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## THE CHALLENGES TO CPEC: FUTURE OF STRATEGIC ALIGNMENT IN THE SOUTH ASTA

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KEYWORDS	ABSTRACT
BRI, CPEC, Geo-Politics, Geo-Economics, PRC, Silk Route, Corridor, Socio-Economic Development	Seven decades-long strategic partnership of Pakistan and China has survived all political weathers. Mainly, it grew up in two major domains i.e. political and military cooperation. But in 2015 both countries have entered into a new era of economic cooperation by signing a commercial agreement i.e. China Pakistan Economic Corridor (CPEC). It is a flagship project of Chinese strategic plan of socioeconomic and political cooperation through regional connectivity; Belt and Road Initiative (BRI) launched by President Xi Jinping in 2013. Today, CPEC has become a widely discussed aspect of Pak-China relations for several reasons. First, CPEC provides shortest route to China towards the Middle East and Europe because of the Geo-strategic location of Pakistan especially, Gwadar port. Second, both China and Pakistan want to utilize economic dividends of CPEC for socio-economic development of their underdeveloped areas like the western autonomous region of China, Xinjiang, and the Balochistan province of Pakistan. CPEC has a deep impact on the future strategic alignment in South Asia. This paper explore multiple challenges to CPEC which Pakistan and China are supposed to tackle and another hypothetical connotation of CPEC i.e. complex projection of economic competence.
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#### INTRODUCTION

Power, the ability to influence others, is an essential feature of inter-state relations (Griffiths & O'callaghan, 2013). It can be classified in four ways like the military power, economic power, ideational power, and political power. However, these classifications can also be seen into two separate categories i.e. hard power and soft power. Peaceful rise of China is based on economic power which in turn compliments its political power, as Jose Saramago, 1998 Noble Prize winner in literature noted, "it is economic power that determines political power, and government becomes the political functionaries of economic power". The Chinese foreign policy is based on soft power while the BRI generally and CPEC especially, is a unique impression of Chinese soft power. Today, CPEC has become widely discussed aspect of Pak-China relations in the regional and global political discourse. The beginning of this bilateral relationship took place during the cold war, the time when in world politics 'Security' was a dominating phenomenon, and the common security threat i.e. India became the central point of this mutual partnership. That is why the China-Pak relations were developed mainly in two domains i.e. political and military cooperation.

Both sides supported each other on all international and regional forums and also signed the mutual defense pacts. But today, as noted by (Ali, 2017), scenario is changed: China is no more isolated and instead has emerged peacefully as the second-largest economy of the world, having more than 70 billion US \$ bilateral trade with India despite unresolved disputes. In fact, for China economic and trade ties are becoming increasingly important in its foreign relations. So, given this fact, Pakistan is gradually losing its customary significance vis-à-vis China which is why success of CPEC will determine the future direction of Sino-Pakistan relations. According to the Asian Development Bank, economic corridor means arrangement, "important networks or connections between economic agents along with the defined geography which provides the connection between economic hubs, usually centered in urban landscapes, in which the large number of economic resources and actors are concentrated; they link the supply and demand sides of markets" (Brunner, 2013). CPEC is one of six corridors of China's grand plan of regional connectivity and economic development through the trade and investment which is known as BRI.

Today, the dominant driver of Chinese foreign policy is the 'geo-economics'. So, the CPEC is an ambitious project which aims to change geo-economics of the region as it consists of multiple; road and rail networks along with the infrastructure development, energy generation units, and special economic zones (SEZs). It will connect the western autonomous region of China i.e. Xinjiang with the Gawadar port of Pakistan located on a critical choke point in the Arabian Sea, the Indian Ocean. Therefore, the signing of this commercial agreement i.e. CPEC, Pak-China friendship has entered a new era of tsocio-economic cooperation. This corridor entails a lot of opportunities and challenges as well for both countries. For instance, apart from infrastructure CPEC supposed to bring a wave of social interactions which is not experienced yet by both allies as social interaction remained the lowest ebb of this time tested strategic partnership, which remained a balancer in maintenance of peace in South Asia. Similarly, other than security, there are several challenges which Pakistan is facing and will face in the future too as the project proceeds.

For instance, governance issues, innovation less industry, absence of the integrated policies mechanism to have a comprehensive legal framework to ensure transparency, ethnic politics, implementation issues, current economic constraints of Pakistan, and the external challenges especially the Indian opposition and hybrid warfare challenge to CPEC. While on other hand China is also supposed to face multiple local, regional and global challenges like the Trump administration's new policy i.e. Free and Open Indo-Pacific Strategy. In this connection, the completion of CPEC will ensure the accomplishment of BRI which in turn generate a complex competition of economic power projection across the world. Therefore, CPEC has emerged as a challenging dimension of Pakistan-China relations because it will not only reinvigorate the

ailing economy of Pakistan but will also end China's 'Malacca dilemma' if completed as it is perceived.

