China-Pakistan Economic Corridor (CPEC) and the Emerging Maritime Security Environment

Vice Admiral (R) Farooq Rashid
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Abstract

The Indian Ocean Region (IOR) is rising in strategic importance and 21st century geopolitics is going to be centered on the Indian Ocean. In this scenario, China has launched the Belt and Road Initiative (BRI) with the China-Pakistan Economic Corridor (CPEC) as its key component and Gwadar deep-water port as its main terminus. CPEC will serve to connect the Pakistani port of Gwadar to China’s Xinjiang province. Once the deep-water port of Gwadar is fully operational, it will greatly alter the geo-strategic balance of the region. This paper argues that although CPEC is being seen as an economic model and can usher in a new global paradigm of shared interests and peaceful economic interdependence, it can also lead to a new maritime contest. In case of an atmosphere of conflict, CPEC can have wider implications deriving from policy options taken by the major powers, emerging powers and regional players in the Indian Ocean. It is, however, the strategic behavior of the United States that will determine the final outcome.

Keywords: Arabian Sea; Chokepoints; Belt and Road Initiative (BRI); China-Pakistan Economic Corridor (CPEC); Indian Ocean Region (IOR); Maritime Silk Road (MSR); Sea Lines of Communications (SLOCs); Silk Road Economic Belt (SREB).

The Indian Ocean is the third largest of the world's oceanic divisions, covering about 70 million square kilometers. It is bounded by Asia to the north, Africa to the west, Australia to the east, and Antarctica to the south. Narrowing toward the north, the Indian peninsula divides the Indian Ocean into the Bay of Bengal to the east and the Arabian Sea on the west. The Indian Ocean contains critical Sea Lines of Communications (SLOCs) that connect some of Asia’s largest economies to the global economic system.

Security analysts often employ a securitized lens to assess control over access to the Indian Ocean. Geographical limitations have often been used by strategic actors to gain a highly enclosed strategic space in the region. With only a few narrow maritime
entrance points, the littoral is not well-connected to the interior of the Eurasian continent. A succession of extra-regional maritime powers has historically dominated the northern Indian Ocean by manipulating the relative absence of over-land linkages to the exclusion of Eurasian powers like China and Russia.  

For instance, imperial Britain stopped Russian efforts to build a railway across Persia to the port of Bandar Shahpur (now Bandar Khomeini) on the Persian Gulf by constructing a sphere of influence over southern Persia “that essentially gave it a veto over the project.”

Similarly, stopping Moscow’s perceived plans to access the Indian Ocean became a major justification for the US involvement in Afghanistan throughout the 1980s where it supported the anti-Soviet insurgency.

Today, the Indian Ocean Region (IOR) has become the most important water body of the world. This is where many of the rising powers like China, India, and Indonesia are located. It is also the hub of intense maritime activity over the decades for various reasons. The most important trade routes of the world pass through critical chokepoints located in the Indian Ocean. Such chokepoints can also leave oil tankers vulnerable to enemy attack in times of war, theft from pirates, terrorism and shipping accidents that can lead to disastrous oil spills. The state that controls the chokepoints can have enormous strategic advantages. The strategic competition today increasingly revolves around China’s Belt and Road Initiative (BRI) vision of land and maritime connectivity between Asia, Europe and Africa. The China-Pakistan Economic Corridor (CPEC) is the key component of BRI with huge strategic and economic implications. In the words of an analyst:

It (CPEC) will transform China from a one- to a two-ocean power; enable a part of its $4000 billion annual trade to circumvent the Malacca Straits and other potential chokepoints in the Indian Ocean and shorten China’s supply lines to the Gulf, West Asia and Africa. For these reasons, if no other, China has a vital stake in Pakistan’s strategic stability and socioeconomic development. The Chinese commitment of $46bn for CPEC projects is but the first installment of the massive capital which China is prepared to deploy in Pakistan. The power contest in Asia is now mainly between China and America, and, to a lesser extent, between America and Russia — with India, Pakistan, Iran and others in subsidiary roles.⁴

CPEC is primarily seen as an economic undertaking; however, it goes without saying that this massive project eventually would have strategic and security implications for IOR.

The purpose of this paper is to offer a concise appraisal of the current state of the primary maritime security challenges in the Indian Ocean, explore in greater detail the impact of the China-Pakistan Economic Corridor (CPEC) on the evolution of some key trends, and offer some pointers for policymakers and stakeholders as to what solutions and strategy adaptations might be worth considering going forward. The key research question addressed by this study is:

To what extent is CPEC shaping the emerging maritime security environment in the Indian Ocean?

