



RESEARCH ARTICLE

Internal and External Threats to the China-Pakistan Economic Corridor

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Article Info

Abstract

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The China-Pakistan Economic Corridor (CPEC) has been considered a significant development project for Pakistan. Since its inception, the project has attracted billions of dollars into Pakistan's development sector. However, CPEC is facing several challenges driven by both internal and external factors. Internally, CPEC has been disrupted by the Baloch insurgency, which is driven by grievances among the Baloch, recent terrorist activities inspired by the Taliban's return to Afghanistan, and the looming threat of political instability within Pakistan. Externally, the evolving political situation in Afghanistan, India's concerns about territorial disputes, and the competition between the US and China also have implications for the CPEC project. CPEC is an essential part of China's ambitious Belt and Road Initiative (BRI) and is vital for regional integration. However, the internal and external threats have slowed down the progress of the CPEC project. This paper attempts to analyse the prevailing threats to CPEC and present recommendations to overcome them.

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Introduction

CPEC, which was intended to be a game-changer for Pakistan and regional connectivity, faces a range of internal and external complications¹. CPEC is part of China's Belt and Road Initiative (BRI), which aims to connect Asia with the Middle East, Europe, and Africa². CPEC is China's most ambitious project worth, approximately \$62 billion, to revive the ancient Silk Road³. The project's main component is the construction of an almost 3,218-kilometer corridor from China's Xinjiang province to Pakistan's Gwadar port⁴.

The CPEC is a significant project under China's BRI that has a defining impact on the region. This ambitious venture is expected to have a substantial effect on regional politics and the stability of Pakistan. The CPEC has far-reaching implications, as it has the potential to transform the economic landscape, improve connectivity, and promote development in the region⁵. Gwadar is a deep-sea port located at the convergence of crucial oil trade routes. It is strategically positioned to facilitate China's access to the Indian Ocean Region (IOR). Apart from benefiting China, this port also provides a vital trade route for landlocked Central Asian countries, enabling them to conduct trade via sea routes⁶. Gwadar is situated at the juncture of South Asia, East Asia, and the Middle East, on the opposite side of the Strait of Hormuz. This location gives China

¹ A Z Hilali, "China-Pakistan Economic Corridor and Dynamics of Regional Connectivity: Prospects and Challenges," *Strategic Studies*, Vol. 39, No. 4 (2019): 89–103.

² Muhammad Ibrar, Jiang Mi, Rafiq, and Arodh Lal Karn. "The China-Pakistan Economic Corridor: Security Challenges." *DEStech Transactions on Economics, Business and Management* (2016).

³ Syed Fazl Haider, "China's Big Gamble in Pakistan: A 10-Year Scorecard for CPEC," Lowy Institute, August 1, 2023, <https://www.lowyinstitute.org/the-interpreter/china-s-big-gamble-pakistan-10-year-scorecard-cpec>

⁴ Kiran Hassan, "CPEC: A Win-Win for China and Pakistan," *Human Affairs*. Vol 30, No. 2 (2020): 212–23.

⁵ Khalid Manzoor Butt and Anam Abid Butt, "Impact of CPEC on Regional and Extra Regional Actors," *Journal of Political Science*, Vol. 33 (2015): 23-41.

⁶ Mike Chia-Yu Huang, "A New Game Started? China's 'Overseas Strategic Pivots' in the Indian Ocean Region," *China Report*, Vol. 54, No. 3 (2018): 267–84.

direct access to the Arabian Sea and the IOR. The IOR has become a critical point of focus in global politics due to its diverse composition and vast economic potential⁷. It serves as a crucial link between significant maritime routes such as the Persian Gulf and the Strait of Malacca that includes 38 coastal states relying heavily on sea-based trade⁸. Reports suggest that more than 80 percent of the world's oil trade flows through the IOR⁹. Additionally, about 80 percent of China's oil trade is carried out through the IOR, highlighting its crucial role in the country's energy security. As a result, securing access to the IOR has become a fundamental aspect of the CPEC project, which recognizes the importance of the Indian Ocean in regional and international affairs.¹⁰

Pakistan demonstrates a staunch commitment to the CPEC project, recognizing its potential to yield substantial economic benefits and bolstering its position in regional politics. CPEC holds the promise of transforming Pakistan into a significant regional player by attracting substantial Chinese investments into Pakistan and creating opportunities for economic growth and development.¹¹ The inflow of Chinese investments into the country is projected to invigorate various sectors, generate employment opportunities, and stimulate economic growth¹².

⁷ Christian Bouchard and William Crumplin, "Neglected No Longer: The Indian Ocean at the Forefront of World Geopolitics and Global Geostrategy," *Journal of the Indian Ocean Region*, Vol. 6, No. 1 (2010): 26–51.

⁸ Don McLain Gill, "The Geopolitics of the China-Pakistan Economic Corridor (CPEC) and Its Security Implications for India," *The Korean Journal of International Studies*, Vol. 17, No. 3 (2019): 337–53.

⁹ Priyanjoli Ghosh, "India's Indian Ocean Region Strategy," *Journal of Indo-Pacific Affairs*, Vol. 3, No. 3 (2020), 146–50.

¹⁰ Niclas D. Weimar, "Sino-Indian Power Preponderance in Maritime Asia: A (Re-)Source of Conflict in the Indian Ocean and South China Sea," *Global Change, Peace & Security*, Vol. 25, No. 1 (2013): 5–26.

¹¹ Majeed Tabassum, Zahid Anwar, and Faiza Bashir, "CPEC: Pakistan and China's Joint Step towards a Shared Destiny," *Asian Journal of Comparative Politics*, Vol. 8, No. 2 (2023): 547–57.

