



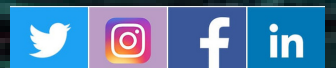
CENJOWS

ISSUE BRIEF
IB/03/24

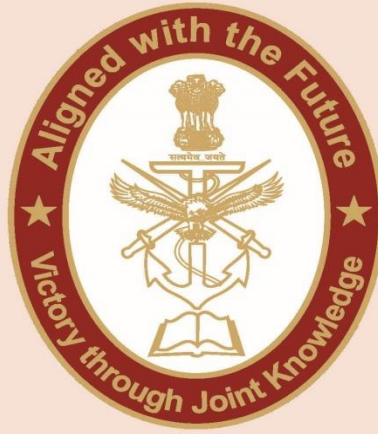
DECLINING RELEVANCE OF CHINA-PAKISTAN COLLUSIVITY

LT GEN SHANTANU DAYAL
PVSM, UYSM, AVSM, SM, VSM (RETD)

www.cenjows.in



CENTRE FOR JOINT WARFARE STUDIES



CENJOWS

**DECLINING RELEVANCE OF
CHINA-PAKISTAN
COLLUSIVITY**



Lt Gen Shantanu Dayal, PVSM, UYSM, AVSM, SM, VSM (Retd) commanded a Corps on the Line of Actual Control against China in Arunachal Pradesh during the Galwan crisis and a Division on the Line of Control against Pakistan in Jammu and Kashmir.

Abstract

Pakistan - China relations are showing signs of aging and decline. The relevancy of traditional factors driving the relationship is fast eroding on the altar of modern day economic pragmatism and geostrategic realities.

Pakistan China collaboration has traditionally been serving the interests of both countries well. It attempted to fix India in South Asia with a two-front obligation, thereby constraining its reach in the larger geostrategic space. For Pakistan, the collaboration was essential to bridge the economic and military asymmetry with India. Pakistan was essential for China to overcome its growing isolation in the emerging geopolitical milieu.

Despite the Pakistan – China imposed security challenges; India's growth economically as well as geo-politically has surpassed both China and Pakistan. An assessment of the emerging geo-political and geo-economic realities indicate growing irrelevancy of the partnership to both the countries concerned.

In the emerging environment, China has more compelling issues to content with, including economic slowdown and the festering contest with US Inc and Taiwan. Similarly, Pakistan is facing enhanced threats internally and on its western front. In the AfPak region, there has been dramatic reversal of Pakistan's fortunes after formation of Taliban Govt in Afghanistan. Balooch and Pushtun nationalism manifesting as

separatists' insurgencies appear to have radically enhanced the internal security challenge for Pakistan. Internationally, Pakistan is now repeatedly 'called out' on its state sponsorship of terror. An ambitious China, aspiring for a world leadership role, may not prefer to remain tagged with a terror labelled country. In the emerging geo-economic and geo-political environment, the two countries have little to contribute to the concerns of the other. Economically, both countries are facing acute financial problems, with no easy solutions. While Pakistan is nearing bankruptcy and loan default, China is suffering the impact of economic overreach. The economic projections for China in the next few years indicate significant moderation of its growth trajectory. The lethargic progress of CPEC and issues emerging in the political, economic and security spheres have seriously eroded the potential and the appreciated gains of China Pakistan collaborative ventures. With China's large state owned companies facing default, China itself is struggling with debt servicing and liquidity issues. Resultantly, it may be increasingly difficult for Pakistan to continue depending on China for overcoming its economic woes. The relatively small quantum of China - Pakistan trade has also induced a measure of imbalance and incompetence in their relations. Increased economic vulnerabilities and lethargic growth challenges are therefore likely to continue to beleaguer Pakistan China relations.

On the other hand, despite the Doklam, Galwan and the recent Yangtse incidents, India and China continue to maintain diplomatic relations and are cooperating on plethora of economic and security issues of mutual interest. In the post Covid era and despite the constraints imposed by Ukraine conflict, both India and China have a vibrant trade and are leading the world economic growth. It is therefore evident that both countries probably feel the need for making progress in areas of consent and amity, rather than remain anchored in the historical legacy of the boundary issue. While the boundary issue will persist for considerable time, the flourishing India China trade has high propensity of subsuming the security issues persisting between the two countries, concurrent with reduced activism in the China Pakistan relations. In the context of the Taiwan issue and its concerns on the Eastern Sea board, China will find it increasingly difficult to retain positive asymmetry in relation with India.

In summation, while India China economic transactions are on the rise with high prospects of further cooperation, the longevity and potential of China Pakistan collaboration are showing signs of aging and decline. The emerging complexion of geo-economics and the security environment has portents of further moderating Pakistan-China relations to the extent of its irrelevancy in the Indian context.

Keywords

China Pakistan relations, China US Inc and Taiwan, Pakistan Taliban Durand Line, Balooch and Pustoon separatist movements, China Pakistan trade, Doklam, Galwan, Yangtse, Geostrategic environment

Introduction

“The emerging geostrategic and geopolitical realities portents a limiting paradigm in the China Pakistan relations.”