This key question derives from the hypothesis that CPEC has the potential for both conflict and cooperation and the outcome will depend on the behavior of great powers.

This is an empirical study that employs qualitative research analysis and resorts to available primary and secondary sources for data collection. Following introduction, the paper is divided into three sections. Section one provides an overview of BRI and China-Pakistan Economic Corridor (CPEC); while discussing the geostrategic importance of Gwadar; section two then examines the

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emerging security environment in the Indian Ocean and discusses the parallel trends of conflict and cooperation that the CPEC project can unleash; the third section looks toward the future and argues that while both China and the US are important vehicles for directing the emerging maritime environment, the US holds the key to ensuring peace in the IOR. The paper concludes by briefly summing up the main themes and arguments of the narrative.

I. BRI and CPEC: An Overview

In 2013 President Xi Jinping announced the Belt and Road Initiative (BRI) that consists of two components: the Silk Road Economic Belt (SREB) and the 21st Century Maritime Silk Road (MSR). The SREB connects China with Central Asia, Russia, South Asia, and Europe and the MSR links Chinese ports with those in Southeast Asia, South Asia, Africa, the Middle East, and Europe. BRI envisions a vast network of railways, highways, ports, pipelines, and communication infrastructure spanning the Eurasian continent and facilitating trade, investment, and people-to-people exchange thus enhancing trade flows and spurring long-term regional economic growth and development, benefiting all of those involved. The BRI vision aims to promote a new open economic system in the region by utilizing China’s edge in capital, production capacity and technology. This would enhance Beijing’s regional influence.

The Indian Ocean is important for China for a range of reasons. Chief among these is its need for energy security as its economy began to take-off in the 1980s. This involves diversifying sources of import, as well as shipment routes to pre-empt stoppage or disruption of its seaborne energy goods. According to US Energy Information Administration (EIA), China’s seaborne coal, oil, and gas imports account for 15 per cent of the world’s seaborne trade with an increase of 17.5 per cent in crude oil import in 2014.5

By volume of oil transit, the Strait of Hormuz in the Persian Gulf and the Strait of Malacca that links the Indian and Pacific Oceans, are of fundamental significance being two of the busiest chokepoints in the Indian Ocean. In 2016, the Strait of Hormuz led with 18.5 million barrels of crude oil and petroleum products passing through it daily. In the same timeframe, 16 million barrels daily passed through the Strait of Malacca.\(^6\) It is obvious that any closure or disruption to either of these chokepoints could spawn unpredictable price fluctuations and security challenges at the regional and global level. Such vulnerability is a matter of concern for Beijing that fears that hostile navies could disrupt ships carrying energy resources during an international security crisis which could seriously undermine China’s economic growth. The Indian Ocean’s SLOCs facilitate an enormous amount of Chinese trade and represent a lifeline for the Chinese economy, in terms of imports of hydrocarbons, and exports of manufactured goods. Any disruption or termination of its imports may result in a possible energy shutdown. This would not be unprecedented as New Delhi had threatened to block the Malacca Straits if China supported Pakistan militarily during the India-Pakistan war of 1971.\(^7\) Accordingly, China-Pakistan Economic Corridor (CPEC) represents a shorter and safer route through which energy can flow into China, even in times of conflict. Linking Pakistan’s Gwadar Port with Kashgar in the Xinjiang region of northwest China, CPEC is one of the six economic corridors of the BRI to be constructed by utilizing Chinese advantages in capital, technology, production capacity and engineering operations. China has been troubled by the violence perpetrated by the ethnic Uyghur community in its Muslim-dominated, north-western Xinjiang region that have connections

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with the Pakistani Taliban (that now operates from Eastern Afghanistan) and the East Turkestan Islamic Movement. CPEC will foster development in these insurgency-affected regions. Clearly, as a result of the economic and security advantages, CPEC remains an important strategic project for China even outside the context of BRI.

The port of Gwadar is located strategically on the southern coast of Pakistan at the confluence of Gulf of Oman and Arabian Sea and is in close proximity to the Strait of Hormuz. It is in the process of being developed by the Chinese into a deep-water port, and alongside the port city of Karachi, will provide the BRI with crucial access to the maritime trading routes of the Indian Ocean.