¹² Shazia Kousar, Abdul Rehman, Mahwish Zafar "China-Pakistan Economic Corridor: A Gateway to Sustainable Economic Development," *International Journal of Social Economics*, Vol. 45, No. 6 (2018): 909–24.

Pakistan is influenced by the geopolitical competition in South Asia, both affecting its domestic and foreign affairs. The US-China competition for dominance in the region has made it hard for Islamabad to create a balance between the two strategic competitors. The instability in Afghanistan is also fueling cross-border terrorism in Pakistan creating security hurdles for the CPEC project. The multi-billion-dollar CPEC project has been scrutinized since its inception due to emerging security threats and changing regional geopolitical dynamics. Both internal and external security concerns threaten the project. Baloch insurgents have executed high-level terrorist activities against the Chinese the workers to halt the project's progress.¹³ Additionally, Islamist groups have confessed their activities to weaken the CPEC project.¹⁴

Externally, the project has been threatened by factors such as the Indian factor, instability in Afghanistan, increasing US presence in the South Asian region, Iran's reservations, and the geopolitical environment. India has been trying to sabotage CPEC by fueling ethnic conflict in Balochistan, as confessed by Kulbhushan Yadav.¹⁵ The safety of Chinese workers in Pakistan is a matter of concern for both countries. Pakistan has created a special security force, the Special Security Division (SSD), tasked with the protection of Chinese workers and CPEC-related activities. Due to emerging threats to the project and political instability in the country, the project's activities have slowed down.¹⁶ The study is based on descriptive research to discuss the nature of internal and external threats to the CPEC project. The authors have found that CPEC is facing multiple domestic and foreign challenges that have

¹³ Syed Fazl Haider, "Pakistani Separatists Turn Their Sights on China," *Lowy Institute*, 2022.

¹⁴ Abdul Basit, "Why Terrorists Will Target China in Pakistan," *Foreign Policy*, August 27, 2021, <https://foreignpolicy.com/2021/08/27/why-terrorists-will-target-china-in-pakistan/>

¹⁵ Rahat Shah, Shakir Hussain, and Asif Rasheed, "China Pakistan Economic Corridor: Security Challenges and Sequence of Processes of Domestic Resistance," *European Academic Research*, Vol. 7, No. 10 (2020): 4820–43.

¹⁶ Michael Kugelman, "Have China and Pakistan Hit a Roadblock?," *Foreign Policy*, 9 Feb. 2023, <https://foreignpolicy.com/2023/02/09/china-pakistan-cpec-infrastructure-economy/>.

slowed the progress of the project. The study has also presented some policy recommendations to deal with the challenges.

Internal Threats

Pakistan is situated at the intersection of Central Asia, South Asia, and the Middle East. Its strategic location has attracted the attention of many world powers and regional players.¹⁷ However, due to its unique position, Pakistan has faced threats both internally and externally.¹⁸ The country has been challenged by political instability, terrorism, and Baloch insurgency from within. Pakistan has been a victim of terrorism which has killed more than 80,000 people in the country.¹⁹

Baloch Insurgency

Balochistan is one of the most underdeveloped regions of Pakistan, with the lowest share of national GDP (Gross Domestic Product). Although Balochistan is the largest area-wise province of Pakistan, terrorism, ethnic insurgency, and sectarian violence have undermined any efforts of progress in the region. The inauguration of the CPEC project is the good news for the otherwise poor and underdeveloped province. Gwadar, a deep port city in Southern Balochistan is the backbone of the CPEC project.²⁰ However, the growing instability caused by the Baloch insurgency in Southern Balochistan has blurred any prospects of development in the province.

¹⁷ Fakhar Hussain and Mezhar Hussain, "China-Pak Economic Corridor (CPEC) and its Geopolitical Paradigms," *International Journal of Social Sciences, Humanities and Education*, Vol. 1, No. 2 (2017): 1–17.

¹⁸ Muhammad Ibrar, Jiang Mi, Rafiq, and Arodh Lal Karn. "The China-Pakistan Economic Corridor: Security Challenges." *DEStech Transactions on Economics, Business and Management* (2016).

¹⁹ Shabbir Hussain, "Taliban Conflict in Pakistan: Analysis through the Prism of Peace Journalism," in *Journalism 'a Peacekeeping Agent' at the Time of Conflict* (Leiden: Brill, 2019), 117–129, https://doi.org/10.1163/9789004386365_007.

²⁰ Zia Ur Rahman, Asghar Khan, Wang Lifang and Ibrar Hussain "The Geopolitics of the CPEC and Indian Ocean: Security Implication for India," *Australian Journal of Maritime and Ocean Affairs*, Vol. 13, No. 2 (2021): 122–45.

The three most prominent Baloch insurgent groups are the Baloch Liberation Army (BLA), Baloch Republican Army (BRA), and Baloch Liberation Front (BLF).²¹ BLA, the most active and ruthless of them all, has conducted numerous terrorist activities (see Fig.1). The objective of the insurgency in Balochistan is to achieve separation from Pakistan.²² Consequently, Baloch separatists perceive any development project in Balochistan, including the CPEC, as a threat to their movement.