-Lt Gen Shantanu Dayal (Retd)

Contrary to the popular narrative of robust Pakistan China relations, the emerging geopolitical milieu is witnessing decline and demise of these relations. On the other hand, potential of India China relations, especially in the economic domain, is growing significantly. The issue merits analysis in context of the manner in which these three countries have developed and transformed in the past few decades. China grew handsomely but Pakistan laggard. Despite India's growth, the politico – economic challenge of contesting two adversaries and managing two hostile fronts imposed needless burden on developing India. The collaborative threat by Pakistan and China, significantly enhanced India's security obligation and has been the bane for the entire region. In the present times however, the changing geo-economic and geo-political environment appears to be fashioning numerous new equations, including the not so obvious limiting paradigm in the Pakistan China relations.

Pakistan is getting increasingly isolated in the global arena for a variety of reasons including religious extremism and state sponsorship of terrorism. On the other hand, world is also not very comfortable with China's rise. China is facing opposition to its economic activism and geostrategic overreach. Their traditional collaboration had served both countries' interests and presented India with a two-front dilemma. It served Chinese interests by fixing India in South Asia and thereby constraining its potential to contest or compete with China at geostrategic levels. For Pakistan, the collaboration was essential to bridge the economic and military asymmetry with India. In its present state of near economic collapse, China is perhaps the only real benefactor remaining in support of Pakistan.

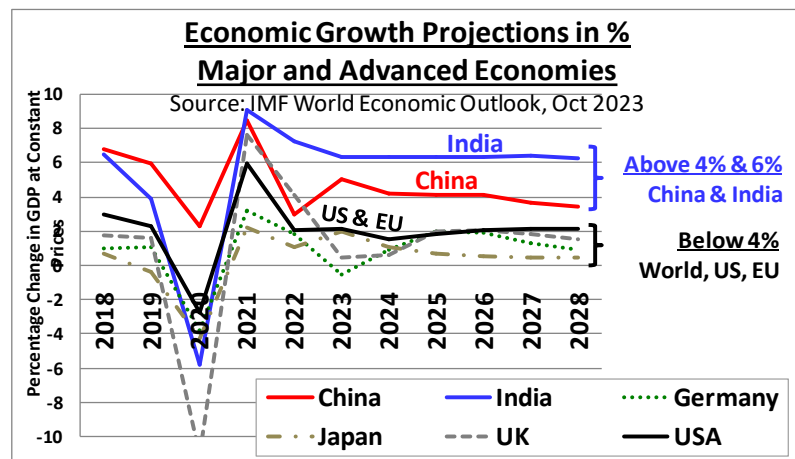
The real security benefits or the economic advantages of the partnership to the two countries are insignificant when assessed in the larger global context. Historically, Pakistan could not secure any real military support from China to save them the humiliation of repeated military defeats. On the other hand, Pakistan has little to contribute to China for its Eastern Sea Board and Taiwan exigencies. Economically, the relatively small content of China - Pakistan trade has induced a measure of imbalance and incompetence in their relations. While Pakistan is dependent for 28.32 % of its import needs on China (including CPEC), the same constitutes an insignificant 0.68% of Chinese exports in 2021. Similarly, while 7.25% of Pakistan exports were destined for China in 2020, it constituted only 0.11% of Chinese import needs!¹. The situation has worsened for Pakistan in the preceding two years of economic deprivation. The relationship therefore remains fundamentally asymmetrical with Pakistan wanting more out of it than China can offer.

The dissimilarity in their cultural heritage, historical moorings, religious outlook, governance system, security needs and economies, all contribute to an inherently

divorced character of the two countries. In the geostrategic arena, China has its own set of compulsions and national focus. As an emerging power, China has stakes in large number of world issues. But more importantly, China has numerous and more compelling security issues of its own to content with, including the contest with US Inc in the east and south China seas as well as Taiwan. Supporting Pakistan on South Asia centric issues may therefore always remain a lower priority for China.

China perceives India as a competitor both in the economic as well as in the security domain. India's perceived alignment with the West and the US in particular has been a matter of concern in China. However, an unstable border with India puts China in a two front situation itself, and compromises its military capabilities in the east, especially with reference to Taiwan.

There is also large scope for economic cooperation and congruence with India on issues like trade, climate change, etc. Both India and China today are the principle drivers of World economic growth. In the IMF Economic Outlook projections of October 2023, while India's and China's growth are likely



to be consistently above 4% to 6%, other large economies may not exceed 2% to 3%². Both countries have high stakes in the global manufacturing, supply chains and markets. In such a situation, while a cooperative as well as a competitive approach may be beneficial to the two leading economies, a confrontation-ist environment may be detrimental to both. **Contextually, a stable and peaceful security environment along the borders with India combined with the possibility of shared economic growth enhances the benefits and potential of China - India amity in comparison to the historical China - Pakistan collusion.**

The Security Dimension

Our defence measure has so far been based on the calculations of a superiority over Pakistan. In our calculations we shall have to reckon with Communist China in the north and north east, a Communist China which has definite ambitions and aims and which does not, in any way, seem friendly disposed towards us.