Currently, planned investments in CPEC amount to more than 62 billion USD, and the amount is rising as new sub-projects are proposed. CPEC involves, amongst other things, the development of industrial parks, economic zones, dams and energy stations, all linked together by world-class expressways and railway lines along the Kashgar-Gwadar route, bisecting the length and breadth of Pakistan. For Pakistan, CPEC represents not only the tangible symbol of economic interdependence, but also the intangible reflection of its strong relationship with China that has only grown stronger since 1950 when Pakistan became the first Muslim country to recognize the People’s Republic of China.

Under the Long-Term Plan for China-Pakistan Economic Corridor 2017-2030, BRI is envisioned to become the harbinger of economic and social development in Western China while driving regional economic interdependence. The timeline outlined in the jointly formulated Long-Term Plan delineates three milestones:

1. By 2020, CPEC takes on an initial shape as Pakistan’s economic and development problems are mostly addressed and CPEC begins to drive economic growth in both countries.

2. By 2025, the construction elements of CPEC are basically done, the industrial system approximately complete, major
economic functions brought into play in a holistic way, people’s livelihood along CPEC significantly improved, regional economic development more balanced and all of the goals of Vision 2025 achieved.

3. By 2030, CPEC building entirely accomplished, the endogenous mechanism for sustainable economic growth is in place, CPEC’s role in stimulating economic growth in Central Asia and South Asia brought into holistic play and South Asia grows into an international economic zone with global influence.8

The international vision under the Plan includes a major transportation infrastructure to facilitate a new international logistics network and industrial layout. Another expected outcome is the elevation of the status of South Asian and Central Asian countries in terms of the labor division of the global economy and the promotion of regional economic integration through stable trade growth, international economic and technological cooperation and personnel exchange.9

Assuming that CPEC progresses as planned, it is likely that by 2030, Gwadar will be a deep-water port capable of trans-shipment and handling all sizes of ships, all kinds of cargo and the handling, storage and transportation of energy sources. Simultaneously, a large part of China’s international trade and the trade of other countries will be passing through Gwadar. It goes without saying that once Gwadar is fully operational as the linchpin of CPEC, Pakistan is bound to exert stronger strategic influence on SLOCs in the Indian Ocean. CPEC promises to close the large gap between the world’s maritime nations and Pakistan that has, for cultural and historical reasons, remained obsessed with land, unwilling to explore the maritime sector for economic benefit.10

10 Looking at Pakistan’s approach to maritime affairs, one is surprised to discover that while one third of the world population now lives within 60 km
That the Chinese have been given management rights of the port for the next forty years could have vital implications for not only China and Pakistan, but also the US and India as Gwadar gives Beijing a shorter and safer access to the Middle Eastern oil and gas.\textsuperscript{11} Nicholas Spykman once observed that, "Geography is the most fundamental factor in the foreign policy of states because it is the most permanent."\textsuperscript{12} Notwithstanding Pakistan’s internal security issues, its geostrategic position continues to endow it to play a pivotal role together with the regional, Western and Far Eastern countries, including the United States and China. The strategic importance of Gwadar as a gateway between the Indian Ocean and the Eurasian hinterland is unfolding as BRI drives the Chinese vision of new regional and global linkages. CPEC thus represents a significant and long-term investment in Pakistan, and has strategic implications for not just Pakistan and China, but for the IOR and all countries participating in the BRI.

II. CPEC and the Emerging Maritime Environment

It is my contention that the Greater Indian Ocean, stretching eastward from the Horn of Africa past the Arabian Peninsula, the Iranian plateau, and the Indian Subcontinent, all the way to the Indonesian archipelago and beyond, may comprise a map as iconic to the new century as Europe was to the last one.\textsuperscript{13} - Robert D Kaplan

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of the sea, a traveler from Pakistan’s industrial hub, Karachi to its port of Gwadar through the coastal highway does not come across even a small town for miles. Similarly, the per capita consumption of seafood in Pakistan is mere 2 kg as compared to average international consumption of 17 kg. Amin Ahmed, “Fish consumption in Pakistan lowest in the region”, \textit{Dawn}, September 29, 2006.
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\textsuperscript{11} Ashay Abhi, “\textit{E-International Relations }”, \textit{http://www.e-ir.info/2015/07/26/ string-of-pearls-india-and-the-geopolitics-of-chinese-foreign-policy/}.
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\textsuperscript{12} Nicholas John Spykman, \textit{America’s Strategy in World Politics: The United States and the Balance of Power}, (New Jersey: Transaction Publishers, 2007), 41.
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Kaplan’s words are both prophetic and logical. The Strait of Hormuz and the Strait of Malacca are located in the Indian Ocean. They are the world's most important strategic chokepoints for the divergent security and economic objectives of global and regional powers in the 21st century. A reading of the nineteenth century American naval strategist, Alfred Thayer Mahan’s arguments will immediately highlight the importance of securing a trading state’s SLOCs. His premise remains relevant in view of the unfolding US-China strategic competition in the 21st century.

