

China and the Middle East

The Quest for Influence

Edited by
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China and Proliferation: Implications for India

Ashok Kapur

China occupies a pivotal position in Indian foreign and military policies and furthermore, China's strategic relations with the Middle East/Persian Gulf and South Asian countries have a fallout on Sino-Indian relations. There is also a fallout on the future of regimes which are designed to control the proliferation of nuclear weapons and missiles. To what extent do Chinese nuclear and missile supply attitudes and practices in regions of conflict affect Indian security? Indian Sinologists usually tend to ignore this aspect of India's strategic calculation. Non-proliferation experts in the US have also been wholly preoccupied with the issue of the Indo-Pakistan arms race and the possibility of war between the two. American arms control specialists have a mindset that automatically locates 'South Asia' in the traditional US South Asia policy where the goal is to develop an Indo-Pakistan military balance.¹

China's pivotal position is clear from the diplomatic rivalry between the two since the fifties and the dispute over the Sino-Indian border which led to a limited war in 1962. Initially, Prime Minister Jawaharlal Nehru had proposed the theme that China and India were the co-giants or core states in Asian international relations, and the two countries, along with the USA and Soviet Russia, were the actual or potential powers in the world. Nehru sought Sino-Indian unity and repeatedly, in public statements, projected a false expectation about Sino-Indian friendship. The 1962 war shattered this dream. This was followed by a period of military modernisation in India and a clear public identification with the belief that China not only posed a physical threat to India because of its geographical proximity and power, but also that the issue was not simply the distribution of military power. Rather, it laid in the nature of the enmity and the strategic dilemmas it created for India.² In relation to China, the dilemmas were: (a) Should India rely on peaceful diplomacy and a belief that outside powers would protect a territorially non-expansionist India or should India rely on military diplomacy to protect its interests? (b) Should India prepare to fight a war at a

¹ *Nuclear Weapons and South Asian Security* (New York: Carnegie Endowment for International Peace, 1998).

² For an examination of Indian strategic dilemmas, see Ashok Kapur, 'Indian Strategy', in Y.K. Malik and A. Kapur, *India: Fifty Years of Democracy and Development* (New Delhi: APH Publishing Corporation, 1998), pp. 341-72.

time and place of the adversary's choosing, that is, plan a military defence, or should it acquire the means to raise the costs of foreign intervention so that the adversary would think twice about the costs of war or intervention (coercion short of war)?

Since the sixties, India's political-military planning has leaned towards the deterrence mode. The premise was (is) that India must remain a status quo (non-territorially expansionist) country but to deal with foreign enemies (like Pakistan and China), and to manage its main secret adversary—the USA whose policies seek to contain and disarm India and to injure its vital strategic interests—India had to acquire the means to function as a status quo *power*. Here, power required an ability to use or threaten the use of violence and to deny the great powers a monopoly over violence and escalation. Since the eighties Sino-Indian diplomatic normalisation dialogue³ has been shaped in the context of the Indian military build-up. This build-up enables the Indian armed forces to hold their position in the Himalayas against Chinese forces even though the latter have an advantageous terrain and logistical position in the Tibetan plateau. The normalisation process has led to positive but limited agreements and cooperation in the spheres of science and technology, economic cooperation and trade, and military confidence building.⁴

Nevertheless, the Sino-Indian relationship is not completely stable because many hidden controversies affect this relationship. There are several important controversies including the fact that China does not accept that Sikkim and Arunachal Pradesh—two geo-politically important Indian provinces in the Himalayas—belong to the Indian Union. Two, the Sino-Pakistani provisional border agreement of 1963 entailed Pakistan ceding to China areas claimed by India. Three, Sino-Pakistan military trade includes Chinese transfer of sensitive nuclear test data, verification of Pakistan's bomb design, M-11 and M-9 missile technology and nuclear reactor supply. China has a thirty-year old investment in Pakistan. Four, in the past, China opposed 'Indian hegemony' in South Asia and was also critical of Indian aims in the 1965 and 1971 Indo-Pakistan wars. At the same time, it sought a relationship with successive military regimes in Pakistan since the mid-fifties. In the 1971 war, Beijing supported the genocidal aims and policies of the Pakistani army in its campaign in East Pakistan and opposed India as well as the mass movement that sought autonomy and liberation of East Pakistan. China's policy is motivated by its India policy and sustained by its Pakistan policy. The motivation was/is strategic, not ideological. The Maoist theory of supporting indigenous liberation movements and the theory of revolutionary violence were cast aside in the Bangladesh liberation campaign.

Five, China has developed a commercial and military presence in Myanmar (Burma) through Yunnan and also has a military presence in the Coco and Hyunghai Islands, which give China a military platform in the Bay of Bengal. China has established a

³ Normalisation means to establish or resume relations, to achieve regularity in a relationship, to be free from disorder, to conform to a standard.

