the development of the mineral industry - whatever its actual worth - is vital to the state's survival. 'For Afghanistan, it is very important to have our mines excavated. Surviving on only international assistance Afghanistan cannot develop. It must have its own mines and resources tapped,' says Mangal Sherzad, a law and political science professor at Nangarhar University in Jalalabad (Peter 2011).

To access these deposits, Afghans are heavily dependent on foreign countries such as China and India for their technical and industrial expertise; Soviet geologists had surveyed many of the country's mineral resources back in the 1960s, but more than three decades of war and instability have hindered the development of an Afghan mining industry. With Chinese and Indian agreements/contracts already in place, the two regional powers should work towards healthy competition, and not destructive competition. For instance, concerned about China's role in Afghanistan plays a part in Indian thinking towards Afghanistan. Reports that China is pushing for a Turkmenistan-Afghanistan-China gas pipeline (almost certainly at the expense of the long-awaited TAPI pipeline) have raised concerns in Delhi, as did the success of a Chinese consortium in securing the rights to mine

copper in Aynak. Although these concerns have reduced somewhat following the successful Indian bid for rights to the Hajigak mines (mentioned previously).

The Silk Road, BRICS, and Sino-India Cooperation

India is battling hard to counter China's impending economic rise in Afghanistan, but Beijing is embarking on a new Silk Road project (comprising both overland and sea routes; Figure 5) to connect China by land and sea with the West through Central Asia, including Afghanistan, and will not be easily edged out.⁹ The Chinese perspective is that the Maritime Silk Road (as opposed to the overland route) is risk-prone, traversing through territories that are not necessarily China-friendly - India, Indonesia, and Japan, not to mention the presence of US naval forces. This may explain partly why China has invested heavily in port facilities in Bangladesh, Myanmar, Sri Lanka, and Pakistan. The geopolitical complexity of the Maritime Silk Road may also explain why Chinese strategists have high expectations for the Marching Westward strategy¹⁰ / Central Asia pivot, with its projected overland Silk Road as an alternative to the maritime one. Compared to the sea-lane, the Central Asian region crossed by the overland route is practically denuded of US influence and constitutes a much friendlier and safer environment for China.

The grandiose Marching Westward strategy implies, among other things, the need to build a positive image of China in Central Asia. The architect of the strategy, Wang Jisi, argued that Chinese policymakers should focus on developing China's economic and diplomatic ties in this region. He added that great power cooperation rules and mechanisms have yet to be established in the Central Asian region and this provides China with a golden opportunity to solidify its international presence there. Central Asia may very well be the biggest target of a Chinese effort at regional integration. As such, one of the most significant factors affecting India's role in a post-NATO Afghanistan (and prospective relations with other Central Asian states) will be how it manages its relations with China.

With regards to cooperating with India on Afghanistan through the SCO, the Chinese have invited India to participate in the ambitious overland Silk Road project that includes infrastructure connectivity, industrial investment, and trade cooperation besides cooperation in energy, financing, and people-to-people cooperation. China envisages that funding for such projects will be provided by the newly established BRICS bank (and the Asian Infrastructure Development Bank being set up by China for which it has invited India to be a member) (Wei 2014).

