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China's Silk Road Strategy in AfPak: The Shanghai Cooperation Organization

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***Abstract.** As the U.S. is mulling over troop withdrawal and a review of AfPak strategy in a post-Bin Laden world, China is quietly positioning itself to fill the U.S./NATO vacuum in Afghanistan. Whereas the U.S. is focused on an Afghan end game of denying a safe haven for al Qaeda to launch further attacks on U.S. homeland, it seems to be operating with a China blind spot in its AfPak strategy specifically and Central/Eurasia strategy more broadly. On June 15, the China-led Shanghai Cooperation Organization (SCO) convened its 10th anniversary summit in Astana with the incorporation of Afghanistan as its top agenda. In so doing, China is slowly fulfilling its long-term objective of building an energy-based Eurasian security architecture stretching from Turkey in the west to China in the east to reduce U.S. and western influence. China views Afghanistan as part and parcel of a larger competition between U.S. and China for influence in Eurasia, and a potential key transport and pipeline connector between China and its strategic ally Iran. U.S. policymakers need to see how Afghanistan fits into the larger strategic whole of Eurasia as it reviews its current AfPak strategy. Otherwise, U.S. and NATO risk being outflanked by China and the SCO in the Eurasian heartland.*

Introduction

As the U.S. is mulling over its troop withdrawal and a new AfPak strategy in the post-Bin Laden world, China is quietly consolidating its foothold to fill the U.S./NATO vacuum in the region. Against the backdrop of deteriorating U.S.-Pakistan relations, U.S. domestic fiscal

austerity, war fatigue in the American public and among NATO allies, China is deftly posturing itself to step in and fill the void to consolidate its influence in the Eurasia “Great Game”. Although most meetings are behind closed doors and not all issues are included in official declarations, on June 15, at the 10th anniversary summit of the Shanghai Cooperation Organization (SCO), China and other member states would likely have made decisions on issues such as membership – admitting Afghanistan as an observer, Pakistan and India as members, Turkey as a dialogue partner;¹ forming a trilateral alliance between China, Afghanistan and Pakistan called the Pamir Group, based on the Pamir Mountains that connect all three countries’ borders;² standing up an SCO energy club to fortify the Eurasian bloc of energy consuming, producing and transit nations;³ and increasing militarization of the hitherto security organization into a possible collective defense military alliance in the future.⁴ Whether Afghanistan remains neutral or becomes more closely aligned with China and regional grouping of the SCO will have important long-term implications for U.S. and NATO interests in the region.

Exit NATO, Enter SCO

With current U.S. troop drawdown beginning in July and subsequent NATO withdrawal starting in 2014, this provides a window of opportunity for SCO to bring Afghanistan further under its fold. Since the post 9/11 U.S. and NATO operations in Afghanistan, Russia and China have been openly critical of this military presence in their strategic backyard and setting up military bases in Uzbekistan and Kyrgyzstan. In the 2005 SCO summit, China and Russia nudged Uzbekistan and Kyrgyzstan to eject U.S. troops from their bases – Uzbekistan followed through but Kyrgyzstan let the U.S. remain with increased rent payments.

Subsequently in September 2009, the Chinese Communist Party’s newspaper *China Daily*, openly called for U.S. and NATO troop withdrawal from Afghanistan as a prerequisite for

¹ “Afghanistan will join SCO-eventually”, *RIA Novosti*, 16 May 2011; “Afghanistan likely to be given observer status in SCO”, *The Hindu*, 14 May 2011; “Afghanistan wants to join 6-nation Shanghai alliance as observer”, *RIA Novosti*, 14 May 2011; Alissa Rubin, “Pakistan Urged Afghanistan to Distance Itself From the West, Official Say”, *The New York Times*, 27 April 2011; “China ‘very positive’ for Turkey to be dialogue partner in SCO”, *Associated Press of Pakistan*, 7 June 2011; “Moscow invited Turkey to Shanghai forum on Afghanistan”, *Today’s Zaman*, 21 Feb 2009; “Erdogan: Iran, Pakistan, Turkey, Afghanistan have common future”, *Pakistan Defence*, 16 Oct 2010; “Turkey, Afghanistan, state joint urban warfare exercise”, *People’s Daily*, 26 March 2011; “China supports trilateral cooperation among Turkey, Afghanistan, Pakistan”, *China Embassy Turkey*, 27 January 2010; “Pakistan, Iran, Turkey must back China, Russia: VC”, *Daily Times (Pakistan)*, 10 June 2011

² Li Xiguang, “New Silk Road could revitalize war-torn Afghanistan”, *Global Times*, 6 June 2011; “China-Pakistan-Afghanistan-building economic ties”, *Reuters*, 27 April 2011; “China, Pakistan, Afghanistan need to form Pamir group”, *Associated Press of Pakistan*, 7 June 2011; “U.S. losing Afghanistan to China”, *Afghanistan Press*, 29 July 2010; “Any attack on Pakistan would be construed as an attack on China: Beijing”, *Rupee News*, 3 June 2011.

³ Kulpash Konyrova, “Shanghai Cooperation Organization mulls energy club creation”, *New Europe*, 20 March 2011; “Regional security group considers expanding into energy”, *Central Asian News Wire*, 21 March 2011; Zachary Fillingham, “SCO, Asian NATO or OPEC?”, *Geopolitical Monitor*, 19 October 2009; “Putin pushes SCO countries to form energy forum”, *Geopolitical Monitor*, 14 October 2009; “Gas-OPEC in the pipeline”, *New Europe*, 7 November 2010; Christina Lin, “NATO and the Shanghai Cooperation Organization: New Energy Geopolitics for the Transatlantic Alliance”, *AICGS Transatlantic Perspectives*, The Johns Hopkins University, August 2009; Christina Lin, *The New Silk Road: China’s Energy Strategy in the Greater Middle East*, Policy Focus 109, The Washington Institute for Near East Policy, April 2011.