⁴ 'Agreement on the Maintenance of Peace and Tranquillity Along the Line of Actual Control in the India-China Border Areas Signed in Beijing on September 7, 1993', official text. 'Agreement between the Government of Republic of India and the Government of the People's Republic of China on Confidence Building Measures in the Military Field Along the Line of Actual Control in the India-China Border Areas', January 1997, official text.

long-range, low frequency facility in the Coco Islands indicating its use for submarine activities. These facilities enable China to monitor Indian missile tests as the Indian missile testing facility is located in Balasor, Orissa and missiles are tested in the Bay of Bengal. China also maintains radar warning capacity in the area. A memorandum of understanding (MOU) was signed between China and Myanmar which allows refuelling for Chinese naval vessels. Though this MOU has not been implemented thus far, it indicates China's strategic orientation and presence in the Bay of Bengal.⁵

According to a well-informed study by MB Zinger, Naval Attache, US Embassy in Bangladesh:

The threat that China could pose to India in the future is far more complex than in the cases of the United States and Japan, which are principally naval powers as far as India is concerned. China is both a land and sea power, Pakistan's most powerful ally, and India's chief competitor for leadership of the non-aligned movement. China also poses the principal nuclear threat against India. Although the US obviously has a far more powerful nuclear arsenal than China, India does not appear to consider it a threat.

As Russia continues to reduce its strategic nuclear arsenal and its conventional forces, the Chinese will be free to rethink their strategic imperatives. They intend to continue developing their nuclear submarine force as well as their surface fleet. With the absence of Russian threat, China will redirect its naval focus towards the East and South. While Japan seems to present the obvious target for China's new military focus, because of its growing influence in East Asia, for several reasons I feel it will probably be India instead.⁶

Finally, not only does China see itself as a Pacific and Indian Ocean naval power, but it also opposes India's claim to be an Indian Ocean power. It has an on-going programme to develop modern Chinese naval infrastructure which will enable it to project power into the South China Sea and eventually into the Indian Ocean. This move however, is most likely to face opposition from the US, Japan, Australia, India and the Association of South East Asian Nations (ASEAN) countries. China possesses nuclear and missile power and reports indicate significant development of tactical nuclear weaponry and a refinement of its military doctrine.⁷ Furthermore, Chinese threat perceptions reveal a preoccupation and an expectation that regional wars are likely.

The authoritative Chinese Central Military Commission analysis of 1993, '*Can the Chinese Army Win the Next War?*' characterises India as the 'largest potential threat'. The US is labelled 'an open adversary' and 'the No. 1 military power in the world'; Japan is called 'a resurgence powerful adversary'; Vietnam is labelled an 'unpredictable

⁵ Personal interviews in New Delhi, Ottawa, Singapore and Washington, DC during 1994–97.

⁶ M.B. Zinger, 'The Development of Indian Naval Strategy since 1972', *Contemporary South Asia* (Abingdon), Vol. 2, No. 3, 1993, p. 354.

⁷ Eli Joffe, 'People's War under Modern Conditions: Doctrine for Modern War', *China Quarterly* (London), No. 112, December 1987, pp. 555–71; David Shambaugh, 'The Insecurity of Security: The PLA's Evolving Doctrine and Threat Perceptions towards 2000', *Journal of Northeast Asian Studies*, Vol. 13, No. 1, April 1994, pp. 3–25; V.K. Nair, 'Chinese Nukes in Tibet: Bad Omen for India's Security', *The Sunday Observer*, 7–13 December 1997, pp. 1 and 4. Also see *Nuclear Tibet*, a report by the International Campaign for Tibet (Washington DC), April 1993.

super-killer'; and Russia is 'still powerful threatening force'. Pakistan and other Middle Eastern countries are not considered as threats to China and the threat perceptions concentrate on regional wars that may face China. The scenario focuses on points of tension and potential war in China's neighbourhood in the Asia-Pacific—from the Korean peninsula to Japan, Taiwan, South China Sea, Vietnam (and ASEAN nations) and India.

This may be labelled as the inner circle of China's defence perimeter. China's preference for peace in its immediate defence and foreign policy circle, and inside China, reflects its need for a stable environment which is necessary for its internal economic, political and military modernisation. China has always avoided facilitating nuclear and missile proliferation in the Asia-Pacific. It wanted a sample of the atom bomb from Soviet Russia, but Moscow's hesitation became a controversial issue in the Sino-Soviet dispute. China, however, has been careful not to offer nuclear aid to its immediate, potentially powerful and independent-minded neighbours and partners such as North Korea and Indonesia under Sukarno. Rather, its nuclear and missile aid has been targetted to reliable partners on China's periphery and beyond the inner defence circle who could foster China's regional interests. The 1993 Chinese report clearly identifies the nature of the Indian problem. To quote:

The India military is not as large as the Chinese one, but its quality may be superior. The Indians are obviously superior to the Chinese with regards to equipment for navy and airforce fighting capacity on the blue water, and military fortifications at the borders.

At present, the direct threats of the Indian military to China are mainly medium-range missiles and fairly advanced fighter airplanes.

The main reason for listing India as a potential adversary is that India's strategic focus is still on the Indian Ocean and Southeast Asia. India has never changed its reconquest of Chinese territory and still occupies a large block of Chinese territory near China's Southwest border.⁸

From the foregoing discussion, it is clear that 'peace' in the Indian subcontinent is a negative peace, that is, war is not imminent; it is a temporary peace in the form of a ceasefire. It is not a 'positive peace', that is, it is not a sign of *complete stability or harmony*. Rivalry between China and India is muted but not absent. Ceasefire does not preclude the use of diplomatic (alliance building activity) and psychological warfare, military preparations, and building points of pressure in regions of conflict such as the Indian subcontinent and the Middle East. In this broad, complex and evolutionary Sino-Indian strategic context, the importance of China's nuclear and missile proliferation policies cannot be overemphasised.

