Pages: 235 – 243

• **p-ISSN:** 2791-0245

• DOI: 10.55737/qjssh.199903970

# Open Access

SOCIAL SCIENCES AND HUMANITIES check for updates

# Impact of China Pakistan Ecnomic Corridor (CPEC) on Indo-Pak Rivalary

Kamran Khan<sup>1</sup> Muhammad Ayub<sup>2</sup> Shahabuddin<sup>3</sup>

**Abstract:** As a matter of fact, both China and Pakistan have greatly been/will be benefiting/ benefited from the China–Pakistan Economic Corridor, but at the same time, it is being thought of by the neighboring country, India, as a threat to her. India, a hegemonic power in the region, has always been mindful of Chinese interference in this region and has been considering the greater cooperation of China with Pakistan as a threat to their regional power and, thus, in a way, interference in the cause of Kashmir particularly Pakistan's claim to it. In order to balance the power in the region, India has been trying its best to oppose the Cooperation in the form of CPEC as it will not only benefit China but Pakistan as well and make Pakistan more secure. The research assignment is aimed at highlighting the current Indo–Pak relations as well as the impact of CPEC on Indo–Pak rivalry with future analysis based on observations.

Key Words: China, India, CPEC, Cooperation and Rivalry, BRI, Kashmir

# Introduction

CPEC is one of China's largest Belt and Road Initiative foreign investments. Over the next few years, China and Pakistan will spend \$46 billion to strengthen their relationship. China is also expanding its foreign policy role. CPEC also affects India-Pakistan relations. Pakistan-China corridor and Jammu and Kashmir passage have been disputed by India and Pakistan since 1947. CPEC may worsen India-Pakistan relations. An upside is that it could resolve the Kashmir dispute.

The CPEC is a major part of China's foreign policy because it combines infrastructure and operations related to the "New Silk Road" through Central and South Asia. It includes the South Asian pipeline and Maritime Silk Road projects. China has long had these two routes meet in Gwadar, Baluchistan, Pakistan. A 3000 km network of roads, railways, and highways will result from CPEC's construction. This aims to reduce energy shortages, boost economic growth, and create new industrial zones.

CPEC will affect India–Pakistan relations. The northern Pakistani corridor crosses Gilgit–Baltistan. This region is in Jammu and Kashmir, which India and Pakistan dispute. The former royal State was annexed by India in October 1947, so India and Pakistan are excluded from their claim. Everyone has been in this field for years, says New Delhi. India is insisting on settling the dispute as Captain India requested in 1972 and discussing the Shimla Agreement for dispute settlement in bilateral negotiations.

Pakistan's economic growth has been weak in recent years, especially compared to India, Bangladesh, and Sri Lanka, despite the CPEC's goal. This would likely prompt international intervention, which could benefit Pakistan. Economic and political implications of the CPEC would greatly expand the negative period of the Indo-Pakistan relationship, and its positive impact will likely encourage military power growth, which will hurt India-Pakistan relations (Maqsood, <u>2021</u>).

<sup>&</sup>lt;sup>1</sup> Graduate Student, Department of International Relation, Abdul Wali Khan University Mardan, Mardan, KP, Pakistan.

<sup>&</sup>lt;sup>2</sup> Graduate Student, Department of International Relation, Abdul Wali Khan University Mardan, Mardan, KP, Pakistan.

<sup>&</sup>lt;sup>3</sup> Graduate Student, Department of International Relation, Abdul Wali Khan University Mardan, Mardan, KP, Pakistan.

<sup>•</sup> Corresponding Author: Kamran Khan (<u>kamrankkn55@gmail.com</u>)

<sup>•</sup> **To Cite:** Khan, K., Ayub, M., & Shahabuddin. (2023). Impact of China Pakistan Ecnomic Corridor (CPEC) on Indo-Pak Rivalary. *Qlantic Journal of Social Sciences and Humanities*, 4(3), 235–243. <u>https://doi.org/10.55737/qjssh.199903970</u>



Pakistan has high economic hopes for the CPEC, but its implementation is uncertain. The official advertising and spending of Chinese projects in Pakistan are always different. However, in the medium to long term, the CPEC is likely to boost Pakistan's economic development (Farooq, 2019), improving infrastructure and reducing energy shortages. Pakistan-China strategic alliance will strengthen with CPEC. Thus, a shift in Pakistani thinking may occur in the escalated Pakistan-India dispute. Pakistan is becoming aware that supporting a terrorist group alone to achieve a foreign policy goal in neighboring countries like India and Afghanistan is even more counterproductive and harms Pakistan's national security.