⁴ Sheng Shiliang, “Will the SCO become a mainstay of Asian security”, *RIA Novosti*, 7 June 2011; Cheng Guangjin and Wu Jiao, “China vows to boost security ties with SCO members”, *The China Daily*, 9 June 2011; “CSTO proposes to SCO joint effort on post-conflict Afghanistan”, *RIA Novosti*, 31 July 2007; Christina Lin, “The Prince of Rosh: Russian Energy Imperialism and the Emerging Eurasian Military Alliance of the Shanghai Cooperation Organisation”, *Denkwurdigkeiten*, Journal der Politische-Militarischen Gesellschaft e.V., No. 51, February 2009.

peace.⁵ A month later in October 2009, another *China Daily* article stated that Taliban had asked SCO support to eject U.S./NATO troops from Afghanistan and that the Islamic Emirate of Afghanistan (name of ousted Taliban regime) was ready to establish friendly relations with neighboring states.⁶ While U.S. and her allies debate the relevance of the war in Afghanistan and NATO's *raison d'être*, an emerging Eurasian security architecture is quietly filling in the void as U.S./NATO begin to recede from the region – enter the Shanghai Cooperation Organization.

Will SCO become a military alliance? The Shanghai Cooperation Organization, or SCO, is a Eurasian bloc of energy producing, consuming, and transit nations with four nuclear powers (possibly five including Iran). It began as the Shanghai Five in 1996 to solve border disputes and consolidated into the SCO in 2001 with an ever-expanding mandate into the realms of regional security, terrorism, energy, economics, and increasing joint military exercises. Its members are China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan; observer states are Iran, Pakistan, India and Mongolia; and dialogue partners are Belarus and Sri Lanka. The SCO-Afghanistan Contact Group was established in 2005 with President Karzai regularly attending SCO summits as a guest, and recently Afghanistan applied to become an observer state (See Figure 1).

Currently, China is debating the direction of SCO towards a potential collective security alliance.⁷ In a recent *op ed* by Xinhua's chief researcher with the Center for Global Challenges Studies, the author Sheng Shiliang argued that SCO already has close cooperative security structures with CSTO (Collective Security Treaty Organization) spearheaded by Russia. He posits that in the near future, SCO could draft proposals to create a security system with SCO members and observers, and begin a stage-by-stage construction of a collective security system in Asia. The Chinese vision of an Asian collective defense alliance is not entirely far fetched. All SCO members, except China, are CSTO members. CSTO members include Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Belarus and Armenia, and are a military alliance with a mutual defense clause like NATO (e.g., attack against one is attack against all). Russia has been pushing for militarization of the SCO via CSTO and in 2007, CSTO and SCO signed a security agreement for closer military cooperation. Also in May 2007, CSTO secretary general Nikolai Bordyuzha suggested Iran could join the CSTO alliance.⁸ Currently, another CSTO member, Belarus, is a dialogue partner with eventual goal of joining SCO.

⁵ Li Qinggong, "Afghan peace needs a map", *China Daily*, 28 September 2009; M K Bhadrakumar, "China maps an end to the Afghan war", *Asia Times Online*, 2 October 2009.

⁶ "Taliban seeks SCO support in solving Afghan crisis", *15 October 2009*; "The Taliban sent a letter to the SCO to seek help, help them to "liberate" Afghanistan", *Global Military*, 18 October 2009.

⁷ Sheng Xhiliang, "Will the SCO become a mainstay of Asian security?", *RIA Novosti*, 7 June 2011.

⁸ *Interfax*, 14 May 2007

Figure 1: Map of SCO



Source: Nikolay Kurbatov, "SCO", *Wikipedia*, 31 May 2009. Note that guest attendants include ASEAN countries and Turkmenistan, which are neither members, observers nor dialogue partners.

Moreover, despite China's initial reluctance to prevent creeping militarization of the SCO to detract from its focus on economic development, due to its voracious energy appetite and attendant military role to protect its overseas interests, Beijing's energy need and Moscow's military goals finally coalesce around militarization of energy security. As such, beginning in 2003, the SCO has conducted a series of joint military exercises, with the largest beginning in 2005 under the "Peace Mission" moniker.⁹ In "Peace Mission 2010", China showcased its expeditionary military capability of PLAAF (PLA Air Force) fighters and bombers. After the September Peace Mission exercises, Chinese warplanes flew on to conduct air combat exercises (with a refueling stop in Iran) with Turkey in its Anatolian Eagle maneuvers, traditionally carried out with U.S., Israel and other NATO countries.¹⁰ As China is increasing its military cooperation with this NATO member, Turkey has expressed interest to join SCO as a dialogue partner.¹¹

Admittedly SCO as it currently stands will likely remain a security organization in the near term focused on energy and regional integration, as it lacks the military capability and interoperability to match those of NATO as an effective defense alliance. There has also been internal dissension on SCO mandate for intervention, as evidence by Beijing's decision not to be involved in the June 2010 ethnic violence in Kyrgyzstan and low-intensity armed conflict in Tajikistan's Kamarob gorge in September 2010.¹² However, there are some indicators that point to Chinese intention of taking SCO on a trajectory from a security organization to a military alliance in the future: increasing Chinese writing and debates on forming Asian regional security centered on SCO defense alliance; systematically integrating remaining

⁹ Richard Weitz, "Military exercises underscore the SCO's character", *Central Asia Caucasus Institute Analyst*, 25 May 2011.

¹⁰ Roger McDermott, "China showcases expeditionary military power in peace mission 2010", *Eurasia Daily Monitor*, 12 October 2010; "China, and Turkey have conducted another military exercise", *World Tribune*, 12 November 2010; Jorge Benetiz, "U.S. questions Turkey's military exercise with China", NATO Source Alliance News Blog, Atlantic Council, 1 October 2010.

¹¹ "China 'very positive' for Turkey to be dialogue partner in SCO", *Associated Press of Pakistan*, 7 June 2011.

¹² Erica Matat, "Afghanistan: NATO Out, SCO In?", *Eurasia Daily Monitor*, Vol. 8, Issue 98, 20 May 2011.

CSTO members outside of SCO fold (e.g., Belarus) into the SCO¹³; merging military ties between CSTO and SCO; China's increase military training with NATO countries such as Turkey; rapid Chinese military modernization and expansion of long-range power projection capabilities; history of Chinese procuring military capabilities to match their strategic intentions over time. As China dominates the SCO and uses it as a vehicle to project hegemony across the Central/Eurasia region, and its shared interest with Russia to eject U.S./NATO out of their strategic backyard, the militarization of SCO into a possible military alliance in the future bears monitoring.