Sardar Vallabhbhai Patel, in his letter to Prime Minister Jawaharlal Nehru on 07 Nov 1950³

The Pakistan Factor

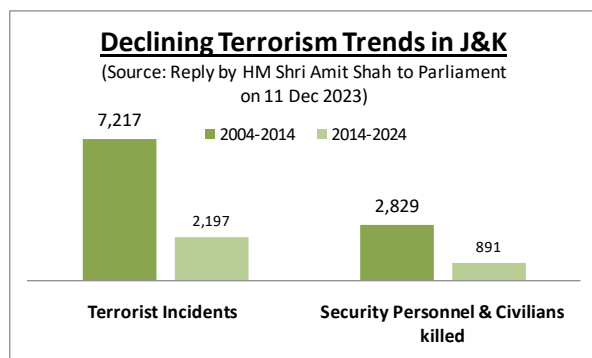
Sponsoring radical Islam into international relations and advocating religion-based diplomacy has compromised Pakistan's position in the geostrategic arena. Its role in

supporting Taliban against US led coalition forces, sheltering Osama Bin Laden in Abbottabad, and its linkages with many terrorist incidents in Western countries as well as in India have significantly eroded Pakistan's credibility as a Nation State. On the other hand, China is striving to emerge as a modern developed state, but is concurrently pursuing a monolithic society centered around Han Chinese. China is very deliberately pursuing an ethnic 'harmonization' programme aimed specifically at the inhabitants of Xinjiang and Tibet. It is quite evident that while Pakistan is pursuing a policy of a 'one religion' nation, China is pursuing a similar policy of a 'one ethnicity' nation. While both these policies have little space in the modern world, China's outlook on these issues does not recognise Pakistan's religion into its vision of the future. **Herein lies the core divergence in the two countries' vision of their respective ethnic, religious and societal construct. Combined with the pronounced jihadi sentiments in Pakistan, the stability and longevity of Pakistan China cooperation is questionable.**

On Pakistan's illegal claim over Jammu and Kashmir, even though there has been no traction on their repeated assertions, Pakistan has persisted in raising the issue in various world forums. China's approach to such issues has however not been very forceful and generally confined to projecting the issue but not pursuing it strongly. Consequently, while China may continue entertaining Pakistan, there are limits to such support. On the issue of terrorism also, China has not contested the labeling of numerous Pakistan citizens as terrorists by UNSC in a very forceful manner. On the issue of '*islamophobia*' propagated by Pakistan, China has remained distant and detached. Pakistan has cleverly not raised the issue of human rights of Uighur Muslims in China, while repeatedly raising so called 'issues' of Kashmiri and Palestinian Muslims. **The sustainability of China's robust support is suspect on Pakistan's territorial claims over Jammu and Kashmir (excluding Ladakh), the terrorism issue, and the purported violation of human rights of Muslims in certain parts of the World.**

Regardless of the international criticism and the internal security problems debilitating their western region, Pakistan has persisted with the politico-military transgressions into J&K. However, the futility of the Proxy War and terror in J&K is slowly dawning on Pakistan. Internal political discourses and deliberations are increasingly highlighting lack of success in the present direction and methods of pursuing their J&K agenda. Post abrogation of Article 370 and 35A of the Indian Constitution, there is growing realization in Pakistan that the proxy war and terror format of pursuing their J&K policy has failed.

The trends of terror activities in J&K are already showing a significant decline. **Reducing potency of terrorism and Proxy War leverage against India also**



attenuates the scope and strength of Pakistan's usefulness to China in counterbalancing India in the geopolitical domain.

Owing to acute conventional military asymmetry with India, Pakistan has invested heavily in sub-conventional capabilities. The capability to initiate and calibrate 'terror' in various parts of India and wage a proxy war in J&K, though irrational and unacceptable in the modern world, has certain leverage potency and is perhaps the only leverage available to Pakistan against India. Pakistan is accordingly loath to 'self-impose' restrictions on its terror leverage, even to the extent of getting internationally isolated on the issue. In the Afghanistan region too, there has been a dramatic reversal of Pakistani influence after the formation of the Taliban Govt in Kabul in 2020. An ambitious China aspiring a world leadership role may not prefer to remain associated with a 'terrorism tagged' country for long. China-Pakistan interactions may therefore be forced into a 'limiting' path, similar to the path traversed by China-North Korea relations. **Limiting geopolitical paradigm, accordingly, is a truism for Pakistan - China collaboration, despite overt show of collusion in the security domain. Consequently, unless visible measures are initiated by Pakistan against terror, China may be constrained to moderate and further limit this relation.**