This discussion is divided into three parts. It begins with an outline of China's nuclear and non-proliferation policies which shows a contrast between the declaratory or rhetorical posture and a pattern of practices and motivation that is revealed by its supply relationships with its Middle Eastern/South Asian partners. There is an

⁸ *Can the Chinese Army Win the Next War?* (Beijing: Central Military Commission, 1993), p. 6.

evolutionary change as well as a duality in China's declaratory positions and its supply relationships with select partners in the Middle East/South Asian sub-regions. China's declaratory and military (including nuclear and missile) policies have implications for global and regional (Middle Eastern and South Asian) strategic agendas.

The next section on the nature of China's nuclear and missile supply relationships in the Middle East/South Asian sub-regions reveals that China is proactive; it knows how to exploit the loopholes in the non-proliferation and Missile Technology Control Regime (MTCR) and its supply relationships are politically and strategically motivated and have a military content. China does not have a clear-cut non-proliferation policy and its supply relationships are driven by calculations of mutual advantage or gain between the supplier and the recipient; the relationships reflect a bargain. Conversely, the supply bargain (proliferating activity) can be replaced by Chinese restraint (which is projected as an indication of its non-proliferation commitment and a sign of its learning curve). The Sino-Pakistan relationship is an example of the supply bargain. The Sino-Iran relationship is an instance where China first supplies sensitive technology and materials, and then exercises restraint. Such restraint is either the result of China's inability to fulfil the supply bargain, or an agreement to exercise restraint because of a better bargain with another strategic partner. The supply bargain is between China and a regional player while the non-proliferation bargain is between China and the US. In each case, the bargain reflects a host of issues, the linkages/trade-offs and the regional/international context that shape the negotiating opportunities and constraints. The last section deals with the impact of China's proliferation behaviour on Indian strategic calculations which are discussed in the context of the Sino-Pakistan relationship.

EVOLVING FRAMEWORK OF NUCLEAR AND NON-PROLIFERATION POLICIES

China's military and nuclear policies have evolved in four directions:

1. *Its military doctrine has changed* from fighting a people's war under Maoist principles to fighting a people's war under modern conditions. This shift occurred after 1979 under Deng Xiaoping.⁹ The Gulf War in 1991 drew attention to China's deficiencies in high technology warfare and this reinforced its military modernisation drive.¹⁰
2. *China's nuclear doctrine and nuclear posture have changed* from its initial declaratory position which was announced at the time of its first nuclear test in 1964. At that time China declared that it would not be the first to use nuclear weapons; it would not use them against a non-nuclear state; it sought nuclear arms to break the US and Soviet nuclear monopoly; it believed in

⁹ Joffe, *op. cit.*, pp. 556-62.

¹⁰ Shambaugh, *op. cit.*, pp. 16-19.

nuclear disarmament; it would use nuclear weapons solely for defence; and finally, the aim of Chinese nuclear weapons was to deny military victory to any adversary. By 1976, China had acquired a small retaliatory force.¹¹ It conducted many tests in the eighties—ICBM tests (1980), Multiple Independently Targetable Re-entry Vehicle (MIRV) tests (1981), Submarine Launched Ballistic Missile (SLBM) tests (1981), testing of geo-stationary satellite (1984) and it developed tactical atomic weapons (TAW) capability (1982).

These tests signalled a fundamental shift in China's nuclear strategy—from using nuclear weapons for 'self-defence' to their use in battle against the adversary's military targets. These changes in Chinese military and nuclear policies have occurred in the context of changing Chinese threat assessments that highlight regional threats in China's peripheries. David Shambaugh has drawn attention to the enlargement of China's 'strategic frontiers'¹² that now include the South China Sea and the Indian Ocean. While Eli Joffe describes this as a shift towards preparation to fight a 'people's war' and a nuclear war under modern conditions, Shambaugh describes it as preparation for an extended cold war under modern conditions that involve China and the US, Japan, Russia and other potential regional threats like India and Vietnam. As Shambaugh points out,

(a) Apart from Japan and the United States, perhaps China's most pressing security concern is India. While the two nations continue to have territorial disputes and there exists a deep legacy of mistrust, China's fears derive from what it perceives to be an Indian drive for regional dominance. India's nuclear and naval ambitions are of particular concern to Beijing (and vice versa) and to counter perceived Indian dominance over South Asia, China continues its strong diplomatic and military support for Pakistan, while cultivating a new strategic foothold in Burma.¹³

(b) However, in recent years, China is redefining its strategic frontiers and the principal shift is from continental to regional definitions. They also include defined spheres under the sea and in space. Today, China's perceived strategic frontiers can be said to include the Indian Ocean and Malacca Straits to the Southwest, the South China Sea, the East China Sea *in addition* to its current territorial boundaries and claimed jurisdiction over the aforementioned territories. The redefinition of these frontiers has emerged gradually in recent years and since 1990s Chinese strategists have spoken of the strategic value of Southeast Asian shipping lanes and the Straits of Malacca for China's foreign trade. Since the late 1980s China has expressed concern that India should not be permitted to become the dominant power in South Asia or the Indian Ocean. The PRC's assertive claims over the Xisha and Nansha island groups in the South China Sea are proof positive of its inclusion of these territories with its strategic frontiers. 'The strategically

¹¹ Joffe, *op. cit.*, pp. 562 and 564–66.

¹² Shambaugh, *op. cit.*, pp. 3 and 14–15.