Baloch insurgents have shown great resentment towards China's presence in Balochistan. The insurgents have warned China to quit Balochistan or face retaliation from their fighters.²³ Baloch separatists firmly believe that China and Pakistan, under the guise of the CPEC, aim to exploit the natural resources of Balochistan.²⁴ Their actions are driven by the fear that the success of the CPEC will lead to an influx of people from other provinces, thereby disturbing the demographic balance and making the Baloch people a minority.²⁵

The Baloch insurgents have engaged in terrorist activities targeted against the CPEC project. To sabotage the project, Baloch insurgents have resorted to sporadic attacks, including the killing of Pakistani and Chinese workers. Prominent incidents include the attack on the Pearl Continental Hotel in Gwadar²⁶, the attack on the Chinese consulate²⁷, the attack on the Confucius Institute at Karachi

²¹ Shazar Shafqat, "CPEC and the Baloch Insurgency," *The Diplomat*, February 08, 2017, <https://thediplomat.com/2017/02/cpec-and-the-baloch-insurgency/>

²² Adnan Aamir, "Is India Supporting Baloch Insurgents to Sabotage the China-Pakistan Economic Corridor?" *China-US Focus*, December 18, 2018.

²³ Syed Fazl Haider, "Pakistani Separatists Turn Their Sights on China," *Lowy Institute*, 2022.

²⁴ International Crisis Group, "China-Pakistan Economic Corridor: Opportunities and Risks," 29 June 2018, <https://www.crisisgroup.org/asia/southasia/pakistan/297-china-pakistan-economic-corridor-opportunities-and-risks>

²⁵ "Dark Corridor," *The Economist*, June 4, 2015, <https://www.economist.com/asia/2015/06/04/dark-corridor>

²⁶ "Pakistan Attack: Gunmen Storm Five-Star Hotel in Balochistan," *BBC*, May 12, 2019, <https://www.bbc.com/news/world-asia-48238759>

²⁷ "Karachi Attack: China Consulate Attack Leaves Four Dead," *BBC*, November 23, 2018, <https://www.bbc.com/news/world-asia-46313136>

University in which three Chinese nationals were killed²⁸, ambush of the truck transporting Chinese workers²⁹ and the kidnapping of a Chinese couple in Quetta.³⁰

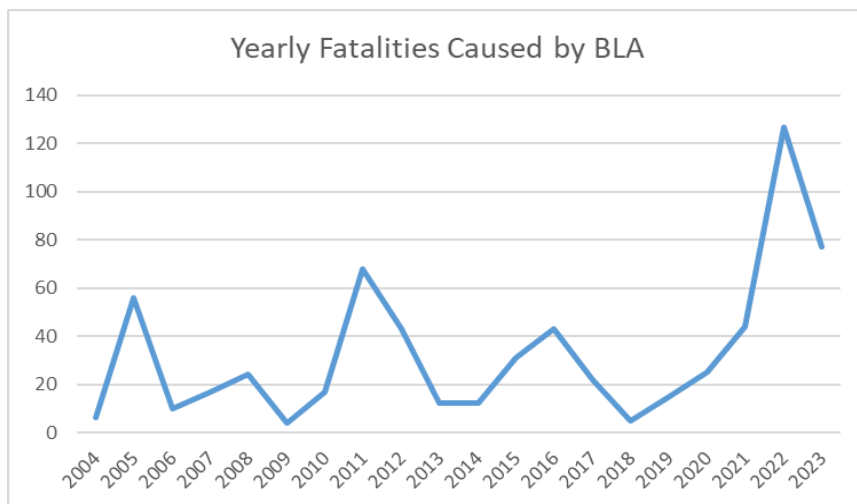


Figure 1: South Asia Terrorism Portal

Terrorism

Pakistan has been a grave victim of terrorism for the last two decades, resulting in approximately 80,000 deaths.³¹ Pakistan's security problems have significantly impacted its development. Various terrorist groups, such as Tehreek-I-Taliban Pakistan (TTP), Islamic State Khorasan Province (ISKP), and Lashkar-e-Jhangvi (LeJ), remain active in the country. Among them, TTP has been the

²⁸ "3 Chinese nationals among 4 dead in suicide attack at Karachi University – Pakistan, *Dawn*, April 26, 2022, <https://www.dawn.com/news/1686920>.

²⁹ Adnan Aamir, "The threat within: Pakistan's ties to China," Lowy Institute, September 5, 2018, <https://www.lowyinstitute.org/the-interpreter/threat-within-pakistan-s-ties-china>.

³⁰ "Two Chinese nationals kidnapped from Quetta," *Dawn*, May 24, 2017, <https://www.dawn.com/news/1335130#:~:text=According%20to%20police%2C%20unknown%20abductors.Police%20Aitzaz%20Goraya%20told%20AFP>

³¹ Shabbir Hussain, "Taliban Conflict in Pakistan: Analysis through the Prism of Peace Journalism," in *Journalism 'a Peacekeeping Agent' at the Time of Conflict*, (Leiden: Brill, 2019), 117.

most notorious terrorist organization that poses a significant threat to the success of the CPEC project.³²

Pakistan's security problem was fairly controlled in the years before the return of the Taliban in Kabul. However, since the return of the Taliban in Afghanistan, Pakistan's terrorism problem has resurfaced. In the last two years, several splinter groups have merged with TTP, making the terrorist organization stronger than ever.³³ Pakistan's former Interim Prime Minister has claimed that the Taliban are supporting TTP fighters.³⁴ Since the Taliban's return, there has been a 60 percent increase in terrorist activities.³⁵ TTP fighters have openly endorsed and owned attacks against Chinese workers.³⁶

TTP has claimed responsibility for several terrorist attacks targeting Chinese nationals. In 2012, TTP claimed responsibility for the death of a Chinese tourist in Peshawar, claiming the attack as revenge against the alleged mistreatment of Chinese Muslims.³⁷ In 2014, TTP fighters kidnapped the Chinese tourists in Khyber Pakhtunkhwa.³⁸ In one of the major attacks, the TTP targeted the Chinese ambassador who narrowly escaped.³⁹ A specific incident that exemplifies the dangers faced by the Chinese and Pakistani nationals occurred in Khyber Pakhtunkhwa, where a terrorist attack

³² Ibrar "The China-Pakistan Economic Corridor: Security Challenges."

