Multidimensional Roadmap for Deepening and Broadening China-Pakistan Cooperation via Integrated and Holistic Approach

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Multidimensional Roadmap for Deepening and Broadening China-Pakistan Cooperation

via

Integrated and Holistic Approach

Keynote Speech

of

Eng. Dr. M Akram Sheikh, Professor Emeritus - NUST

Co-Chair – Pakistan Side of the China-Pakistan Joint Think Tank

at

The First Annual Meeting of China-Pakistan Think Tanks

31 August, 2013

Conference Hall, Building 1, XinJiang Plaza, Beijing
President’s Message

Dear Readers,

China-Pakistan Joint Think Tank was launched on 16 January, 2012, by the trilateral partnership of National University of Sciences and Technology (NUST), Islamabad, Tsinghua University, Beijing, and Southwest University of Political Science and Law (SWUPL), Chongqing, China, to underpin broad-based cooperation between China and Pakistan with solid knowledge-based inputs.

I feel pleased to share with you the following text which was delivered as the Keynote Speech by Dr Akram Sheikh - Professor Emeritus NUST, and Co-Chair of the Pakistan side of the Joint Think Tank - at the First Annual Meeting of China-Pakistan Think Tanks, held from 31 August till 1 September, 2013, in Beijing, China.

The forum was hosted by Tsinghua University. It witnessed the participation of Chinese universities, thinks tanks and policy centres actively studying Pakistan, and Pakistani institutions researching China as well as key policymaking experts from China and Pakistan who discussed various dimensions of bilateral cooperation. Dr. Akram Sheikh’s message, based on his four decade-long experience of China-Pakistan cooperation, envisions the consolidation of this all-weather friendship into a resilient, all-encompassing, and enduring partnership. The text presents a high-level framework – Integrated Program Approach – for a strong, diversified, and sustainable cooperative relationship between the China and Pakistan.

I am confident the following text will provide key insights to policymakers, academics, researchers, and general public in Pakistan and China on how to continuously develop the durable partnership between the two countries into becoming capable of facing the multiple challenges of the fast-evolving Twenty-first century global system. This shall help create broad-based win-win opportunities for peace and progress for one and all in the region and the world beyond.

Amer Hashmi
President
China-Pakistan Joint Think Tank
Worth Chair, Ms Yang Yanyi, Assistant Minister, International Department, Central Department of CPC.
Mr. Li Xinguang, Excellencies, My Dear Old Friends- Former Chinese Ambassadors to Pakistan, Distinguished Senior Fellows, Worthy Senior Fellows, Distinguished Academics, Scholars, Researchers, and My Dear Students from Pakistan and China, Ladies and Gentlemen,

PREAMBLE

1. First of all, I would like to express my sincerest thanks to the organizers and hosts, including the Embassy of Pakistan, for organizing this important Conference. It is an honor to be present here amongst you at this Forum today and to represent the National University of Science and Technology (NUST) as well as the Pakistan side of the China-Pakistan Joint Think Tank. The Joint Think Tank was formally launched by Tsinghua University, Southwest University of Political Science and Law (SWUPL), Chongqing, and NUST during January, 2012, in Islamabad. I would like to inform this distinguished group that the NUST initiated this integrated knowledge partnerships program through its Global Think Tank Network (GTTN) which aims to connect NUST with select academic and non-academic think tanks globally. China-Pakistan Joint Think Tank is the first and the most important Node of this INITIATIVE. Our objective is to build knowledge-based collaborations between different countries for helping in our endeavor for a just, peaceful, and equitable development of all countries, particularly our region.

2. Being in China always gives me the feeling of being at home. My close association in various China-Pakistan initiatives stretches over four decades. During this extensive period, there has never been a moment when your love and consideration for us has diminished. During this period, I was able to win the deeply cherished friendship of the best and wisest of Chinese leadership. I am, therefore, deeply indebted to all my Chinese friends without exception. At the very outset, I want my Chinese Friends present here today to please accept my compliments and heartiest congratulations for the extraordinary, unprecedented, rapid, and consistent progress that China has made for more than three decades to become one of the most powerful engines of the world economy. The credit for this miracle goes to your wise and mature professional leadership, both past and present, and the hard-working Chinese people.