Gwadar’s strategic location serves multiple objectives for China. It rests on the Iranian border and overlooks the Strait of Hormuz, giving China an alternative solution to its oil and gas problems and is in close proximity to Indian waters and the western state of Gujarat, a strategic vantage point for military presence that can not only monitor Indian activities but, as India worries, can also threaten them. Thus, Andrew Small argues that Pakistan is a central part of China’s transition from a regional power to a global one. Its coastline is becoming a crucial staging post for China’s take-off as a naval power, extending its reach from the Indian Ocean to the Persian Gulf and the Mediterranean Sea.

As India perceives itself as a potential regional hegemon, many Indian strategic thinkers hope to create a defensive sphere of influence in the Indian Ocean. They apply certain geo-strategic perspectives that sometimes bear close resemblance to those of imperial Britain. This includes a possessive attitude towards the Indian Ocean amid deep security anxieties of a possible penetration by Asian land powers of the Himalayan barrier that separates India from Eurasia. Stoked by the Indo-China border war of 1962, Indian security fears remain in place in the face of the still

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14 Mahan offered a revolutionary analysis of the significance of naval power as a catalyst in the rise of the British Empire. See Alfred Thayer Mahan, *The Influence of Sea Power Upon History, 1660–1783* (Little, Brown & Co, 1890)
18 David Brewster, “Silk Roads and Strings of Pearls”, op.cit.
unresolved territorial disputes between the two countries. Consequently, Indian Navy’s 2007 and 2015 strategy documents justify India’s strategy of controlling the Indian Ocean chokepoints\(^\text{19}\) even though any such maneuver will violate international law of the seas that stipulates freedom of navigation.

Indian worries about a possible Chinese strategic encirclement through a “string of pearls” maritime strategy - based on a geopolitical theory that perceives China’s port and maritime infrastructure projects in the IOR as the forerunner of Beijing’s eventual establishment of military bases in the region\(^\text{20}\) between the Chinese mainland and Port Sudan. India’s security concerns resonate with the US anxieties of a rising China. It is obvious that a direct US military challenge to China would be detrimental to the American economic interests. Constricting China’s economic rise in a globalized world is likely to entail heavy cost for the American economic growth, primarily due to the interdependent nature of modern day trade and commerce.

The Obama administration’s “Pivot Asia” had many elements of continuity with past policy, including recognizing the economic dynamism and growth in the Asia-Pacific region. It paid more attention to India, Southeast Asia, and regional institutions.\(^\text{21}\) The Trans-Pacific Partnership (TPP) was a flagship trade deal with twelve countries in the Pacific Rim including the states that challenge China’s territorial claims on certain islands in the South China Sea. With the advent of the Trump administration and its

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withdrawal from the trade deal, the TPP remains an unfulfilled ambition unless President Trump decides to review his decision.

The US strategy to contain China appears to derive from the concept of “off-shore balancing” - in which a great power avoids direct entanglement but empowers a regional state, such as India, to check the rise of a competing power. Thus, while keeping trade relations with China intact or at the most indulging in a tradewar, the US is employing an indirect military strategy to counter China in the Indian Ocean. It appears that by keeping both New Delhi and Beijing entangled in a mutual security competition, the US strategy is aimed at fatiguing both rising powers to minimize future challenges to US global hegemony.

In geopolitical terms, what we are witnessing in IOR is a fundamental shift in regional alignments. While CPEC can bring together China, Pakistan, Russia and Iran to cooperate over CPEC, the emerging US-India strategic partnership contains within it the seeds of dissention and conflict.

Despite hiccups, China is proving to be an economically more attractive and politically more reliable partner for not only Pakistan, but also Sri Lanka, Nepal and Maldives. In view of its BRI and CPEC incentives, China is moving away from its traditional diplomatic approach of non-interference to active attempts to broker peace in Afghanistan. So much so that there appears to be some overlapping of US-China security interests in the war-torn country.