³³ Abdul Sayed, "The Evolution and Future of Tehrik-e-Taliban Pakistan," *Carnegie Endowment for International Peace*, (2021).

³⁴ Abdul Rehman, "What Went Wrong with Pakistan's 'Strategic Depth' Policy?," *South Asian Voices*, December 14, 2023 <https://southasianvoices.org/what-went-wrong-pakistan-strategic-depth-policy/>

³⁵ Syed Irfan Raza, "Taliban Regime 'Enabler' of Terror: Kakar," *Dawn*, (2023).

³⁶ Dhananjay Sahai, "China's Terror Dilemma in CPEC: A Xinjiang Strategy?" *Observer Research Foundation*, (2023).

³⁷ Saud Mehsud, "Pakistani Militants Say Chinese Woman Killed for Revenge," *Reuters*, March 1, 2012, <https://www.reuters.com/article/world/asia-militants-say-chinese-woman-killed-for-revenge-idUSDEE8200H0/>

³⁸ "Taliban Kidnap Chinese National in Pakistan," *Al Jazeera*, May 20, 2014, <https://www.aljazeera.com/news/2014/5/20/taliban-kidnap-chinese-national-in-pakistan>

³⁹ Abdul Basit. "Why Terrorists Will Target China in Pakistan," *Foreign Policy*, August 27, 2021. <https://foreignpolicy.com/2021/08/27/why-terrorists-will-target-china-in-pakistan/>

resulted in the loss of nine Chinese and three Pakistani lives.⁴⁰ The attacks on Chinese nationals in Pakistan serve multiple purposes. First, they stem from anti-Chinese sentiments, as terrorists believe that they are punishing China for its alleged mistreatment of Muslim minorities in Xinjiang. Additionally, these attacks are driven by political messaging, as the terrorists aim to draw global attention to their cause by targeting China.⁴¹

Political Instability

Pakistan is currently grappling with significant political instability, which has far-reaching implications for both its economic and security landscape. Political stability is vital for a country's socio-economic development.⁴² However, since 2018, Pakistan has been facing with severe political instability and polarization. The instability was heightened when the former Prime Minister Imran Khan was ousted through a no-confidence vote in April 2022.⁴³ Many may perceive that such unstable political conditions and deep polarization slowed down the progress of CPEC projects.⁴⁴

In terms of political instability, one of the major challenges is disagreements on some of the CPEC projects among political parties in Pakistan. Mainstream political parties are more concerned about their interests rather than the public's interests.⁴⁵ The

⁴⁰ "Pakistan Bus 'Blast' Kills at Least 12, Including Nine Chinese," *Al Jazeera*, July 14, 2021. <https://www.aljazeera.com/news/2021/7/14/pakistan-bus-blast-kills-at-least-12-including-nine-chinese>.

⁴¹ Abdul Basit. "Why Terrorists Will Target China in Pakistan," *Foreign Policy*, August 27, 2021. <https://foreignpolicy.com/2021/08/27/why-terrorists-will-target-china-in-pakistan/>

⁴² Aslam Pervez Memon, Kiran Sami Memon, Salma Shaikh, and Fahmeeda Memon. "Political Instability: A Case Study of Pakistan." *Journal Political Studies*, Vol. 18 (2011): 31.

⁴³ Madiha Afzal, "Pakistan: Five major issues to watch in 2023," *Brookings*, January 13, 2023, <https://www.brookings.edu/articles/pakistan-five-majorissues-to-watch-in-2023/>

⁴⁴ Akbar Notezai, "Political turmoil, separatist violence threaten China's investments in Pakistan," *The China Project*, August 2, 2023, <https://thechinaproject.com/2023/08/02/political-turmoil-separatist-violence-threaten-chinas-investments-in-pakistan/>

⁴⁵ Akbar Notezai, "Political turmoil, separatist violence threaten China's investments in Pakistan," *The China Project*, August 2, 2023,

provinces are not happy with the allocation of development funds to the provinces and the route that connects Kashgar with Gwadar.⁴⁶ The progress on the CPEC project was slowed down during Khan's government as China was not happy with the idea of renegotiating some projects.⁴⁷ Last year, Pakistan had suggested to Chinese counterparts for additional projects in CPEC. China has refrained from investing in further projects until political stability was to be restored in the country.⁴⁸

China has conveyed its reservations to Pakistan on the implications of political stability to CPEC projects. China has asked Pakistan to overcome political instability in the interest of economic progress. China's foreign minister conveyed to Pakistan that "We sincerely hope the political forces in Pakistan will build consensus, uphold stability and more effectively address domestic and external challenges so it can focus on growing the economy".⁴⁹ In the last few years, Chinese investors have become hesitant to invest in Pakistan fearing political instability and security problems.⁵⁰

<https://thechinaproject.com/2023/08/02/political-turmoil-separatist-violence-threaten-chinas-investments-in-pakistan/>

⁴⁶ Umar Farooq and Asma Shakir Khawaja, "China-Pakistan Economic Corridor: Geo-Political Implications, Regional Constraints and Benefits of CPEC," *A Research Journal of South Asian Studies*, Vol. 34, No. 2 (2019): 583–94.

⁴⁷ Akbar Notezai, "Political turmoil, separatist violence threaten China's investments in Pakistan," *The China Project*, August 2, 2023, <https://thechinaproject.com/2023/08/02/political-turmoil-separatist-violence-threaten-chinas-investments-in-pakistan/>

⁴⁸ "China spurns new CPEC projects for Pakistan citing political instability," *Business Standard*, October 4, 2023, https://www.business-standard.com/world-news/china-spurns-new-cpec-projects-for-pakistan-citing-political-instability-123100400868_1.html.