China's AfPak Silk Road under SCO Canopy

As Afghanistan considers the SCO canopy, Chinese scholars are calling for consolidation of China, Afghanistan and Pakistan in a trilateral alliance called the Pamir Group, named after the Pamir Mountains that connect all three countries' borders. In a recent *Global Times* article, a prominent Chinese scholar Li Xiguang argued that the Pamir group could revive the ancient Silk Road that passes through this region, with China intensifying its investment in building a network of roads, energy pipelines, electric grids and other infrastructure connecting AfPak with China.¹⁴ The Wakhan Corridor, which connects Afghanistan to China, lies next to the city of Kashgar and its newly developed special economic zone in the far western end of China's Xinjiang province. China hopes that Kashgar will be restored to the previous position in the legendary Silk Road, and serve as a launching pad into Pakistan, Afghanistan and Central Asian countries. There is already an active plan for a quadrilateral freight railroad from Xinjiang through Tajikistan, Afghanistan to Pakistan, where Gwadar port would bring in Middle East energy supplies. This would also extend their land connectivity to Iran.¹⁵

PLA Deployment to Afghanistan? Accordingly, China is also projecting its military power to protect its expanding energy supplies. Since 2009, China has embarked on regional infrastructure projects along the Wakhan Corridor. A 75 km-long road, which would extend up to 10 km from China-Afghanistan border, is being built by funds from the Chinese Ministry of Defense. The road is intended for use by Chinese frontier patrols and for transportation of supplies to border units.¹⁶ A construction of supply depot by the State Council Leading Group Office of Poverty Alleviation and Development would also raise food quality standard for the police forces guarding the volatile Afghan frontier, along with a mobile communications center that permits operation of mobile devices along the border. Specialized optical cable for web connection and internet access have also been laid.¹⁷ As Chinese strategic and economic footprint expands in Afghanistan, China appears poised to project its military

¹³ Currently Armenia is not affiliated with the SCO due to its territorial conflict with Azerbaijan. Countries with territorial disputes are usually barred from joining a collective security organization until the disputes are resolved, so as not to unnecessarily drag the entire organization into war.

¹⁴ Li Xiguang, "New Silk Road could revitalize war-torn Afghanistan", *Global Times*, 6 June 2011.

¹⁵ Bhaskar Roy, "Aftermath of Osama Bin Laden: The China Factor—Analysis", *Eurasia Review*, 14 May 2011.

¹⁶ *China Review News*, December 28, 2009; Russell Hsiao, Glen E Howard, "China Builds Closer Ties to Afghanistan through Wakhan Corridor", *China Brief*, Vol. 10 Issue 1, 7 January 2010.

¹⁷ *Ibid.*

power to safeguard its interests in its “Large Periphery” neighboring areas.¹⁸ Similar to recent reports of Turkey’s decision to deploy troops to Syria if faced with large influx of Syrian refugees, China would likely deploy troops into Afghanistan to quell conflicts that threatens its stability.¹⁹

Historical evidence points to this line of Chinese military strategy. In 2001 in the immediate aftermath of 9/11, an estimated 5,000 to 15,000 Chinese troops reportedly poured into Afghanistan via the Karakoram Road and through the Kulik Pass of Little Pamir Mountain.²⁰ In August 2010, an estimated 11,000 PLA troops were deployed to Kashmir as infrastructure workers on the Karakoram Highway.²¹ In January 2011, there were reports that the PLA had deployed troops to the economic zone of Rajin-Sonbong in northeast North Korea in order to “guard port facilities China had invested in.”²² This pattern of behavior in deploying troops to its large periphery to protect its interest indicates that China may be more involved militarily in Afghanistan, given its geostrategic location as a neighbor, key transport corridor, as well as recipient of massive Chinese investments in its energy and strategic minerals sectors.

China is already building transport logistics for both trade and troops to Afghanistan via railways. Military requirements are currently part of China’s rail development, and the PLA actively participates in the design and planning of China’s high-speed rail. On November 17, 2010, the PLA (People’s Liberation Army) took the Shanghai-Nanjing express train for the first time back to their barracks after completing security duty at the Shanghai World Expo 2010, and Chinese military analysts tout this as an ideal way for the PLA to project troops and light equipment in military operations other than war (MOOTW).²³ This has raised some alarm with China’s Central Asian neighbors, as a scholar from Kazakhstan’s Institute of Strategic Studies points out that rapid development of road and railroad infrastructure in Central Asia with Chinese participation may be used for future PLA troop deployment if Chinese security or strategic interests are threatened.²⁴ This is something that Afghanistan would need to bear in mind as they inch closer to China and the SCO.

Finally, in view of how China might fill the post U.S./NATO military vacuum to maintain their neighbor’s stability, China will not necessarily deploy large military contingencies like NATO/ISAF, which is viewed as occupation and war. However, it will likely keep open the option of rapid troop deployment via railways, roads, and such transport logistics to invade countries for MOOTW. This way, China will save cost of having to install and maintain military bases or have a constant large military presence, which is viewed by Afghan civilians as foreign occupation and be targets for extremists. Rapid troop deployment and mobility is key for Chinese military planners to preserve stability, which is further reinforced by PLA troops

¹⁸ Christina Lin, “The PLA’s Orient Express: Militarization of the Iron Silk Road”, *China Brief*, Vol. XI, Issue 5, 25 March 2011; *Ta Kung Pao* [Hong Kong], 24 September 2009; *Jing Bao* [Hong Kong], 29 January 2010.

¹⁹ Emine Kart, “Turkey says it will not be caught unprepared by influx of Syrian refugees”, *Todays Zaman*, 30 May 2011.

²⁰ “China Moves Forces into Afghanistan”, *Debka*, October 6, 2001; “Chinese Mass Troops at Border”, *Washington Times*, 3 October 2001.

²¹ Randeep Ramesh, “What are Chinese troops doing in Kashmir?” *Guardian*, 4 September 2010; author conversation with U.S. CENTCOM official, 4 October 2010; “Pushing Back”, *The Economist*, 16 December 2010.

²² The Chosun Ilbo, 17 January 2011.

²³ *China Army*, 19 November 2010; *Xinhua News Agency*, 7 December 2010.