¹³ *Ibid.*, p. 13.

and economically important Spratly Islands and surrounding waters have a bearing on the basic interest of the Chinese nation. We should adopt a modern concept of the “strategic ocean” in forming our perspective on these islands’. Taiwan, the Pescadores, and Diaoyutai island chains are similarly thought of as intrinsic strategic territories.¹⁴

He further notes: ‘Contingency planning for renewed land engagements with India has been active for more than thirty years. This has involved the possible use of nuclear weapons, both of the battlefield tactical variety and possibly a Chinese surgical strike against Indian nuclear facilities’.¹⁵ The enlarged strategic frontiers of China require power projection and war fighting capability that are credible in the conventional military, nuclear, missile and naval spheres.

3. *In the sixties, China denounced arms control as a fraud* by the US and the USSR whose intent was to maintain their nuclear monopoly. It insisted instead on complete nuclear disarmament as the basis of international security. Initially, China insisted that ‘any sovereign state had a legal right to develop nuclear weapons for self-defence’. According to a Chinese expert, Chinese leaders insisted on the right of peace-loving countries to develop their own nuclear weapons in order to break the so-called nuclear monopoly and end the nuclear threats and nuclear blackmail carried out by major nuclear powers. According to Chinese leaders, nuclear monopoly and the corresponding behaviour of the nuclear powers had seriously endangered peace, security and stability in the world. Obviously, this posture continued to shape China’s position during the 1949–62 period.¹⁶

During the sixties, the PRC took an ideological view of nuclear weapons:

On November 19, 1963, in an open letter to the Soviet leaders that dealt with the issue of peace and war in particular, China said: ‘We have consistently held that socialist countries have to get and maintain nuclear superiority. Only then can we force imperialism not to dare to initiate nuclear wars and make our contributions to the complete prohibition of nuclear weapons’. The letter concluded with: ‘The more countries develop their own nuclear weapons, the more possible it is to prohibit nuclear weapons, and the more possible it is to delay a world war.’ This letter sounded like another argument for multilateral nuclear deterrence.¹⁷

By the mid-eighties, there was a change in China’s position on arms control: China now viewed it positively as a step towards disarmament. According to Joffe:

The main reason behind it is doubtless China’s desire to be regarded as a leading member of the international community, equal in status to the super

¹⁴ *Ibid.*, p. 15.

¹⁵ *Ibid.*, p. 21.

¹⁶ Mingquan Zhu, ‘The Evolution of China’s Nuclear Non-proliferation Policy’, *Non-Proliferation Review* (Monterey), Vol. 4, No. 2, Winter 1997, pp. 41–43.

¹⁷ *Ibid.*, p. 43.

powers and involved in shaping the state of the world. But a contributing reason may be connected with China's new strategic doctrine. Confident of their ability to deter a nuclear attack with their small nuclear force, the Chinese may feel that they are entitled to membership in the nuclear powers' club, which they had hitherto derided, and implicitly want to be recognised as such.¹⁸

4. The sixties also revealed a *subtlety in China's attitude towards non-proliferation*. In 1963 China denounced the Partial Test Ban Treaty and in 1968 the Nuclear Non-Proliferation Treaty (NPT) but at the same time it expressed support for non-proliferation. In 1963, it argued that nuclear weapons and the technical materials needed for their production should not be exported and imported under any circumstances. Again in 1968, it declared that it would avoid nuclear proliferation. By the early eighties, China's non-proliferation stance had crystallised at the United Nations: 'We don't stand for, encourage, or engage in nuclear proliferation', said China's foreign minister. Later it published the three principles of its nuclear exports policy. These were: (a) they should serve peaceful uses only; (b) the International Atomic Energy Agency (IAEA) safeguards should be accepted; and (c) no transfers to a third country should be made without China's consent. During 1991–92, it agreed to follow the MTCR guidelines regarding transfer of M-9 and M-11 missiles.

By the nineties, China had completely abandoned its 'principled' opposition to the US–USSR nuclear monopolistic policies which emphasised arms control and non-proliferation. Instead, it accepted the need to prevent proliferation by 'any other country'.¹⁹ The framework outlined earlier emphasised the role of conventional and nuclear armament in China's strategic planning. It also revealed a complete reversal from its apparent rejection of arms control and non-proliferation to its wholehearted embrace in a declaratory sense in the eighties and nineties. The different facets of China's strategic posture are based on western, Israeli and Chinese assessments. Missing from these assessments is the pattern of China's active participation with its regional allies in 'selective' nuclear and missile proliferation. This activity is in sharp contrast to its public embrace of the non-proliferation norm. It is therefore necessary to outline the fifth aspect of Chinese strategic posture.

A SELECTIVE PROLIFERATOR

The world is not based on a clean theory and practice of non-proliferation. Rather, there is a rational, systematic and a complex system or pattern of behaviour that requires different strokes for different actors. The non-proliferation system is not

¹⁸ Joffe, *op. cit.*, p. 570. In 1984 China joined the IAEA, it accepted the NPT (1992) and signed the CTBT (1997), and supported the indefinite extension of the NPT (1995).

¹⁹ Zhu, *op. cit.*, pp. 43–45.

what it appears to be. It has elements of diplomatic, economic and psychological warfare when the nuclear weapon states and their allies use non-proliferation norms against their enemies. At the same time, the system relies on the classical principle that great powers compete against each other but if competition is not likely to succeed then they may cooperate and compensate each other; and at the same time, it is their right and duty, in the name of world order, to intervene against the lesser/weaker powers and states if they are seen as rogues or pariahs.²⁰ The characteristics of different nuclear worlds have been discussed elsewhere;²¹ the following discussion of China's selective proliferation activity in the Middle East/Persian Gulf and South Asia is consistent with my assessment of selective proliferation and selective non-proliferation.