#### **Research Question**

What are the challenges that Pakistan and China are facing in effective accomplishment of the CPEC?

## **Research Hypothesis**

Another connotation of CPEC (complex projection of economic competence). The accomplishment of CPEC can generate global competition of economic power projection especially amid US and China.

#### LITERATURE REVIEW

Globalization does exist in the distant past if we exclude ICT (Information & Communication Technology) and only consider the connectivity of different regions of the world through road networks; as was the original 'Silk Road' during the rule of the Han Dynasty (206 BC-220 AD) in China (McBride, 2015). Similarly, Belt and Road Initiative of China, a mega plan of economic development and regional connectivity for smooth commerce and cultural exchange, is the Chinese version of advanced globalization and open trade (Suetyi, 2017). On 28th March 2015 the National Development and Reforms Commission (NDRC), Ministry of Foreign Affairs, and Ministry of Commerce of People's Republic of China (PRC) jointly issued an official document titled 'Action Plan on the Belt and Road Initiative' with the authorization of the State Council; a premier decision making body of China. The BRI is comprised of the six corridors of land and maritime road networks: Eurasian Land-Bridge; China-Mongolia- Russia; China-Central Asia and West Asia; China, Indo-China Peninsula; Bangladesh-China-India-Myanmar and China-Pakistan Economic Corridor- CPEC. BRI aims to connect Asia, Africa, and Europe through this network of corridor for smooth trade, regional connectivity and shared vision of socio-economic development.

But CPEC appears to be vital element of BRI because of its distinguished features. For instance, it is only corridor of BRI which is bilateral, it includes only China and Pakistan-two traditional allies-it also provides the shortest route for China into the Indian Ocean through Gwadar port which is supposed to end China's 'Malacca dilemma' (Ali, 2016). Gwadar port does not only have proximity with strait of Hormuz- a vital waterway of the Persian Gulf- but it also provides easy access to China to the Middle East, East Africa, and the Mediterranean Sea (Ge, Christie, & Astle, 2015). Moreover, China is strongly influenced by the theories of Mahan and Mackinder; trying to create a "Continental Maritime Geo-Strategic Realm" through the BRI and CPEC. Therefore, CPEC plays a fundamental role in this connection in expansion of Chinese strategic outreach as it contains Gwadar, a deep seaport, which is one of the pivotal geographic points where both land and sea routes potentially converge in this regard (Saran, 2015). Similarly, both states domestically want to elevate the socioeconomic status of their respective western regions i.e. Xinjiang, an autonomous region of China, and Balochistan, the western province of Pakistan.

The accomplishment of CPEC is essential for the socio-economic development of Xinjiang as it begins from Kashghar city and the smooth progress of an active Gwadar port is essential for the socio-economic uplift of Balochistan province. That is why, China and Pakistan are on the same

page vis-a-vis execution of CPEC and it is not surprising that even before the signing of the MoU (memorandum of Understanding) on CPEC in May 2013, China and Pakistan entered in a 40 years agreement to handing over managerial control of the Gwadar port to China Overseas Ports Holding Company (COPHC) owned by the PRC (Raza, 2013). Thus, among all corridors of the BRI- Silk Road of 21st century- the CPEC is of vital importance and its execution will set the way forward for the culmination of BRI. An American analyst noted that social sciences theory must have a Geo-cultural birthmark so, a Chinese School of IR theory is a likely outcome in the future years based on the dual view of social science (Callahan & Barabantseva, 2011). That is why, many in West particularly in US believe that BRI is impression of Chinese cultural nationalism which is bound to expand economic and strategic outreach of China over several roads and maritime networks amid which CPEC is most important and viable too (Winter, 2016).

## **Theoretical Framework**

International Relation (IR) is a branch of social sciences which explains all sort of interactions among states and other actors like the international governmental organizations, international non-governmental organizations, regional organizations, and non-state actors. Each theory of IR is considered as a 'distinct lens' of world affairs and in academic study, a theory is something that explains or interprets whatever happening in the realm of world politics (Heywood, 2014). Therefore, it is pertinent to analyze both, Pak-China relations and CPEC from the theoretical lens of IR because CPEC has emerged as an essential part of all strategic and academic debates associated with the future of South and Central Asia vis-à-vis Pak-China partnership. The Pak-China relations contain dual theoretical interpretations, realism as well as constructivism. For instance, time-tested alliance, all-weather friendship, iron-brothers, and 'deeper than ocean, higher than the Himalayas and sweeter than honey, are all constructivist notions as it indicates dictum of 'shared identity, Similarly, shared threat perception, an opportunistic alliance based on the 'Indian factor, a product of Chinese doctrine of the balance of power, the convergence of the national interest; all are realist underpinnings of Pak-China relations. Now CPEC added another theoretical interpretation of the Pak-China strategic partnership likewise 'Commercial Liberalism'.