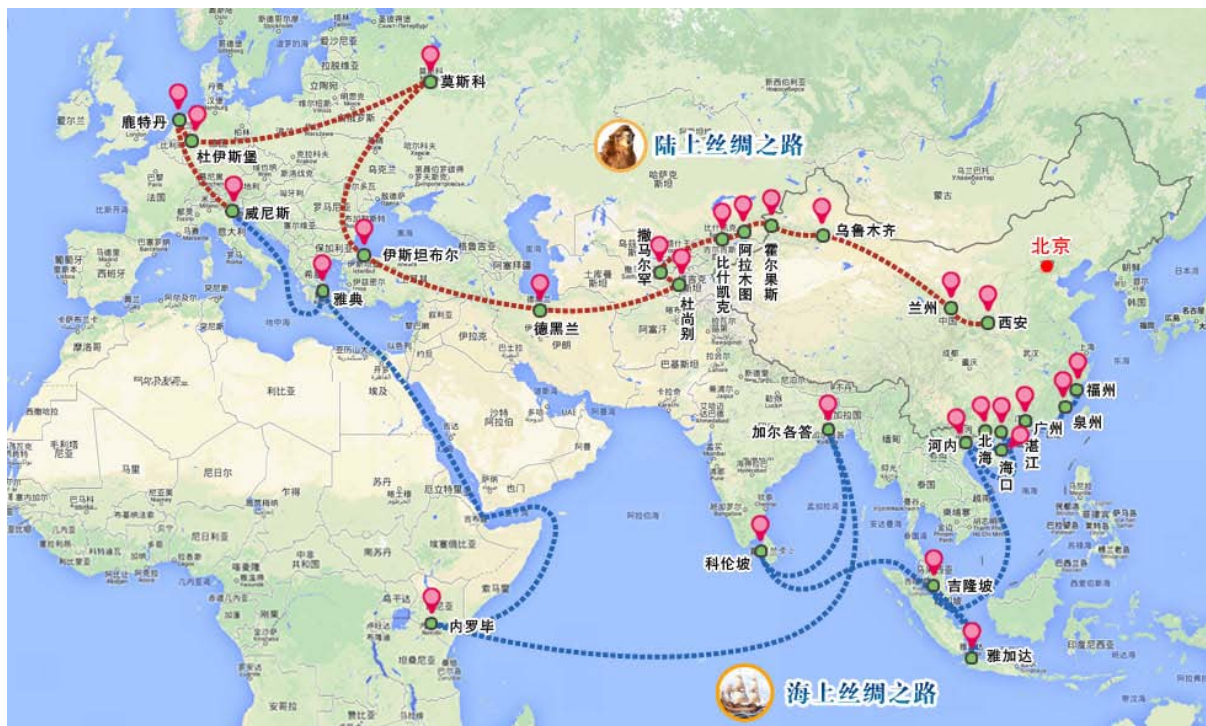
The Silk Road narrative, whereby Afghanistan will regain its historical role as a land bridge between South Asia, Central Asia, the Middle East and Eurasia has some traction in India (although there is also widespread scepticism of its feasibility). Institute of Defence Studies and Analysis analyst Gulshan Sachdeva comments that within India there is confidence that it can 'take a lead in facilitating trade and commercial opportunities for Afghanistan and the region' (Sachdeva 2012). First, at the 2012 Kabul 'Heart of Asia' conference, the then Indian Law and Justice Minister, Salman Khurshid, highlighted complementary opportunities for investment; sectors included: mining, infrastructure, telecommunications, agro-based and small-scale industries, health, pharmaceuticals, education, and information technology (Ministry of External Affairs, Government of India

⁹ China has been pushing for two Silk Roads to link it to the resources-rich Middle East. One is the traditional sea lane which runs through the Indian Ocean, South China Sea, and East China Sea, and which has been re-baptized by President Xi Jinping as the Maritime Silk Road. The other consists of building a new supply route overland through Central Asia and into the Middle East.

¹⁰ The "Marching West" strategy was articulated by Wang Jisi in 2012, then dean of the School of International Studies at Peking University and one of China's most important strategic thinkers.

2012). Then, at the 2012 Delhi Investment Summit on Afghanistan India offered to lead two confidence-building measures, intended to support Afghanistan and integrate it into the regional economy. Both would dovetail well into the Chinese Silk Road proposal. Additionally, India's own CCA policy envisions Afghanistan as a regional trade hub crossed by energy pipelines and air, rail, and road links that will transport the resources of Central Asia to the subcontinent. In other words, both India and China have a vision for Afghanistan and its neighbourhood as a thoroughfare for regional trade and prosperity.

Figure 5
China's New Silk Roads



Source: Tiezzi 2014

It is in this milieu and context that the BRICS bank could open up the possibility for new and virtuous cycles of trade and financial flows among emerging economies. The announcement of a BRICS (Brazil, Russia, India, China, South Africa) led development bank, to be headquartered in Shanghai, China, is a promising step forward in India-China relations.