²⁴ “China’s Expansionist Policy Toward Kazakhstan Take a New Turn”, *Eurasia Daily Monitor*, 17 November 2010; *Kazakhstanskaya Pravda*, 9 November 2010.

already garrisoned as infrastructure workers and security guards for Chinese energy and infrastructure projects throughout Afghanistan.

China's Leverages for Implementing AfPak Silk Road Strategy

In implementing the Silk Road Strategy, China has a favorable posture in the region.

China and the Taliban. China has good relations with the Taliban, Karzai, Iran and Pakistan. It is on record that Chinese state owned telecom companies like ZTE helped the Taliban government set up systems including radars, and communication systems, in return for Taliban cooperation to prevent Uighur groups from using Afghan territory to launch attacks against China's Xinjiang province (See Table 1).²⁵ Chinese specialists are also training Taliban fighters in the use of infrared-guided surface-to-air-missiles.²⁶ In 2010 a *Washington Post* article reported that General Ma Xiaotian, Deputy Chief of Staff of Chinese PLA, met with Karzai and offered for PLA to train ANA after NATO's withdrawal.²⁷ Indeed the PLA has already been training ANA in its bases.²⁸ China's military intelligence service, *Qingbaobu* and its civil intelligence service, *Guoanbu*, also reportedly reached out to Gulbuddin Hekmatayar, the powerful Afghan warlord who heads Hezb-e-Islami, the fundamentalist organization with close links to al Qaeda, in support of a possible *rapprochement* between Karzai and Hekmatayar.²⁹ According to Richard D. Fischer, a China military expert, this made sense for Chinese goals. He stated that the best Afghan scenario for China is one "in which they become the main support for the 'Karzai' part of the country while helping arrange a *Modus Vivendi* with a stronger Taliban. That would relieve pressure on Chinese ally Pakistan's military while giving China broad economic access and power in all of Afghanistan."³⁰

²⁵ Andrew Small, "China's Caution on Afghanistan-Pakistan", *The Washington Quarterly*, July 2010, p.86; "The Taliban reaches out to China", *Stratfor*, 28 July 2000; Mohan Malik, "Dragon on Terrorism: Assessing China's Tactical Gains and Strategic Losses Post-September 11", U.S. Army War College, Strategic Studies Institute, October 2002.

²⁶ David A. Fulghum, Robert Wall, "Weapons Migrate From China to Afghanistan", *Aviation Week*, 13 December 2010; "China's Military Aid to the Taliban?" *Eurasianet*, 20 December 2010.

²⁷ Jeff Stein, "Report: Chinese court Afghanistan's Karzai", *Washington Post*, 30 April 2010; "China pledges military cooperation with Afghanistan, Nepal", *Global Times*, 26 March 2010.

²⁸ "China launches mine-clearing training course for Afghanistan, Iraq", *Ministry of National Defense, The People's Republic of China*, 15 September 2009, http://eng.mod.gov.cn/Press/2009-09/15/content_4088011.htm.

²⁹ Jeff Stein, *Washington Post*, 30 April 2010.

³⁰ *Ibid.*

Table 1: China's Taliban Connection, 1998-2001

| YEAR | KEY DEVELOPMENTS |
|---------------|---|
| December 1998 | <p>- Following the escalation of separatist violence in Xinjiang in 1998, contact facilitated by Pakistan between China and Taliban at Beijing's request. Five senior Chinese diplomats held talks in Kabul with the Taliban's Deputy Chairman Mullah Muhammad Hassan, Interior Minister Mullah Abdur Razzaq, and Deputy Foreign Minister Abdurrahman Zayef and obtained their assurance that the Taliban would not allow Afghan territory to be used against China. The Taliban also transferred two unexploded U.S. Tomahawk cruise missiles to China for \$20 million each. In return, the Chinese agreed to:</p> <ul style="list-style-type: none"> • start direct flights between Kabul and Urumuqi; • open formal trade ties; • increase Chinese food aid to Afghanistan; • provide arms and spares for Taliban's aging military equipment. |
| October 1999 | <p>- Annual felicitations conveyed by Mullah Omar (via Radio Shariat) on the occasion of China's National Day from 1999.</p> |
| November 2000 | <p>- A delegation from the Ministry of State Security-run think tank, China Institute of Contemporary International Relations, visited Kabul and Kandahar.</p> |
| December 2000 | <p>- A delegation led by China's ambassador to Pakistan, Lu Shulin, met with Mullah Omar, following the Taliban's plea to veto U.S.-Russian moves to tighten U.N. Security Council sanctions (including travel restrictions against Taliban officials).</p> |
| 2000 | <p>- China's Huawei Technologies Co., also accused of helping Iraq to upgrade its military communications system, signed a deal to install 12,000 fixed-line telephones in Kandahar.</p> <p>- Another Chinese telecom firm, ZTE, agreed to install 5,000 telephone lines in Kabul after Pakistan provided a counter-guarantee for the project.</p> |
| 2001 | <p>- China started the repair work on Afghanistan's power grid, damaged by years of war. Repair and expansion work on the Kajaki Dam in Helmand, Dahla Dam in Kandahar and the Breshna-Kot Dam in Nangarhar began.</p> <p>- The Dongfeng Agricultural Machinery Company was hired to add 16.5 MW to power generation. Work was still in progress when the site was bombed in November 2001.</p> <p>- The Chinese were involved in refurbishing the Herat Cement Plant.</p> <p>- By late 2001, China had become the biggest investor in Afghanistan, with "legitimate" investments running to several tens of millions of dollars.</p> |
| July 2001 | <p>- A Taliban delegation, led by their Commercial Attaché to Pakistan, spent a week in China as guests of the government. The Chinese Commerce Ministry facilitated their interaction with some Chinese industrialists and businessmen.</p> <p>- Chinese Foreign Minister Tang Jiaxuan met with a Taliban delegation whilst visiting Pakistan, and agreed to consider the Taliban's position on U.N. sanctions against Afghanistan.</p> |