China hopes that the CPEC and its economic impact will help change things and strengthen civil society. Peaceful development in Pakistan can benefit the region, including Afghanistan. The proposed Chinese trade routes through Gilgit Baltistan will require provincial status, which may indirectly resolve the Kashmir issue. India has stated, as in 2007, that it is willing to accept the status quo and leave the territories. The research paper critically analyses Indo-Pakistan relations in light of the China-Pakistan Economic Corridor and Pakistan's political costs for completing the economic and social development project.

# Indo-Pak Relations: Historical Overview

India and Pakistan became independent republics from British India in August 1947. The relationship between India and Pakistan has been tense since independence. Both countries face bilateral issues. India and Pakistan have one of the world's most tense relations. The split of the subcontinent soured relations between Pakistan and India, so extra-regional countries like the US, Russia, and China were involved in Indo-Pakistan politics throughout the Cold War. Violence began when millions of Muslims, Hindus, and Sikhs crossed the new borders to live in India or Pakistan. The sectarian violence that followed Pakistan's independence set the stage for a long-term rivalry (Wagner, <u>2016</u>)

# Kashmir Issue

Political rivalry and confrontation characterize Pakistan and India. Ideological and economic differences shape Kashmir conflict perspectives. The right to self-determination has become a complex conflict between India and Pakistan (Samii, 2005). After the partition, Pakistan and India fought over Kashmir. Hindu Maharaja Hari Singh ruled this Muslim-majority state. On October 26, 1947, the Maharaja joined India. An uprising ensued. To free Kashmir from Indian rule, Pakistani tribesmen fought alongside Kashmiris. India sent its regular army to maintain control. In May 1948, Pakistan intervened as the unrest grew. The first Pakistan–India Kashmir war ensued. The India–Pakistan Kashmir war, one of the world's longest–running conflicts, hinders regional integration and peace in South Asia.

# Trade Issue between India and Pakistan

India–Pakistan trade is a hot topic in South Asian academic and policy circles. Trade expansion would reduce political tension and conflict in these two neighboring states and boost economic development, according to several studies. Academics have linked commerce, economic progress, and peace (Taneja, 2006). Commerce can increase income, reduce poverty, unemployment, and foreign investment, improve manufacturing methods, lower production costs, lower consumer prices, and expand customs. Politically, trade expansion can reduce rivalry, conflict severity, and partnership, promoting regional peace and stability. Despite trade's political and economic benefits, the two countries' trade has stagnated for 60 years (Khoja, 2020).

# India-Pakistan Bilateral Trade History

Bilateral trade between India and Pakistan has fluctuated due to geopolitical tensions and diplomatic relations for 60 years.

- India made up over 70% of Pakistan's trade in 1948–49, with 63% of Indian exports to Pakistan. Commercial relations between India and Pakistan deteriorated by 1949.
- 11 Indo-Pak trade and payment agreements were signed from May 1948 to March 1960.

After the 1965 war, India and Pakistan experienced a trade blockade until 1974. India attempted to restart trade several times but without success.

- After signing the Shimla accord on November 30, 1974, the trade embargo was lifted on December 7, 1974.
- On July 15, 1976, Pakistan allowed private-sector trade with India to diversify commerce.
- In November-December 1981, Pakistan attended the Delhi International Trade Fair. After that, the neighbors quickly swapped trade delegations.
- In June 1983, a joint business commission was created to speed up government clearance decisions and recommend new goods for bilateral trade.
- India and Pakistan signed SAARC's final agreement in 1986, promising to improve South Asians' lives.
- In July 1989, Pakistan agreed to import 322 Indian goods. Indo-Pak trade rose to Rs. 522.59 crore in 1992-93 from Rs. 168.09 crore in 1991 after the Nawaz Sharif administration took power.
- The South Asian Preferential Trade Agreement (SAPTA) was signed in December 1995, creating an integrated trading system in the region. Three trade talks resulted in 5550 tariff line reductions.
- India designated Pakistan an MFN in 1996. Pakistan added 600 Indian products to its legal import list in the same year.
- A 2003 announcement by Pakistan's prime minister added 78 new products to the good list. Most allowed are chemicals, minerals, and metals. Indian trade complementarity index (TCI) was 50% in 2003, while Pakistan's TCI with India was only 14%. High tariffs persist for cardamom and tea. Pakistan's TCI with India was highest in 2007 and highest in 2010, indicating that Pakistan's complementarity with India has improved, which is good.
- In the third round of composite dialogue process negotiations in March 2006, both states agreed to
  examine the new shipping protocol, air service deregulation, basmati rice joint registration,
  Pakistan's positive list expansion, and information-technology suggestions. India should provide
  medical services and export insurance, and Pakistan should sign a capital market cooperation
  memorandum.