The logic and literature of CPEC present the liberalist manifestation of this bilateral strategic relationship because it consists of free trade and strengthening of economic bond through a network of overland and maritime routes between two strategic partners of the region. Now, on the contrary, countermeasures taken by other states, especially the development of Chabahar, an Iranian port, by India presents defensive realism. Furthermore, the critics of CPEC interpret it as an expression of 'Dependency Theory' because they believe it's a zero-sum game by China and Pakistan would not get anything substantial. Likewise, the idea of 'Clash of Civilizations' coined by Samuel Huntington stipulates that in the post-cold war era world will experience based on culture. He argues that the world is divided into nine civilizations and these are based on irreconcilable norms so, rivalry or the conflict among them is inevitable. He particularly indicated the likelihood of the conflict between Chinese and the western civilization in the 21st century. In sum, the CPEC is in the making but even then it has attracted various theoretical interpretations. Now time will prove whether it will emerge as the hallmark of the Chinese commercial liberalism or will it turn into an expression of either dependency theory or clash of civilizations.

#### **CPEC: A Transformation of Geo-Politics into Geo-Economics**

Geo-politics and geo-economics are two diverse concepts linked with same root i.e. geography. Geo-politics is traditionally 'Zero-Sum Game' however geo-economics is conventionally based on the logic of 'Positive-Sum Game'. After Second World War, the cold war and post-cold war era remained dubbed with 'Geopolitics as a dominant concept for the theorists, analysts, and strategists since of unending multiple conflicts and military power projection by superpowers of time. Nationalism, civil wars, and nuclear arms race dominated discourse of international security across the world. In such an age of power competition, geopolitics remained a trending concept in vogue which influenced 20th-century theorists like Mackinder, Mahan, Haushofer, Spykman. Spykman, American professor at Yale, quoting Mackinder on Rimland and defined geopolitics to indicate: the close relationship between the geographic, economic, and political factors as conditioning elements of state behavior in international environment (Furniss, 1952). On the contrary, the term 'Geo-economics' envisages cooperation through smart utilization of the geographical connectivity to generate economic activity which in turn creates the mutual interdependence.

For instance, rival powers of Europe like Germany and France have shown peaceful coexistence through economic interdependence under umbrella of European Union (EU). Geo-economics is an admixture of the logic of conflict with the methods of commerce. This further generates a question that what will be outcome of Chinese plans based on Geoeconomics; will it produce conflict, competition, or cooperation as perceived in the BRI and CPEC? Moreover, here the pertinent question is: what are the current geopolitical and Geo-economic imperatives active in South Asia, and to which extent CPEC as a symbol of Geo-economics will have the ability to turn the geopolitical conflicts into cooperation through economic interlink-ages as noted by (Siddiqi, 2018). In this connection, China's economic rise is pleasant for Pakistan because both states are time tested strategic partners since the 1960s. However, while apparently, India is opposing the CPEC openly, is also engaged in this connection with China in multiple economic joint ventures, for instance, the China and India have a bilateral trade of more than 70 billion US\$.

Both are members of an economic alliance i.e. BRICS (Brazil, Russia, India, China, and South Africa) too. Now, the India and Pakistan both are members of the SCO (Shanghai Cooperation Organization). Thus, owing to these engagements of India and China one can safely entrust the potential of CPEC turning the geopolitics of conflict into a cooperation based on Geoeconomics in South Asia. However, geo-economics can also be understood as a form of the competition among states, for instance, the 'Air Trade Agreement' between India and Afghanistan which bypassed Pakistan, and the development of Chabhar port of Iran by India which is just 70 km away from the Gwadar port are two cases in point. In sum, the CPEC provides several avenues to India, Pakistan, and Afghanistan for minimizing conflicts and maximizing cooperation through sustained regional connectivity. Now time will prove that will the CPEC change the fate of a conflict-ridden South Asia as a game-changer or it will become a 'game over' (Ahmed, 2017).

