

China-Pakistan Economic Corridor (CPEC): India's Concern

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ABSTRACT

China-Pakistan Economic Corridor (CPEC), which is heralded as a game changer for the geopolitics and economic integration of South Asia, is an important part of China's bigger regional initiative namely 'One Belt, One Road' (OBOR). Pakistan and China formalized plans for the CPEC in April 2015 and subsequently China claims that CPEC will not only advance economic integration but also ensures mutual benefit or win-win cooperation with its partners as well as regional states. However, it is pertinent to mention that perception of South Asian countries and other international actor regarding the efficacy of CPEC is divided. While some perceive CPEC as an opening for development and prosperity and others look at it as a threat to peace and security. Therefore, CPEC faces considerable challenges and opposition at regional and international level. Among South Asian countries India, which has explicitly opposed CPEC since its inception, is considered as the strong opponent of CPEC. The paper seeks to explain and analyse India's threat perception vis-à-vis CPEC.

KEY WORDS: CPEC, OBOR, Regional Integration, Gwadar port, China-Pakistan Strategic Cooperation, India, POK.

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Introduction

China-Pakistan Economic Corridor (CPEC), a massive bilateral developmental project between two all-weather friends China and Pakistan, is assumed to be a 'game changer' in the geopolitics of South Asia. CPEC is an important part of China's bigger regional initiative namely 'One Belt, One Road' (OBOR) or New Silk Road Economic Development Corridor. The multifaceted project endeavours to connect Kashgar in the north-western Chinese province of Xinjiang with Pakistan's Gwadar port in Baluchistan through an immense network of roads and other infrastructure projects. The CPEC is designed to advance connectivity across Pakistan with a network of highways, railways, and pipelines coupled with energy, industrial, and other infrastructural development projects.

CPEC: Interests of China and Pakistan

China and Pakistan has managed their relationship in a very productive way and have developed a strong bond of trust. Apparently CPEC is one of the most prominent product of that intimate bond between China and Pakistan. It is crystal-clear that CPEC is decisively imperative for both China and Pakistan. While highlighting the significance of CPEC, President Jinping stated that "China-Pakistan Economic Corridor is an important point of our joint efforts to achieve common development, and we should use this economic corridor to drive our practical cooperation with focus on Gwadar Port, energy, infrastructure development, and industrial cooperation."¹ Therefore, CPEC is believed to provide a breakthrough in enhancing strong economic and trade relations between Pakistan and China. Strategically, the corridor will bring unlimited benefits to China as the Gwadar-Xingjian route can serve as an alternative to the Malacca straits, which is lengthiest and costly for China. CPEC route can be used to transport energy goods cost effectively and to find new markets for Chinese products in Central Asia, Africa, and Middle East. Moreover, the corridor will prove helpful to China for thwarting influence and dominance of the USA in Southeast Asia.² For Pakistan, CPEC provides great opportunity to stabilize its economy. For an unstable economy of Pakistan, the corridor will offer a panacea to its problems and will open new spheres of development by improving socio-economic conditions of the people and by elevating their quality of life.³ Thus, Pakistan greatly needs it to address critical energy shortages needed to boost Pakistan's economic growth and development and for China the project is specially significant to secure future supply routes of energy and trade goods and to play its role as a great power at global level.⁴ It appears that the project will be fruitful for both

countries, however, it is important to mention that the project is not only economically beneficial to China but it also provides enormous geopolitical and strategic advantages to China. On the other side Pakistan not only expects to gain economically from the project but also wants to improve its world image, which is dented by extremism, under the patronage of China. Besides, CPEC will reduce Pakistan's dependence on USA by providing an efficient opportunity to work intimately with a more consistent and trustworthy friend, China.

India's Concern.

China undoubtedly claims that CPEC ensures mutual benefitor win-win cooperation with its partners as well as regional states. Accordingly Chinese analysts claim that their strategy in South Asian region is guided and motivated by Three Nos'; a) China will not interfere in the internal affairs of other nations; b) China does not seek to increase its so called sphere of influence; and, c) China does not strive for hegemony or dominance.”⁵ However, views of South Asian countries regarding effectiveness of CPEC are poles apart. While some perceive it as an opening for development and prosperity and others look at it as a threat to peace and security and more appropriately as an alliance against their interests. Though, the CPEC project is expected to advance economic integration which is a prerequisite for regional stability, however, it equally faces considerable challenges and opposition at regional and international level.

Regionally India is considered as a strong opponent of CPEC. Since the inception of CPEC, India has explicitly opposed it. It is evident that India-China share a complex bilateral relationship and both compete for increasing their respective influence in South Asian region. Therefore, China's engagement in South Asian region is viewed negatively by India and has raised serious security and strategic concerns in India. China's developmental projects in South Asian region have fostered apprehensions in India about encirclement by China or what is being generally dubbed as China's 'String of Pearl Strategy' which apparently aims at diminishing India's influence in the region.⁶

South Asia region is significant not only to India's national security, but as a market the region has a potential that can contribute to India's economic growth and development. Christian Wagner argues:

"The recognition of vital importance of region efficiently motivated India to change its South Asian policy since economic liberalisation in 1991. While the Gujral doctrine put emphasis on the principle of non-reciprocity vis-à-vis India's smaller neighbors, the government of former Prime Minister Manmohan Singh embarked on promoting better connectivity and made unilateral economic concessions to the weaker states in order to expand intra-regional trade. Besides, India has also improved its security collaboration with most South Asian countries in recent years, except for Pakistan. Despite India's changing South Asia policy ever since economic liberalisation in 1991, China has considerably strengthened its position in the South Asian region. The reasons being that China economically appears to be more attractive and politically more reliable partner for South Asian countries than India. Besides, China has massively invested in South Asian region and significantly expanded trade relations,(which in fact has surpassed India in some cases.) More importantly China has increased military cooperation by way of supplying arms to many South Asian countries which ultimately paved the way for increased influence of China in the region".⁷

