

BELT AND ROAD INITIATIVE: CHALLENGES AND OPPORTUNITIES FOR PAKISTAN

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Abstract

Chinese Belt and Road Initiative (BRI) is primarily aimed at strategic interconnectedness of Asia, Europe and Africa and regional economic connectivity in South Asia, East, West and Central Asia by maintaining connection among partner countries in highly interconnected globalised World. Pakistan's integration into BRI through CPEC can play a vital role in terms of regional economic and political development encompassing variety of opportunities for Pakistan. This Chinese initiative will diffuse geo-political rivalries, giving leverage to geo-economics over geo-politics in South Asian region. BRI also poses multiple and critical geo-strategic challenges for the region especially for Pakistan. The objectives of the study are to explore the possible outcomes of Belt and Road Initiative, Prospects of regional economic developments, Challenges and Opportunities for the region especially for Pakistan. The study brings out the emerging trends concerning primacy of the geo-economics over geopolitics albeit in the nascent stage amid CPEC. The challenges likely to be faced by Pakistan by these developments would equally present numerous opportunities. These, if capitalised through prudent policies and execution would enhance strategic relevance of Pakistan among comity of nations. The paper attempts to proffer relevant policy level recommendations for the implementation.

Key Words: *Regional connectivity, Economic development, Geo-strategic & Geo-economic challenges.*

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INTRODUCTION

The distinguished nature of Asia Pacific region makes it one of the World's most vibrant regions involving geo-strategic and geo-economic rivalries along with multiple economic dividends. In 2013, China adopted a well elaborative geo-political and geo-economic strategy known as the 21st Century Maritime Silk Road (MSR) and One Belt One Road (OBOR) currently known as Belt and Road Initiative (BRI) as an indirect response to counterbalance the US rebalancing in Indo-Pacific region. Through Belt and Road Initiative, China is ambitious to advance its own economic centrality in Asia Pacific by effective mechanism of economic connectivity with a view to enhance roads and rail networks. US perceives Chinese BRI as a response to the US rebalancing efforts. Through BRI, China aims to expand its sea, air and land linkages across the Eurasian landmass and Indo-Pacific periphery for its economic development. BRI has massive opportunities and benefits for China and its allies. Pakistan due to its important geo strategic location can balance out strategic interests of key competitors in the region. The CPEC being a flagship project of BRI is considered as 'Game Changer' for Pakistan as well as region. CPEC can appear as potential challenger to US hegemonic world aiming at counterbalancing China's rise through rebalance policy strands of political, strategic, economical and culture leverages. Pakistan being an important state in Chinese BRI strategy faces many external challenges including Indian hostility with increasing support from anti-China lobby. Indian failed designs of isolating Pakistan have made it furious on political and diplomatic fronts to stage violence activities, insecurity and instability in Pakistan. Indo-US strategic nexus along with huge military and civilian aid is cause of great setback to regional balance of power in South Asia.

This paper has explored the possible outcomes, prospects of Belt and Road Initiative, implications and challenges of geo-strategic competition for the region/Pakistan. Research study has been divided

into four sections covering China's BRI; Pakistan's geo strategic position in Asia Pacific calculus; opportunities and challenges for Pakistan, and finally conclusion.

CHINESE BELT AND ROAD INITIATIVE (BRI)

China adopted a counter balancing strategy in response to US rebalance strategy. The Rebalance strategy was to sustain the prevalent status quo in the Asia Pacific region. Rebalancing move was based on ample arrangement of US diplomatic, political, economic and military power in the region. The usual attempt envisaged rebalancing efforts against China's multidimensional rise through multilateral set ups.

BRI gained importance as Chinese concept of "new model of major country relation" (Gaye, 2017). This concept was embedded with the goal of equality between China and the US relations. Chinese model is aimed to neutralize the US rebalance for speedy power transition in the region. Chinese policy was based on two pillars i.e. parity between US-China relations and conflict avoidance to prevent emerging coalition to contain rise of China. The United States never adopted this model as perceived by China for mutual relations based on parity.

Chinese President, Xi said at Peripheral Diplomacy Work Conference that China's neighbouring states had "extremely significant strategic value". He further wished to improve relations between China and its neighbours, strengthening security cooperation and enhancing economic integration (Cai, 2017).