## An Appraisal of First Phase of CPEC

CPEC- China, Pakistan Economic Corridor is the mega pilot project of China's Belt and Road initiative. This project has attracted a lot of attention from various domestic, regional, and global quarters since May 2013 when it was first proposed by Chinese Premier Li Keqiang during his visit to Pakistan. It was a time when first time in the history of Pakistan an elected

democratic government is transferring the political power to another elected government. Premier Li Keqiang met with the both leaderships of outgoing government and the upcoming government under leadership of Prime Minister Nawaz Sharif. Both sides' leadership attached great importance to CPEC as their topmost priority owing to trustworthy legacy of Pak-China relations and the geopolitical significance of CPEC for the entire region. Therefore, to evolve a cooperation mechanism for the execution of CPEC, Pakistan, and China has set up the Joint Cooperation Committee (JCC), it consists of 7 Joint Working Groups (JWC) namely; planning, energy, the transportation infrastructure, Gwadar Port, industrial cooperation, social and the economic development, and international cooperation. JCC is responsible for planning and coordination while JWGs have to look after specific detailed planning and implementation of the projects.

Since, April 2015 when the CPEC agreement was formally signed during the historic visit of President Xi Jinping to Pakistan, both countries worked on the fast track to complete the early harvest projects of CPEC and most of them have been accomplished. For instance, there are 15 energy projects planned associated with CPEC out of these; 7 projects are completed which added 3240 Mega Watt electricity to the national grid. Besides, both side's leadership, relevant ministries, and departments jointly carved out a Long Term Plan (LTP) for CPEC (2017-2030); it was signed at 7th JCC meeting ("Latest Progress on the CPEC," 2018). This progress among multiple geopolitical and domestic challenges is highly commendable rather it also reflects the mutual resolve of Pakistan and China concerning CPEC. Furthermore, due to ongoing Global War On Terror (GWOT) in the Afghanistan which badly affected Pakistan, in this regard, it is widely believed that geopolitics always breeds conflict but the CPEC is going to become an entirely positive trajectory for Central and South Asia, as it aims to be the backbone of the BRI which is the revival of centuries-old 'Silk Route'. In this connection, China is not only a big stakeholder in Afghanistan as an investor but also a big supporter of the ongoing Afghan Peace Process.

#### **Challenges to CPEC for China**

No doubt China has emerged as a great power in the 21st century, but it does not mean that great powers do not have, or do not have to face problems. The same is the case with China. For instance, domestically Bejing still has to resolve the problem of 'separatism' in Uyghur- the autonomous region of Xinjiang-where the Kashgar city is located, the terminal point of CPEC from the Chinese side. Beijing's policy towards the Chinese Muslim population of Uyghur has produced negative news reports in international media which generates a bad image of China in the eyes of Muslims of other states. Especially many quarters of the Pakistani population feel worried about Beijing's policies towards Chinese Muslims and their only source of information is western media outlets. Moreover, China is surrounded by several problems: on one side on land there are separatists of Tibet and Xinjiang, however, on the other hand towards the sea there are disputes of the South and Eastern China Sea. Thus, CPEC is a judicious blend of domestic needs cautiously amalgamated in foreign policy goals. There is a particular Chinese political phrase that we should combine two policies, the domestic and international. In sum, apart from the expansion of Chinese economic outreach, China also wants to overcome or remove some of its domestic problems through the successful culmination of CPEC (Junchi, 2017).

#### **Challenges to CPEC for Pakistan**

#### **Political Challenges**

The political system of a state works as a software of national development; a cell phone cannot work if its software is not working so exactly, same is the case with a state. A state cannot work properly unless its 'political system' works efficiently and smoothly without any bugs/ crashes. Unfortunately, the turbulent political history of Pakistan is root cause of absence of a coherent political system: civil-military tussles, ethnic politics, politically driven projects, bad governance, lack of farsightedness. Political, judicial and governance institutions lack capacity and policy directions. This situation breeds impediments in ways of national development and no doubt CPEC is a road map for national development of Pakistan. But CPEC attracted some amount of ethnic politics i.e. most famous was 'route controversy'. The former Chief Minister of Khyber Pakhtunkhwa (KP) once called it 'China-Punjab, Economic, Corridor' because the previous federal government remained unable to address the concern of KP. Furthermore, at the outset, in 2013 when the then newly elected Prime minister of Pakistan Mian Muhammad Nawaz Sharif paid his first foreign visit to China, after holding the office, also took the then Chief Minister of Balochistan Dr. Malik Baloch on board. This visit echoed the significance of China in Pakistan's foreign policy generally and underscored CPEC as the priority of the government particularly.