| | |
|----------------|---|
| August 2001 | - Osama bin Laden called for cultivating closer Taliban-China ties to reduce U.S. influence. |
| September 2001 | - A new protocol on Sino-Taliban commercial relations was inked on September 11: the day of the World Trade Center attacks. |
| October 2001 | - A Taliban military commander, Maulvi Jalaluddin Haqqani, told a Pakistani newspaper that China had maintained contacts with the Islamic militia even after U.S. air strikes had begun, and that Beijing was “also extending support and cooperation to the Taliban, but the shape of this cooperation cannot be disclosed.” China’s government described the commander’s statement as a “fabrication.” - U.S. intelligence reported that China continued to supply arms (including Chinese-made SA-7 shoulder-fired missiles) to al-Qaeda terrorists after September 11. |
| December 2001 | - Indian media reported that the Indian Government was considering deporting 185 Chinese telecom experts working at Huawei Company’s Bangalore office, who were suspected of developing telecom surveillance equipment for the Taliban. China’s ambassador to India issued a denial. - Defense Secretary Donald Rumsfeld said Alliance forces near Tora Bora had “captured a good deal of Chinese ammunition.” The Chinese Foreign Ministry spokesman said he had “no idea” what Rumsfeld was referring to. - U.S. officials acknowledged that a few Chinese passport-holders were discovered among the fighters in Afghanistan |

SOURCE: Reproduced from Mohan Malik, *Dragon on Terrorism: Assessing China’s Tactical Gains and Strategic Losses Post-September 11*, Strategic Studies Institute, U.S. Army War College, October 2002, pp. 8-10.

China and Pakistan. Besides having good relations with the Taliban, China’s main leverage in Afghanistan is its strategic ally Pakistan. Unlike the U.S. that seems to have little influence over Pakistan given its poor bilateral relations, China is a sponsor of Pakistan via aid, arms sales, UNSC veto power, and a shared threat of India. China uses its ties with Pakistan and ISI to influence Afghanistan, and if it can help broker a deal with an Afghanistan that is friendly towards Pakistan, this would serve China’s interests.

Pakistan often refers to China as an “all weather friend” and Chinese officials have remarked to U.S. diplomats, “Pakistan is our Israel”.³¹ Moreover, Pakistan is China’s Muslim ambassador to the Islamic world, as well as a major supplier of investment, arms, missiles and nuclear technology.³² In the aftermath of the Bin Laden raid, Pakistani Prime Minister Syed Yusuf Raza Gilani visited China, which agreed to provide 50 JF-17 fighter jets to Pakistan, with possible future provision of J-20s, Beijing’s latest stealth aircraft and Xiaolong/FC-1 multi-purpose light fighter aircraft.³³ Pakistan is seeking ways to hedge its military dependence on the U.S., and Chinese military technology is becoming increasingly sophisticated. In fact U.S intelligence officials were concerned that Pakistan would provide China with access to the tail

³¹ Thalif Deen, “China: ‘Pakistan is our Israel’”, *Al Jazeera*, 28 October 2010.

³² B. Raman, “Why Pakistan Is Important To China”, *Outlook India*, 12 October 2010; Jonathan Manthorpe, “U.S. raid has Asia scrambling for protection”, *Vancouver Sun*, 20 May 2011;

³³ Tufail Ahmad and Y. Carmon, “China Warns U.S.: ‘Any Attack on Pakistan Would Be Construed As an Attack on China’—Evolving Pakistani-Chinese Alliance to Face the U.S./India”, *MEMRI*, Report No. 691, 26 May 2011; Anna Mahjar Barducci, “China warns the U.S.: ‘Any Attack on Pakistan Would be Construed as an Attack on China’”, *New York Hudson News*, 27 May 2011.

rotor of a downed MH-60 Blackhawk helicopter used during the May 2 raid and reverse engineer its stealth technology, similar to how China possibly based its J-20 stealth technology on the downed U.S. F-117 jet fighter that crashed during military operations in the Balkans in 1999.³⁴

China and Iran. Iran also wields great influence in Afghanistan. Since 1979 it has a core interest in ensuring Afghanistan is not used as a third country from which U.S. can launch an attack.³⁵ Iran has tried to prevent Afghanistan from being used as an anti-Iranian platform and formed relationships with Afghanistan's Shiite Hazara and other Dari/Persian speaking communities to counter balance pro-Saudi, pro-Pakistani elements in the country. Given that China has good relations with Iran, Pakistan, and Saudi Arabia, China may have a competitive advantage over the U.S. in brokering a negotiated settlement for various factions in Afghanistan.

Moreover, China shares Iran's concerns of U.S. using Afghanistan as a platform to launch attacks. Iran is surrounded by U.S. troops in its western flank in Iraq and eastern flank in Afghanistan, while China views it is encircled by U.S. troops in its western flank of Afghanistan and eastern flank of U.S. sponsored anti-China East Asian military alliance (e.g., Japan, South Korea, Philippines, Taiwan, etc). As such China shares an incentive with Iran to eject U.S./NATO troops from Afghanistan, reinforced by Pakistan's current ire with the U.S. and urging Karzai to partner with Beijing instead of Washington.

China's UNSC Membership. There are additional assets that China can bring to the AfPak table. It is a UNSC member that has shown consistent pattern in sheltering friendly rogues regimes from sanctions – North Korea, Sudan, Zimbabwe, Burma, and Taliban members in the past (See Table 1). Linda Jakobson, Director of the Program on China and Global Security at the Stockholm International Peace Research Institute (SIPRI), said that “China sees value in promoting its image as the Security Council member defending the rights of the developing world, and China sees value in relying on the UN to counter U.S. power.”³⁶ Additionally, its ‘non-interference’ policy, especially on human rights and democracy, would allay Taliban fears about losing its power base.

China's \$3 trillion War Chest. In terms of economic leverage, China has a tremendous war chest of US\$3 trillion in foreign exchange reserves to underwrite regimes friendly towards Chinese interests as it has done with Sudan, Burma and North Korea. In North Korea alone, China's aid consists of 40 % of North Korea's entire GDP.³⁷ Unlike U.S. and European countries within NATO that are still struggling with recession and budget cuts, China is enjoying

³⁴ “China zooming in on U.S. stealth helicopter at bin Laden compound”, *East Asia Intel*, 11 May 2011; “U.S. assessing capabilities of China's J-20: Stealth tech may have come from downed F-117”, *East Asia Intel*, 27 April 2011; “China posts photos of J-15 jet thought to employ stolen tech from U.S. F-35”, *East Asia Intel*, 11 May 2011. China has close military ties with Pakistan and even conducted joint military exercises in Abbottabad in December 2006, when Bin Laden is already based in the compound. John Batchelor, “China Card in Abbottabad”, *Current Affairs*, 6 May 2011.