India is strategically positioned to play a role in the bank's success. India's new Prime Minister is attempting to transform India into a manufacturing powerhouse (Modi 2014). If India succeeds in building its industrial capacity and upgrading its infrastructure, among other things, it could trigger the next commodity boom that will benefit Brazil, Russia, and South Africa. China, too, will have much to gain. The Renminbi is the fastest-growing currency in the world today and is the second-most commonly used currency in trade finance. Access to Renminbi financing through the BRICS bank could spur greater capital flows and streamline trade between China and the rest of the BRICS, including India. Flush with capital, China is already emerging as the banker to the developing world. In 2010, China's state-owned banks extended a US\$3 billion loan to Reliance ADAG, an Indian power and telecommunications company (*Reuters* 2010).

Investing in Afghanistan's Security

Given the SCO's shortcomings, China, Russia, and India will need to work together, and with the Afghan administration, to buttress the country's internal security. China, India, and Russia (also an SCO member), share common security interests in a post-2014 Afghanistan, raising the possibility of a trilateral framework of cooperation in the conflict-ridden country. The logic of trilateral cooperation is simple: India, China, and Russia have an important stake in Afghan stability after the withdrawal of US and NATO forces.¹¹ In early 2013, Moscow hosted a trilateral dialogue on Afghanistan with India and China (Bagchi 2013).¹² Then, just prior to a January 2014 trilateral meeting (held in Beijing), a Chinese Foreign Ministry spokesman signalled its seriousness about the security outcome and stated that,

As a close neighbour of Afghanistan, China is ready to work with countries in the region and the international community to support the peaceful reconstruction and reconciliation process in Afghanistan and jointly maintain peace, stability and development of Afghanistan and the whole region (*CNN-IBN* 2014).

Nevertheless, despite some initial progress, it remains to be seen whether the matter is taken up at the SCO forum.

India's position on Afghanistan is well-known. It has invested heavily in measures to support the central government, and its response to the prospect of collapse of central government authority (and return to civil war) is easy to gauge: India's is already taking steps to reinvigorate its relationship with Tajikistan; in September 2012, India agreed to the 'continuing expansion of defence cooperation' and to establish a 'friendship hospital' (Price 2013: 8).

In the late 1990s India started negotiations with Tajikistan to use the Farkhor Airbase (two miles from the Afghan border) to transport supplies and military advisers to the Northern Alliance. A hospital was also established to treat injured 'Northern Alliance' fighters. Recent moves suggest that in the event of civil war India would readopt its 1990s tactics of shoring up the Northern Alliance. Such a scenario would be predicated on India boosting its government-to-government relations with Central Asia, and in particular with Tajikistan.

For China, the more it grows involved in Afghanistan, the more it finds itself at odds with its 'all-weather'¹³ partner Pakistan. Despite mutual proclamation of friendship, all is not well. For example, in August 2011 and March 2012, two incidents in Kashgar and Yecheng County (just south of Kashgar, Xinjiang province) claimed the lives of several people (Zenn 2012). Following the first incident, the local Chinese government issued a statement in which it said that an 'initial probe' indicated that the leader of the plot had been trained in Pakistan. The impression of Chinese concern over its South Asian neighbour was emphasised again following the March 2012 incident, when Xinjiang Chairman Nur Bekri

¹¹ Although all three countries have a stake in Afghanistan's security, Russia and China tend to have diverging views on Afghanistan. One analyst has noted: 'China is traditionally worried about Islamic extremism emanating from Afghanistan.... At the same time it has opened channels with the Taliban and has a strong relationship with the Taliban's primary external backer, Pakistan. So China is keeping its options open. The Russians are more firmly ranged against the Taliban, more sceptical about the Pakistani role and will probably be more prone to backing anti-Taliban forces' (Joshi, quoted in Siddique, 2013).

¹² Despite the consensus basis of decision-making/policy formulation within the SCO, it hardly matters that this trilateral was held outside the SCO. Given the powerful status of both China and Russia within the SCO, trilaterals will help design any future cooperative framework/venture involving the SCO in Afghanistan.