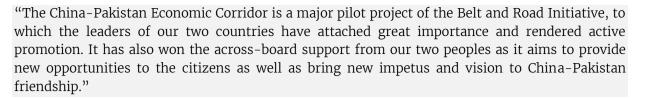
In November 2011, both states agreed to work towards removing non-tariff barriers during the 6th round of commerce secretary-level discussions in New Delhi. The two countries have signed three agreements: customs cooperation, mutual recognition, and redress of trade grievances.

In November 2011, Pakistan granted India the most favored country (MFN) designation to boost bilateral trade (Chengappa, <u>1999</u>).

# China-Pakistan Economic Corridor, or CPEC

Xi Jinping's One Belt One Road (OBOR) initiative, which prioritizes connectivity and cooperation amongst Eurasian nations, served as the model for CPEC. China and Pakistan have always supported one another. The China-Pakistan Economic Corridor is a framework for economic regionalization that will benefit not only China and Pakistan but also the major South Asian nations and the states of Central Asia as a whole. On April 20, 2015, the project was officially started following the signing of agreements between the governments of China and Pakistan. The China-Pakistan Economic Corridor links China's Xinjiang province with the deep-water ports of Gwadar and Karachi in Pakistan. Moreover, Tajikistan, Kyrgyzstan, India, Mongolia, Russia, and Afghanistan are all bordered by Xinjiang. CPEC unites the nations in the region in this way. The CPEC would lower the cost of transporting commodities like natural gas, which China imports via the South China Sea and the Straits of Malacca, in addition to saving time and distance. These straits would be replaced by CPEC, which would improve trade opportunities between the states. Modernising Pakistan's energy and infrastructure transport systems is one of the main objectives of the China-Pakistan Economic Corridor (CPEC). The project also aims to stabilize or grow the region's economy as a whole, depending on mutual support and cooperation. Their mutual trust, support, and win-win cooperation have not only made them excellent neighbors and strategic partners, but they have also increased interdependence. One of the primary facets of collaboration between the two nations is the advancement of the China-Pakistan Economic Corridor, or CPEC (Iqbal K., 2018).

The China–Pakistan Economic Corridor (CPEC) has various dimensions, such as economic, political, strategic, civilizational, and cultural. As Mr. Nong Rong, the Chinese ambassador to Pakistan, stated, "CPEC is a golden opportunity for both China and Pakistan.



#### Chinese Ambassador Mr. Nong Rong

About 62 billion dollars are invested in Pakistan by China. It was raised from 45 billion dollars to 62 billion dollars at a later date. Pakistani and Chinese economic prospects will both be improved by the CPEC. Because this project entails building dams, installing nuclear reactors, building road networks, and building railway lines, it will reduce poverty and unemployment while also boosting Pakistan's economy. China will have physical access to markets in South Asia, Europe, and beyond through Pakistan. Eighty percent of China's oil is transported from the Strait of Malacca to Shanghai, a distance of sixteen thousand kilometers. However, once the Gwadar operation is completed, the oil transportation distance will be less than five thousand kilometers. Construction of the chemical and energy industries is part of CPEC. The development of Gwadar city and the establishment of Gwadar port are part of the CPEC. Twenty-one energy projects, including solar, oil, and gas, are signed under the CPEC. Of these, 14 projects have the potential to produce 10,400 megawatts of energy. China claims that the combined output of these projects will reach 16,400 megawatts of energy oil. Energy projects will stop load shedding and lower oil prices, but they will also increase the import of coal. Thirty-five billion dollars are invested in energy projects (Jia, 2017). The evolution of the Gwadar port, various routes, strategic interests, and CPEC obstacles are also covered in detail below.