⁴⁹ Sarah Zaman, Chinese Foreign Minister Tells Pakistan It Must Overcome Political Instability, *VOA News*, May 06, 2023. <https://www.voanews.com/a/chinese-foreign-minister-tells-pakistan-it-must-overcome-political-instability/7081848.html>

⁵⁰ Ananth Krishnan, "Fearing instability, Chinese companies rethink Pakistan investments", *The Hindu*, January 13, 2012, <https://www.thehindu.com/news/international/Fearing-instability-Chinese-companies-rethink-Pakistan-investments/article13364849.ece>

External Factors

The involvement of major international players such as the US, China, India, and Russia has made the dynamics of this region even more complex. The interactions between these actors have a profound impact on both the domestic and foreign policies of Pakistan, shaping its alliances and decisions.⁵¹ The changing power balance in the region has profound implications for the CPEC project.⁵²

Afghanistan Factor

Afghanistan has been grappling with instability since the Soviet invasion in 1979, which has profoundly impacted its political stability, governance, and economic situation.⁵³ The country has suffered greatly due to foreign invasions and terrorism, leading to the destruction of its institutions and infrastructure.⁵⁴ Pakistan and Afghanistan share a lengthy border where Pashtun ethnic groups on both sides reside. This geographic proximity creates a unique situation, as the security situation in Afghanistan directly affects Pakistan's security.⁵⁵

Pakistan was hopeful that the US withdrawal from Afghanistan would lead to stability in Afghanistan and eventually in Pakistan. However, many may perceive that it has been nearly three years since the return of the Taliban in Kabul, but Pakistan's security problems remain unresolved. TTP has emerged a stronger threat in the last two years with mergers from different militant groups.⁵⁶

⁵¹ Raja Muhammad Khan, "Foreign Policy of Pakistan in the Changing Regional and Global Settings," *Journal of Contemporary Studies*, Vol. 4, No. 1 (2015).

⁵² Zahid Khan et al., "CPEC: A Game Changer in the Balance of Power in South Asia," *China Quarterly of International Strategic Studies* Vol, 4, No. 04 (2018): 595–611.

⁵³ Nasser Saghafi Ameri "Prospects for peace and stability in Afghanistan," *SIPRI*, June 2011. <https://www.sipri.org/sites/default/files/2016-04/ARD01.pdf>

⁵⁴ Brian Glyn Williams, "On the Trail of the 'Lions of Islam': Foreign Fighters in Afghanistan and Pakistan, 1980-2010," *Orbis*, Vol. 55, No. 2 (2011): 216–39.

⁵⁵ Muhammad Karim, "World Powers Rivalry in Afghanistan and Its Effects on Pakistan," *The Dialogue*, Vol. 12, No. 3 (2017).

⁵⁶ Abdul Sayed and Tore Hamming, "The Tehrik-i-Taliban Pakistan After the Taliban's Afghanistan Takeover," *CTC Sentinel*, Vol 16, No. 5 (2023): 1-12

Since the return of the Taliban to Kabul, terrorist incidents in Pakistan have increased by 60 percent. Cross-border terrorism from Afghanistan has a direct implication for the security of the CPEC project.⁵⁷

Peace and political stability in Afghanistan are crucial for the success of CPEC.⁵⁸ Last year, Pakistan and China agreed to extend CPEC to Afghanistan to harness economic connectivity in the region.⁵⁹ Afghanistan has also pledged to prevent terrorist activities from using its territory.⁶⁰ The overall security environment in the region plays a crucial role in ensuring the smooth implementation of the corridor. However, despite commitments made by the Afghan Taliban to cease cross-border terrorism and eliminate support for terrorist groups, concrete actions have been lacking, as noted in recent assessments.⁶¹

India and CPEC

India, one of the key players in the region, has also shown disapproval of the CPEC project. India and Pakistan are arch-rivals; thus, India has reservations about the development project in Pakistan. India's strained relations with China also contribute to India's opposition to the CPEC. The Indian government sees CPEC as a potential threat to regional peace and security, as it significantly enhances China's presence and influence in the region.⁶² These

⁵⁷ Hafeez Ullah, Riaz Ahmad, and Muhammad Musa Khan, "Afghanistan: US-Taliban Peace Talk: CPEC Perspective," *Conflict Studies Quarterly*, No. 32 (2020): 53–73.

⁵⁸ Zahid Shahab Ahmed and Farooq Yousaf, "Pashtun Jirgas, Their Potential in Pak-Afghan Reconciliation and National Reconstruction," *South Asia Research*, Vol. 38, No. 1 (2018): 57–74.

⁵⁹ Shivam Shekhawat, "Betting on Connectivity: Afghanistan's China-Pakistan Economic Corridor Ambitions," *Observer Research Foundation*, (2023).

⁶⁰ Mercy A. Kuo, "China, Pakistan, and the Taliban: CPEC in Afghanistan," *The Diplomat*, June 12, 2023, <https://thediplomat.com/2023/06/china-pakistan-and-the-taliban-cpec-in-afghanistan/>.