³⁵ Hilary Mann Leverett, „AfPak Behind the Lines: Iran in Afghanistan and Pakistan“, *Foreign Policy*, 6 July 2010; „India and Iran's Afpak Policy“, *The Hindu*, 6 April 2010.

³⁶ “China: Pakistan is our Israel”, *Al Jazeera*, 28 October 2010.

³⁷ Jung Sung-ki, “China plans \$10 billion investment in North Korea”, *Korea Times*, 15 February 2010. North Korea's total GDP stands at \$25 billion; Christina Lin, “China, Iran and North Korea: A Triangular Strategic Alliance”, *Middle East Review of International Affairs*, Vol 14, No 1, March 2010.

double digit GDP growth and its authoritarian regime has the power to pour out aid and generous loans without answering to a domestic constituency. At the SCO summit, China pledged more than US \$12 billion in concessional loans to other member states and President Hu stated that it could continue extending such loans to SCO members.³⁸ The Export-Import Bank of China provides financing for SCO energy and infrastructure projects, and within 10 years China's trade turnover with SCO countries increased almost sevenfold from \$12 billion to \$84 billion.³⁹ These economic indicators suggest that Afghanistan would have bright economic development prospects by entering the SCO fold.

China's Investment Portfolio in Afghanistan. Indeed China has already poured massive investments into Afghanistan. Jiangxi Copper Co. and Metallurgical Corp of China won a \$3.5 billion contract in 2007 to develop the vast Aynak copper mine, outbidding by almost doubling those of their rivals such as Russia's Strikeforce, Kazakmys Consortium, Hunter Dickinson and U.S. company Phelps Dodge.⁴⁰ It is seeking tender for Hajigak iron deposit estimated at \$5 to \$6 billion, as well as to develop Afghan oil and gas deposits. China's ZTE and Huawei have already partnered with Afghan Ministry of Communications to implement digital telephone switches, and China Railway Construction Group – successor to No.4 Division of the Railway Corps of the PLA, is building railways.⁴¹ Chinese companies are participating in Parwan irrigation project to restore water supply in Parwar province, as well as numerous public hospitals in Kabul and Kandahar.⁴² Many goods in Afghan market are made in Chinese factories, and there is a steadily growing stream of business travelers between the two nations.⁴³

China is also financing roads across northern Afghanistan to Iran⁴⁴, and may eventually build railways and pipelines that connect China directly to Iran once stability is sustained in Afghanistan. If so, Iran would be able to hedge its current relative isolation due to its nuclear program and export its energy sources eastward to China via railways, pipelines, roads, thereby bypassing sea lanes of communication (SLOCs) currently patrolled by U.S. Navy.

China's Af-Xin Strategy. China's investments in Afghanistan are part of its larger "Western Development" strategy to stabilize and integrate its restive Xinjiang in the region. Territorial integrity is a core interest of the Communist Party of China (CCP) be it Taiwan, Tibet or Xinjiang, so using the SCO to stabilize and develop Central Asia and now Afghanistan supports this objective.⁴⁵ China is not interested in some definitive end state or political outcome in Afghanistan so long as there's a ceasefire and it's stable enough for them to conduct their extractive economic interests. They can co-exist peacefully with Taliban, Karzai,

³⁸ "Kremlin aide: China's economic activities in SCO nations no threat to Russia", *Xinhua News Agency*, 15 June 2011.

³⁹ "China's trade turnover with SCO countries increased by 7 times for 10 years", *Trend [Azerbaijan]*, 14 June 2011; "China Eximbank to continue financing for SCO projects", *China Daily*, 14 June 2011.

⁴⁰ Nicklas Norling, "The Emerging China-Afghanistan Relationship", *Central Asia Caucasus Institute Analyst*, 14 May 2008; "Factbox: Relations between China and Afghanistan", *Reuters*, 22 March 2010; John Fox and Daniel Korski, 'Can China Save Afghansitan?' *European Council on Foreign Relations*, 29 September 2008; Ron Xynovitz, "China: Afghan Investment Reveals Larger Strategy", *Radio Free Europe/Radio Liberty*, 29 May 2008.

⁴¹ Matthew Nasuti, "U.S. losing Afghanistan to China", *Afghanistan Press*, 19 July 2010.

⁴² Norling, "The Emerging China-Afghanistan Relationship".

⁴³ *Reuters*, 22 March 2010.

⁴⁴ Parag Khanna, "Central Asia's New Silk Roads", *New York Times*, 12 August 2010.

⁴⁵ Ron Xynovitz, "China: Afghan Investment Reveals Larger Strategy", *RFERL*, 29 May 2008.

al Qaeda, or other parties. As long as China reaches an understanding with whichever regime is in power, China will carry on conducting business in tough terrains with civil war and conflicts, as it has done in places such as Sudan.

Thus China and U.S. both share an interest of a negotiated settlement for stability and economic development. As such China's "Af-Xin" strategy and U.S. Af-Pak strategy overlap and share mutual interests in fighting insurgents to stabilize Afghanistan. That said, what are the prospects of cooperation?

Limits of China-U.S./NATO Cooperation

From the U.S. perspective, U.S., NATO and SCO countries have converging interests in Afghanistan. China and Russia face problems of jihadists trained in Afghanistan that target Xinjiang and Chechnya, and the U.S. wants to deny a safe haven for al-Qaeda to attack the U.S. homeland. Moreover, the volume of narcotics entering China from the Golden Crescent – a heroin-producing zone comprising portions of Afghanistan, Pakistan and Iran – had surged.⁴⁶ Both China and the U.S. support a negotiated settlement between Taliban and Karzai's government to stabilize the country, which will provide the foundation for economic development and eventual integration of Afghanistan as a regional trading hub. This will also help bring the TAPI (Turkmenistan-Afghanistan-Pakistan- India) pipeline online to deliver Caspian energy to south Asia. As such, cooperation between NATO and SCO members seem to be a win-win strategy. Indeed, in 2009 NATO had requested Chinese involvement in NATO ISAF and to contribute troops, as well as open up their Wakhan Corridor as an alternative NATO supply route to existing routes in Pakistan that were prone to attacks.⁴⁷