3. I am grateful for the opportunity given to me today to speak to you and share my thoughts on some of the issues that are of paramount importance for enhancing China-Pakistan all-weather friendship into an indomitable, unbreakable, deep, broad, all-embracing, and enduring partnership. Since the establishment of the bilateral relations between China and Pakistan, both countries have withstood different challenges. We have held fast to the timeless principles of good neighborliness, mutual cooperation, and steadfast joint stand against common threats. Both China and Pakistan have always indefatigably paved the way for each other’s progress- in big and small ways. The recent visit of China’s Premier to Pakistan and that of Pakistan’s Prime Minister to China shows a renewed commitment on both sides to further strengthen and diversify our bilateral relations.

CONTEMPORARY WORLD SYSTEM

4. Our all-weather friendship is confronting rapidly changing global and regional scenarios. The
National economies all over the world are finding continued growth a serious challenge. The global divide between the rich and the poor countries has continued to grow. Long-term trends of rising inequality in the world economy have led to societies which have become breeding grounds for poverty, unemployment, conflict, instability, and exploitation leading to extremism and terrorism. The exploitative unregulated globalization has created problems for all nations and societies around the globe. Poor nations and the poor within nations have been hit the hardest by the uneven nature of the global financial system.

5. The way Western capitalism, the motor of debt-driven globalization, has evolved since the 18th century Industrial Revolution is simply not sustainable today because it is not based on inclusive growth. Our Founding Father; Mr. M.A. Jinnah, foresaw this as far back as 1948 when he, while inaugurating State Bank of Pakistan, stated: “The Economic System of the West has created insoluble problems for humanity ... It has failed to do justice between man and man and to eradicate friction from the international field”. He, therefore, advised the State Bank professionals to “present an economic system based on the concept of equality of manhood and social justice” so that the creation of Pakistan as a welfare Islamic state is justified.

ASIAN RESURGENCE

6. In the above context, it is important to note that a potentially powerful corrective to these global asymmetries is now beginning to have an impact as Asia, especially China, continues to develop rapidly. As a result, the Asian share of the world economy has increased with China now the world’s second largest economy. The Twenty-first century, also called the Asian Century, as it progresses, is likely to witness exponential Asian economic growth with China becoming the veritable powerhouse of the world economy. Other emerging economies, especially in Asia and South America, are also gradually acquiring the capacity to pull millions of people out of poverty. This could result in a shift of the global centre of gravity from the West to the East.

7. From a perspective of long term, it will only mean the restoration of the politico-economic prominence that Asia had historically enjoyed from antiquity till the first quarter of the 19th century. In 1820, Asia’s GDP was more than half of the World GDP; with China contributing 60 percent of Asia’s GDP (Angus Madison, “The World Economy: A Millennial Perspective”, OECD: 2011).

8. This shift may allow Asia to play a more important role in global affairs and in meeting challenges such as climate change, poverty, inequality, natural resource depletion, governance and urbanization. The Asian solutions, based on the time-tested Asian values of cooperation and solidarity, benevolence, harmony, perseverance, justice, and concern for social welfare, could benefit the entire world’s economic system that currently places too much premium on the profit orientation.

9. It is heartening to note that Asia holds sixty percent of the international financial reserves of the world with China alone having the largest reserves of any single country at USD 3.44 trillion. As more opportunities are created, the use of these massive reserves within Asia, including countries such as Pakistan and the Central Asian Republics, will further spur more diversified Asian growth. The enhanced growth of Asian economies will in turn further reinforce the development of China, especially its Western region, and resultantly help to narrow the regional disparities within China.

CHINA: THE LEADER OF ASIAN RESURGENCE

10. As already mentioned China, stands at the top of this ongoing global shift in political and economic power to Asia. China possesses:
- a strong development- and welfare-focused political system;
- an equity-oriented long-term economic growth strategy;
• the largest international reserves;
• a national character of hard work and common social good; and
• a long philosophical and cultural tradition, that includes contributions by great sages like Confucius and Lao Tse, which emphasizes benevolence, wisdom, courage, self-control, and righteous action.

11. This happy combination of positive cultural factors and broad-based modernization provides China with an unprecedented opportunity to play a major role in creating a just, harmonious, peaceful, and sustainable world.

INTEGRATED GROWTH MODEL FOR CHINA-PAKISTAN COOPERATION

12. China can be a regional and global role model in establishing a growth paradigm which combines the best aspects of free market economy and planned development. This model would balance profit with social welfare, and ensure integrated domestic and regional development.

13. Pakistan looks forward to enhanced cooperation with China to promote the above strategic growth model for creating multiple Win-Win scenarios, not only for China and Pakistan but for all regional and global players.