#### **Dimensions of CPEC**

Without a doubt, the China–Pakistan Economic Corridor (CPEC) will guide Pakistan towards development in the areas of energy, modern infrastructure, industrial production, and many other areas. It is significant from a regional and geo–economics standpoint, but it also has political, cultural, and civilizational aspects. Pakistan holds significant geopolitical and geostrategic importance. Due to British economic interests in the area, the British ruled the subcontinent prior to its independence, and Pakistan continues to play a significant role in politics, the economy, and geopolitics. It plays a crucial role in uniting Muslim countries by bridging South and West Asia. China, a rising superpower in the north of Pakistan, needs to increase its market share and level of engagement with the rest of the world. In this sense, Pakistan serves as a gateway, giving China easy access to the Middle East and other regions, in support of which the CPEC is a practical step (Ahmar, 2014).

Pakistan and Afghanistan have always had cordial ties. Particularly in the context of Pakistan-US relations, US interest and meddling in Afghanistan increase Pakistan's geostrategic and geopolitical significance. There is the Arabian Sea in the south. Pakistan has become more geopolitically significant in global politics as a result of its growing geostrategic significance. China has expressed interest in working with Pakistan due to its strategic importance, but Pakistan also depends on China for economic growth. Simply put! With the establishment of the China–Pakistan Economic Corridor, both China and Pakistan are collaborating based on shared interests and trust. The China–Pakistan Economic Corridor (CPEC) will benefit not just Pakistan but also its neighbors, Afghanistan, Iran, and India. Without a doubt, Central Asian nations will also profit. In addition to being a catalyst for our economic expansion, the China–Pakistan Economic Corridor (CPEC) is being designed to give Pakistan the foundation it needs for socioeconomic development, interoperability, harmonized development, and efficient resource management—all of which are goals that align with the Sustainable Development Goals (SDGs) (Iqbal A., 2017). CPEC is a multifaceted project with many political, cultural, civilizational, and strategic aspects in addition to its economic component.

The project's geo-economics foundation will not change, but its execution could have a revolutionary impact on the contiguous regions of Africa, the Gulf, East and Central Asia, South and West Asia, and East Asia. Using its territory as a conduit for both domestic and foreign trade, Pakistan anticipates that the China-Pakistan Economic Corridor (CPEC) will serve as a means of fostering regional integration. The

"gateway to prosperity and a door with many windows" is what we hope CPEC will become. In terms of economic expansion, it will strengthen China's economy in addition to Pakistan's. In this context, regional integration is another crucial factor (Mahmood, 2019). This initiative will not only benefit China, which is in East Asia, and Pakistan, which is in South Asia, but it will also help India and the Central Asian region. Harmonized development will be achieved in this region through efficient resource management through CPEC.

# Development of Gwadar

Numerous nations across the Arabian Sea have witnessed and praised the well-planned and efficient operation of the Gwadar port development. It exemplifies peaceful development by paving the way for increased global connectivity and prosperity in the region. By constructing the port of Gwadar, China is disseminating the reforms and opening policies and lessons gleaned from its own development of coastal regions. It will have an impact on the future global dynamics of trade and economic relations between nations. According to the Gwadar plan, it is estimated that the ongoing construction of this port has the potential to generate more than 40,000 direct jobs in the remote city of Baluchistan. The CPEC infrastructure in the province is merely eliminating all travel obstacles and boosting the socioeconomic activities of the local population by providing access to the major markets. In addition, the capacity of the desalination plant that provides drinking water to the local population has been increased to 2.5 million gallons, and additional desalination plants will be constructed to increase the capacity to 5 million gallons. Its emergence as the nation's commercial, economic, and financial hub is helping to dispel the region's negative reputation. A 300-megawatt coal plant was also inaugurated as part of the CPEC framework in order to provide the electricity needed to combat the energy crisis. Its development has attracted the international community (Sial, 2014).

The Director-General of the Gwadar Development Authority (GDA), Shahzaib Khan Kakar, stated that the master plan had been approved and that the port city would become the Singapore of Pakistan. He referred to Gwadar as the safest city in Pakistan and urged developers to invest there. The plan calls for the city to be divided into eleven functional zones, including an economic district. And its GDP will increase, which will generate 1.2 million new jobs. (Amir, 2020). According to the GDA, approximately 1.7 million people would relocate to Gwadar within thirty years. Also, there are already visible signs of progress. Residential areas, structures, hotels, schools, and hospitals conform to contemporary standards. It is anticipated to have a positive effect on the neglected portions of the province. Baluchistan is rich in natural resources; its large oil reservoirs, precious metals, and potential oil reserves have attracted the attention of the international community. Investors are paying a great deal of attention to it. The estimated iron inventory is 200 million tons, while the coal inventory is 217 million tons. The construction of the Gwadar port, which will connect the exclusive zone to the rest of the province, will facilitate easy access to all of these minerals. As the principal port of Makran, Gwadar contributes the most to the province's total strategic studies of 78 catches of fish. Further development of the port will enhance the fishing infrastructure (Chengappa, <u>1090</u>).