However, from the Chinese perspective, SCO and NATO presence are mutually exclusive in Afghanistan. Chinese leaders and strategists have long viewed NATO as a hegemonic tool of the U.S. to intervene in other countries' domestic affairs, and often lambasted U.S. strategy of encircling and containing a rising China.⁴⁸ As stated earlier, China views that its eastern flank is already surrounded by anti-Chinese alliances forged by the U.S. – defense treaties with Japan, South Korea, Australia, Philippines and Thailand, in addition to defense cooperation with Taiwan, Singapore and Indonesia. With the post 9/11 *War on Terrorism* and subsequent stationing of U.S./NATO troops in Central Asia and Afghanistan, China is now encircled by U.S. military presence to contain its freedom of action.⁴⁹ Air Force colonel Dai Xu, a renowned military strategist, wrote in an article that, "China is in a crescent-shaped ring of

⁴⁶ Li Xiaokun, "Fighting with Challenges for a Better Future", China Daily, 21 August 2007; Richard Weitz, "The Limits of Partnership: China, NATO and the Afghan War", China Security, Vol. 6, No. 1, 2010, p.24.

⁴⁷ D.S. Rajan, "China: Xinjing's Wakhan Corridor as US Base?", South Asia Analysis Group, Paper no. 3579, 31 December 2009; Russell Hsaio, Glen E Howard, "China Builds Closer Ties to Afghanistan through Wakhan Corridor", China Brief, Vol. 10, Issue 1, 7 January 2010.

⁴⁸ Ye Zicheng, *Inside China's Grand Strategy: The Perspective from the People's Republic*, edited and translated by Steven I Levine and Guili Liu (Lexington, Kentucky: The University Press of Kentucky, 2011); Yong Deng and Fei Ling Wang, *In the Eyes of the Dragon: China Views the World* (Lanhan, Maryland: Rowan & Littlefield Publishers, Inc., 1999); Abanti Bhattacharya, "China's Foreign Policy Challenges and Evolving Strategy", Strategic Analysis, March 2006;

⁴⁹ Ibid.

encirclement. The ring begins in Japan, stretches through nations in the South China Sea to India, and ends in Afghanistan. Washington’s deployment of anti-missile systems around China’s periphery forms a crescent shaped encirclement.”⁵⁰ (See Figure 2). At the recent summit, SCO members signed a declaration condemning any unilateral build up of missile defense.⁵¹ China deeply distrusts U.S. intentions and views any overtures for cooperation as “Judas kiss.”⁵²

Figure 2: Map of Eurasia



Source: Laura Canali, “How America Wants to Check China’s Expansion”, *Heartland: Eurasian Review of Politics*, April 2005.

U.S./NATO out, China/UNPKO in. Beijing as such has repeatedly called for U.S./NATO troops withdrawal as a pre-requisite for Afghan peace, and proposed UN peacekeeping forces in cooperation with SCO as an alternative to replace NATO troops.⁵³ SCO has a Regional Anti-Terrorism Structure (RATS) that is transforming to respond to regional security issues and SCO has held joint military exercises over the years. Over the past decade, China has also increasingly taken part in UNPKOs (UN Peacekeeping Operations) especially in Africa, where PLA soldiers wearing blue berets allow PLA military presence overseas without eliciting the “China Threat theory”. Of all permanent five UNSC members, China is the largest contributor to PKOs. According to Wang Yizhou from Peking University, over the next 15-20 years, PRC plans to deploy hundreds of thousands of troops overseas in UNPKOs

⁵⁰ Qin Jize and Li Xiaokun, *China Military News*, 21 February 2010; D.S. Rajan, “China: US Accused of Strategically Encircling China”, *South Asia Analysis Group*, Paper No. 3836, 30 May 2010.

⁵¹ Alexei Anishchuk, “China and allies back Russia against U.S. missile shield”, *Reuters*, 15 June 2011.

⁵² Lao Jiang, “Obama Dangju Duiha Zhengce Wanbian Buli Qizong Erzhi” (Containment—A Final Objective of U.S. China Policy Despite Obama’s Label of “Change”), *Utopia*, 21 April 2009.

⁵³ Li Qinggong, “Afghan peace needs a map”, *China Daily*, 28 September 2009.

to maintain peace and stability. This would include logistics troops, engineers, medical staff, civil and armed police, infantry, and elite troops engaged in ground, sea and air operations.⁵⁴ Conceivably U.S. troops can work with UNKPO and negotiate long-term security agreement with Afghanistan to maintain American presence beyond 2014, but given China and SCO's anti-U.S. stance it seems unlikely. SCO appears to be a U.S.-free zone, as SCO rejected U.S. applications to be an observer in 2005.

TAPI Pipeline and SCO Energy Club. Moreover, SCO's desire to bring TAPI pipeline under its fold would also nullify the need for NATO troops to protect the pipeline and extend their mandate beyond 2014, since SCO troops and/or UNPKOs will replace them. Currently TAPI is outside of SCO aegis and supported by U.S. and Asian Development Bank (ADB).

However, SCO is taking steps to bring TAPI under its fold, as Turkmenistan has been a guest attendee of SCO summits. SCO General Secretary Muratbek Imanaliev stated that "Presently, the SCO is discussing the idea of the creation of an 'energy club' that would help strengthen energy cooperation within the SCO".⁵⁵ Imanaliev recognizes that although currently TAPI falls outside of SCO's zone of responsibility, "TAPI is an interesting project. Such projects are important for all their participants, and we understand the importance of this project for the settlement of the Afghan issue".⁵⁶

SCO Energy Club—Rise of a Gas OPEC?