China has termed the $62 billion CPEC as an "open initiative" and has invited more countries to join the project on the "principle


\[\text{Iskander Rehman, “Keeping the Dragon at Bay: India's Counter-Containment of China in Asia”, Asian Security, 5, No.2 (2009), 114-143}.\]

of equality and voluntarism".  

However, despite the Chinese and Pakistani overture, India is reluctant to shed mistrust. Consequently, India boycotted the Belt and Road Forum held in Beijing in May 2017. One of the Indian objections relates to CPEC passing through Pakistan’s Gilgit-Baltistan area which India claims is part of the disputed Kashmir region, arguing that the construction of CPEC could change the status of the disputed region. More than this however, India fears that CPEC has the potential to further deepen the relationship between China and Pakistan by providing Beijing a shorter and safer access to the Indian Ocean.

The Indian security dilemma is reflected in its concerns about an alleged Chinese “string of pearls” strategy. New Delhi thus sees CPEC as facilitating aggressive Chinese designs. A Pakistani naval facility in Gwadar would remove the need to permanently station a large number of Chinese personnel and equipment abroad, while providing adequate maintenance facilities for the sort of routine repairs that ships and submarines unavoidably need in order to function smoothly over long periods of time.

From the Indian perspective, such developments hold profound implications for its regional aspirations of hegemony, especially against the backdrop of the unraveling of the United States’ Trans Pacific Partnership (TPP) strategy in the Asia-Pacific. For example, China has recently deployed submarines to the Indian Ocean for participating in anti-piracy campaign in the Gulf of Aden. But the Indians fear that they are conducting exercises, surveys, and perhaps even combat patrols, which can be useful for future operations in the Indian Ocean, including encirclement of India.

The Indian security anxieties are most likely less linked to the so-called “string of pearls” scenario and more to the disruption of

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their aggressive naval force structure and what they see as the undermining of their long-term naval strategy in view of CPEC.

CPEC appears to have thrown a spanner in the works for not only India, but also the US strategy in the South China Sea. It is therefore not surprising that a 2017 Pentagon report, tacitly endorsing the Indian stance, singled out Pakistan’s Gwadar Port as a possible location for a future Chinese military base. The report repeatedly cited China’s construction of its first overseas naval base in Djibouti that has fuelled worries in India that it would become another of China’s “string of pearls” military alliances and assets ringing India, including Bangladesh, Myanmar and Sri Lanka.27

That being said, it is unlikely that China will construct overseas bases of the sort built by the US or France in the near future because it would not like to alarm other stakeholders and overstretch naval resources needed closer to home. Others argue that China may not need a “string of pearls” strategy as it is concentrating on the maritime-military strategy of “sea-basing”.28

It is likely that fears of Indian encirclement are based on speculation alone. China as a rational actor has every right to follow a national defense policy that is defensive in nature, and aimed at maintaining sovereignty, security and territorial integrity and guaranteeing China’s peaceful development, especially as the US pushes forward militarization of the South China Sea.

With strategic competition in South Asia shifting to the maritime space where great and regional powers are increasingly relying on sea power, the IOR can potentially become a theatre for intense security competition between nuclear armed India, Pakistan, the US


28 “The concept refers to a naval capability to undertake overseas military missions of expeditionary nature without reliance on land-based operational logistics and command and control infrastructure, of home bases or overseas bases.” Gurpreet Khurana, “Why China may not need a string of pearls in the Indian Ocean.” op.cit.
and China. As states in the IOR contest for naval nuclear supremacy and project newly developed capabilities, the risk of friction increases.

The US and Indian security interests converge on containing the rise of China, with President Trump referring to India as “a key security and economic partner” not only in South Asia but also the Indo-Pacific region.29 The strategic targeting of China is obvious. The 2017 China-India standoff over Doklam is part of a much larger theatre of strategic cooperation, competition and confrontation. Historically, India’s strategic utility to the United States has been a latent opportunity. With the launch of CPEC, a new phase is unfolding, explicit in Secretary of State Rex Tillerson’s October 18 speech at the Center for Strategic and International Studies.30 His words articulate how the United States recognizes India as a key strategic partner. Unsurprisingly, the Trump administration has backed New Delhi’s objection to the CPEC route through Gilgit-Baltistan.31

Accordingly, Washington has assisted New Delhi in joining the Missile Technology Control Regime in 2017, while unsuccessfully lobbying for its entry to the Nuclear Suppliers Group. The US is ready to provide licenses for major American defense technologies. According to a newspaper report, “The Logistics Exchange Memorandum of Agreement (LEMOA) allows the two allies to use each other’s military facilities for checking China’s growing influence in Asia and in the fight against terrorists.”32