⁶¹ Muhammad Akbar Notezai, "Chaos in Afghanistan Threatens CPEC", *The Diplomat*, July 19, 2021, <https://thediplomat.com/2021/07/chaos-in-afghanistan-threatens-cpec/>

⁶² Khuram Iqbal, "Significance and Security of CPEC: A Pakistani Perspective," China Institute of International Studies, November 10, 2017, <https://www.>

concerns were particularly highlighted during the Indian Prime Minister's visit to China in 2015, when he expressed his disapproval of the project.⁶³

India has put forth multiple reservations against the CPEC project. First, India has reservations that the CPEC trade route passes through the disputed territory of Kashmir. India maintains that Kashmir is an integral part of its sovereign territory, and the construction of infrastructure projects like CPEC in the region is viewed as a violation of its territorial integrity.⁶⁴ This issue adds further complexity and sensitivity to the situation, as Kashmir remains a long-standing source of tension between India and Pakistan.⁶⁵

Second, India also harbours concern that CPEC is part of a larger Chinese strategy to curb India's economic growth and influence in the region.⁶⁶ As CPEC brings substantial investments, infrastructure development, and increased connectivity to Pakistan, India fears it could result in a strengthened Pakistan-China axis, which may have implications for its own economic and geopolitical interests.⁶⁷

Third, India apprehends that the CPEC will enable China to dominate the trade routes in the IOR. This concern stems from the potential for China to exert significant influence over the maritime

ciis.org.cn/english/ESEARCHPROJECTS/Articles/202007/t20200715_3600.html

⁶³ "China-Pakistan Economic Corridor 'unacceptable', Modi tells China," *The Express Tribune*, June 1, 2015, <https://tribune.com.pk/story/895611/china-pakistan-economic-corridor-unacceptable-modi-tells-china>

⁶⁴ Xiangming Chen, S.K. Joseph, and Hamna Tariq, "Betting Big on CPEC," Trinity College, 2018, <https://digitalrepository.trincoll.edu/facpub/204/>.

⁶⁵ Dildar A. Chohan and Amir A. Chandio, "Gwadar Port as an Economic Zone with Especial Reference to US and Indian Reservations on the Regional Part of South Asia," *Journal of South Asian Studies*, Vol. 9, No. 2 (2021): 97–105.

⁶⁶ Sara Aleem, "CPEC and Pakistan: Navigating Challenges Posed by India." *Modern Diplomacy*, October 20, 2023. <https://modern diplomacy.eu/2023/10/20/cpec-and-pakistan-navigating-challenges-posed-by-india/>

⁶⁷ Fahad Shah, "Does the China-Pakistan Economic Corridor Worry India?," *Al Jazeera*, February 23, 2017. <https://www.aljazeera.com/features/2017/2/23/does-the-china-pakistan-economic-corridor-worry-india>

trade flow, thereby impacting India's trade interests.⁶⁸ Additionally, India is wary of the possibility that China may utilize Gwadar Port as a naval base to counter the Indian power in the region. The strategic location of Gwadar, combined with China's involvement, raises concerns about a potential military encroachment near the Indian waters.⁶⁹ Moreover, India expresses concerns about the growing joint naval activities between Pakistan and China. These collaborations heighten India's apprehensions regarding potential military cooperation and power projection capabilities in the region.⁷⁰

In response to CPEC, the Indian government has been actively pursuing the development of the Chabahar Port in Iran. People view this project as a strategic move to offset the potential impact of CPEC.⁷¹ By strengthening its ties with Iran and establishing the Chabahar Port as an alternative trade route, India aims to mitigate the strategic advantages that CPEC provides to China in terms of regional connectivity and access to global markets.⁷²

Despite India's reservations, China has invited other countries, including India to join the CPEC project. If India were to accept this invitation, it could potentially lead to a significant increase in regional cooperation. However, India has shown disapproval towards any country that wants to join CPEC. India has

⁶⁸ Don McLain Gill. "The geopolitics of the China-Pakistan economic corridor (CPEC) and its security implications for India." *The Korean Journal of International Studies*, Vol 17, No. 3 (2019): 337-353.

⁶⁹ David Brewster, "Silk Roads and Strings of Pearls: The Strategic Geography of China's New Pathways in the Indian Ocean," *Geopolitics*, Vol. 22, No. 2 (2017): 269-91.

⁷⁰ "Why Pakistan, China's Naval Exercises in Arabian Sea Are a Security Concern for India," *Firstpost*, November 14, 2023. <https://www.firstpost.com/explainers/pakistan-china-naval-exercises-sea-guardian-3-arabian-sea-security-concern-india-13385312.html>.

⁷¹ Ali Omidi and Gauri Noolkar-Oak, "Geopolitics of Chabahar Port for Iran, India and Afghanistan," *South Asia Research*, Vol 42, No. 1 (2022): 21-39.

⁷² Amna Nisar, "Chabahar Port: A Challenge for Pakistan," *Regional Studies*, Vol. 37, No. 2 (2019): 41-63.

criticized the extension of CPEC into Afghanistan, fearing China's growing influence in the region.⁷³

The United States and CPEC

The strategic competition between the US and China is having a significant impact on the political dynamics of South Asia. Pakistan has forged close ties with China, while the US is investing heavily in India to maintain the balance in the region.⁷⁴ Pakistan has traditionally maintained a balanced relationship with both the US and China. However, in recent years, it has become increasingly challenging for Pakistan to maintain a balance between Beijing and Washington.⁷⁵ The CPEC, a major joint project between the two countries, has raised concerns for the US, primarily due to its strategic significance.⁷⁶

The US has recently taken a more hardline approach towards the CPEC project. This policy shift was brought about by a change in the US defense strategy, which aimed to engage in tough strategic competition with China.⁷⁷ Pakistan was put on the "grey list" by the Financial Action Task Force (FATF), which was seen as a

⁷³ Dharvi Vaid. "Why India Is Wary of Others Joining China-Pakistan Project," *DW*, August 8, 2022. <https://www.dw.com/en/cpec-why-is-india-wary-of-others-joining-the-china-pakistan-project/a-62744243>.