China is a selective nuclear weapons and missile proliferator. The pattern of its behaviour is similar to that of other nuclear weapon states and their allies who are both non-proliferators as well as nuclear/missile traders. China's nuclear and missile exports take place in the context of major legal loopholes in international non-proliferation and MTCR regimes, as well as loopholes in China's non-proliferation declarations made in the past (such as nuclear exports should serve peaceful uses only). Under the existing international treaties and national non-proliferation laws (such as those of the US, the UK and Canada) nuclear and missile trade by the nuclear weapons states is legal, and in the case of a breach, the UN system and the international non-proliferation arrangements do not have the authority to police and punish the permanent members of the Security Council. As long as they accommodate and compensate each other, they are not likely to blow the whistle against each other.

The behaviour of the nuclear powers including China has four characteristics. First, the goal is to accommodate each other's strategic (including nuclear) interests. This idea is entrenched in the fact that the old nuclear pariahs (for example, the USSR in the fifties, France in the forties to sixties or China in the sixties to seventies) are now respectable members of the nuclear club. Second, the method is to develop and use regime rules to facilitate nuclear and missile trade. From the very beginning international safeguards were designed to provide a political and legal cover for nuclear sales. The regime rules of the NPT, the MTCR and other mechanisms like the Nuclear Suppliers' Group, provide legal and political cover for this trade by and among the nuclear suppliers, that is, the nuclear powers and their allies.

Third, among the nuclear powers, the process is to develop a basket of issues with linkage(s) and trade-offs so that *selective proliferation* with friendly states/allies is facilitated, and *selective non-proliferation* is pursued with adversarial state(s). The list of friends/enemies of each nuclear power is different—for example, Iran has been an ally of China but it has been the US's adversary—in such a case, Chinese *selective proliferation activity* came into conflict with the US's *selective non-proliferation aim* against Iran. This required compensation and adjustment between the US and China. In Pakistan's case, both Chinese and American tolerance and/or support of Pakistan's

²⁰ The distinction between 'compensation' and 'intervention' is the basis of this statement, see M. Wight, *Power Politics* (New York: Penguin, 1979), p. 186.

²¹ Ashok Kapur, 'Rogue States and the International Nuclear Order', *International Journal*, Vol. 51, No. 3, Summer 1996, pp. 420–39.

strategic policy and its nuclear and missile programmes reinforce the convergent pattern of American/western and Chinese selective proliferation behaviour. This convergence of nuclear and missile supply activity is part of a wider strategic Sino-US convergence, that became obvious in the 1971 Bangladesh war: to support Pakistan against India and to strengthen the former as a line of pressure against India. Added to this equation is the linkage between China's desire for US electronics and aerospace technology and equipment on the one hand, and the dependence of the US on China for trade and its impact on US jobs on the other hand. When the basket includes Sino-US trade, US jobs, inducing China towards arms control and military restraint vis-à-vis the US and its allies, the issue of China's proliferation goes down in the hierarchy of policy 'problems'. This explains why evidence of China's nuclear and missile supply to Pakistan is deemed to be inconclusive in the judgement of the White House and the State Department even though the CIA's data is considered conclusive by many observers. American interests vis-à-vis China and Pakistan define its policy response to the evidence. The final characteristic concerns the right of the nuclear powers to check weapons of mass destruction of states which are *suspected* of possessing such capability and ambition but *which do not have a nuclear power as a patron*.

Given these four characteristics, what is the scale of China's selective proliferation activity in the Middle East/Persian Gulf and South Asia? Where is it involved and why? Where are the loopholes and ambiguities in its declaratory non-proliferation stance? What is China's style to explain or justify its selective proliferation activity? Due to constraints of space, the answers to these questions are tentative and are illustrated by a discussion of Sino-Pakistan and Sino-Iran relations.

China developed a pattern of incremental involvement in the Middle East/Persian Gulf and South Asian regions that exploited the loopholes in the non-proliferation regime and developed opportunities to make friends with important but isolated regional states and potential regional powers. It started this process during the Cold War period and it has continued ever since. During the Cold War, the US and Soviet scholarship and policy pronouncements highlighted the primacy of the US-USSR bipolarity; but it is noteworthy that Chinese scholarship had a different sub-text. It recognised the importance of multipolar tendencies in the context of bipolarity and sought to develop multipolarity in the international system.²² China's quest for political and strategic space through the development of multipolarity in the international system can be traced back to the fifties. China's participation in international conference diplomacy in the fifties and sixties (for example, the Bandung and Indo-China Conferences) revealed its desire to develop multipolarity in regional and international affairs.

Despite the intensity of the Sino-Soviet conflict in the fifties and sixties (or because of it) and despite its isolation from the west, China adopted an independent stance vis-à-vis the communist East European governments and parties—in Soviet Russia's backyard. China sought a presence in Africa in the sixties as a communist and an independent Third World country, again in competition with the USSR. In South and Southeast Asia, China maintained a presence, beginning in the early fifties, in

²² Huang Zhengji, 'Prospects for a New Multipolar World', *International Strategic Studies* (Beijing), No. 4, December 1994, p. 1.

competition with the west and the USSR. China's attempt to forge a relationship with Pakistan began in the mid-fifties.²³ Pakistan was perceived as an avenue for the exercise of Chinese influence in the Indian Ocean area as well as in the super powers' backyard in the Middle East and the Persian Gulf.