The planned Indo-US military relationship envisions co-production of advanced defense items, joint research on sophisticated aircraft carrier and jet engine technologies, as well as strategic collaboration on maritime security. Most significantly, India endorses the US stand on the South China Sea islands regional dispute with China by reaffirming “importance of freedom of navigation and over-flight throughout the region, including in the South China Sea” and vowed support for “a regional security architecture”.\(^{33}\) The US alliance with India has obvious and significant negative implications for Pakistan’s security and experts have warned that India’s ability to build jet engines or acquire armed drones technology from the US would further weaken Pakistan’s conventional defense capability forcing it to fuel the regional nuclear arms competition.\(^{34}\) Herein resides the conflictual potential of CPEC.

Pakistan and India are the two nuclear states of South Asia that have the potential to alter the strategic balance of the region. This means that when India aggressively pursues strategic interests in IOR, Pakistan is forced to respond so as to maintain the regional balance of power. For instance, the Indian test of K4, an intermediate range submarine-launched ballistic missile (SLBM) allows India to target Pakistan from the Bay of Bengal. In response, Pakistan has successfully tested a submarine launched cruise missile (SLCM) Babur-III to ensure credible minimum deterrence.\(^{35}\)

The American security goal of containing the rise of China has been on the horizon since the 1990s.\(^{36}\) This explains why the US and India have come closer as reflected in the signing of the landmark


\(^{34}\) Anwar Iqbal, “US-India defense pact to impact Pakistan, China”, op.cit.


civil nuclear agreement in 2008. The two countries play a strategic partnership role in Afghanistan, while the perennial India-Pakistan dispute over Kashmir is rarely mentioned in US policy statements.

According to the Indian perspective, “the challenge to New Delhi’s domination in the Indian Ocean has led New Delhi to bolster its maritime partnership with the United States” which “serves as a roadmap for bilateral cooperation on safeguarding maritime security and preventing the proliferation of weapons of mass destruction. Simultaneously,“ India views Islamabad’s attempt to acquire second-strike capabilities as attempts to gain strategic parity with India, giving impetus to the action-reaction cycle.” As China, India, and Pakistan employ nuclear weapons at sea, the India Ocean can become the hub of nuclear politics. CPEC, which provides easier and more secure access to China to the Indian Ocean, and Gwadar, and with its potential to afford logistical support to the Chinese navy, amplifies this dimension. Unsurprisingly, India and the United States have engaged in cooperative discussions about India opening up its military bases to the United States in exchange for access to weapons technology to help it narrow the gap with China. The US-India wariness of CPEC in this regard is however bound to exacerbate security anxieties in both Pakistan and China, leading to an arms-race, thus revealing the conflictual potential of the project.

On the other hand, CPEC offers an opportunity for India, Pakistan, Afghanistan and Central Asian States to increase regional trade connectivity in addition to creating economic avenues for Pakistan. Despite its strategic location and favorable economic geography, Pakistan has very limited trading activity with both its

eastern and north-western neighbours – namely India and Afghanistan. India needs a transit route to trade with Afghanistan and Central Asia via Pakistan and Pakistan desires access to the markets of Central Asian States for its energy needs. Thus, CPEC offers a chance for peace and cooperation. Whether the future holds conflict or peaceful coexistence will depend on a number of factors as discussed in the next section.

III. Unfolding Scenario: Conflict or Cooperation?

Peering into the future, two and half decades from now, the world would have changed a great deal. However, notwithstanding a ‘Black Swan Event’ it is generally understood that the US will no longer be the sole superpower and we will be living in a multi-polar world. That said, US Navy will still be a force to reckon with. The future security environment of the world will depend primarily on the strategic option that the US pursues in order to preserve the power balance in Asia and the Indian Ocean. There is no doubt that the US military will continue to be dominant in the region.

The United States may continue to perceive its security, prosperity, and vital interests as increasingly dependent on US dominance of vital sea areas. This they may aim to achieve by maintaining a large naval force with which they could achieve sea control wherever and whenever they need, including in the Strait of Hormuz and the South China Sea. Supporting this maritime activity will be the US bases in key areas around the world and the coalition members and strategic partners like India, reduced US dependence on Gulf Oil by 2035 notwithstanding.