While the 'idea' of Pakistan grew on a diet of religion and anti-India sentiments, it lacked a nationalist binding force, considered essential for the emergence of a Nation-State. Lack of requisite socio-democratic institutions, overt patronization by *Punjab* and disparity in economic growth has accentuated ethnic fault-lines with the *Pashtoons*, *Baloochs* and *Sindhis* being the principle protagonists. There is a separatist movement already underway in Baluchistan. The *Sindhis* consider themselves left out in the development matrix in comparison to *Punjabis* of Pakistan. The Waziristan and Federally Administered Tribal Areas are restive and getting increasingly aligned to the Taliban movement in Afghanistan. With large collateral damage and casualties to innocent civilians in the anti-terrorist operations by the Pakistan Army, antagonistic sentiment amongst *Pashtoons* and *Baloochs* is on the rise. **In the coming years Pakistan will have to contend with increasing internal unrest and dissent, both in the political as well as in societal domains, which will in turn further reduce Pakistan's capability to exert externally in collaboration with China.**

The China Factor

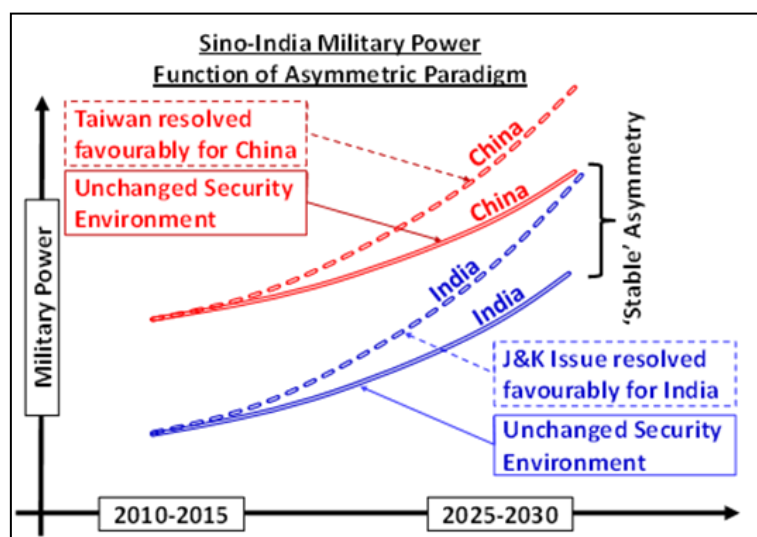
Traditionally, China has used Pakistan to degrade India's capability as an equal to China. Politically, Pakistan has hedged China's security and confronted India with a two front threat. However, with the economic decline of Pakistan and significant loss of its potency and credibility in the security domain, Pakistan's capability to contest India has eroded significantly. Pakistan is in no position to pose any credible threat to India. Its internal security challenges have seriously compromised its external military capabilities. With Afghanistan's Taliban Govt confronting Pakistan on several security issues, including the Durand line, Pakistan itself is now faced with a two front dilemma. With no easy answer to the emerging economic crisis in Pakistan, the country will be forced to reassess its security and economic priorities. **Maintaining a confrontist approach with India may no longer remain an appealing option in Pakistan,**

which in turn has the potential to limit the leverage China has in orchestrating Pakistan's policies. China's strategy of using Pakistan to hedge its security against India may consequently also wither with time.

The boundary issue between India and China has been under debate and deliberations since the early 1950s and is a historical legacy of the British era. After the Shimla conference in 1914, while the boundary between British India and Tibet was agreeable to the two sides, the Chinese occupation of Tibet in 1949 changed the situation. The conflict in 1962 was inter alia a manifestation of the differing perception of the boundary between the two countries. Post 1962, while there has been little progress in resolving the boundary issue, there are signs of progress in maintaining peace and stability along the present Line of Actual Control. Despite the Doklam and the Galwan incidents, India and China continue to maintain diplomatic relations and are cooperating on plethora of economic and security issues of mutual interest. It is evident that both the countries appear convinced to the need for making progress in areas of consent and amity, rather than remain anchored in the historical legacy of the boundary issue. India and China sharing common platforms on range of international issues like trade, marketing, environment change, etc., are indications of the way forward recognised by both countries. **While the boundary issue will persist in the future, the flourishing India China trade has high propensity of subsuming the security issues persisting between the two countries concurrent with reduced activism in the China Pakistan relations provided China moves ahead with normalisation of relations on the LAC.**

Owing to their size, security obligations and related issues, there is a measure of asymmetry in military capabilities of China and India. However, the asymmetry is not that pronounced when China's security obligation on their eastern seaboard is factored in the security matrix. India could therefore effectively thwart Chinese designs in Doklam and the Galwan areas.

Combined with above, China's compulsions on the Taiwan issue and contesting US rebalancing efforts in the region, further dissipates the military power of China. On the other hand, India's engagement on two fronts also accentuates the asymmetry. It is therefore evident that both China and India have significant security challenges on two fronts. India



however is fast progressing towards resolving the Jammu and Kashmir issue in its favour whereas the security situation for China on its Eastern Sea Board and Taiwan appears to be accentuating. It is therefore fair to assume that the asymmetry paradigm between India and China may witness significant decline in favour of India. **In a situation where both India and China are near evenly poised along the borders**

and Pakistan's military prowess compromised seriously, China may not be able to retain the apparent advantageous asymmetry against India for long.