At that time, the 'Gadani Energy Park' was announced by the federal government in Islamabad. Gadani is an industrial town of Balochistan located on a seashore near Karachi. But after two years, the federal government declared that the 'Gadani Energy Park' is not viable. Whatever the reasons were, these two instances reflect the 'Big Brother Syndrome' which is embedded in the political economy of Pakistan, and the federal government's incapacity to address concerns of smaller provinces. Similarly, today again Pakistan has a newly elected government under the leadership of Prime Minister Imran Khan who also visited China in November 2018 and again going to visit China on 25th April 2019. Thus, the Prime Minister made the nine-member parliamentary committee to review the projects related to CPEC. Similarly, the incumbent adviser on commerce, Abdul Razaq Dawood gave an interview to Financial Times, where he raised few questions about the CPEC deal which stirred many eyebrows in Islamabad and Beijing. Thus, owing to the current political horizon of Pakistan which seems confused can again trigger ethnic politics concerning CPEC or it may affect the pace of work on CPEC related projects.

#### **Economic Challenges**

Pakistan was envisioned as a 'welfare state' for Muslims of Indian subcontinent. But political circumstances, especially the inherited rivalry from partition of India over the Kashmir dispute turned it into a 'security state'. The net victim of the turbulent political past and security-driven foreign policy of Pakistan is the 'Economy of Pakistan'. The inherent geopolitical rivalry of South Asia has hampered the steady economic development of Pakistan, particularly after 9/11, the spillover of the Global war on the terror (GWOT) from Afghanistan to Pakistan has caused colossal damage to the national economy. Presently, Pakistan's economy is crippled due to the overwhelming debt, low growth rate, unsteady and low exports, and current account deficit. Specifically speaking, the unending energy crisis is another bitter addition to the ailments of the economy which badly affected the industrial base of Pakistan. But in this gloomy picture, CPEC has emerged as the only ray of hope for the crippling economy of Pakistan as it aims to bring a lot of the infrastructural development along with access to new markets for Pakistani goods.

To get the maximum benefit out of CPEC, Pakistan needs to do some structural changes and development of new policies to improve its industrial competitiveness. In this connection, there is much ado about working on CPEC, but in the policy discourse industrial competitiveness is missing. Pakistan needs to make CPEC an engine of innovation to reap the maximum benefits of this mega project (Ahmad, 2018). In this connection, Pakistan's industry, particularly, SMEs (Small and Medium Enterprises) the lack innovation. That is why, Pakistan's export market is narrow which reveals the lack of the innovation (Mamnoon, 2018). In sum, the Pakistan's innovation-less industry would be of no use for CPEC. Therefore, Pakistan needs to develop policy frameworks for the innovation-driven industry along with new tax regimes concerning CPEC.

#### Social Challenges

Pak-China relationship is a unique bilateral equation. For instance, Chinese population follows a Chinese folk religion while the majority of the Pakistani population practices Islam. Both are ideologically different too; as the emergence of PRC (People's Republic of China) is associated with communism. Whereas, the culmination of the Pakistan is the result of the 'Two-Nation Theory' based on the Islamic principles. Similarly, there has neither been any common cultural, lingual, or social bridge, nor any other commonality between the Chinese and the Pakistani middle classes; let alone for business, for work, or tourism. But contrarily, CPEC has brought a great opportunity for 'social and cultural engagement' for both countries now, the question is how it will work? People-to-people engagement is the biggest challenge for both countries at the moment because the Chinese are coming particularly because of the CPEC nut influx of Pakistanis in China is minimal in other parts Pakistani culture as a tool of Pakistani 'soft power' is not being projected yet in China. Despite many Chinese language and cultural centers, but still disconnect the exists between the youth of the two countries especially the youth of the Balochistan.

Today, Chinese language centers are working in all big towns of Pakistan but very few centers are teaching the Urdu language in China; this is a manifestation of the vast disconnect and gap between peoples of both countries. Right now there are 10,000 Chinese nationals are working on multiple projects in Pakistan and 7000 are expected to come in near future so for them, new arrangements are required (Khan, Malik, Ijaz, & Farwa, 2016) but the Pakistani population is not yet encouraged in a systematic way to visit China. Pakistanis do not tend to visit China for tourism, they know very little instead nothing about Chinese culture, social norms, laws, and the market environment. Also, joint film making, screening of Chinese movies and dramas in Pakistan and vice versa are still unexplored areas of social domains. These are always mentioned in all the joint statements of high-level leadership of both countries but no substantial effort is being done to meet the social challenges associated with CPEC. Similarly, a few years back the Sindh government announced that Chinese language will be offered in Sindh at the school level but according to resources of Sindh education ministry this decision is not being implemented yet.