#### **Different Routes**

CPEC is a significant component of the Belt and Road Initiative, which aims to connect parts of Eurasia and transform the commercial and communication landscape. The CPEC objective of social and economic transformation can be realized through infrastructure development and regional connectivity, for which routes play a crucial role. According to official sources, a number of these were being discussed prior to the signing of the Memorandum of Understanding (MOU) in 2013. However, they were not formalized until after the MOU was formalized.

# CPEC Route Gwadar: The Eastern and Western Route

The major CPEC route, originating from Xinjiang, China, to Karachi, Pakistan, plans to facilitate trade by connecting Kashgar and Gwadar, for which a number of infrastructure projects are underway, mainly those related to the production of railways, highways, pipelines, and optical fiber. They are illustrated in the maps below.

The aforementioned linkage between the deep-sea port of Gwadar and the Chinese border using two routes — namely, the eastern and western routes. The CPEC eastern route will pass through Makran coastal highway, Multan, Lahore, Islamabad, Mansehra, Karachi, Hyderabad, Sukkur, Thakot, and Raikot to Khunjarab. The Western Route, however, covers Gwadar, Turbat, Bismah, Quetta, Zhob, Surab, Qalat, Dera Ismail Khan, Bannu, Kohat, Peshawar, and Islamabad (Jia, <u>2017</u>).

Initially, Pakistan had proposed a CPEC route through Western Pakistan via Zhob and Quetta, aiming to develop the under-developed areas (of provinces Khyber Pakhtunkhwa and Baluchistan). Later, the plan was modified to incorporate an Eastern route to the economic corridor. This meant that while the Eastern pathway crosses Rawalpindi, Pindi Bhatia, Multan, and Faisalabad, the Western Route will pass through North-Eastern Baluchistan via some towns (namely, those of Kalat, Zhob and Quetta).

The list of projects under the Western Route is tabulated below. It is also worth noting that Pakistan has recently, as of July 2021, approved an extension in the Western Route to Gilgit via Chitral, Swat, and Shandur. The initial 1153 km long Gwadar to Brahma Bahtar Interchange would now equal 1616 km with the addition of the Gilgit-Shandur, Shandur-Chitral, and Swat motorway. Connecting these roads with the Western corridor would link Gilgit with other provinces of the country through an alternate route, apart from the pre-existing Karakoram highway.

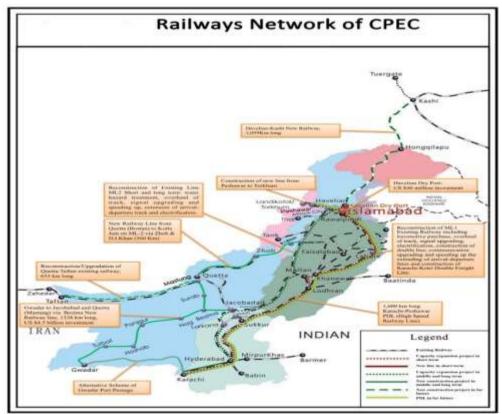
#### Table 1

CPEC Western Road Projects

S.No	Project Name	Length (KM)
1	Hakla D.I Khan Motorway	285
2	D.I Khan (Yarik) –Zhob (N-50)	210
3	Zhob Quetta (N-50)	331
4	Khuzdar-Quetta– Chaman Section (N-25)	431
5	Surab-Hoshab (N-85)	449
6	Gwadar – Turbat – Hoshab (M-8)	193

Source: http://cpec.gov.pk/western-route Date and Time: 21 January 2021, 10:56 P.M

#### **Railways Network of CPEC**



Source: http://www.cpec.gov.pk/map-single/2 Date And Time: 26 January 2021, 10:57 P.M.

# Challenges to CPEC

CPEC is a sensitive development project, and because of its sensitivity, it faces numerous obstacles that are impeding its progress. Pakistan and China both face numerous internal and external difficulties. Due to rivalry between states and insurgencies, as well as corruption and mismanagement at the domestic level, these challenges impose a substantial loss of life and resources (Abid, <u>2015</u>).

