



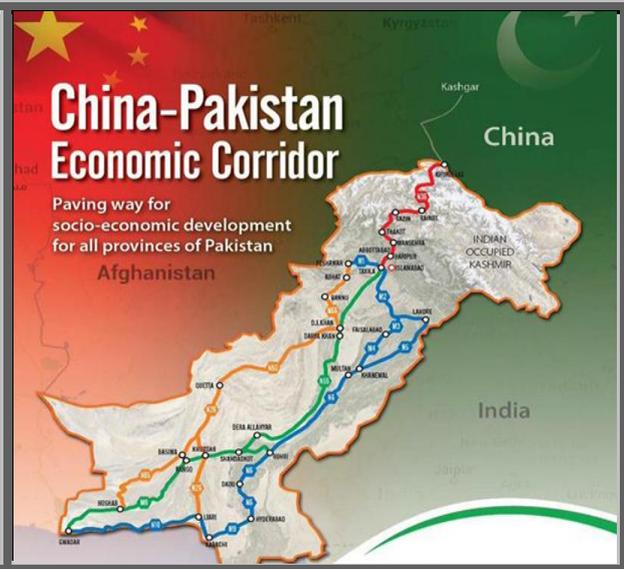
ANALYSING US OBJECTIONS TO CPEC

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(Views expressed in the brief are those of the author, and do not represent those of ISSI)



For more than two years, the United States, which takes a position on every matter in international politics, was conspicuous by its silence on China-led Belt and Road Initiative (BRI) and China-Pakistan Economic Corridor (CPEC), a flagship project of BRI. Thus, when US Defence Secretary James Mattis spoke on these development initiatives, policy-makers in Beijing and Islamabad were taken by surprise. Responding to a question on China's growing footprint in the South Asian region at US Senate's Armed Services Committee hearing on 'Political and Security Situation in Afghanistan', Secretary Mattis stated that:

"In a globalised world, there are many belts and many roads, and no one nation should put itself into a position of dictating 'one belt, one road'...that said, the One Belt One Road also goes through disputed territory, and I think, that in itself shows the vulnerability of trying to establish that sort of a dictate."¹

These remarks provide an insight into the emerging thinking within the Trump administration towards Afghanistan and South Asia, and more broadly, towards China's growing role in the world. At the strategic level, the United States views China as a competitor. Which means that no US administration will approve China-led development and connectivity initiatives as a positive contributor to international peace and regional stability. Nonetheless, for South Asia and

¹ PTI, US backs India on OBOR, says it crosses 'disputed' territory, *Hindustan Times*, October 4, 2017, <http://www.hindustantimes.com/india-news/us-backs-india-on-obor-says-it-crosses-disputed-territory/story-Lh2aIU5Nt5BGYUMCj8xk3L.html>

Afghanistan, US-China consultation have been an important element of international efforts to stabilise the region.

A question then arises: Are Secretary Mattis' comments in the context of South Asia policy announced by President Trump in August? President Trump had called on India to increase its profile in the region, particularly in Afghanistan, and to put more pressure on Pakistan.²

It is evident that recent remarks are not intrinsic objections to the development initiatives, but a part of a dangerous strategy. Trump administration is undertaking a risky manoeuvre by taking advantage of Indo-Pak differences on regional security issues. It is noteworthy that Secretary Mattis used language similar to New Delhi while objecting to the BRI, and, that it came after a recent visit to New Delhi for consultations on regional affairs.³

As for the objection itself that the route of US \$60 billion CPEC transverses Gilgit-Balistan region which India disputes as part of the State of Jammu and Kashmir, it can be said that there is no connection between the two. CPEC is a development initiative, while latter is a region illegally occupied by India. Also, historically, Gilgit-Baltistan has not been part of Jammu and Kashmir region. It was only under Dogra rule that Gilgit-Balistan region was incorporated into Kashmir after many wars. However, in 1947, Gilgit Scouts rebelled against the Dogra rule and offered to join Pakistan federation, which was accepted by Quaid-i-Azam Muhammad Ali Jinnah.

As for the development activities, it not the first time that infrastructure construction and international trade from Pakistani-administered region of Kashmir is taking place. In 1960s, Pakistan undertook construction of a hydropower Mangla Dam, over Jhelum river in the Pakistani administered region of Azad Kashmir. Mangla Dam was constructed with financial and technical support of the World Bank and the US following the conclusion of Indus Waters Treaty between India and Pakistan. The US constructors also took part in construction of the dam in the territory (that Mattis now refers to as "disputed") between India and Pakistan.⁴

Next, in 1970s and 1980s, Beijing and Islamabad collaborated on construction of Karakoram Highway for over two decades.⁵ And, in March 1995 China, Kyrgyzstan, Kazakhstan, and Pakistan signed a

² 'Remarks by President Trump on the Strategy in Afghanistan and South Asia', *White House*, August 21, 2017, <https://www.whitehouse.gov/the-press-office/2017/08/21/remarks-president-trump-strategy-afghanistan-and-south-asia>

³ AFP, India a pillar of regional stability, security: Mattis, *Gulf Times*, September 25, 2017, <http://www.gulf-times.com/story/565082/India-a-pillar-of-regional-stability-security-Matt>

⁴ William R. Haycraft, *Yellow Steel: The Story of the Earthmoving Equipment Industry*, University of Illinois Press, 2002, p.145

⁵ 'Karakoram Highway - the mighty 'eighth wonder of the world', *DAWN*, March 20, 2016, <https://www.dawn.com/news/1245825>

'Quadrilateral Traffic in Transit Agreement' (QTTA) to facilitate traffic in transit.⁶ Its route linking China and Pakistan is same as the CPEC route through Gilgit-Baltistan and Kashgar. Interestingly, in 2014, United States Agency for International Development (USAID) released a report analysing the transit trade facilitated by the 1995 agreement.⁷ This report shows the following route from Islamabad to Almaty under the QTTA agreement:⁸



This route is same as CPEC route from Islamabad to Kashgar, and no objections to this being a disputed territory were raised. Thus, the present objection, it seems, is politically motivated to undermine a development initiative that, if steered ably, holds the promise of not only opening up new avenues for diversification of Pakistani economy in the long-run, but also for the 3 billion people across West Asia, Middle East, Africa and Europe. That is almost half of the world's population.

For long-term regional peace and stability therefore, the Trump administration needs to rethink its opposition to development and infrastructure building initiatives of developing nations. Granted that the US cannot favourably view CPEC/BRI due to strategic rivalry with China, but at the same time officials in Washington are well aware of the nature of relationship between the latter and Pakistan. Washington needs to take an independent stock of regional development initiatives instead of throwing its weight behind what is clearly an Indian position.

⁶ 'Agreement between the Governments of the Republic of Kazakhstan, People's Republic of China, Kyrgyz Republic and Islamic Republic of Pakistan on transit transportations', *CIS Legislation*, March 1995, <https://cis-legislation.com/document.fwx?rgn=8391>

⁷ USAID Trade Project, 'Analysis of Quadrilateral Traffic in Transit Agreement (QTTA)', *USAID*, May, 2014, http://pdf.usaid.gov/pdf_docs/PA00K24C.pdf

⁸ *Ibid.*, p.6