Likewise, the establishment of the Pakistan Academy of Social Sciences (PASS) in collaboration with Chinese Academy of Social Sciences (CASS) is also part of CPEC projects but no progress is observed yet in this regard. It is all because of the absence of a comprehensive mechanism of 'Social Engagement'. In this connection, people of both sides must be aware of each other's culture and language to develop a harmonious social bond that is why; there is a dire need for a

new policy not only to deepen the cultural bond but to encompass a broader social spectrum for mutual engagement according to the current needs. In this connection, indeed, the social challenge needs attention otherwise it may cost a negative shadow on the development of the CPEC.

#### **Security Challenges**

Security is just a feeling which remains unsatisfied. As mentioned earlier, because of inherited rivalry with India, Pakistan has become not only a security state but the 'India Factor' was the central point that made Pakistan and China strategic partners. The geo-strategic position of Pakistan no doubt is of great importance but the GWOT is another pricking addition to security challenges of Pakistan. Now in case of CPEC, again security is big element of concern. Therefore, Pakistan Army has raised a Special Security Division (SSD), Pakistan Navy raised a Maritime Security Force (MSF), while Punjab and KP also raised Special Police Units (SPU) to provide foolproof security for the CPEC from Khanjrab Pass to Gawadar port (Hussain, 2019). But the traditional concept of security has undergone numerous changes and today apart from the non-state actors the new security threat concerning CPEC is the 'challenge of hybrid warfare. The argument that the 'CPEC- A New East India Company' is indoctrinated in the minds of the educated population of Pakistan by invisible forces through new tools of propaganda like social media.

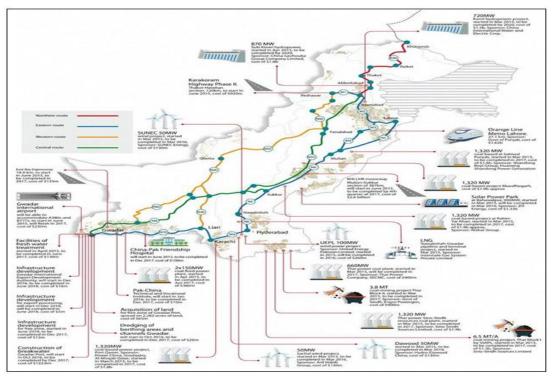
Apart from this, terrorism has lost momentum but it is not gone yet. The recent attack on the Chinese consulate in Karachi, on Quetta bypass Hazargunji and brutal target killing of innocent Punjabi local workers on the Karachi-Gawadr coastal highway (Shah, 2019) again reminded us that threat is still alive. Last but not the least, the heavy presence of security arrangement for CPEC is raising dissent among the local population especially in Gwadar city that is socially downside of CPEC-security while, Balochistan which is crucial for the successful culmination of CPEC is still vulnerable in terms of security threats posed by local and regional non-state actors ("Opportunities and risks —China-Pakistan trade corridor," 2018). The arrest of a high profile Indian Spy 'Kubushan Jadav' who had been given a special task to sabotage the CPEC, is a naked instance of Indian nefarious designs against Pak-China strategic partnership ("CPEC's Threat Matrix," 2019). In this connection, thus, security challenge is still alive in Pakistan generally and in Balochistan specifically, so, both countries also need a joint mechanism to deal with it.

## **Governance Challenges**

Good governance is strategic to success of any project. CPEC is not only the corridor but cluster of different projects of energy sector and infrastructural development like Special Economic Zones (SEZ). Concept of governance includes policymaking, by taking input from academia, industry, and concerned ministries or departments, execution of the policies, administration, and transparency. For CPEC both countries need to develop a new 'Custom and Tax Regime', a 'Data Centre' to facilitate the researchers to bridge the gap between industry and academia, development of 'Dispute Resolution' mechanism and a comprehensive legal framework which must encompass the CPEC as a whole but these areas are still unaddressed (Hussain, 2019). Now, the transparency is another challenge related to the CPEC voices are being raised on the transparency of ongoing projects not only in the Pakistan but also in China (Zhou, 2018). Thus, these are the few above-mentioned governance challenges concerning CPEC which must be addressed with mutual consent and due consultation with all stakeholders. Last but not least

development of practice of the 'integrated policymaking 'is another challenge of governance in Pakistan.