¹³ In a speech to the Pakistani Parliament in May 2011, the then Pakistani Prime Minister, Yusef Raza Gilani, described China as Pakistan's 'all weather friend'.

highlighted the 'countless' links between terrorists in the province and 'neighboring country' Pakistan (Spegele 2013). Threatened by such Uighur activities, the Chinese have pressured their erstwhile friend to act: Mushahid Hussain, head of the Defense Committee of the Pakistani Senate and chairman of the Pakistan China Institute, in a recent interview implied that Chinese pressure played some kind of role in the ongoing military operation in Pakistan's North Waziristan, where several ETIM militants are allegedly based (*Radio Free Europe* 2014).

It is in this context that in September 2012 Zhou Yongkang, then a member of China's top decision-making body, the Politburo Standing Committee, visited Kabul, the first such visit by a Chinese minister - and announced a major turnaround in policy. China began security co-operation with Afghanistan, training 300 Afghan police officers. Then, in February 2014, Chinese Foreign Minister Wang Yi made travelled to Kabul to meet with his counterpart. During that encounter, both sides highlighted the importance of stability in Afghanistan not only for economic reasons, but also for security outcomes in Central Asia - including China's restive Xinjiang province. To that end, Beijing announced in July 2014 that it had appointed a special envoy to Afghanistan (Consulate-General of China in Melbourne 2014). The special envoy's role will be coordinate Chinese efforts that ensure Afghanistan does not become a safe-haven for South-Central Asian militants that may end up destabilizing China's western provinces.

Room for Cooperation?

The oft-aired view that China is an unlikely to cooperate with India in Afghanistan (see Feigenbaum 2011), is not entirely accurate. Beijing does give cause for optimism: Conversations with Afghan diplomats indicate that Chinese analysts realise that Pakistan's military and Inter-Services Intelligence (ISI) have a major stake in destabilising Kabul.¹⁴ Yet, as one independent analyst points out, Beijing does not seem to be interested in reining Islamabad in on this matter and instead prefers to deal with Afghan security as a separate issue altogether (Panda 2014b). Sun Zhuangzhi, Secretary-General of the SCO research centre of the Chinese Academy of Social Sciences has pointed out that the organisation hopes to take part in Afghanistan's reconstruction and has been sticking to a long-held stance of 'letting the Afghan people decide for themselves' (Xiang 2013). This strategy, combined with Beijing's willingness to allow Washington to do the heavy lifting in matters of internal security, has benefited China.

The issue of Uighur militancy in the Pakistan-Afghanistan borderlands, however, will necessitate cooperation from the Pakistani government - especially since recent troubles in Xinjiang pose a significant threat to connectivity between China and Pakistan via the ambitious China-Pakistan economic corridor - and China and Pakistan have begun to broach the subject of counter-terrorism cooperation (Rippa 2014). Both Pakistani Prime Minister Nawaz Sharif and Pakistani army Chief General Raheel Sharif have spoken of the East Turkestan Islamic Movement (ETIM) as a *common threat* and as an issue on which there is a *convergence of interest* between Pakistan and China. In response to security threats against Chinese personnel in Pakistan, Pakistan raised a special force, the Karakorum Security Force, which has 1,500 people to protect Chinese projects and personnel in Gilgit-Baltistan. China, too, has sought to encourage trilateral engagement with Afghanistan and Pakistan: in August 2014, in a city called Tianjin, close to Beijing, the Chinese hosted the Heart of Asia Conference, focusing on Afghanistan (and involving Pakistani delegates); concurrently, a trilateral dialogue between China, Afghanistan, and Pakistan is moving forward on the diplomatic front (*Radio Free Europe* 2014).

¹⁴ Interviews and discussions with serving and former Afghan diplomats, Canberra and Kabul, 2013/2014.