By 2035, China will be increasingly dependent for its growth on both maintaining its seaborne flow of oil and exports of finished goods. China today is the world’s biggest oil importer and about 80 per cent of its energy imports pass through the Straits of Hormuz. Hence, energy security is their key concern and that is why China is shedding its traditional preference for land-based strategy by investing more in its maritime sector and attaching greater
importance to the protection of its maritime rights and interests.\textsuperscript{41} CPEC offers significant geopolitical benefits to China. Beijing gains physical access to the Indian Ocean and closer proximity to Middle Eastern oil resources that could impact their foreign policy approach towards the US, especially in the South China Sea. No other corridor offers Beijing such security advantages.

On the other hand, the successful completion of CPEC by 2030 can potentially give Pakistan strategic benefits on land and at sea, thus minimizing its geographical and operational disadvantages vis-a-vis India which is emerging as a close ally of the US in the region. The Indians are investing heavily in building a Blue Water Navy with aims of their own to control the Indian Ocean to counter both Pakistan and China. So, will the geopolitics of South Asia remain hostage to the US and India’s CPEC-related insecurities?

There have been some promising developments since the launch of the CPEC project. Despite mutual distrust, Pakistan and India have recently joined the Shanghai Cooperation Organization (SCO). With the launch of BRI and CPEC, Beijing would be ever more interested in a peaceful neighborhood. The SCO, with its focus on anti-terror mechanisms, could help ease Indo-Pak tensions. SCO could provide incentives for economic interdependence through CPEC for India and Pakistan, as well leading to a less securitized relationship.

In February 2018, regional leaders launched construction work on the Afghan section of an $8 billion natural gas Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline.\textsuperscript{42} TAPI will link the energy-rich Turkmenistan through Afghanistan to Pakistan and India. Shared economic interests could lessen tensions between Pakistan and India, as well as Pakistan and Afghanistan. The TPI agreement was signed in 2015, but did not move forward due to the political rivalry between the aforementioned states. If the recent


\textsuperscript{42} “TAPI gas pipeline breaks ground on Afghan section”, \textit{Nation}, February 24, 2018.
launch can continue successfully, a similar arrangement can be formed to extend the CPEC to Afghanistan, Central Asia and India.

Beijing and New Delhi constantly work for strong and meaningful economic engagement despite several outstanding political issues. On the other hand, despite closer relations, there have been and still remain differences between India and the US in the commercial, defense and diplomatic realms. Even in their respective foreign relationships, wide differences persist. For example, India’s carefully nurtured ties to Iran and its long standing links to Russia, remain robust especially in defense acquisition. Such rigidities could translate into the slow pace of US-India policy convergence in South Asia.

Pakistan’s access to Central Asia is unlikely unless Pakistan allows Afghanistan the transit route to access India. CPEC, in addition to creating economic opportunities for Pakistan, also offers an opportunity for India, Pakistan, Afghanistan and the Central Asian States to develop strong regional trade connectivity. Similarly, connectivity between Gwadar Port and Chabahar in Iran can foster closer economic relations between Iran, India and Pakistan. On the other hand, the Bangladesh-China-India-Myanmar (BCIM) corridor can usher in an era of trade and economic interdependence between the South, West, Central and East Asia.

The connectivity between Gwadar Port and Chabahar Port and the eventual completion of CPEC will allow Russia and the landlocked states of Central Asia to more easily conduct commerce with the broader IOR. This could lead to the creation of previously uncharted trade routes which will invigorate each set of partners. India’s inclusion in CPEC can be a mutually beneficial move for regional cooperation and trust building that could ultimately help resolve disputes between India, China and Pakistan amicably. From the Indian perceptive, this could prevent Chinese regional dominance. Iran has already shown its interest for an arrangement between Chabahar and Gwadar. The connectivity can allay the existing feelings of ambivalence between Iran, India and Pakistan vis-à-vis the two ports.
CPEC passes through the Chinese and Pakistani parts of Jammu and Kashmir, and joining it can weaken India’s claim over these territories. Yet, India would not like to remain isolated or belligerent because that will further increase Chinese influence in Pakistan, as well as in the Middle East and Central Asia. Thus, India’s inclusion to CPEC can be a mutually beneficial move for regional cooperation and trust building and could ultimately help resolve outstanding India-Pakistan and China-India political disputes, amicably. However, if the incumbent BJP remains dominant in Indian politics, one may expect a continuation of the India-Pakistan rivalry. It is therefore important for Pakistan to safeguard its own national security interests by ensuring the successful culmination of the CPEC project.