Figure 1
CPEC

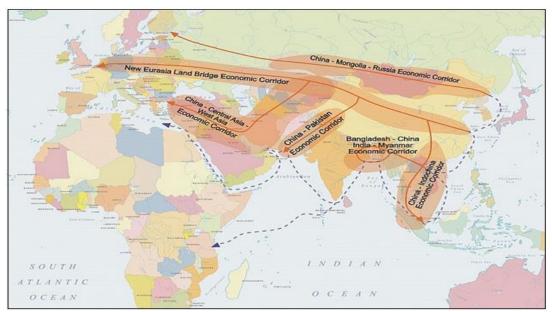


Source Express Tribune Available at: <a href="https://tribune.com.pk/story/887949/china-pakistan-economic-corridor-lines-of-development-not-lines-of-divide/">https://tribune.com.pk/story/887949/china-pakistan-economic-corridor-lines-of-development-not-lines-of-divide/</a>.

#### **CPEC: Complex Projection of Economic Competence**

CPEC has just completed an initial phase yet, but even than it made headlines globally and also came in lime light of contemporary world politics; a lot is being written on it so far especially in the western world not merely because of economic and political dividends attached with CPEC for both Pakistan and China; but because of the magnanimous effect which it will brought in future strategic alignment of South Asia. For instance, on 19 September 2018 European Union Commission launched a new policy of linking Europe and Asia with title 'Connectivity Strategy' (Cameron, 2018). The Trump administration launched its own policy of 'Free and Open Indo-Pacific Strategy' to enhance its sphere of influence in South East Asia and Indian Ocean Region (IOR). However, India one of major player in South Asia which has emerged as US strategic partner in region is still openly opposing CPEC although China offered it many a times to join BRI. Germany, a big power of EU also showed interest in joining CPEC however, Mike Pompeo US secretary of State categorically mentioned CPEC in response to question about new government in Pakistan during an interview to US news channel. China's economic power is embedded in

its soft power that is not only innovative but contributing in development of 'Chinese Ideational Power'.



Source The Diplomat magazine available at: https://thediplomat.com/wp-content/uploads/2016/03/thediplomat 2016-03-29 13-03-19-790x603.jpg.

## CPEC: Complex Projection of Economic Competence

Now the question arises how it would become a 'Complex Projection of Economic Competence' another connotation of CPEC which is indeed worrisome for both US as well as Europe? First, China has created mutual interdependence with the US and Europe by engaging them in trade; now neither they can leave China nor they can bypass it. Second, by accomplishing CPEC as a pilot project of BRI China will turn down all the negative cases highlighted against it e.g. Hambantota Port of Sri Lanka, kyaukphyu Port of Myanmar, and Chittagong and Piara Port of Bangladesh; by the Western and Indian media. But on contrary, Pakistan is the only country in the IOR where China is the clear winner because both the countries have a seven decades-long legacy of mutual trust, cooperation, and shared strategic vision. Therefore, in the battle of access and influence in the Indo-Pacific, China will be the ultimate winner because of CPEC's successful culmination through the Gwadar Port (Mullen & Poplin, 2015). Third, conversely, the position of other regional players also compliments the notion of 'Complex Projection of Economic Competence-CPEC'. Right now India appears to be the only opponent of the CPEC although in Chinese calculus India is part of BRI too i.e. BCIM (Bangladesh, China, India, and Myanmar).

But Indian strategic bonhomie with US and its quest to become regional hegemon compelled it to oppose CPEC. India has also engaged with China in several domains apart from bilateral trade both countries are members of BRICS (Brazil, Russia, China, and South Africa), India also joined the AIIB (Asian Infrastructure Investment Bank) another symbol of China's rising economic power. Finally, India and Pakistan both are now permanent members of the SCO

(Shanghai Cooperation Organization). And recently China tamed India in Ladakh at the Line of Actual Control (LAC) by using its military skills. However, the earlier China outshined India through its dense economic clout, in the Dhoklam issue. No member of SCO including Russia is against CPEC except India while Pakistan and Russia have also developed cordial ties in recent years. Fourth, Iran and Saudi Arabia two rival but strategically important states of the Middle East are also not against CPEC. In this connection, China also gave a huge surprise to the world by entering a new commercial agreement with Iran, this deal will have a deep strategic impact on regional alignments in near future. By pursuing CPEC China is fulfilling an international legal obligation by implementing 'Article 125' of the United Nations Convention on Law of Seas.