While it is unrealistic to talk of Afghan security sans Pakistan's role in fomenting continued insecurity, India should avoid making the SCO a theatre for India-Pakistan rivalry. Should India begin to frame the discussion about Afghanistan in counterterrorism terms (and this would inevitably involve Pakistan's role), it could jeopardise both prospects for tri-lateral cooperation and worse, political progress made with China. The new Indian administration will need to tread carefully. On the other hand, it has been argued that should India fail to highlight the Pakistani role in fuelling the Afghan conflicts, it may undermine India's position in the eyes of Afghan policymakers. Such criticism is misplaced. First, mindful of Chinese sentiments, leaders of India and Afghanistan can attempt to engage in a dialogue with their Chinese counterparts on the growing threat of violent extremism emanating from within Pakistan, which is affecting the region, including China. This in itself is not going to be enough to convince the Chinese but it provides an alternative narrative to the one being disseminated from Islamabad. Persistence and patience is the key here. Second, the SCO is not the only forum in which India can (and should) seek regional cooperation to combat the twin threats of extremism and terrorism: Afghanistan is a member of the South Asian Association for Regional Cooperation (SAARC) - China enjoys observer status and Russia has applied for the same - and both Afghanistan and India should seek to advance a regional framework for solution that can complement SCO initiatives. Recently, at the SCO summit held in Dushanbe, Tajikistan, Afghan President Hamid Karzai raised the possibility of SCO-SAARC cooperation to combat extremism and terrorism (Office of the President, Afghanistan 2014).

At the summit, and in a clear reference to Pakistan - even if he did not identify Pakistan by name - Afghan President Karzai mentioned that terror safe havens plaguing his country were located *outside* of Afghanistan. Karzai then called for a joint campaign against the growing threats of extremism and terrorism in the region. At present, China has nothing to gain by pressing Islamabad to revise its use of terrorism as an instrument of its foreign policy. Despite the evidence of linkages between some violent extremist groups in Xinjiang (i.e. ETIM) and those in Pakistan (Uighur groups in North Waziristan),¹⁵ Beijing will likely seek to work *with* Islamabad - albeit by applying political/diplomatic pressure - rather than strategically reorient itself away from Pakistan (Rippa 2014; *Radio Free Europe* 2014; Dasgupta 2012).

Despite the Chinese stake and interest in Afghanistan, it remains to be seen whether China and India agree to hold head-of-government level discussions. Cooperation on Afghanistan could serve to bring India and China closer together in terms of their mutual contributions to security in Asia. India, China, and Russia will be important sources of investment for Afghanistan in the coming years.¹⁶ What is less certain is if these three powers can successfully manage an ostensible power vacuum left by US and NATO forces. So far, all three have been content to let the US handle the security situation in Afghanistan. There is a recognition that India's development work and soft power projection in Afghanistan have benefited from the presence of Western troops. Its subsequent policy will depend on events on the ground in Afghanistan. Although Prime Minister Modi recently cautioned the US against a hasty withdrawal from Afghanistan, citing past mistakes committed in Iraq ([Council on Foreign Relations 2014](#)), C. Raja Mohan notes that 'the initial widespread

¹⁵ One of China's chief worries is that Uighur militants who want a separate state in western China's Xinjiang region will exploit the security vacuum left after the bulk of US/NATO forces withdraw by the end of 2014. Hundreds of Uighur fighters are believed to be holed up in rugged, lawless tribal areas straddling Afghanistan and Pakistan.

¹⁶ However, foreign investments in Afghanistan might not fructify if the security situation deteriorates. This is evidenced by the capital flight occurring already (in anticipation of the eventual ISAF/NATO withdrawal). Signing the Bilateral Security Agreement with the US is critical, in this light.

concern in Delhi has now been replaced by a stoic resignation and determination to pursue its enduring interests in Afghanistan on its own steam' (Mohan 2012). Russia, India, and China all support the Bilateral Security Agreement (BSA).

Conclusion

The groundwork for cooperation between India and China seems to exist, but not particularly at a bilateral level between the two countries; Afghanistan did not feature in Manmohan Singh's October 2013 trip to Beijing when he spoke with Chinese Premier Li Keqiang. New developments are slightly more promising as India's new (BJP-led) government appears to be interested in multilateral and bilateral cooperation. In April 2014, Indian Foreign Secretary Sujata Singh travelled to Beijing to speak with Chinese Vice Foreign Minister Zhu Zhenmin. The meeting presented another opportunity for the two countries to exchange views on their mutual concerns in Afghanistan. While uncertainties abound in how exactly India and China will approach Afghanistan, what remains certain is that Afghanistan will continue to be a nexus of geopolitical interest for its neighbours.

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8/17, Sri Ram Road, Delhi-110054, INDIA.
Tel: +91-11-23938202, Fax: +91-11-23830728,
E-mail: info@icsin.org, www.icsin.org