In the current geostrategic environment, the geo political aspirations of China are largely a function of its geo-economics. The Sea Lanes of Communication through the India Ocean and the Strait of Malacca, are critical for China to ensure its fuel and energy sufficiency. Security of these areas are important for China to sustain its GDP growth. Regional political aspirations and security concerns of Hong Kong, Taiwan, Koreas, Japan, Philippines and Vietnam also have a direct bearing on the geopolitical aspirations of China. Managing the political aspirations of Hong Kong has become particularly important for China. Controlling protests in Hong Kong politically is a clear indication of priority to stability for economic growth, even at the cost of political ideology. Taiwan is emerging as the main concern for China on its Eastern Sea Board. **Despite perceived provocations by US in recent times, China has not precipitated any situation, which may constrain its economic growth and trade. Economic development and GDP growth needs have therefore acquired primacy of place in China's geo-political overtures.**

The Economic Dimension

"What have we done since our independence in the last 75 years when we are economically enslaved by the IMF"

Pakistan Prime Minister Shehbaz Sharif asked while speaking to journalists during a visit to the flood-hit areas in Peshawar, in August 2022

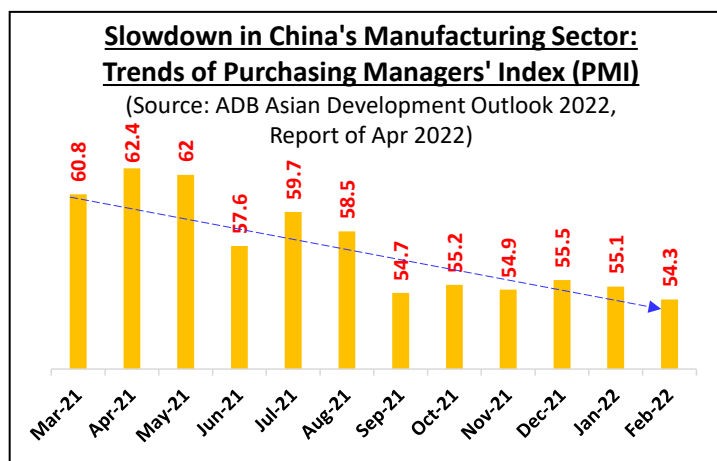
China's Economy

From its humble beginnings in the 1950s, China today has the world's second largest economy. It is widely believed that China contributes more than 18% to the World GDP, which is likely to increase further. Numerous economic forecasts indicate that China will become the world's largest economy in nominal GDP terms before 2030. To sustain the growth momentum, China has modified and transformed its traditional communist concepts and pursues a more market-oriented economy, sustained through a large manufacturing base and state owned enterprises. Their economic capabilities have enabled China to indulge in mega projects in Africa, CARs, South East Asia and in South Asia, especially Pakistan, which in turn has enlarged Chinese geostrategic reach significantly. China has utilized its growing economic power to enhance its geostrategic stature. The enlarged scope of economics, combined with the vast number of developmental projects undertaken by the Chinese Govt has imposed acute pressure on China's economy. In the emerging milieu of economic slowdown, China does not have the option of costly wars or economic skirmishes. **China accordingly needs to persevere with the mega projects already initiated in various parts of the world as well as sustain high economic growth to ensure a stable domestic situation as also continue exerting for the leadership role at the global level.**

As the world is progressing economically and developing in an interlinked manner through international trade and transactions, the large infrastructure gap in terms of shipping, ports, roads, economic zones and industrial support bases have been identified as the main constraining factors. Belt and Road Initiative (BRI) is a major project undertaken by China to catalyze these developments by funding infrastructure projects in many countries. The BRI projects were envisaged as an 'economic leap' aimed at garnering substantial gains from the infrastructure development of Asia. The project was also envisaged as the engine on which China will emerge as the Global leader. The lethargic progress of the projects and issues emerging in the political, economic and societal spheres, have seriously eroded the potential and the gains likely for China. In competition to above Chinese exertion, the advanced economies under G7 (with India as an invitee), have announced USD 600 billion investment in Global infrastructure projects in its recent summit meeting in June 2022 at Elmau Castle, Germany. The competitive investment by the advanced economies has the potential to erode Chinese planned gains from the BRI projects. **China's mega BRI projects, including CPEC in Pakistan, may accordingly attain limited results and may not be a significant factor in furthering China Pakistan joint objectives.**