It stipulates the rights of land-locked states to access to and from the sea and freedom of transit as the Central Asian Republics (CARs) are landlocked that is why, their trade potential is still untapped (Bayeh, 2015). In sum, many in the West believe that the twenty-first century as the 'Chinese Century' is one of the contending images of global future associated with the peaceful rise of China (Heywood, 2014). In this connection, the fear of the US is not economic dividends linked with CPEC but the evolving Chinese influence which can initiate a new world order as revival of centuries-old 'Silk Route' will originate the Chinese version of commercial liberalism and ideational power. In this connection, likewise, the West will compete for Chinese economic designs but currently, the west is divided between two poles i.e. Europe and the US while the policies of Trump administration further widened this divide; neither their strategy is united against China nor their policies are producing desirable results especially in central and South Asia. In this connection, consequently, the culmination of the CPEC will trigger the complex projection of economic competition between the divided West and the emerging East led by China.

#### CONCLUSION

South Asia is one of the world's most vulnerable region in terms of security but it is equally significant because of its strategic location in IOR and it is the 'geographical proximity which turned the two neighbors into a strategic partnership. On one side the Indo-Pak traditional rivalry always destabilizes regional peace as recently happened during the 'Pulwama Crisis' while on the other side the Pak-China bilateral equation always stabilizes the regional peace but in today's technology-driven globalized world balance of power is also maintained through economic alliances. Thus, Geo-strategic location of Pakistan makes CPEC of vital importance among other corridors of BRI. Hence, CPEC is a grand plan of re-invigoration of Pak-China relationship from political and military partnership now, towards enhanced socioeconomic engagement. It is a win-win trajectory for both Pakistan and China though it became a paradox of multiple perceptions ("CPEC & The War of Perceptions," 2018). But one must not forget that no great game or strategic plan is devoid of challenges so, tackling challenges with political will and rigorous efforts can make China and Pakistan achieve the desired results. Furthermore, CPEC will reap dividends for Pakistan once it is completed consequently, it should not be exaggerated at this stage. And the confusions and misconceptions related to CPEC will only end with the accessibility of the authentic non-classified information to the researchers, analysts, businessmen.

The Chinese foreign policy is driven by economic imperatives and they are giving importance to economic alliances instead of only military alliances thus as noted by (Ali, 2017) that Pakistan

is gradually losing its significance for China because of stagnant security cooperation that is why, the successful culmination of CPEC is a challenge for both countries as it will determine the future of Pak-China relations; while the successful accomplishment of the first phase of CPEC is the first impression of mutual commitment. And it is CPEC that always brings Pakistani delegation in limelight at the BRI summit the last held in April 2019. Apart from this, CPEC being part of BRI will become the harbinger of a new economic great game in the region because another connotation of CPEC i.e. (Complex Projection of Economic Competence) can attract a global competition of the economic power projection, especially between the US and China. For instance, the recent grand economic deal between China and Iran can be considered checkmate to US designs in the Persian Gulf and can also decrease the regional impediments as far as the successful accomplishment of CPEC is concerned. In this connection, economic engagement is the driver of success for Pak and China in the contemporary era while, CPEC is the key to a prosperous Pak-China partnership in the years to come. Hence, the rise of China and the accomplishment of CPEC will also have deep impacts on strategic landscape of South Asia.

#### Recommendations

As is stated above in the introduction that the future of Pak-China relations is linked with the accomplishment of CPEC here few recommendations are given below to overcome shortcomings and confusions concerning Pak-China relations vis-a-vis CPEC. Thus, following suggestions are offered:

- 1. Both sides need to develop a comprehensive policy mechanism of 'Social Engagement' to bridge the existing gap between youth and academia of the two countries. Pakistanis do not know much about the China; its culture, society, political system, laws, etc. Therefore, offering 'Chinese History' as an elective subject in the curriculum of Civil Superior Services (CSS) exams and the universities at the master's level can be more helpful.
- Tourism must be encouraged between two countries through Public-Private Partnership (PPP). Multiple mediums should be used to generate awareness about investment opportunities available in China for Pakistani business community especially for young entrepreneurs.
- JCC and JWG on social and economic development must expedite the process of
  establishment of pakistan academy of social sciences. PPP must be utilized to engage
  academia and industrial experts of both the countries to exchange views, expertise, and
  knowledge.
- 4. PPP should be utilized for joint film and drama making, screening of Pakistani movies and TV dramas in China and vice versa, ensure establishment of Urdu Language Centers in China.
- 5. Both countries must establish Data Centre to facilitate academia and encourage research on CPEC. Consequently, CPEC-Scholarship Program can also encourage either side students to conduct research. The Pak-China Youth Conclave Gawadar 2019 a case in point.
- 6. The establishment of the 'Sports Complex' must be made part of the ongoing CPEC projects in Gwadar to engage the local youth in healthy activities just like the formation of vocational training institute. The local population of Gawadar must not be out of the picture.

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