The mutual distrust over security issues between Pakistan and India pertaining to Kashmir, militant groups and terrorism is likely to prevent conflict resolution. That being said, rule-based multilateral organizations can help counter international anarchy by persuading their members to settle bilateral disputes through trust-building and transparency. India has always desired to have a transit route to Afghanistan and Central Asia via Pakistan. However, given the political rivalry between India and Pakistan, the latter has blocked such a route. India, as an alternative, has focused on Chabahar Port in Iran to access Afghanistan and Central Asia, reducing its long-lasting dependence on Pakistan to access Central Asia. India, Iran and Afghanistan have recently inaugurated the Chabahar Port under the trilateral framework, a clear attempt to bypass Pakistan for a regional trade connection between the three countries. However, the Chabahar Port is not likely to be a zero-sum game for Pakistan which could also be part of the Chabahar trilateral arrangement, and both Gwadar and Chabahar ports could be linked as regional ports fostering regional trades. The Iranian side has already offered Pakistan to be part of the Chabahar Port trilateral arrangement and not to consider the port as rival to Gwadar Port.

43 Ejaz Haider, “From geopolitics to geo-economics”, Newsweek Pakistan, December 14, 2015.
CPEC appears to have accentuated India’s security fears thereby fuelling a nuclear competition with Pakistan. From the Pakistani perspective, one of the main rationales for the diversification of nuclear capability is to increase the defense capability in terms of deterring the militarization of the Indian Ocean. Moreover, another reason for enhancing the naval power is to respond to the regional rival in order to counter India’s upgraded nuclear capability.\(^45\) CPEC, however, has the potential to foster cooperation on the nuclear issue. Shared economic interests in CPEC, which can flourish despite political disputes, can bring both India and Pakistan to a better understanding of their nuclear postures.

As the existing great power, the role of the United States remains paramount in ensuring that CPEC becomes a symbol of cooperation and not fragmentation. By pitting India against China and Pakistan, the US will only perpetuate the existing regional security dilemma. Since 9/11, the US has taken an increasingly militarist approach to volatile developments in the international arena – from Afghanistan to the Middle East and North Africa. By unleashing its military power on weaker countries, often violating the laws of war and undermining multilateral agreements, the US is chipping away at the very post-World War II rule-based international order that it helped foster along with its western allies. It is quite revealing that the 2018 American national defense strategy puts greater emphasis on great power competition.\(^46\) The American military presence in Afghanistan should also be seen in this context.

In its desire to curtail Iran and China, the US is now playing a divisive role in the IOR. Its strategic partnership with India is bound to perpetuate the India-Pakistan regional competition that has been


one of the main causes of under-development and violence in South Asia. By failing to launch any project at par with CPEC after 9/11, the US has missed an important opportunity to increase and maintain its influence in the South Asian region.

The US-India alliance in its current form will threaten a rising China, whose strong economy and an increasingly powerful military will not be bullied. CPEC, as part of BRI, serves as China’s lifeline, and therefore, it will not hold back if Pakistan’s territory is violated. This should be clear from the unprecedented statements coming from the Chinese Foreign Office every time the US or India try to push Pakistan into a corner over the question of terrorism.

Whether CPEC ushers in an era of cooperation or conflict depends primarily on the US behavior as a waning superpower trying to contain a rising superpower that is challenging American global hegemony not through violent military means or territorial conquest, but through peaceful economic measures. The divisive US approach will not work in the IOR because it is home to a number of rising economies depending on connectivity. Therefore, the IOR countries would be very reluctant to trade off their freedom of navigation to extra-regional powers.

Conclusion

This paper has argued that CPEC has the potential to unleash both cooperation and conflict. As a global vision, BRI, by definition, embodies the two contradictory trends of globalization i.e. integration and fragmentation. CPEC manifests these contradictions in the emerging maritime environment of the Indian Ocean region.

CPEC has the potential to act as a catalyst in the emerging maritime security environment. By the time the project is fully functional, the world’s energy needs, propelled by the growth of China and India, would have increased manifold. Therefore, a fully functional CPEC could usher in an era of contest for sea control by not only regional, but also many major global economies such as Australia, Japan, Korea and Russia that have a special interest in the energy corridor through the Strait of Hormuz. As the existing
superpower, therefore, it is the US behavior and its foreign policy approach towards its strategic competition with a rising China that will determine the nature and outcome of the future maritime environment in the Indian Ocean.
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