14. It would be pertinent to mention that the Vision 2030 of Pakistan, which I had the good fortune to advocate as Deputy Chairman, Planning Commission, aims to make Pakistan a “developed, industrialized, just and prosperous society through rapid and sustainable development in a resource-constrained economy by deploying knowledge inputs”. This Vision and the congruence between China’s and Pakistan’s visions make our two countries natural partners in the promotion of the outlined integrated growth model. It is envisaged that this would be done through a broad-based, integrated, holistic, consultative and coordinated approach for regional peace, stability, and welfare. I choose to call this “The Integrated Program Approach”, which is multi-dimensional with a focus on efficiency and optimum utilization of resources.

15. The Integrated Program Approach incorporates collaborative thrusts in all aspects of program and project implementation, including co-financing, co-designing, co-construction, and co-manufacturing.

16. The scope of China-Pakistan cooperation covers an extensive spectrum inclusive of defense and security, economy and finance, higher education, science and technology, infrastructure, communications, energy, industry and manufacturing, and culture and society.

17. We have a sound track record of cooperation in all of the above areas. The Karakorum Highway, Main Battle Tank Al-Khalid, JF-17 Thunder, and Gwadar Port are a few examples of our mutual cooperation. However, cooperation between China and Pakistan needs to be further enhanced to actualize its full potential on the basis of the suggested Integrated Program Approach, instead of the past Project-based approach.

18. The 2006 Five-year Development Program on Trade and Economic Cooperation between China and Pakistan, and the 2006 Memorandum of Understanding for Energy Cooperation between China and Pakistan were moves toward the establishment of the Integrated Program Approach. I was personally associated in the finalization of these agreements. Similarly, China-Pakistan Economic Corridor, recently announced by the governments of China and Pakistan, if executed properly, can become a model for the Integrated Program Approach.

19. The Integrated Program Approach works at various levels to create strong linkages and harmonies amongst these levels. These cover government-to-government, business to business, people to people, government to business, and government to people levels of engagement.

20. The Integrated Program Approach will allow China and Pakistan to promote security achieve
stability, fight terrorism effectively, and carry out economic cooperation simultaneously.

21. The multiple win-win strategy on the proposed Integrated Program Approach would create a matrix for program and project implementation incorporating the collaborative thrusts of co-financing, co-designing, co-manufacturing, and co-production:

**Multiple Win-Win Strategy**

Co-Designing ➔ Co-Financing ➔ Co-Manufacturing ➔ Co-Construction

**Technology Inputs/Partners:** Developed Economies + China

**Investment:** China, Pakistan, Middle East

**Natural Resources:** Pakistan, Afghanistan, Central Asian Republics

**Human Resources/Manpower:** Pakistan Central Asian Republics

22. The comprehensive Integrated Program Approach would also allow the two countries to deal successfully with the sudden intensification of incidents of terrorism in Pakistan coupled with the aggressive behavior of some of its neighbors.

23. Knowledge-based cooperation between China and Pakistan will accelerate the process of creating multiple win-win scenarios within the region as well as globally. Such collaboration will also consolidate the Integrated Program-Based Approach.

24. In this perspective, China-Pakistan Joint Think Tank is a very important initiative. As I mentioned earlier, it was jointly launched on 16th January, 2012, by the National University of Sciences and Technology (NUST), Islamabad, Tsinghua University, Beijing, and Southwest University of Political Science and Law (SWUPL), Chongqing.

25. Based on my long association with China, I am of the firm opinion that China-Pakistan Joint Think Tank is an ideal institution for providing the required intellectual underpinning to the Pakistan. These knowledge inputs, in their turn will consist of an in-depth study of the general and particular contradictions generated by the socio-economic globalization and contemporary international system, and their impact on China, Pakistan, and the region as well as on the totality of China-Pakistan relations.

26. China-Pakistan Joint think Tank can and should provide objective, evidence-based knowledge inputs to the national and local processes of socio-economic development in China and

27. We need to encourage academic and non-academic think tanks collaboration between China and Pakistan so that other universities and think tanks are brought within the fold of China-Pakistan Joint Thin Tank. This knowledge-based collaboration should not be limited to universities and think tanks only but must be extended to include other public- and private-sector organizations with a strong focus on research, analysis, and creation of knowledge with NUST and Tsinghua playing the coordinating role.