China's nuclear and missile supply policies are judicious from its point of view and in terms of its interests. They reveal a strategic calculation and are not driven by ideological considerations. For example, China has supplied missiles and/or nuclear equipment and technology to Saudi Arabia (a monarchy, anti-democratic and an Islamic state), Pakistan (a military dictatorship at the time China established defence ties with it), and Syria (an autocratic regime). As a part of its strategic calculation it is involved in selective proliferation activity including nuclear and missile exports to two traditional conflict zones—the Middle East/Persian Gulf and South Asia—but it is careful in avoiding similar exports to its immediate security area, that is, Northeast Asia.

China's proliferation activity commenced when it was, in the words of the Russian Intelligence Service, in an 'isolated position' in the international sphere, in relation to the US–Soviet strategic arms reduction process.²⁴ In such a context, it makes sense for an ambitious great power to establish a military supply relationship with regional powers in areas of conflict which are also isolated and/or insecure (Iran, Pakistan, Syria and Myanmar) in terms of their threat perceptions and in terms of their ability to acquire modern armament for defence purposes. China's approach creates multiple values for its regional and international influence.

1. It gives China a leverage and a say in bilateral relations with the aid recipients as well as with third parties which are concerned about the capability and motivation in supply relationship. For instance, the Sino–Pakistan supply relationship creates pressure on India, as does the Sino–Myanmar relationship. China's supply relationships with Syria and Iran create pressure on Israel.
2. It gives China a voice and a leverage vis-à-vis the other international powers. A supply relationship with the adversaries of the international powers is valuable as a bargaining leverage vis-à-vis the US and Russia if these two countries seek China's cooperation in exercising restraint in future supplies.
3. Finally, the supply of missiles and missile technology by China is especially significant because missiles are less vulnerable to international suppliers' control regimes compared to military aircraft.

China's willingness and ability to offer delivery vehicles of conventional and/or nuclear armament to select clients makes a mockery of western suppliers' control regimes. According to a Russian intelligence report, missile proliferation has many advantages: missiles are easy and simple to use; they are cheaper compared to modern aircraft systems; they are militarily effective especially with improvements in range

²³ In a secret message to the Pakistan government in the mid-fifties, Beijing assured Pakistan that it expected a conflict of interests between China and India but not with Pakistan. See L.F. Rushbrook Williams, *The State of Pakistan* (London: Faber and Faber, 1962), p. 120.

²⁴ Russian Intelligence Service Report on the Proliferation of Weapons of Mass Destruction (Moscow, 1993), in *FBIS, Summary and Excerpts* prepared by the Committee on Government Affairs, United States Senate, Washington DC, 24 February 1993, p. 4.

and accuracy; they are less vulnerable to counter-measures compared to aircraft; they create an opportunity to exert politico-military pressure on immediate neighbours; they are a carrier for weapons of mass destruction (WMD); and they create a capacity for surprise attack.²⁵

Western non-proliferation theory and practice were developed in the sixties on the premise that the main threat was from nuclear weapons proliferation and arrangements such as the NPT, the Partial Test Ban Treaty (PTBT) and the Comprehensive Test Ban Treaty (CTBT) were based on this premise. China's proliferation behaviour—its acquisition of nuclear weapons capability and its nuclear and missile exports—has broadened the scope of the proliferation issue in two ways: first, it affects both nuclear as well as other WMD and missile proliferation; and second, the expectation in the sixties was that if the US and the USSR, the two principals of the nuclear age, agreed, the world nuclear order could be stabilised. This expectation has been belied by China's behaviour. It has undermined the intellectual and the political basis or philosophy of the US–Soviet international non-proliferation regime building activity.

China's proliferation behaviour, despite the public hue and cry that it has joined the mainstream of arms control, is actually subversive. It undermines the intellectual and political basis of international non-proliferation because it has altered the scope of the non-proliferation agenda of the US and its allies. The view taken here is that China's so-called 'isolation' from the US–Russian strategic arms reduction process is actually not true. By insisting that it will stay out of a commitment to disarm or engage in arms reduction until the US–Russian nuclear arms levels are further reduced and create a level playing field, China is putting pressure on both powers to reach a satisfactory political settlement with China. Pending an eventual settlement, it has created two levers against them: first, to develop China's nuclear and missile capability in the context of China's growing strategic frontiers; and second, to develop its supply relations in regions which are peripheral to China's security but which are important for the interests of the US, Russia, their allies and their enemies.

Consequently, the implication of this analysis is that the real framework of China's policies is not the declaratory shift it publicises, that is, from the rejection of arms control to its acceptance but the real framework is to develop its bilateral relationships in important secondary zones of conflict, to develop points of pressure against its regional adversaries, and most importantly, to create situations which require the US and Russia to take China seriously, and to develop inter-dependent bargaining relationships with it. China's supply role is important because it creates a multiplier effect given the three following conditions: (a) several Middle East/Persian Gulf and South Asian countries are advanced in the missile sphere and have a base to absorb and develop foreign technologies in missile and space spheres; (b) the MTCR does not work, just as the COCOM was a failure; (c) China, along with North Korea (and Israel) are major suppliers of missile technology to the Third World.²⁶ The data in Table 1 should be studied in this perspective.

²⁵ *Ibid.*, p. 30.

²⁶ *Ibid.*, pp. 31 and 33–36 for a discussion of shortcomings of international suppliers controls especially of dual-use technology.