While it seems practical for TAPI to fall under the SCO fold for regional countries to cooperate in stabilizing Afghanistan, there may be potential downside for U.S./NATO interests. An SCO energy club would be a formidable bloc of energy producing, consuming, and transit countries of mainly authoritarian states that could hold Europe and East Asian allies hostage to its energy sources.⁵⁷ Russia and Iran rank top two in the world's natural gas reserves, with China and India providing stable energy consuming markets. It is all the more unsettling that Russia and Iran called for GECF (Gas exporting Countries Forum) to form a gas OPEC at the 2006 SCO summit.⁵⁸ Given Russia's history of using its coercive energy weapon to cut off gas to Europe (e.g., Belarus, Ukraine, invasion of Georgia /BTC pipelines) over foreign policy disputes and China's embargo of rare earth metals over territorial disputes with Japan, a Sino-Russian dominated SCO energy club with control over Caspian energy resources would pose risks to the viability of Nabucco pipelines to diversify EU away from Russian gas depen-

⁵⁴ Robert S. Ross, Oystein Tunsjo and Zhang Tuosheng, *US-China-EU Relations: Managing the New World Order* (London: Routledge, 2010), p.205.

⁵⁵ "Regional security group considers expanding into energy", *Central Asia Newswire*, 21 March 2011.

⁵⁶ "Shanghai Cooperation Organization mulls energy club creation", *New Europe*, 20 March 2011.

⁵⁷ Pepe Escobar, 'Eurasian geopolitics face Astana earthquake: Asian regional power seeks to counter US-NATO military strategy and gain control of energy flows into Europe and Beyond', *Al Jazeera*, 12 June 2011.

⁵⁸ Sergei Blagov, "Russian moves spark 'gas OPEC' fears", *ISN ETH Zurich*, 10 July 2006; Zachary Fillingham, "SCO: Asian NATO or OPEC?", *Geopolitical Monitor*, 19 October 2009; Terry Macalister, "Russia, Iran and Qatar announce cartel that will control 60% of world's gas supplies", *Guardian*, 22 October 2008; Russia, Iran, Qatar Agree on Gas OPEC", *Kommersant*, 21 October 2008.

gency.⁵⁹ Since most NATO members are also EU members, an SCO energy club would potentially constrain U.S. and NATO freedom of action in its foreign policy objectives.

The GECF is based in Doha, Qatar, and was established in Iran in 2001. Members control over 70 % of the world's natural gas reserves, 38 % of pipeline trade and 85 % of LNG production.⁶⁰ Currently they seek price collusion due to ongoing gas glut and fear of shale gas.⁶¹ Many members are authoritarian regimes with problematic relations with the West: Algeria, Bolivia, Egypt, Equatorial Guinea, Iran, Libya, Nigeria, Qatar, Russia, Venezuela, Trinidad & Tobago. Angola and Yemen seek membership while Kazakhstan, Netherlands and Norway are observers. Russia, Iran and Qatar collectively control 60 % of the world's gas supplies, and their 2009 announcement to form a cartel sparked EU fear, which depends on Russia for nearly half of its natural gas imports.⁶²

In many ways GECF is similar to OPEC. Founded in 1960, OPEC was disorganized and ineffective initially, but changing market structure and political determination on the part of Saudi Arabia and its allies enabled OPEC to be an effective force in the globalized oil market during the 1970s and 1980s.⁶³ OPEC members leveraged its market power to extract billions of dollars of "cartel profits" from consuming countries which funds *madrassas* and terrorist organizations, and OPEC was a powerful political tool in the 1973 oil embargo against the West during the Yom-Kippur War. As such, East Asian countries that are dependent on OPEC oil such as Japan, South Korea, and China usually side with Arab countries against Israel in the Arab-Israeli conflict.

If Afghanistan and TAPI fall under the SCO canopy, this would facilitate SCO's interest in forming an Energy Club and potential gas OPEC. Turkmenistan ranks fourth after Russia, Iran and Qatar in natural gas reserves, and is a key supplier for TAPI and Nabucco pipelines to reduce EU gas dependency on Russia and stabilize Afghanistan. However, it is neither a member of GECF nor SCO. Given its importance in these two western-backed projects, China and Russia invited Turkmenistan to be a guest attendee at SCO summits with a view toward eventual integration. In 2009, Venezuelan President Hugo Chavez asked Turkmen leader Berdymukhamedov "have you joined the gas OPEC?" Turkmenistan's answer is no so far, because it desires to carve an independent route for itself and prevent from being squeezed by China and Russia. It is thus important for the U.S. to engage Turkmenistan and Afghanistan to find ways of cooperation with their neighbors while maintaining some U.S./NATO footprint

⁵⁹ Marshall Goldman, *Putin, Power and the New Russia Petrostate* (New York: Oxford University Press, 2008); Anita Orban, *Power, Energy and the New Russian Imperialism* (Westport, CT: Praeger Security International); Christina Lin, "The Prince of Rosh: Russian Energy Imperialism and the Emerging Eurasian Military Alliance of the Shanghai Cooperation Organization", *ISPSW/ETH Zurich*, 11 February 2009; Keith C. Smith, "Russia and European Energy Security: Divide and Dominate", *CSIS* (Washington, D.C.: The CSIS Press, October 2009); "Germany vulnerable to Russian energy supply manipulations", *Eurasia Daily Monitor*, Vol 6, Issue 5, 9 January 2009.

⁶⁰ Marcel Deitsch, "The Next Global Energy Cartel", *Forbes*, 10 December 2009.

⁶¹ Christian Lowe and Thomas Pfeiffer, "REFILE-World's biggest gas exporters meet to cut glut", *Reuters*, 19 April 2010; Andrew Kramer, "Russian Will Lead Gas Exporting Alliance", *New York Times*, 10 December 2009; "Russia says GECF gas forum should become effective market tool", *RIA Novosti*, 24 March 2010;

⁶² Terry Macalister, "Russia, Iran and Qatar announce cartel that will control 60% of world's gas supplies", *Guardian*, 22 October 2008; "Russia, Iran, Qatar Agree on Gas OPEC", *Kommersant*, 21 October 2008.

⁶³ *Ibid.*

in the region, and resist the zero-sum posture of the Chinese via the SCO to drive out western interests and collapse viability of Nabucco and TAPI under SCO aegis.

Conclusion

While the U.S. re-evaluates its national security investment decisions in face of tighter budget constraints, U.S. AfPak strategy needs to see how it fits into a larger strategic picture and ensure that it does not disengage prematurely from the region that cost 10 years of blood and treasure to stabilize, only to allow a gas OPEC and/or an anti-western SCO to fill the vacuum.

Remarks: Opinions expressed in this contribution are those of the author.



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