Source: <http://yaleglobal.yale.edu/content/chinas-new-silk-road-implications-us>

China's most important step to respond US strategy is its Belt and Road initiative likely to revive its traditional Silk Road, through maritime and land, connecting China through Asia, the Middle East, Africa, and Europe. If materialized, BRI will connect seventy countries across four continents (Wuthnow, 2017) China has initially pledged \$40 billion funding from AIIB to support the projects of rail and road connectivity and trade activities. The project will include economic engagements, cultural exchanges, and promoting Chinese soft power. OBOR consists of six corridors i.e., Bangladesh-China-India-Myanmar Economic Corridor, China-Central Asia-West Africa Economic Corridor, China-Indochina Peninsula Economic Corridor, China-Pakistan Economic Corridor, New Eurasian Land Bridge Economic Corridor. Though these economic initiatives have primarily been launched to enhance Chinese economic development but analysts perceive them challenging US pivot to Asia (Noonari, Sadiq and Qaisar, 2020). Professor Wang Yiwei from Rennin University expressed his view that revival of new Silk Road can help

Eurasia become the pivot of geopolitical gravity away from the US (Callahan, 2017).

Xi Jinping Chinese President pressed that OBOR as envisaged, if successfully materialised, will reshape the economic and political calculus of the Asia Pacific (Huan, 2014). Establishment of Asian Infrastructure Investment Bank (AIIB), with membership of more than sixty countries is great achievement of China for promotion of transparency, environmental safeguards and social vulnerabilities, by not enforcing IMF lending structures and standards. Chinese officials see the AIIB as helping China to enhance its influence in chalking out world financial rules (Huan, 2014).

Importance of Asia Pacific Region

At present Asia Pacific region has gained the vital position in global politics in the current geo-strategic and geo-economic landscape of world. Major Powers especially US has shifted its focus towards Asia Pacific due to its growing economic, political and strategic importance. United States is important investment and trading partner of Asia Pacific Countries. GDP of Asia Pacific Economic Countries for the year 2014 was 58 percent of global GDP. The Association of Southeast Asian Nations (ASEAN) is also American 4th largest export market to provide nearly 500,000 jobs. China is also third largest investment market for United States. Chinese imports from United States increased by 198 percent in financial year 2014-2015 (Rappeport, 2017).

Asia Pacific is a great channel of trade and investment for US and Japanese companies. Japanese companies were the 2nd largest source of investment in United States in 2014 while generating almost 400,000 jobs in various sectors especially in automobiles (Rappeport, 2017). United States also enjoys great investment opportunities in South East Asia but for last few years she has been overtaken by China, Japan and European Union in various sectors of investment. Still there are growing trends in US investment in the region making

her most viable partner as estimated, by 2030, Asia Pacific will be the house of more than two third middle class population of the world paving way for new markets for United States' investment.

The Trans-Pacific Partnership (TPP), a centrepiece of US pivot to Asia was a major step to enhance her influence in Asia Pacific. Initially, most believed that the TPP a multilateral financial agreement, by excluding China, was a step to contain China's increasing role in Asia Pacific. Zhang Zhixin, for example, American analyst expressed that TPP as "another example of American aggression against China" (Rappeport, 2017). Few others also express doubts and fears about the real cost to China if it joins TPP. Chinese Ministry of Foreign Affairs and Ministry of Finance have argued that the TPP offers opportunities for China as well as challenges. Zhu Guangyao, Chinese former Vice Finance Minister said that it is important for China to be integrated into the rules of international trade system while maintaining its high standards (Lutf, 2017). After US withdrawal from TPP, the remaining countries have forged ahead with another pact, called as Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), by adopting previous provisions intact. Regional Comprehensive Economic Partnership (RCEP) is another mile stone to maintain the balance of power in Asia Pacific Region.

PAKISTAN & GEO-STRATEGIC COMPETITION IN INDO-PACIFIC OCEAN

Freedom of navigation, military deployments and economic engagement with multilateral economic institutions are US main strategic imperatives for its rebalancing strategy meant to contain China. Pakistan due to its important geo-strategic location can play vital role in Chinese response strategy to US policy of Chinese containment by offering an alternative to South China Sea as well as Malacca strait dilemma, making Pakistan a viable actor in geo-strategic calculus of Pacific.

Chinese prime interest is security of Sea Lines of Communications SLOCs. At present, Chinese shipment of its oil and gas energy without any effective mechanism poses serious security threats for her SLOCs being vulnerable to any conflict with US or regional countries which may disrupt oil supply to China. Gwadar Port, being an alternative for China can resolve this dilemma (Vidhan Pathak, 2009).