⁷⁴ Syed Mohammad Ali. "The U.S.-China Strategic Rivalry and its Implications for Pakistan." Issue Brief, *Stimson Center*, December 1, 2020. <https://www.stimson.org/2020/the-u-s-china-strategic-rivalry-and-its-implications-for-pakistan/>.

⁷⁵ Haroon Janjua. "Pakistan Struggles to Balance US and China Relations," *DW*, October 14, 2021, <https://www.dw.com/en/pakistan-struggles-to-balance-ties-between-washington-and-beijing/a-59508365>

⁷⁶ James Schwemlein, "Strategic Implications of the China-Pakistan Economic Corridor." United States Institute of Peace, December 2019. <https://www.usip.org/publications/2019/12/strategic-implications-china-pakistan-economic-corridor>.

⁷⁷ Daniel Markey, How the United States Should Deal with China in Pakistan." Carnegie Endowment for International Peace, November 2020. <https://carnegieieendowment.org/research/2020/04/how-the-united-states-should-deal-with-china-in-pakistan?lang=en¢er=global>

punishment for Pakistan's strong relationship with China.⁷⁸ China has consistently stated that the CPEC project is solely intended to promote economic integration in the region and has denied US accusations of using it for strategic competition purposes.⁷⁹

The United States has expressed concerns about the perceived China's potential establishment of naval logistics in Gwadar and its possible military presence in Pakistan, though there is no evidence of any Chinese military presence in Pakistan. However, the US believes that China's naval power in the IOR could pose a threat to its supremacy in the region.⁸⁰ To counter China's expanding presence in the area, the US has strengthened its relations with India.⁸¹ This strategic move aims to mitigate Chinese influence and assert US interests in the region. It is important to note that the US considers China a major competitor in the region. The two nations compete for influence and seek to advance their respective interests, resulting in a competitive dynamic. The US perceives China as a significant challenger to its dominance and aims to protect its position in the region by partnering with India.

China's Response

China and Pakistan are friendly neighbors with strong support for each other's interests. Chinese investment of \$62 billion in Pakistan is an example of the two countries' friendly relations. However, over time China has expressed concerns about the threats faced by

⁷⁸ Fayaz Hussain, "To Remain on Grey List': FATF Urges Pakistan to Complete Action Plan by Feb 2021, *Dawn*, October 23, 2020. <https://www.dawn.com/news/1586624>

⁷⁹ James Schwemlein, "Strategic Implications of the China-Pakistan Economic Corridor." United States Institute of Peace, December 2019. <https://www.usip.org/publications/2019/12/strategic-implications-china-pakistan-economic-corridor>.

⁸⁰ James Schwemlein, "Strategic Implications of the China-Pakistan Economic Corridor." United States Institute of Peace, December 2019. <https://www.usip.org/publications/2019/12/strategic-implications-china-pakistan-economic-corridor>.

⁸¹ Zhang Guihong, "US-India Strategic Partnership," *International Studies* Vol. 42, No. 3-4 (2005): 277-93.

Chinese investors and workers in Pakistan.⁸² Although China has maintained close economic relations with Pakistan it has called upon Islamabad to ensure the safety and security of Chinese citizens. Following the recent surge in attacks on Chinese workers, Beijing has asked Islamabad to investigate and ensure justice.⁸³

China has also shielded the CPEC from external threats. China has denied the Indian allegations of CPEC passing through disputed territory. China has maintained that CPEC is an economic initiative and that it does not aim to indulge in any kind of territorial dispute between states.⁸⁴ China has urged India to participate in the CPEC project.⁸⁵ China is also concerned about the terrorism threat emerging from Afghanistan. Considering the recent surge in Pakistani terrorism, Beijing has asked Kabul to take stronger measures to combat terrorism.⁸⁶ Additionally, the Sino-Pak partnership plays a vital role in maintaining balance of power in the region.⁸⁷ This cooperation is crucial in counterbalancing the influence of other major players in the region, particularly India.

Policy Recommendations

CPEC is a flagship project of the ambitious Chinese drive for regional integration. This article proposes a few policy recommendations to improve the project's standing after a thorough

⁸² Ayaz Gul, "Security Concerns, Payment Disputes Hinder China's BRI Investment in Pakistan," *Voice of America*, 6 July 2023. <https://www.voanews.com/a/security-concerns-payment-disputes-hinder-china-s-bri-investment-in-pakistan-/7168770.html>

⁸³ Saud Mehsud. "Pakistani Militants Say Chinese Woman Killed for Revenge," *Reuters*, March 1, 2012. <https://www.reuters.com/article/world/asia-pacific/pakistani-militants-say-chinese-woman-killed-for-revenge-idUSDEE8200H0/>.

⁸⁴ Sutirtho Patranobis, China on India's Concerns: 'BRI Doesn't Involve Territorial Disputes,'" *Hindustan Times*, 2019.

⁸⁵ Atul Aneja, China Urges India to Join Belt and Road Initiative," *The Hindu*, November 8, 2017, <https://www.thehindu.com/news/national/china-urges-india-to-join-belt-and-road-initiative/article20005542.ece>

⁸⁶ Ayaz Gul, China Asks Afghanistan's Taliban to Address Terrorism Worries," *Voice of America*, 6 March 2023.. <https://www.voanews.com/a/china-asks-afghanistan-s-taliban-to-address-neighbors-terrorism-worries/7081901.html>.