Furthermore, it is pertinent to mention that China's longstanding and cordial relationship with Pakistan has always and exclusively been viewed as an anti-India partnership. Harsh V pant argues that though bilateral relationship between China and Pakistan has its own resonance, India weighs heavily in this narrative of strategic nexus.⁸ Indian policymakers and analysts considers Pakistan as a facilitator to China for a bigger strategic role in the Indian Ocean and Middle East. India also views the project as China's geostrategic advancement for an easy access to its naval presence and influence in the Arabian Sea.⁹ The anticipation that Gwadar port may turn out to be Chinese naval base signals that CPEC will be used by Beijing to enlarge its maritime capabilities (particularly in the Indian Ocean Region) and to increase its influence and control over key maritime trade routes. Furthermore, it will prove helpful to China for improving access to energy sources, and for dominantly extending its influence in central and south Asian region. However, for the supporters, CPEC is not only an investment project between two countries but it is a network of opportunities for long-term integration in the whole region in order to increase trade and economic cooperation in the region.¹⁰

Chinese investment in the region raises serious concerns and consequently India has explicitly articulated its concerns over CPEC route on account of its passage through Gilgit-Baltistan, or what India identifies as Pakistan Occupied Kashmir. Indian analysts perceive that China is trying to re-define territorial status quo in the region. As Harsh V Pant argues:

*"China's decision to construct major civil, energy and military infrastructure projects in the CPEC, which runs through Pakistan-occupied Kashmir (PoK) and the areas of Gilgit and Baltistan, has essentially accorded de facto 'legitimacy' to Pakistan's illegal occupation of these areas."*¹¹

Therefore, in this context china's involvement and support to Pakistan through CPEC substantiates Chinese support to Pakistan's claim on the territory. Moreover, presence of Chinese personnel, which are apparently belonging to Construction Corps of the People's Liberation Army (PLA), represents another threat to India's security interests.¹²

In addition, China's strategic cooperation with South Asian countries, specifically with Pakistan presents a challenge and hinders India's ambition of becoming a dominant regional power. As Rajesh Rajagopalan succinctly argues:

*"China's alignment with Pakistan and deepening relations with other South Asian countries represents a significant challenge to India's position in the region, which New Delhi has dominated for decades. Beijing's ability to provide financial assistance and balance against New Delhi may tempt India's smaller neighbors to play one power against the other, undermining India in its own backyard."*¹³

Therefore, not only CPEC, which has a potential to alter the balance of power in the region, but also mounting Sino-Pakistan strategic cooperation in the name of CPEC has become a source of concern for India.¹⁴ In-order to strengthen strategic cooperation, Islamabad and Beijing has agreed to deepen collaboration in defence, counter-terrorism, and space and maritime technology. Subsequently China has fulfilled its promise of strengthening defence cooperation by pledging to deliver eight submarines worth around \$4-\$5 billion.¹⁵ China-Pakistan strong defence cooperation reinforces apprehensions of not only India but also U.S. about Gwadar port being utilized as a chief naval base to extend China's dominance in the Arabian Sea.

Conclusion

Thus, India considers the project as a Chinese strategic move which aims at encirclement of India in order to diminish India's influence regionally and globally. Furthermore, Indian analysts believe that Chinese policy in the region aims to counterbalance Indo-U.S. strategic cooperation. It is important to mention that both USA and India share a common interest in balancing China, therefore, effective strategic cooperation with USA is suitable option for India to safeguard its interests which are threatened by China's rise and growing influence in the region. However, India's fear of being encircled through so called String of Pearls strategy is intensified by China's involvement in the development of a series of strategic naval ports in the region, such as Hambantota in Sri Lanka, Sittwe in Myanmar, and Chittagong in Bangladesh.

Though CPEC presents better opportunities for regional cooperation predominantly in the field of economic trade and commerce, it may also create instability in the region because of hostile interests of South Asian states particularly India and Pakistan. Moreover, conflicting interests and an enduring state of suspicion and mistrust can prove as a major stumbling block to CPEC in promoting regional integration. Thus, normalization of Indo-Pak relations and chipping away of mistrust and hostility between China and India is a prerequisite for the successful implementation of CPEC. To conclude we can say that for promoting regional integration and building peace and stability through CPEC, China needs to address the genuine concerns of all stakeholders in the region and all stakeholders must negotiate on areas of mutual interest, such as economic cooperation, to achieve a stable environment in the region.

¹"Text of President Jinping's Speech to the Parliament in Pakistan," April 21, 2015, Quoted in Dr Khalid Manzoor Bhat and Anam Abid Bhat, "Impact of CPEC on Regional and Extra Regional Actors," *Journal of Political Science*, Vol, XXXIII (2015), P.24

²Ibid, pp, 24-31.

³Ibid.

⁴Daniel S. Markey and James West, "Behind China's Gambit in Pakistan," *Council on Foreign Relations*, 12May 2016 found at <https://www.cfr.org/expert-brief/behind-chinas-gambit-pakistan> Accessed on 7/10/2017.

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⁷Christian Wagner, "The Role of India and China in South Asia," *Strategic Analysis*, Vol. 40, Issue 4, (2016).

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