The economic slowdown visible in China, especially after the Covid pandemic, is perhaps a manifestation of its 'growth overdrive'. The manufacturing sector of China, the essential engine of China's growth, is on a 'slowdown curve'. The prices of crude and raw materials are increasing and inducing further strain in China's economy. China's external debt has grown significantly. The returns from its mega projects have not been as planned and

numerous countries, where these projects have been undertaken, are facing acute financial crisis, further accentuating the economic situation for China. The BRI projects initiated with fanfare are facing major political and financial challenges, which may not be easily resolved. Consequently, initiation of new projects and implementation of others could be

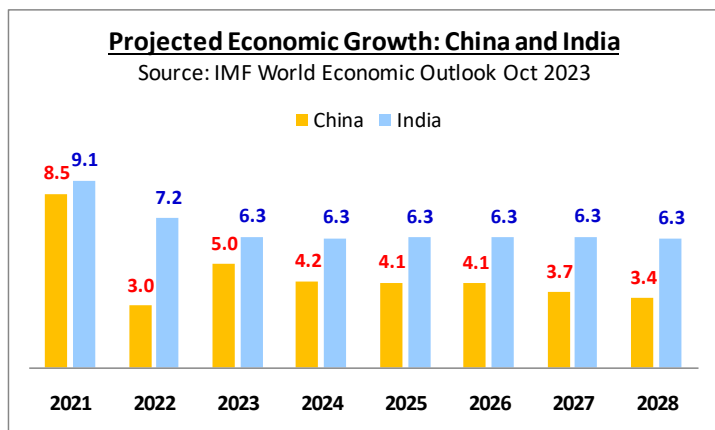


frustrated which in turn may lead to domestic and regional instability with high propensity for strategic imbalance. Most Chinese projects do not have any credible partners to support their state run companies. The limited sympathy and near negligible support which was offered to China during Covid pandemic in 2020-22 is illustrative of China's growing isolation. **China's growing economic vulnerabilities and growth challenges are therefore likely to continue. This will further inhibit China's economic support to other countries, including Pakistan.**

Quantum and nature of investments is an important indicator of politico-economic trust between two countries. Higher investments is indicative of higher politico-economic

amity between the countries concerned. While China did make large investments in Pakistan, especially in the CPEC initiative, the investment climate in Pakistan is fast deteriorating and have been adversely affected by inadequate returns and worsening internal security situation. A joint bilateral task force established to address the numerous threats to the approximately 13,000 Chinese nationals working in Pakistan did not achieve much and attacks against Chinese workers have continued. These attacks have begun to affect some of Beijing’s decisions with regard to investment and bilateral economic cooperation with Pakistan. **Worsening of the investment climate due to poor returns, lack of economic viability of some CPEC projects and terrorism is impacting Pakistan’s GDP growth adversely which in turn has also affected the ‘collaboration’ environment in Pakistan for China adversely.**

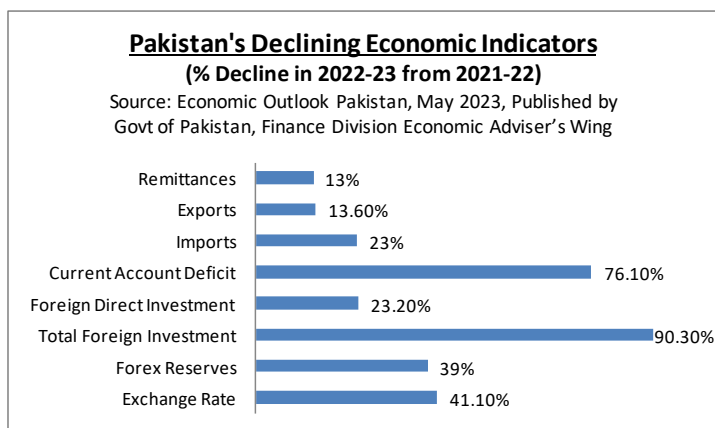
It is also understood that attainment of global ambitions by China is premised on certain economic fundamentals. China needs to emerge as a dominant economic power to attain a measure of parity over the US-West combine, both economically and politically. It needs to graduate to a stable and sustainable domestic state without the current fragility and more importantly, attain a measure of global ‘acceptability’ as a responsible power⁴. The Pakistan-China relations should accordingly measure up to China’s geostrategic ambitions and the above-assessed essentials. While Pakistan’s capability to contribute to China’s rise are near nonexistent, India has emerged as a powerful player at the regional and the global level with capabilities to both contribute to or thwart China’s growth. **In an environment where Pakistan’s economy is on the verge of default and its credibility as a nation state on the decline it is India which is growing in relevance for China.** As the recognised leaders of world growth, both countries stand to gain in a collaborative format of interstate relations rather than in a confrontation format.



India which is growing in relevance for China. As the recognised leaders of world growth, both countries stand to gain in a collaborative format of interstate relations rather than in a confrontation format.