# **External Challenges**

The China–Pakistan Economic Corridor (CPEC) is a game–changer for Pakistan's economy and infrastructure development, but India finds it intolerable and unsettling. CPEC also enables China to expand its influence on the Indian Subcontinent, making it a genuine threat to India. As there is also a significant rivalry between India and China, as well as India and Pakistan, Pakistani officials primarily blame India and Afghanistan for disruptions and violence in the implementation of various CPEC projects. Numerous Intelligence officials and journalists have reported and disclosed that Indian Intelligence Agencies are attempting to incite anti–state sentiments in various regions, notably FATA and Baluchistan. India is utilizing Afghanistan to train a large number of terrorists to attack CPEC installations and kidnap and murder workers, thereby creating a severe level of insecurity in the region (Ahmed, 2019). Instability in Afghanistan is also a very special case because stability in Afghanistan will directly lead to stability and security in Pakistan and ultimately to CPEC, which is why China is so eager to negotiate. China has also offered the CPEC trade linkages, from which Afghanistan can gain a tremendous trade advantage because the route to Gwadar is much shorter and more economically viable than the Chabahar port in Iran. However, Afghanistan's relations with Pakistan are extremely strained, and India has been the country's largest contributor since independence.

# **Internal Challenges**

The majority of Pakistan's internal challenges are political instability and insurgencies caused primarily by local misinterpretations. Different political parties, levels of government, the military, and ethnic groups in Pakistan are engaged in intense competition and division, which poses significant risks to the advancement of CPEC and other development projects. Regarding various CPEC decisions, there is a lack of transparency and open discussion. The local government and civilians are greatly concerned because they feel completely ignored and cut off from a project in which they have lost much of their land and resources. This financial, political, and informational insecurity led to various protests demanding complete democratic rights and representation in the ongoing project. Civilians believe that this project will result in China's hegemony over the region and that they will be considered minorities. Locals are of the opinion that CPEC has never been economically beneficial to them and that they are losing all of their land and resources. Consequently, the local populace does not support the CPEC Project. The infrastructure is also being developed in the most populous regions, while regions with extreme poverty are ignored (Iqbal K., <u>2018</u>).

#### **CPEC And Strategic Interests**

The China-Pakistan Economic Corridor (CPEC) is one of China's Belt and Road Initiative (BRI) projects. Since its inception in 2015, this project has had significant repercussions for China, Pakistan, and the rest of the world. This ambitious project will connect the port city of Gwadar with the western city of Kashgar. The success of the China-Pakistan Economic Corridor (CPEC) will enhance China's naval presence and influence in the Indian Ocean and provide a major transit route for China's trade with the Middle East and Africa. In addition, China can benefit from Pakistan's inexpensive labor, and the employment of skilled workers and consumption of Chinese manufactured goods would boost China's economy. This study by Esteban (2016) identifies the CPEC as a significant opportunity for Pakistan to address its economic and security concerns in order to promote economic growth and development. Therefore, Pakistan should focus, support, and work on the implementation of the CPEC in accordance with its original spirit and vision.

"Because China is already an emerging market, CPEC has short-term economic benefits for China, whereas CPEC will result in long-term economic benefits for Pakistan."(Arshad 2015).



The China–Pakistan Economic Corridor (CPEC) came as a ray of hope for economic growth, prosperity, and internal stability to Pakistan after a long period of terrorism conducted enlightening research on China–Pakistan Economic Corridor challenges and opportunities. They provided a comprehensive overview of the China–Pakistan relationship, the introduction of CPEC, and the geography of CPEC and Pakistan. They concluded that CPEC is extremely advantageous for Pakistan in overcoming energy crises, developing infrastructure, and enhancing the economy.

CPEC's roads, ports, and highways are also a major accomplishment. This project will primarily improve the phased integration of Pakistani infrastructure with all sub-regions of Asia and between Europe, Asia, and Africa, as well as eliminate all investment and trade barriers for the establishment of a healthy business climate in the region and all associated nations. After the complementation of this project, Pakistan will become modernized and then spread out markets for manufactured goods. Regional economic integration (REI) is enhanced by infrastructure. It will facilitate REI by removing technical trade barriers, increasing competition, protecting the interests of other regional blocks, reducing trade disputes, increasing technological exchange, and safeguarding socioeconomic standards (Abid, <u>2015</u>).