China Empowering Pakistan through CPEC

Pak China Relations are beyond any doubt and fear in the current geo strategic context of South Asia and East Asia perspective. China's BRI/CPEC project has gained momentum at the national and International level as hub of regional connectivity between Asia and Europe. If this project is fully completed in the true sense of the word, Pakistan will have a major infrastructure of roads, railways and pipelines etc. The road will connect Gwadar to Kashghar with approximately 2700 kilometres distance. The Karakorum highways from Chinese border connecting Rawalpindi shall also be constructed and extended. The 1100KM long motorway stretching from Karachi to Lahore, the Karakorum highway from Kashghar via Khunjrab Pass to Islamabad and a train track between Karachi and Peshawar will also be built (Ziying, 2016). Among Iran and the Gulf countries, pipelines shall also be constructed for transportation of liquefied oil and natural gas. CPEC will also connect Europe and Central Asian Republics while providing a higher level of development opportunities along with mass contact and cultural exchanges between Pakistan and China (Ziying, 2016). This Corridor will not only further deepen Pak China relations; it will also improve India and Pakistan relations. A great number of efforts are being made to create a peaceful environment in the region to facilitate the smooth accomplishment of the CPEC project for mutual benefit of joining actors. Mr. Ahsan Iqbal, the then Federal Minister emphasized that CPEC will be equally beneficial for all the regions of Pakistan by covering various projects such as infrastructure, energy, agriculture

and industries etc. Pakistan Army is playing a pivotal role and has formulated a separate division containing 70,000 personnel for its security and safety. The CPEC will enhance Pakistan's economic growth as predicted by economists in the early 1960s that Pakistan would be leading economic powers in Asia one day (Ziying, 2016).

The Indian Factor

India enjoys a very important geo-strategic location in Indian Ocean along with number of opportunities as well as security challenges. Indian utmost efforts to maintain its regional hegemony is really aimed at protecting its important SLOCs for trade and development of marine resources along with 700 km long coastline area and to control the influence of extra-territorial forces in the Region. India is developing its relations with Singapore and Oman due to the growing dependence on sea for natural and energy resources, along with developing its defense procurement, fleet tankers, nuclear submarines and aircraft carriers. Indian "Look East" policy, Indo-US Strategic Partnership, Indo-Australian and Indo-Japan alliances with strategic advancements in Indo-Pacific are in consonance with Indian ambitions to maintain its hegemonic designs in Indian Ocean Region. India is ambitious to maintain its role as security provider for maritime transportation routes in IOR. Such moves enhance Indian muscles from the Persian Gulf to the Straits of Malacca. 'Chahbahar Port' of Iran, further, satisfies its motive to counter China, in addition to its access to Iran and open 'North South Trade Corridor' to reach Central Asian republics (Upadhyay, 2014).

From Look East policy, India is moving towards engage East policy due to its enhanced economic ties with the China, Japan, Australia and ASEAN. Since last few years, India has been conducting joint naval exercises with France, United States and Russia. Joint Indo US naval presence in Indo Pacific Ocean from small scale drills to large scale anti-submarine exercises and mutual deployment of aircraft carriers (Upadhyay, 2014) clearly serve as demonstration of combined

power projection. These joint Indo-US ventures are really meant to contain Chinese area of influence in larger context of geopolitics along with strategic challenges for the regional actors especially Pakistan being China's next door neighbor and close ally. Indian hostile attitude towards Chinese OBOR and CPEC would have serious repercussions for Pakistan in terms of security and safety of the project.

Prospects of Belt and Road Initiative (BRI)

OBOR being a catalyst for important regional developments has several fundamental benefits with global opportunities and impacts. OBOR has multiple opportunities for global development as it aims at strategic interconnectedness of Asia, Europe and Africa (Godement, 2015) and regional economic connectivity in South Asia, East, West and Central Asia by maintaining connection among partner countries in highly interconnected globalized World. This vision will also diffuse geo political rivalries, giving leverage to geo-economics over geo-politics in South Asian regions.

OBOR / CPEC present multiple ways to China to achieve her vision of 'Peaceful Rise' following posture of strategic flexibility and conflict avoidance in Pacific / South China Sea. Chinese have adopted focused policy for pursuing her national security objectives through its policy strand of conflict avoidance to minimize threats by coining universally acknowledged 'Harmonious World' and 'Peaceful Rise' (Latif, 2016). BRI is wonderful use of soft power responding to hard power in new World Order dominated by Unites States. OBOR is reflection of China's 'Defensive Security Outlook' policy in the environment of traditional and non-traditional security challenges (Latif, 2016). US views CPEC as economic engine for Pakistan development as it is expected to create some 700000 jobs adding 2.5% to Pakistan's growth rate (Chen, 2015).

CPEC can also facilitate Asian countries by reducing traffic in the Strait of Malacca and their dependency on this strategic choke point.