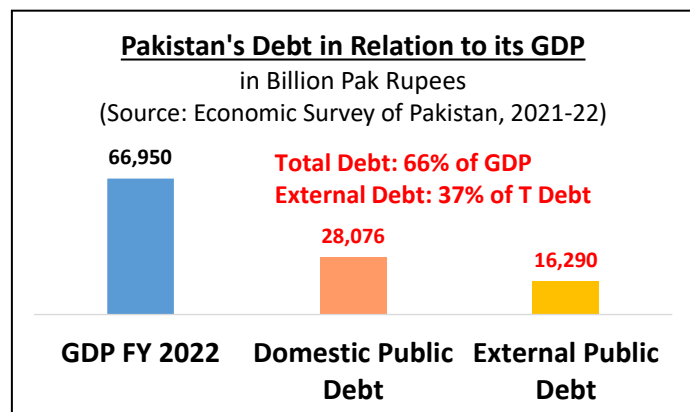
Pakistan’s Economy

The contemporary economic status of Pakistan is dramatically opposite to that of China. At approximately US\$ 260 billion in 2020, Pakistan’s economy is less than 10% of India’s and less than 2% of China’s GDP. Pakistan contributes less than one percent to Global GDP (approximately 0.8% as per IMF data of 2023). Despite having the fifth largest population in the



World, Pakistan is 44th (Nominal GDP) and 22nd (PPP GDP) in Global GDP ranking⁵. Additionally, Pakistan is facing acute debt servicing problems, perhaps a result of acute 'security' overreach, based on their self-perceived geostrategic compulsions. Pakistan was forced to draw away from USA, its largest benefactor of yesteryears, after the revelation of deceit and duplicity by Pakistan in their partnership with USA. Recognition of Pakistan as the global hub of terror and neutralization of Osama bin Laden in Pakistan further worsened the strained relations. Pakistan gravitating towards China and initiation of numerous joint projects has further accentuated the tensions in the US – Pakistan relations. Combined with above, Pakistan is fast losing its traditional strategic space in the region. The poor economic situation of Pakistan is likely to worsen further. **Pakistan's worsening economic state has started affecting its security capabilities significantly, which in turn has long-term impact on geostrategic equations in the South Asian region and are mostly adversarial to Pakistan.**

In the present times, Pakistan is facing acute financial crisis, its exchange rate is plummeting, the foreign exchange reserves are down to few months of import requirements, the prices are rising, inflation is scaling new heights, and most importantly, Pakistan is in an acute state of debt. Its dependence on China is therefore likely to further increase. With Pakistan having exhausted most other traditional and proven sources of internal and external loans like IMF, World Bank, ADB, Saudi Arabia, etc, and with no clear path to recovery, Pakistan's dependence on China for financial and economic sustenance and rescue is now almost complete. However, in a 'slow growth' environment confronting China and lethargy in their core manufacturing sector, its capability to extend further loans or grants has already reached its limits. **Resultantly, Pakistan's economic dependence on China has most likely reached a 'plateau' with very little scope for any further increase.**

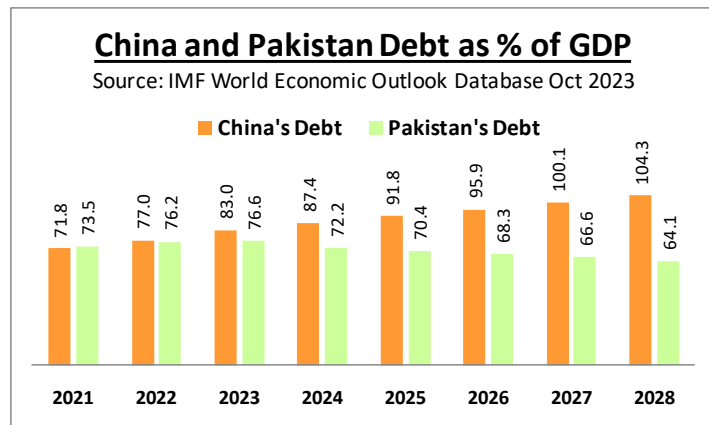


Global events like Covid and Ukraine conflict have further accentuated the situation and adversely affected global merchandise trade and supply chains. In such an environment, the challenge levels for the small economic transaction volumes between Pakistan and China is on the rise. Herein also is the essential constraining factor in the Pakistan China collusion. The interdependence paradigm of Pakistan and China indicate a very lopsided state. Pakistan is more dependent on Western Countries like USA, UK and Germany for its export needs than on China. Similarly, China's dependence on Pakistan for its import needs is miniscule. China is more dependent on its neighbours like Japan, South Korea, Taiwan and USA, than on Pakistan. In fact, China imports near negligible quantum of goods from Pakistan. **Consequently, while**

Pakistan is heavily dependent on China for its economic needs, Pakistan does not have any viable economic significance for China.