28. I urge the leaders of NUST, Tsinghua, and SWUPL to identify the key areas and proposals for collaboration through China-Pakistan Joint Think Tank to achieve the objectives enshrined in the MOU signed on the eve of the launch of the Joint Think Tank.
29. China-Pakistan Joint Think Tank should produce joint papers on these key areas with joint recommendations for the governments of China and Pakistan. This will serve as the intellectual underpinning to our relations and cooperation. In the first instance, we could propose joint recommendations for the two key papers we have already shared with our colleagues in China.

30. Using the Integrated Program Approach, some suggested areas are:

- Regional Geopolitics, Geo-Strategy and Security;
- Regional Economic Integration: China-Pakistan Economic (Energy, Trade, Transport and Industrial) Corridor; Special Economic Zones (SEZs) along the Corridor and Multimodal Development of Gwadar;
- Creation of New Growth Centers (Development of New Cities) and Construction of Large Dams on River Indus and other Energy Projects;
- Enhanced Bilateral Trade (Balanced as per 2006 Agreement);
- Higher Education Governance and Research and Development; and
- Establishment of Science and Technology Parks.

31. For the purpose of effective long-term cooperation culminating in positive results, I propose the setting up of various consortia of Chinese and Pakistani companies. These consortia should adopt the basic concepts of co-financing, co-designing, co-construction, and co-manufacturing for selected programs and projects. The initial focus could be on energy and large infrastructure projects. The consortia could also propose joint recommendations to Governments of China and Pakistan that will facilitate cooperation in selected areas of cooperation. These consortia could further task the China-Pakistan Joint Think Tank to provide evidence-based relevant inputs for the selected projects.

32. Before concluding my talk may I share a few general thoughts? Over the last several centuries, human civilization has made considerable advances to make the world a better place to live. However, we have also gone through the periods of colonialism and neo-colonialism, some remnants of which still remain active. While the global dialogue and dialogue within nation-states continues, one lobby advocates continued supremacy through unjust and hegemonic approaches, which have long since become outdated. It is now widely recognized that if our civilization is to progress further towards inclusive and humane societies, we must adopt mutually advantageous collaborative approaches. A prerequisite for this to happen is peace and harmony in the world, within which the outlined development model could provide for multiple win-win scenarios for all development partners, big and small. This is the model that underpins all the research and analytical work as well as the collaborative approach envisaged under the NUST GTTN, the China-Pakistan Joint Think Tank being the most important initiative.

EXTREMISM AND TERRORISM

33. Lastly, I would like to share with you my thoughts on the menace of extremism and terrorism, which is rocking the process of peace and stability in the world. We recognize this issue to be multifaceted. This includes the involvement of some misguided religious elements as well as criminal groups, which are also being used by some vested interests to further their agenda. Pakistan has suffered most from these groups. We have zero tolerance for acts of extremism and terrorism within Pakistan and use of Pakistan’s territory for export of such terrorism. Islam is a religion of peace but some extremist acts have been carried out by some groups disguising themselves as the so-called Islamic fundamentalists. We need to encourage and motivate the vast majority of Muslims, who are moderate and tolerant, to make their presence felt by becoming more active. This has to be supported by a program of poverty reduction, education and employment for those who have lost hope and joined the extremist groups. At the same time, the extremist groups need to be dealt with force, as required. I feel that the individual efforts of countries such as Pakistan must also be supported by a regional and
international consensus on anti-extremism and anti-terrorism measures. The analytical work under GTTN and the Joint China-Pakistan Think Tank would also be instrumental in allaying the fears of those international players that are making use of these elements to deal with their perceived enemies. Our message is of hope and friendship with all. The envisaged international collaboration on the basis of an agreed-upon common agenda would channel all our energies towards furthering the progress of mankind towards a more just, caring and humane world order.

CONCLUSION

34. I have no doubt that China and Pakistan, working together, can create immense growth opportunities not only for each other but also for the entire region and beyond under a joint Integrated Program Approach-based strategy leading to the creation of just and humane societies. China, Pakistan and the regional cooperation can only be a blessing and not a peril for the region and the world.

35. My sincere compliments to Tsinghua University, Prof. Li Xiguang, and his Team for organizing an excellent event! My sincerest thanks are also due to Ambassador Masood Khalid for his continued support and guidance.

36. I would be amiss if I do not thank and compliment all the distinguished academics, scholars, researchers and other participants of this Seminar.

Long Live China!

Long Live Pakistan!

Long Live China-Pakistan Mutual Trust and All-Weather Friendship!