⁸⁷ Allauddin, Hongsong Liu, and Raja Qaiser Ahmed, "The Changing Dynamics and New Developments of China–Pakistan Relations," *India Quarterly: A Journal of International Affairs* Vol. 76, No. 1 (2020): 73–88.

study of internal and external threats. The relevant authorities in Pakistan and China are the target audience for these policy recommendations.

One of the critical factors in ensuring the success of CPEC is the normalization of relations between Pakistan and India. Both countries should initiate negotiations to promote an environment that fosters their shared interests. Pakistan needs to strive towards improving its relations with India, as this would significantly contribute to the success of CPEC. Additionally, CPEC has the potential to enhance trade routes between Pakistan and India, thereby promoting regional connectivity.⁸⁸ India too should adopt a more practical approach to CPEC and recognize its potential for fostering regional connectivity. By embracing CPEC and actively seeking regional connectivity through this initiative, India can contribute to the overall advancement of trade and infrastructure development in the region.⁸⁹

The integration of Afghanistan into the CPEC project has the potential to improve economic cooperation and regional integration.⁹⁰ However, Pakistan and Afghanistan need to engage in constructive dialogue to tackle issues such as cross-border terrorism and prioritize effective border management.⁹¹ Integrating Afghanistan into CPEC would not only enhance regional connectivity but also provide access to vital infrastructure, trade routes, and economic opportunities. This integration can facilitate the development of much-needed infrastructure, including roads, railways, and energy projects, which are pivotal in bolstering the country's economic growth and stability. Pakistan has a unique role

⁸⁸ Sara Aleem, "CPEC and Pakistan: Navigating Challenges Posed by India." *Modern Diplomacy*, October 20, 2023. <https://modern diplomacy.eu/2023/10/20/cpec-and-pakistan-navigating-challenges-posed-by-india/>

⁸⁹ Zahid Khan, Guo Changgang, Riaz Ahmad, and Fang Wenhao. "CPEC: A game changer in the balance of power in South Asia." *China Quarterly of International Strategic Studies*, Vol. 4, No. 4 (2018): 595-611.

⁹⁰ Shivam Shekhawat "Betting on Connectivity: Afghanistan's China-Pakistan Economic Corridor Ambitions." (Observer Research Foundation (ORF), 2023)

⁹¹ Abid Hussain, "Pakistan Set to Host Trilateral Dialogue with China, Afghanistan," *Al Jazeera*, 6 May, 2023, <https://www.aljazeera.com/news/2023/5/6/pakistan-set-to-host-trilateral-dialogue-with-china-afghanistan>

to play in Afghan affairs as it shares a long border with Afghanistan and has historically been involved.

Internal peace and security are paramount for successfully implementing the CPEC. Without a peaceful environment, Pakistan will be unable to reap the benefits of CPEC fully.⁹² To ensure this, Pakistan must focus on eliminating the threat posed by both soft and hard-core terrorist groups. The successful implementation of military operations in Khyber Pakhtunkhwa and Balochistan has improved the security situation in these regions.⁹³ However, Pakistan's security agencies must remain vigilant and prevent any attempts to sabotage the peace achieved thus far. In Balochistan, Pakistan should adopt a reconciliation policy towards the Baloch insurgents and address their grievances to foster a sustainable and peaceful environment.

Political stability is crucial for the successful implementation of CPEC. The government should prioritize addressing the concerns of minority groups regarding CPEC.⁹⁴ CPEC should be an inclusive initiative that benefits all regions of the country equally. To achieve this, political parties need to work together and build a national consensus on CPEC while putting aside their differences. To ensure internal peace, security, and political stability, Pakistan needs a comprehensive approach, including continuing efforts to combat terrorism, reconciliation policies, and addressing the concerns of minority groups. It is necessary to foster a spirit of national unity and consensus, making sure that all regions and communities benefit from the opportunities presented by CPEC. These measures will contribute to the long-term success and sustainability of CPEC, bringing about economic development and prosperity for Pakistan as a whole.

⁹² Azhar Ahmad, Asad Ali, Syeda Sanabil Sibtain, Asim Muneeb Khan and Beenish Ambereen "An Analysis of External Security Threats to CPEC and Pakistan's Response," *Psychology and Education* Vol. 58, No. 4 (2021).

⁹³ Masud Ahmed Khan, "Achievements of Radd-Ul-Fasaad," *The Nation*, 15 March, 2021, <https://www.nation.com.pk/15-Mar-2021/achievements-of-radd-ul-fasaad>

⁹⁴ Ali Haider Saleem, "CPEC and Balochistan," *Institute of Strategic Studies Islamabad*, Vol. 37, No. 4 (2017): 118–32.

Conclusion

CPEC is a flagship project that not only benefits Pakistan and China, but it has the potential to play an important role in the process of regional integration. CPEC has the potential to connect South Asian countries with global trade networks and has garnered interest from the Central Asian nations, Afghanistan, and Turkey, highlighting the regional importance of CPEC.

Some challenges may hinder the smooth progress of the project. The evolving geopolitical dynamics in the region, marked by competing interests and power struggles, create obstacles to the successful implementation of CPEC. Besides, the internal instability within Pakistan poses risks to the corridor's successful execution. Furthermore, India's aspirations for regional hegemony add complexity and may undermine the progress of CPEC.

To fully realize the potential benefits of the CPEC, it is crucial to adopt an inclusive approach. This means involving all stakeholders, such as Pakistan, China, and other regional countries, in the planning and execution of the project. By promoting collaboration and avoiding geopolitical conflicts, the region can work together to ensure the successful completion of CPEC. An inclusive and collaborative approach can pave the way for the project's success despite the challenges posed by changing geopolitical dynamics, internal instability, and regional aspirations. By prioritizing cooperation over rivalry, CPEC can become a driving force for regional development and prosperity.