Table 1

Country	Date	Supply Item	Supplier	Comment
Algeria	1993	15 MW heavy water research reactor	China	Algeria is not a member of the NPT. It also has nuclear links with Argentina, Pakistan, Libya and Iraq
Egypt		Bilateral agreement on peaceful uses of atomic energy with China (and the USA, Russia, India and Argentina)	China	
	1990	Military cooperation regarding missiles	China	
Iran	1987-91	1996—technological and industrial aid for long-range Iranian missile development (includes M-11 technology) Scud-B production (280 km range) Help with several short-range missiles (eg. Oghab)	China China	Also supplied Silkworm anti-ship missile
Libya	1992	Cooperation agreement	China	Brazil is also a missile supplier
	1993	Negotiations to secure CSS-2 missile (long-range)	China	
Saudi Arabia	1985-88	CSS-2 (long-range missile)	China	
Pakistan	1991	M-11 missile	China	
		Chemical weapons capability	China	
		Ballistic missiles (Khatf 1 and Khatf 2 modified version of M-11; the range is 80 km and 300 km respectively)	China	(and Germany)
		M-9 (600 km range)	China	
Syria		M-9	China	

Sources: Russian Intelligence Service Report on the Proliferation of Weapons of Mass Destruction (Moscow, 1993), in *Foreign Broadcast Information Service*, Summary and Excerpts prepared by the Committee on Government Affairs, United States Senate, Washington DC, 24 February 1993, pp. 5-8, 47-49 and 62-63; Martin Navias, *Ballistic Missile Proliferation in the Third World*, *Adelphi Papers* 252 (London: International Institute for Strategic Studies, 1990); Y. Bodansky, 'Iran's New Ballistic Missiles', *Defence and Foreign Affairs Strategic Policy*, May-June 1997, pp. 6-8. According to the CIA, China was also the primary source of nuclear related equipment and technology to Pakistan and a key supplier to Iran. 'Chinese Top Suppliers of Deadly Technology', *The Globe and Mail* (Toronto), 3 July 1997, p. A13.

THE MEANING AND IMPACT OF CHINESE PROLIFERATION:
CHINA-PAKISTAN CASE

China's behaviour reveals two tracks. The first one shows the *skilled use of semi-transparent nuclear and missile proliferation* in the development of its alliance politics in regional zones of conflict; these zones are a part of its strategic frontiers but they are outside its immediate security zone in East Asia. It should be noted that China follows a policy of zero tolerance of Taiwanese proliferation and has declared its intention to attack Taiwan if it goes nuclear. It also favours international restraints against North Korean nuclear proliferation and is concerned about Japanese militarism. But on the other hand, it tolerates proliferation in South Asia and the Middle East/Persian Gulf sphere. The second track reveals the *skilled use of non-proliferation in public international conference diplomacy* to enhance China's credentials as a responsible global power.

By using both tracks, China is able to function simultaneously as a proliferator as well as a non-proliferator and to satisfy other policy aims, namely, to make a case for global and regional (sub-regional) multipolarity that includes China as an essential actor, while challenging the US-Soviet/Russian dominance of the proliferation and the non-proliferation agendas. China's proliferation activities have created situations which have enabled it to carve and to enlarge diplomatic and strategic space for itself in regional politics and in the international system. At the same time, its nuclear aid has increased the diplomatic and strategic space of its regional allies in zones of conflict.

To understand the meaning and impact of China's innovative behaviour, it is essential to examine the *sub-text* that is revealed by its actions rather than to stress the official *script* about China as the new and important recruit to the American cause of non-proliferation, international safeguards and arms control. The latter view is a half-truth. The former tells the real story. The Sino-Pakistan relationship reveals the sub-text and this case is important because Pakistan has been, since the fifties, at the cross-roads of the Persian Gulf/Middle East and South Asian international relations, and is a gateway for China to the Indian Ocean. We will now discuss the nuances of this case.

The Sino-Pakistan nuclear and missile relationship is part of a multipolar one in a sub-region that involves both the US and India. During the Cold War, it involved the USSR as well, and following the end of the Cold War, Russia has entered the picture as a supplier of military and nuclear equipment to India. The dense population of regional and international players with competing strategic interests and competing non-proliferation/proliferation strategies, creates a critical mass or a centre of gravity at the cross-roads of Central Asia, Persian Gulf/Middle East and South Asia. The Sino-Pakistan strategic relationship has a number of aspects.

A noteworthy point in the multipolar setting is that India does not fit into any of China's relationships with its neighbours. There are contradictory elements in the Sino-Indian relationship. On the one hand, their adversary relationship has a military character, but on the other hand, both actively seek accommodation and a strategic dialogue, and they cooperate in areas of international environmental politics

and bilateral confidence building measures (CBM) in the border areas. There are bilateral science and technology exchanges between the two, and China has expressed an interest in the Indian market. At the same time, however, Indian nuclear, missile and naval developments place India at odds with China's strategic ambitions.

The second aspect is that China has a strategic investment in Pakistan since the early sixties and is Pakistan's most *reliable* strategic partner while the US is an *unreliable* one. The Sino-Pakistan military supply relationship has rich political and strategic content as well as motivation; it had a small beginning when it was established in 1959–60, but now it has breadth as well as depth. Pakistan is not a threat to China while India is. Pakistan is also reliable in Beijing's estimation and its motivation vis-à-vis India and the US is clear.