#### Conclusion

The China–Pakistan Economic Corridor (CPEC) is a significant geopolitical development in South Asia with far–reaching implications, especially for the long–standing rivalry between India and Pakistan. While the CPEC is expected to bring substantial economic and infrastructure benefits to both China and Pakistan, it has inadvertently exacerbated existing hostilities in the region, further complicating an already complex geopolitical landscape.

The greatest obstacle is India's response to this cooperative effort. India has palpable concerns that the CPEC will alter the regional balance of power. This has resulted in a series of actions, such as supporting separatist movements in Baluchistan, which exacerbates tensions between India and Pakistan. In addition, these tensions have the potential to reverberate beyond their borders, directly impacting international peace and security, especially in regard to the protracted Kashmir conflict. Diplomatic efforts, dialogue, and international mediation are essential in this context to mitigate the risk of further escalation and navigate the complex regional dynamics in South Asia.

In essence, while the CPEC offers a path to regional integration and development, it has also become a catalyst for heightened tensions in the region. To ensure that the promise of economic progress does not come at the expense of regional stability and peace, navigating these complex geopolitical waters requires deft diplomacy and international involvement.

#### References

- Abid, M., & Ashfaq, A. (2015). CPEC: Challenges and Opportunities for Pakistan. Journal of Pakistan Vision, 17(2), 142–169. <u>https://prdb.pk/article/cpec-challenges-and-opportunities-for-pakistan-5821</u>
- Ahmar, M. (2014). Strategic Meaning of the China–Pakistan Economic Corridor. *Strategic Studies*, 34/35, 35–49. <u>https://www.jstor.org/stable/48527474</u>
- Ahmed, A. (2019). Security Risks Associated with CPEC Supply Chain. Daily Times.
- Chengappa, B. M. (1999). India-Pakistan trade relations. *Strategic Analysis*, 23(3), 443–457. <u>https://doi.org/10.1080/09700169908455059</u>
- Farooq, U. (2019). Pak China Economic Corridor: Impact on Indo-Pak Relations. PhD Thesis. The University of Punjab.
- Iqbal, A. (2017). CPEC passes through disputed territory: US. Dawn News.
- Iqbal, K. (2018). Securing CPEC: Challenges, Responses and Outcomes. In Securing the Belt and Road Initiative. Singapore.: Palgrave.
- Jia, D. C. (2017). New Trends of US Policy toward South Asia: Challenges to CPEC. *IPRI Journal*, *XVII*(1), 95–121. <u>http://142.54.178.187:9060/xmlui/handle/123456789/787</u>
- Khetran, M. s. (2015). The potential and prospects of Gawadar port. Daily times, 40.
- Khoja, K. (2020). Confidence-Building between India and Pakistan: Lessons, Opportunities, and Imperatives. Stimson Center. <u>https://www.stimson.org/wp-content/files/CBMHandbook3-1998-khoja.pdf</u>

- Mahmood, S. (2019). "Why Is China Vulnerable to Terrorism in Pakistan? The diplomat. https://thediplomat.com/2019/01/why-is-china-vulnerable-to-terrorism-in-pakistan/
- Maqsood, A. (2021). China-Pakistan Strategic Partnership and India's Regional Ambitions in South Asia. Institute of Strategic Studies, Islamabad. <u>https://issi.org.pk/china-pakistan-strategic-partnership-and-indias-regional-ambitions-in-south-asia/</u>
- Samii, C. (2005). Kashmir: From Persistence to Progress? International Peace Academy, New York. https://www.ipinst.org/wp-content/uploads/publications/report\_kashmir.pdf
- Sial, S. (2014). The China–Pakistan Economic Corridor: An Assessment of Potential Threats and Constraints. Conflict and Peace Studies, 6, 24. <u>https://pakistanhouse.net/wp-content/uploads/2016/11/cpec.pdf</u>

Taneja, N. (2006). *India – Pakistan Trade*. Indian Council for Research on International Economic Relations.

Wagner, C. (2016). The Effects of the China-Pakistan Economic Corridor on India-Pakistan Relations. GermanInstituteforSecurityandInternationalAffiars.<a href="https://www.swp-berlin.org/publications/products/comments/2016C25\_wgn.pdf">https://www.swp-berlin.org/publications/products/comments/2016C25\_wgn.pdf</a>