Both Pakistan and China are typical examples of overreach. Pakistan has been overreaching in the security and strategic domains while China appears to have overreached in the economic domain, especially in the present times with their mega infrastructure and developmental projects. Consequently, both countries are presently facing serious debt servicing issues. While the situation in Pakistan is precarious and almost existential, the situation in China has the potential to seriously moderate its growth engine and compromise its position in the Global domain. Along with its rapid growth, China's external debt

has also grown, because of a combination of factors such as sluggish domestic growth, capital and regulatory controls and poor performance of their mega Belt and Road Initiative. In such a situation, the capacity of China to initiate fresh economic projects or invest more in the ongoing projects is limited. On the



other hand, to overcome its debt crisis, Pakistan has been obliged to introduce legislations to generate additional revenue and increase prices through increased sales tax and reduce subsidies. The acute rise in petrol and diesel prices in 2022 is a manifestation of failing economic state. The debt burden of Pakistan, which touched 47% of their Federal Budget in 2021-22, is now apparently unsustainable. In the same plane, China is also facing acute debt issues, especially post the acute financial crisis emerging in Chinese real estate giant Evergrande. Contextually, the capability of China to continue extending credits and loans to Pakistan and further delay payments for the numerous infrastructural and military related projects is seemingly unlikely. **A measure of 'limit' has already been reached in the China's capability to enhance economic support and assistance to Pakistan.**

Owing to acute dissimilarity of Pakistan and China in their economic prowess, the unsustainability of the China Pakistan collaboration is most evident in the economic domain. Their economies, trade, markets, etc, are not only vastly dissimilar in size and scope but also largely non-complementary, thereby precluding further growth or shared economic interests. Economic congruence is not only a function of bare economic and business pragmatism but also incorporates a large measure of societal content, which in the case of China and Pakistan are very divergent. The overall impact of such multifaceted divergence and disparity between the two countries, on their economic relationship and continued collaboration, is adverse.

Conclusion

It is therefore evident that there are serious limitations to the collaborative growth of asymmetric and disparate countries like China and Pakistan. The conceptual outlooks of the two countries are quite divergent, inhibiting long-term cooperation and relation. China is the dominant partner of the relation and accordingly the relationship will generally conform to the requirements and needs of China more than that of Pakistan. While China still needs Pakistan to hedge India and parry growing 'isolation' at the global level, it also needs India to maintain a non-confrontist approach to attain its goal of a world leader in the next few decades. Also, due to Pakistan's intransigence on terrorism and nuclear proliferation issues, China's close relations with Pakistan has become tenuous. The rationale for China to sustain a solvent Pakistan, as a viable counterweight to Indian purported ambitions, is contemporarily less obvious in the emerging world. **Overall, the Pakistan-China relations, while relevant to some extent in the context of certain traditional security issues, has limited bearing on China's growth needs in the contemporary milieu. Consequently, the relevancy of Pakistan to China is witnessing a decline with the longevity of the relation between unequal and disparate partners a suspect.**

The present day transactions between Pakistan and China and their levels of interdependence indicate a high measure of stagnation in their relations. On the contrary and despite infrequent issues emerging on the LAC, the relations between India and China are on the rise with new fields of cooperation and collaborations emerging. Growing trade between India and China has generated a high measure of interdependence and certain level of shared interests. Globalization and shared Indo-China economic interests enjoin dilution in the potency and scope of Pakistan-China cooperation. Secondly, while inter-state collusions / partnerships have been important components of geo-strategy, translation of collusive potential into 'real' security threat and 'applicable' military power is subservient to the primacy of (respective) nation's interest and real-politic socio-economic pragmatism. But, the 'interest' paradigm of Pakistan and China are quite divergent. Thirdly, democratization of societies has enhanced the indulgence of populace in affairs of the state. The complexion of geopolitics has accordingly acquired a more 'populous' complexion with primacy to economic and development issues over perceived notions of geopolitical exigencies. The core interest paradigm is gradually acquiring a more populous and democratic character in which, the China Pakistan relation and collaboration in security fields has little relevance. And lastly, the growing scope of India-US relations, increasing China-US interdependence in the economic domain, further liberalization of polity in the Islamic World and general 'isolation' of Pakistan in the global arena on the issue of state sponsorship to terrorism appear to impact adversely on the Pakistan-China collusion. **In summation, the longevity and potential of China Pakistan relations are showing signs of aging and decline. Such an emerging environment has portents of further limiting the Pakistan-China relations and making it unsustainable in the long term.**

DISCLAIMER

The paper is author's individual scholastic articulation and does not necessarily reflect the views of CENJOWS. The author certifies that the article is original in content, unpublished and it has not been submitted for publication/ web upload elsewhere and that the facts and figures quoted are duly referenced, as needed and are believed to be correct.

Endnotes

¹ International trade statistics news archive, WTO Statistics Database of February 2022, compiled from WTO IDB & UN Comtrade. https://www.wto.org/english/news_e/archive_e/stat_arc_e.htm

² International Monetary Fund, World Economic Outlook Database of Oct 2023

³ Quoted from Sardar Patel's letter reproduced by the Indian Defence News, 20 October, 2020

⁴ Hu Angang, 'China in 2020, A New Type of Superpower', Harper Collins (Publishers), Noida, India, Copyright with Brookings Institution, Washington DC, 2011, page 162.

⁵ IMF World Economic Outlook Database April 2023