Landlocked countries Afghanistan, Tajikistan, and Uzbekistan would have access to the sea for their trade and economic development. Pakistan is expected to become the sixth-most-populous state by 2030. Its political and economic development gives spill over effects to stability of South and Central Asia as well as US ability to address the regional issues of economic instability (Fazl-e-Haider, 2009).

The BRI would have positive impacts on development of Afghanistan. US efforts have not gained desired objectives of stability and development in Afghanistan. Chinese BRI focuses on stability through economic connectivity, an approach enjoying serious consideration from Washington.

Regional Challenges /Challenges for Pakistan

Belt and Road Initiative while elevating China's status of super power poses multiple critical geo-strategic challenges for the region especially for Pakistan. Pakistan's integration into BRI and CPEC can play a pivotal role in the Chinese rise and its subsequent challenges to US hegemonic designs in Indo-Pacific Ocean (Latif, 2016).

At First, CPEC being the flagship project of BRI and icon of economic growth in Pakistan can also create security challenges. The CPEC is network of roads and rails that pass from sensitive areas of Pakistan such as Khyber-Pakhtunkhwa, Baluchistan and Azad Kashmir causing possibility of conflict with insurgents groups working against Pakistan (Wuthnow, 2017). The Baluchistan Liberation Front (BLF) considers CPEC as a "Chinese imperialist scheme," and threatened to target it (Wuthnow, 2017). Government of Pakistan will be in dire need to provide security mechanism for safety of the project as already Special Security Division (SSD) and Maritime Security Force (MSF) has been established along with deployment of fifteen thousand security personnel (Hussain, 2017) including 9000 regular army soldiers and 6000 paramilitary personnel which will further aggravate unrest.

Secondly, growing Pak-China axis and in depth relations between the two countries may directly or indirectly affect US influential posture in Pakistan regarding critical issues of terrorism and counterterrorism, Kashmir, Afghanistan and nuclear proliferation. US counter terrorism activities (Jia, 2017) (activities of ISAF / NATO) on western border have been cause of constant source of unrest in Pakistan.

Thirdly, BRI and CPEC can further disrupt weak balance of power between Pakistan and India as it is suspicious of CPEC project causing economic boost to Pakistan. India regularly increases violence on our Eastern Border adopting water terrorism policy towards Pakistan for its integration into OBOR and CPEC. Fourthly, Pak China joint Cooperation over Gwadar is a matter of serious concern for regional and extra regional actors at international level. Gwadar Port would change the balance of naval power while challenging US naval dominance in the Indian Ocean (Schofield, 2012).

Chinese effort to integrate Iran into BRI can be facilitated either by connecting it to the Pakistani gas pipeline or Gwadar to the Chabahar Port of Iran which is in pipeline in partnership with Afghanistan and India on the Iranian shore of the Arabian Sea. Chabahar could also be linked to Kandahar. Connection of CPEC to Kandahar-Chabahar corridor would enhance strategic importance of Iran at a time when the United States and its allies are struggling to contain it.

Regional divergences and convergences have caused a great hindrance to US efforts for Indian membership in Nuclear Supplier Group due to Chinese opposition. Pakistan faces highly dilemmatic even more complex situation than any other regional actor as it has to maintain its ties with US being an ally in war on terror on the one hand and hawkish India on other hand while strengthening its strategic alliance with China.

CONCLUSIONS

The distinguished nature of Asia Pacific region makes it one the most vibrant region of the World. In the wake of US withdraw from Afghanistan, the United States and its allies are focusing on shift in global security trends for their commitment to the South Asia and Asia-Pacific regions. In Response to US Rebalancing move, China has launched its Belt and Road Initiative comprising six corridors of Belt and Road aimed at economic centrality and regional connectivity across South Asia, Central Asia, Middle East and Europe. CPEC being the flagship project of Chinese OBOR is potential challenger along with diversified opportunities for regional actors especially Pakistan and China.

Pak China strategic axis would imply serious consequences for hunching effect to US rebalance to Asia and Pacific. Indo-US Strategic partnership in addition to Indian critical attitude towards Chinese BRI and CPEC has various ramifications for Pakistan. The policies of containment and competition between China and United States have wide ranging implications and challenges for the region. This shift in US policy would affect the regional security environment of Asia Pacific along with US and its partners. These changed environmental settings would have serious repercussions for Pakistan, being the primary actor of the South Asian Region. Pakistan is generally distinguished as foremost ally partner of both competing powers i.e. China and US, such flux places Pakistan in an intricate position, and unable to prefer any particular course of ties and forsake its relationship with the other side. Pakistan strongly needs to secure its national interests and recapitulate its obligation to play a constructive role in determining common characteristics of peace, stability and development in the course of evolving dynamics of the region.

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