The third aspect is that Indo-Soviet friendship and Sino-Soviet rivalry since the fifties reinforced Beijing's mistrust of Indian diplomacy and military strategy. The USSR's collapse in 1989–90 diminished Beijing's concern about the role of the USSR in the subcontinent but at the same time there are limits to Sino-Russian cooperation²⁷ and Russian military supply to India has been resumed. Traditionally, Soviet/Russian arms have been deployed by India against Pakistan and in the Indian Ocean, hence there is an element of proxy warfare through competitive arms supply by Moscow and Beijing in the Indo-Pakistan theatre.

The fourth aspect is that the Reagan Administration helped Pakistan during the Afghanistan war in the eighties by turning a blind eye to Pakistan's nuclear programme. It also promoted coalition building within Pakistan by facilitating the link up between the interests and the institutional and political base of the Pakistan Army and the Inter-Services Intelligence (ISI) as the agencies to fight Afghanistan and to develop a nuclear programme. In the light of this, the US lacks the moral or political authority to challenge Pakistani or Sino-Pakistani nuclear and missile proliferation. By repeatedly certifying that Pakistan did not possess a nuclear device, the Reagan Administration indicated that it accepted Pakistan's denials positively. In the shadowy world of nuclear and missile proliferation, a plausible denial has a positive effect, and it was easy for China to assume the mantle of patronage of Pakistan's strategic programmes where the Reagan Administration left.

The fifth aspect is that the Sino-Pakistan strategic relationship is a partnership not only between two neighbouring states, but also between the core institutions in each state, namely, the PLA and the Pakistan Army and the ISI. The PLA was the only reliable institution in China after Mao broke up the Communist Party of China and disturbed the balance of Chinese politics and society by unleashing the Cultural Revolution and the PLA grew in power and importance as a consequence of internal reasons. Following the Cultural Revolution, the PLA began to play a role in many sectors—politics, economic development, agriculture, internal and external peace and security management, and factional domestic politics. Following the introduction of the policy of four modernisations under Deng Xiaoping, the PLA was cut down notionally

²⁷ J. Anderson, *The Limits of Sino-Russian Strategic Partnership, Adelphi Paper 315* (London: International Institute for Strategic Studies, 1997).

because military modernisation is the fourth or the lowest priority. In this context, the PLA adopted a commercial role (including partnerships with Taiwan companies) and was involved in nuclear and missile programmes. Like the ISI, the PLA also struck private deals with Pakistan. For instance, the Clinton Administration got China off the hook on the issue of magnet supply to Pakistan by claiming that the deal was in the hands of PLA companies. The implication was that the PLA was acting autonomously although interviews with practitioners revealed that Pakistan–China relations are state authorised. The Reagan Administration's approach was to accept Zia-ul-Haq's denials positively, and the Clinton Administration is following the same approach by accepting China's denials about aiding nuclear proliferation in Pakistan positively.

The sixth aspect is that the Chinese authorities do not deny in private conversation that they have transferred sensitive missile technology and systems, as well as nuclear aid to Pakistan. The Chinese authorities have confirmed the missile supply but insist that it is within the MTCR guidelines and plays on the distance/payload issue in discussing M-11 missile supply. This is an academic point and according to the Indian assessment, China is taking Indian missile capability into account while formulating its missile and nuclear supply policy with Pakistan. Although China recently announced drafting legislation to regulate nuclear exports, there is ambiguity about dual-use equipment and materials and missile technology and equipment. Non-proliferation is not an objective in its regional policies in South Asia (or the Persian Gulf and the Middle East). Had it been an objective, the clandestine and weapons-oriented nuclear and missile programmes of Pakistan, as acknowledged by various Pakistani leaders since the eighties, would have placed Pakistan in conflict with China. This would be injurious to China's thirty odd years' strategic investment in Pakistan and it would also degrade Pakistan's value as an extension of Chinese nuclear and missile strategy vis-à-vis India and other powers with strategic interests in this important sub-region. The absence of a strict Chinese non-proliferation law or policy explains why China does not heed Indian and the US (especially Congressional and CIA) sensitivity about its missile and nuclear supply into this delicate strategic neighbourhood and why it insists that Sino–Pakistan defence cooperation is normal (it is, by Beijing's standards), and that it believes in peace and stability, and that India should solve the issue peacefully or cast it aside. Beyond that, China's motivation is not open to discussion, and China's counter-question is why Indians are suspicious about Chinese intentions on India.²⁸

The final aspect is that the Sino–Pakistan relationship also entails Pakistani high technology transfers to China. It is not one-sided. According to a knowledgeable practitioner, 'the PLA Air Force acquired in-flight refuelling technology from Israel, Iran and Pakistan for its fighters and bombers', and 'the new Chinese fighter Jian-10 (or F-10) based on the Israeli Lavi and US F-16 designs, the latter [was] reportedly supplied to Beijing by Pakistan'.²⁹

²⁸ Interviews, New Delhi, December 1997.

²⁹ Chong Pin-Lin, 'The Military Balance in the Taiwan Straits', *China Quarterly*, No. 146, June 1996, p. 587.

To sum up, the Sino–Pakistan relationship reveals a long and durable history of selective proliferation in a multipolar and complex structure of regional and international power politics. This case is unique. It contrasts with the Sino–Iran supply relationship. There are reports that China has assured Israel that it will not supply the two nuclear reactors to Iran and will also stop all nuclear supplies to Iran.³⁰ Here its interests vis-à-vis Israel and the US appear to have priority over Iran, and the nuclear supply relationship with Iran is consequently negotiable.

³⁰ Programme for Promoting Nuclear Non Proliferation, *Newsbrief* (Southampton), No. 40, 4th Quarter 1997, pp. 4 and 19.